

Docket Number: EL24-024
Subject Matter: First Data Request
Request to: Gevo, Net-Zero 1, LLC
Request from: South Dakota Public Utilities Commission Staff
Date of Request: August 30, 2024
Responses Due: September 16, 2024

Gevo Net-Zero 1, LLC (“Gevo NZ1”) submits the following answers and responses to PUC Staff’s First Data Request to Gevo NZ1:

- 1-1) Please provide the expected electrical demand of each major component, arranged by system, in the ethanol plant and the ethanol to jet plant.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1: The figures below represent the “operating load” (considering the load factor and utilization) of Gevo Net-Zero 1’s major components. The corn receiving, storage and handling facility will have 2.9 MW of demand. The ethanol facility (13.3 MW) and associated balance of plant (3.6 MW) will have aggregate 16.9 MW of demand. The ethanol-to-jet hydrocarbon facility (14.2 MW) and associated balance of plant (5.6 MW) will have 19.8 MW of demand.

- 1-2) On page 10 of the Petition, NZ1 states: “East River and KEC expect to invest approximately [Trade Secret Data Begins] [REDACTED] [Trade Secret Data Ends] million in new transmission and related infrastructure to reliably serve the new NZ1 load (including DRH).”

- a) Does this amount include all the facilities identified in East River’s upgrade plan provided as Exhibit 5? In no, please identify which facilities the estimate applies to.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1 based on information received from Mark Hoffman, East River Electric Power Cooperative, Inc.’s Chief Operations Officer: The facilities reflected in Exhibit 5 reflect all of East River’s upgrade plan. The plan includes the rebuild of facilities along with a conversion from 69 kV to 115 kV for three sections of the East River system from the Carpenter substation to the Kingsbury County substation (across the road from the project location), Arlington substation to Kingsbury County substation, and VT Hanlon substation to Kingsbury County substation.

- b) Would any of East River’s proposed upgrades identified in East River’s Transmission Upgrade Plan – Map be constructed should NZ1 not seek interconnection to Kingsbury Electric?

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1 based on information received from Mark Hoffman, East River Electric Power Cooperative, Inc.'s Chief Operations Officer: The facilities reflected in Exhibit 5 and explained in Section 1-2(a) all are included in East River's long-range plan for rebuild and upgrade and would still be constructed. If NZ1 did not seek interconnection, the Kingsbury County substation would likely be sited further east near the City of Arlington to reduce the line rebuild mileage but would still be required to be constructed. The only facility that would not be constructed if NZ1 would not seek interconnection would be the distribution portion of the Kingsbury County substation that transforms the voltage from 115 kV to 34.5 kV which is only required to serve the prospective loads.

- 1-3) Will there be any rate impacts to other customers on the system in order for East River and Kingsbury to build out the facilities needed to serve the NZ1 load? If yes, please quantify those impacts in terms of East River's Annual Transmission Revenue Requirement.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1 based on information received from Mark Hoffman, East River Electric Power Cooperative, Inc.'s Chief Operations Officer: In this response, the rate impacts are assumed to be the network transmission rate impacts for the interconnection of the NZ1 load with the Southwest Power Pool (SPP) transmission system. We don't expect NZ1 and the other new load to adversely impact the rates of other customers.

- 1-4) Please provide financial projections to support the following statement on page 11 of the Petition: "[t]hrough not regulated by the Commission as a public utility, the Commission can be assured that the rates KEC will charge NZ1 and DRH are sufficient to recover its costs associated with serving the load."

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1 based on information received from Evan Buckmiller, Kingsbury Electric Cooperative ("KEC"), General Manager: NZ1 and DRH intend to purchase power from KEC via a large load rate. The large load rate recognizes the competitive nature of large end use loads while recovering power supply and investment costs associated with these loads. The rate is set at power supply cost plus margin, which recovers maintenance, administrative expenses, and system-wide costs. The large load rate is subject to periodic review by the KEC Board of Directors and can be modified to reflect the cost of operations and/or changes in wholesale rates.

- 1-5) Did NZ1 receive a project scope and cost estimate from Otter Tail Power Company to serve its load? If yes, please provide that information.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1: Over the course of almost two years of working with Otter Tail, the Otter Tail team provided significant cost and related information to NZ-1, DRH and the project teams. It was an interactive and iterative process. The company (as has DRH) executed a confidentiality agreement with Otter Tail. While there is an exception in the agreement to provide confidential information “required by” any judicial or regulatory proceeding, in deference to Otter Tail, we take a narrow interpretation to such exception and do not believe this data request constitutes a regulatory “requirement.” Because it is ultimately Otter Tail’s information and Otter Tail is a party to this proceeding, we believe it is appropriate that Otter Tail provide such information and Gevo does not object to Otter Tail providing such information.

- 1-6) Please provide an explanation as to why Otter Tail Power Company was unable to meet the needs of NZ1.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1: It is not a question of whether Otter Tail was unable to meet NZ1’s needs. We worked closely with Otter Tail for more than one year trying to come to terms acceptable to both parties. Otter Tail was professional throughout in its attempt to secure the NZ1 and related load. We have selected Kingsbury, East River and Basin Electric to serve the load because in the end we found them easier to work with and more flexible in their approach related to documents and the ability to negotiate provisions that are critical to the financing parties for NZ1, DRH, and the Kingsbury County Wind Fuel wind project. This includes provisions related to cooperation with lending institutions, atypical restrictions on assignment and transferability, requirements for costly bank letters of credit to secure various risks that OTP perceived to be incurring, and specific provisions related to the wind farm. For instance, Otter Tail wanted to require the wind farm (Kingsbury County Wind Fuel, LLC) to agree to contractual restrictions, including the payment of significant liquidated damages in the event of any breach of such contractual commitments, the waiver of its rights under Federal law with respect energy sales, and even permanent restrictions on transferability. These restrictions would have made it impossible for the wind farm to obtain financing on reasonable terms or even at all. Because the wind project is an integral piece to the overall project, its failure to obtain financing would have jeopardized the entire project. Kingsbury Electric and East River are imposing no such similar, and we would suggest, unreasonable terms on the project. In addition, our business model includes corn and soil, and working with the cooperatives and the farm and related agricultural interests makes sense to Gevo as a company.

- 1-7) Since the ESA [begin confidential] [REDACTED] [end confidential], please explain why the Commission should not wait to make its determination on this matter until after that contingency is resolved.

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1: For this answer, I refer you to the answer provided by Dakota Renewable Hydrogen, LLC to data request no. 1-6 in Docket EL24-025.

- 1-8) Why doesn't East River Electric Cooperative, Inc. need to sign the ESA given that some of the terms with the ESA are applicable to East River?

Answered by Chris Ryan, President & Chief Operating Officer, Gevo NZ1 based on information received from Danny Brown, East River General Counsel: East River is a wholesale power supplier and is not authorized to sell retail power. As such East River does not sign the ESA. East River and KEC are parties to a wholesale power contract that requires East River to sell wholesale power to KEC.

Dated this 16th day of September 2024.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF GEVO NET-ZERO 1, LLC TO HAVE KINGSBURY ELECTRIC COOPERATIVE, INC. ASSIGNED AS ITS ELECTRIC PROVIDER IN THE SERVICE AREA OF OTTER TAIL POWER COMPANY	* * * * * * * *	STAFF’S SECOND SET OF DATA REQUESTS TO GEVO NET-ZERO 1, LLC Consolidated Docket Nos. EL24-024 EL24-025
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Below, please find Staff’s Second Set of Data Requests to Gevo Net-Zero 1, LLC (NZ1). Please specify the responder when answering each interrogatory. Should any response have subparts answered by more than one individual, identify the respondent by subpart. Consider these questions to be a continuing request and supplement responses with any changes. Staff requests that the responses be returned to Staff no later than 5:00 p.m. CT on October 17, 2024.

2-1) Please provide a copy of all data requests NZ1 received from any party and NZ1’s responses to the data requests. ***Okay. We’ve previously provided Staff with NZ1’s Answers to Otter Tail Power Company’s First Set of Data Requests. We understand this is an ongoing request.***

2-2) Please identify NZ1’s contracted minimum demand and identify where in the Electric Service Agreement (Exhibit 4) it is stated that NZ1 is obligated to meet that contracted minimum demand.

Chris Ryan, President and Chief Operating Officer of NZ1: The document that binds NZ1 is the Electric Service Agreement (“ESA”) entered into between NZ1 and KEC. The ESA requires KEC to supply NZ1’s electric demand not to exceed 49MW which satisfies the “contracted minimum demand”. Notwithstanding the ESA’s satisfaction of the “contracted minimum demand”, NZ1 and KEC have agreed to amend the ESA to include the following provision:

“Minimum Demand. Notwithstanding the Customer’s requirements for kW demand or use of kWh energy, the demand for billing purposes hereunder shall be not less than 2,000 kW for any billing period.”

2-3) Referring to Exhibit 1 and Exhibit 2 of the Petition, please confirm that NZ1’s facilities will be located outside of Lake Preston’s municipal boundaries as the boundaries thereof existed on March 21, 1975.

Chris Ryan, President and Chief Operating Officer of NZ1: Confirmed.

2-4) Is NZ1’s request for Kingsbury Electric Cooperative to be its energy supplier limited to the Net-Zero1 load specified in the ESA. Or, does NZ1 request that the Commission grant

Kingsbury Electric Cooperative the right to serve any new load on the 245-acre property. Please explain.

Chris Ryan, President and Chief Operating Officer of NZ1: NZ1's request for Kingsbury Electric Cooperative to be its electric service supplier is limited to the NZ1 load on the 245 acre property. NZ1 is a new a customer and its 245-acre property is a new location. When NZ1 acquired the site, it did so under three separate purchase agreements, even though a substantial majority of the property (238.9 acres) was acquired from a single seller. NZ1's acquisition and consolidation of the properties supports the conclusion that the full 245-acres is a "new location".

The fact that the NZ1 Facility will physically occupy only part of the 245 acres does not merit a determination that the "new location" is solely the currently intended footprint of the NZ1 Facility. Such an interpretation would (1) effectively sub-divide the NZ1 property by keeping part of NZ1's property in the OTP service territory, (2) effectively preclude NZ1 from adjusting the design of the NZ1 Facility to incorporate all 245 acres if and as necessary, and (3) effectively prevent NZ1 from utilizing KEC provided electric service to supply any other NZ1 owned or constructed infrastructure on its property without undergoing a separate petition and hearing.

As an example of point (3), given the current uncertainty on the Summit Carbon Solutions pipeline permit, NZ1 and Gevo are investigating alternative options for CO2 capture, transportation, and sequestration. NZ1 should have the ability, on its property, to own and construct new KEC-serviced load in connection with, or appurtenant to, the NZ1 Facility, without having to seek subsequent Commission approval. For instance, NZ1 would like to be able to install CO2 liquefaction equipment and procure additional electric supply from KEC without a further Commission hearing. Such new load would likely require that NZ1 build additional infrastructure on an undeveloped portion of the 245-acre parcel.

To the extent that a third-party (e.g., Summit Carbon Solutions) requires electric service on the property, it is not NZ1's intent to try and answer that question in this docket.

2-5) Please provide the CIAC Agreement referenced in Exhibit 4 – Electric Service Agreement. Further, please explain how NZ1's contribution amount was determined.

Chris Ryan, President and Chief Operating Officer of NZ1 –. The CIAC represents NZ1's financial commitment for the cost of two 45/56/75 MVA transformers, two breaker positions protecting the transformers, and an allocated portion of the common facilities for a new substation. NZ1's contribution amount (65%) is proportionate to the electric demand expected from the combined load of NZ1 and Dakota Renewable Hydrogen (with Dakota Renewable Hydrogen responsible for the balance (35%) of the costs set forth in the CIAC Agreement).

For the benefit of Staff, NZ1 is providing Otter Tail Power with a Public Version of the CIAC with confidential information redacted as there is no confidential agreement or appropriate Protective Order currently in place.

2-6) Refer to page 4 of the Petition and the statement “the NZ1 will have firm, electric demand of approximately 40-45 MW, with a 90% load factor.” Also, refer to “East River Kingsbury County Substation – Oneline” in confidential Exhibit 5.

- a) At what meter is the 90% load factor identified in the Petition reported at? **Chris Ryan, President and Chief Operating Officer of NZ1 -- Meters 3, 4 and 5 on the diagram, subject to final design of the substation and facility.**
- b) Does the windfarm interconnecting behind meters 2A and 2B change the NZ1 load factor that Kingsbury Electric Cooperative/East River’s transmission system will encounter? Please explain why the wind farm does or does not impact the load factor. **Chris Ryan, President and Chief Operating Officer of NZ1 – NZ1 believes that this question is better directed to East River Electric Cooperative and/or KEC.**
- c) Will any other breakers be operated as normally open in addition to the breaker attached to meter 5 and labeled as such? If yes, please identify which breakers will be operated as normally open. **Chris Ryan, President and Chief Operating Officer of NZ1 – NZ1 believes that this question is better directed to East River Electric Cooperative and/or KEC.**
- d) What meter, or meters, will be used for the wind farm’s settlements in the SPP market? If multiple meters will be used, please provide the calculation that will be made. **Chris Ryan, President and Chief Operating Officer of NZ1 – NZ1 believes that this question is better directed to East River Electric Cooperative and/or KEC.**

2-7) Is NZ1 aware that having KEC as its electric service provider is permanent and cannot be reversed back to Otter Tail in the future?

Chris Ryan, President and Chief Operating Officer of NZ1 – Yes.

2-8) Is NZ1 aware that the Public Utilities Commission has no regulatory authority over the rates charged by KEC should rates in the Electric Service Agreement change?

Chris Ryan, President and Chief Operating Officer of NZ1 – Yes.

Dated this 17th day of October 2024.

CERTIFICATE OF SERVICE

SERVICE LIST RE: In the Matter of the Petition of Gevo Net-Zero 1, LLC to have Kingsbury Electric Cooperative, Inc. Assigned as its Electric Provider in the Service Area of Otter Tail Power Company Consolidated Docket Nos. EL24-024 and EL24-025.

I, Jason Glodt, hereby certify that, on October 17, 2024, I served copies of Gevo Net-Zero 1's response to Staff's Second Set of Data Requests to Gevo Net-Zero 1, LLC upon the following by electronic mail:

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CONTRIBUTION IN AID OF CONSTRUCTION AGREEMENT

This Contribution in Aid of Construction Agreement (“Agreement”) is entered into and effective as of the 26th day of March 2024 (“Effective Date”), by and between Kingsbury Electric Cooperative Inc., a South Dakota electric cooperative corporation (“Kingsbury”), located at 511 US-14 De Smet, South Dakota 57231, East River Electric Power Cooperative, Inc., a cooperative corporation (“East River”) whose address is 211 South Harth Avenue, Madison, SD 57042, and Gevo Net-Zero 1, LLC, a Delaware limited liability company (“Gevo”), with its principal place of business located at 345 Inverness Drive South Building C, Suite 310 Englewood, CO 80112. Each of Kingsbury, East River and Gevo may individually be referred to herein as “Party” and collectively as “Parties”.

WHEREAS, Gevo plans to construct a refinery facility near Lake Preston, SD which will produce low carbon ethanol and sustainable aviation fuel utilizing low carbon inputs such as the green hydrogen produced by Dakota Renewable Hydrogen, LLC and wind power produced by Kingsbury County Wind Fuel, LLC (the “Refinery”) on a portion of land (the “Refinery Site”) at:

44396 US Hwy 14 Lake Preston, SD 57249, Lat: 44.361323, Lon: -97.331313 County: Kingsbury; Township: 110N; Range: 54, Section: 4 and known and platted as “Tract 1, Tract 2, and Tract 3 of Gevo Addition in the North Half (N1/2) of Section 5 and the Northwest Quarter (NW 1/4) of Section 4, Township 110 North, Range 54 West of the 5th P.M, Kingsbury County, South Dakota”

and an addition of approximately 3.44 acres to be platted as “Tract 1A of Gevo Addition” and described as follows:

“An addition in the Northeast Quarter of Section 6, and North Half of Section 5, Township 110 North, Range 54 West of the 5th P.M., Kingsbury County, South Dakota”, which property,

which addition, as of the date of this Agreement, is subject to an option agreement in favor of Gevo and currently described, in the option agreement as a parcel “that is 75’ in width, adjacent to and laying south of the railroad Right of Way and that extends 2000’ in length, west from the edge of Tract 1 of the Gevo Addition located in the NW ¼ of Section 5-T110N-R54W through both Tract 4 of the Gevo Addition located in NW ¼ of Section 5-T110N-R54W and part of NE ¼ of Section 6-T110N-R54W”.

WHEREAS, Gevo has requested that Kingsbury and East River provide electric service to the Refinery (“Service”).

WHEREAS, East River, as the utility providing transmission service to Kingsbury’s retail electric service customers, has an existing transmission system providing service to Kingsbury.

WHEREAS, Gevo has provided information about the Refinery’s electric service requirements to Kingsbury and East River upon which Kingsbury and East River have made plans and established preliminary cost estimates.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree:

1. Purpose. The purpose of this Agreement is to set forth agreements reached to date by the Parties and to set forth a basic process for further discussions and actions between the Parties with respect to the construction and installation of facilities owned by Kingsbury and East River. Kingsbury will provide retail electric service to the Refinery.
2. Binding Provisions. By signing this Agreement, the Parties agree that this Agreement shall constitute a legally binding and enforceable contract between the Parties.
3. Electric Service Agreement. The Parties agree to negotiate in good faith to execute a definitive electric service agreement (“Electric Service Agreement”) covering the terms, covenants, conditions, and provisions of Service, together with appropriate exhibits and easements, all of which must be, as to form and substance, mutually satisfactory and acceptable to the Parties. The Service shall not be provided to the Refinery until the Electric Service Agreement has been fully executed by the Parties and the South Dakota Public Utility Commission (“SDPUC”) has assigned Kingsbury as the supplier of electric service to the Refinery.
4. Project Scope. Kingsbury and East River, based upon the electric service requirements represented by Gevo, have prepared plans to provide electric service to the Refinery Facility from a new East River substation located at or near the Refinery Site. East River will use commercially reasonable efforts in good faith to acquire the real estate interest necessary for the new substation contemplated herein. Gevo shall provide a drawing and GPS coordinates to Kingsbury and East River with the points of attachment set out for Kingsbury and East River to interconnect with Gevo’s facilities at the Refinery.
5. Facilities. Kingsbury and East River will design, construct and install, or cause to be designed, constructed and installed, all Service delivery facilities to a demarcation point of interconnection with Gevo at a switch on the 34.5 kV bus reasonably necessary to provide Service to the Refinery (“Facilities”) and East River will add and upgrade its transmission system to the extent reasonably necessary to meet the initial peak capacity requirements of 65 MW for the Refinery and the adjacent green hydrogen facility, as shown on Exhibit A”, attached hereto and incorporated herein by reference (collectively referred to herein as the “Project”). Kingsbury and/or East River will own, operate and maintain the Facilities once installed. Kingsbury and East River will endeavor to execute the Project in accordance with the Project Schedule as shown on Exhibit C, attached hereto and incorporated herein by reference. On the first Wednesday after the date of this Agreement and on every other Wednesday thereafter, Kingsbury and East River will provide Gevo with a written summary of the design, construction, and installation of the Facilities and a comparison against the Project Schedule and the Project Cost Estimate, including East River’s identification and acquisition of any real property rights necessary for the Facilities. The Parties

agree to meet and discuss any actual or potential delays in the execution of the work or changes in the Estimated Project Cost Estimate as reflected in the written summary and the potential steps to mitigate such actual or potential delays or changes to the Project Cost Estimate. The Project Schedule is an estimated timeline.

6. Service. Kingsbury and East River will provide Service by interconnecting the Refinery with East River's existing 115 kV system with three separate transmission lines to a substation that includes a 115 kV ring with seven positions, two 45/56/75 MVA transformers and a capacitor bank. Transformation will be from 115 kV to 34.5 kV to provide for Service to the Refinery.
 - a. East River. East River will be responsible for the installation of the 115 kV Facilities through the transformation to 34.5 kV to a demarcation point of interconnection with Gevo at a switch on the 34.5 kV bus.
 - b. Easement. As part of the Electric Service Agreement, Gevo shall execute and convey an electrical line easement, substation easement for the Kingsbury County Substation, and right of way easement to Kingsbury and East River at the Refinery Site. The respective easements shall (i) be surveyed and conveyed at the sole cost and expense of Gevo, with assistance from Kingsbury and East River staff, and (ii) contain terms mutually acceptable to the Parties.
 - c. Gevo Facilities. Gevo will be responsible for the installation of a 34.5 kV and subsequent distribution facilities from the demarcation point of interconnection at a switch on the 34.5 kV bus to the Refinery.

7. Project Cost.
 - a. Project Cost Estimate. The total estimated Actual Costs (as defined below) and the estimated spending curve (both substantially set forth in Exhibit B) for completion of the Project is Ten Million, Eight Hundred Fifty Thousand Dollars (\$10,850,000) (the "Project Cost Estimate"). Gevo shall be responsible for sixty-five percent (65%) of the Actual Costs and Dakota Renewable Hydrogen, LLC, pursuant to a Contribution in Aid of Construction with East River and Kingsbury, shall be responsible for thirty-five percent (35%) of the Actual Costs. Notwithstanding the foregoing, in the event that neither Dakota Renewable Hydrogen LLC satisfies its payment obligation due and owing in respect of Actual Costs under its Contribution in Aid of Construction nor Gevo, Inc. satisfies its guaranty obligation in respect of Dakota Renewable Hydrogen LLC's payment under the Contribution in Aid of Construction, Gevo, its successors and assigns shall be responsible to pay any unpaid amounts due and owing. Gevo, its successors and assigns

shall benefit from any defenses then available to either Dakota Renewable Hydrogen LLC and Gevo, Inc. Exhibit B is attached hereto and incorporated herein by reference.

- b. Actual Costs. It is understood that many variables, known and unknown, may impact the Actual Costs. As soon as it becomes evident to Kingsbury or East River that the Actual Costs will or are reasonably likely to exceed the Project Cost Estimate by more than 10%, Kingsbury or East River shall promptly notify Gevo in writing within 10 business days of such determination, together with a detailed explanation of the basis therefor. The Parties agree to meet and discuss any potential cost increase and opportunities to mitigate such cost increase. However, irrespective of a change in the Project Cost Estimate, Gevo agrees, subject to Section 10, that all such actual, reasonable and necessary costs expended by Kingsbury and East River in fulfilling their obligations pursuant to this Agreement shall be considered “Actual Costs” and the payment of the Actual Costs shall be the responsibility of Gevo, including, but not limited to, all reasonable costs incurred by Kingsbury and East River or on behalf of Kingsbury and East River, for the design, engineering, acquiring real property rights, permitting, procurement, construction and all related project costs reasonably necessary to complete the Project. Kingsbury and East River will not be entitled to commence or be required to perform any Project work at the Refinery Site, including ordering materials and/or equipment until Gevo gives notice to Kingsbury and East River that Gevo has obtained all requisite permits and real property rights to allow Kingsbury and East River to enter onto the Refinery Site and perform such work thereon.

8. Payment.

- a. Project Cost Estimate. Gevo shall pay Kingsbury and East River as Kingsbury and East River incur costs in respect of the Project Cost Estimate allocated to Gevo in Section 7.a. In the event the Project Cost Estimate increases by 10% or more, upon notice of the same pursuant to Section 7, Kingsbury and East River shall, subject to Section 7.b., retain the right, to increase the relevant amounts set forth in Exhibit B and to invoice Gevo consistent with the increase in the Project Cost Estimate. Kingsbury and East River shall retain the right, but not the obligation, to invoice Gevo lesser amounts (but in additional invoices) than contemplated in Exhibit B for the remaining Contribution in Aid Construction (“CIAC”) balance. Kingsbury and East River shall invoice Gevo monthly for Actual Costs incurred. Each such invoice shall include a reasonably detailed description of such Actual Costs. All invoices shall be due and payable by the date set forth therein but no later than 30 days from the date of issuance.

- b. True-Up. Kingsbury and East River will provide a true-up to Gevo for the Project once the construction of the Project is complete, and only after such construction is complete, which includes the closing of all outstanding work orders between the Parties. The CIAC pre-funded by Gevo will be compared to the Actual Costs incurred by Kingsbury and East River and a refund or an additional payment will be issued to the proper Party as required. Any such refund or additional payment will be due and payable as provided in Section 8.a.
9. Financial Assurance. Gevo shall deliver to East River on the Effective Date, two corporate guaranties from Gevo, Inc., a Delaware corporation. The first guaranty shall secure Gevo's obligation to pay East River sixty-five percent (65%) of the Actual Costs. The second guaranty shall secure Dakota Renewable Hydrogen LLC's obligation (under its respective Contribution in Aid of Construction) to pay thirty-five percent (35%) of the Actual Costs. East River shall release Gevo, Inc. from each of the guaranties upon the startup of the commercial operation of the Refinery.
10. Project Cancellation, Termination or Suspension. Gevo shall have the right to cancel, terminate or suspend the work performed by Kingsbury and East River under this Agreement at any time. Cancellation, termination or suspension shall be effective forty-eight (48) hours' following receipt by Kingsbury or East River of written notification from Gevo. In the event of cancellation, termination or suspension of this Agreement, Gevo shall, except to the extent such cancellation or termination is caused by a breach by Kingsbury and East River of this Agreement, be responsible for all Actual Costs incurred by Kingsbury and East River or on behalf of Kingsbury and East River, including reasonable costs for planning, design, engineering, acquiring real property rights, procurement, construction and removal of any constructed Facilities through the effective date of cancellation, termination or suspension. In addition, Gevo shall be responsible for any additional charges incurred following the effective date of cancellation, termination or suspension, including but not limited to, restocking charges of ordered materials and equipment for the Project, demobilization charges, irrespective of cancellation, termination or suspension. Kingsbury and East River reserves the right to cancel or suspend the work performed for construction of the Project under this Agreement for any one of the following reasons: (1) the SDPUC or any other governmental entity having jurisdiction thereof takes any action that, following any applicable appeal period, in the reasonable opinion of Kingsbury and East River materially adversely modifies, alters or amends any of the terms and conditions of this Agreement or materially adversely affects the intent of this Agreement that Kingsbury and East River fully recover all costs associated with the construction of the Project; (2) Gevo fails to comply with any material terms of this Agreement and fails to cure or demonstrate a good-faith effort to cure such failure within fifteen (15) business days of having received written notice by Kingsbury or East River to do so; (3) the Parties fail to fully execute an Electric Service Agreement within three hundred sixty-five (365) days from the Effective Date of this Agreement; (4) East River is unable to obtain a real property interest for the location of the new substation referenced in Section 4; or (5) the SDPUC does not assign Kingsbury as the

supplier of electric service to the Refinery.

- a. Refund. Kingsbury and East River will return to Gevo all CIAC amounts paid by Gevo to Kingsbury and East River not reasonably expended for purposes consistent with this Agreement. Any equipment purchased for the Project that is unused shall be returned to the manufacturer or reused by Kingsbury for other projects and all funds related to the return or reuse of the equipment shall be reimbursed to Gevo minus Actual Costs incurred. Kingsbury and East River will notify Gevo of any refund. Any refund will be made within 30 days of such notice.
 - b. Ownership. In the event the equipment purchased, as referenced in the preceding paragraph, cannot be returned to the manufacturer for full purchase credit or reused for another East River and/or Kingsbury project or if Gevo elects to take possession of the equipment, East River and Kingsbury agree that Gevo shall own such equipment and East River and Kingsbury shall provide such equipment to Gevo upon payment by Gevo of all costs of delivery to a site identified by Gevo.
11. Force Majeure. If the Project should fail or be interrupted, or become defective, as a result of (a) compliance by Gevo, Kingsbury, or East River with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal governmental department including the Federal Energy Regulatory Commission (FERC); North American Electric Reliability Corporation (NERC); Midwest Reliability Organization (MRO); the Western Area Power Administration (WAPA), or any regional transmission organization, including the Southwest Power Pool (SPP); or any court of competent jurisdiction; (b) any Gevo acts or omissions; or (c) acts or occurrences beyond the reasonable control of the Kingsbury and/or East River, including acts of God, fires, strikes, embargoes, wars, terrorism, insurrection, riot, vandalism, accidents, equipment failures, operation of protective devices, pandemics, supply-chain delays, delays by Gevo to timely provide notice to proceed, or other similar events beyond the reasonable control of Kingsbury and/or East River, neither Kingsbury nor East River shall be liable for any loss or damages incurred by the Gevo or be deemed to be in breach of this Agreement. At Gevo's expense it shall indemnify, defend and hold Kingsbury and East River harmless from and against all liabilities, damages, injuries, losses, costs and expenses (including reasonable attorney's fees) arising out of or relating to any third-party claim, suit or proceeding brought against Kingsbury or East River subject to (a), (b) or (c) listed above.
12. Confidentiality. Each Party shall protect and maintain all information provided by the other Party as strictly confidential and/or proprietary to the disclosing party and shall not share any information with any third party, including but not limited to, payment amount(s) agreed upon by the Parties and any and all terms and conditions of this Agreement, unless otherwise stated herein, agreed to in writing, required or mandated to do so under applicable law, rule, or regulation imposed by a governmental or judicial body asserting jurisdiction over the matter. Certain information excluding payment

- amounts concerning the Project may be disclosed to Dakota Renewable Hydrogen, LLC and Kingsbury County Wind Fuel, LLC. The parties acknowledge they are subject to and agree to be bound by the terms and conditions of the Multi-Party Mutual Non-Disclosure Agreement dated June 28, 2023, by East River, Kingsbury, Basin Electric Power Cooperative, Zero6 Energy, Inc., and Gevo, Inc., as amended September 5, 2023.
13. Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the State of South Dakota, without regard to conflict of law principles. Any legal action arising out of and/or related to this Agreement shall be commenced and heard exclusively in the courts of Lake County, South Dakota, and the Parties consent and submit to the exclusive jurisdiction and venue of said courts.
 14. Termination. Gevo, Kingsbury, and East River shall each have the right to terminate the Project and cancel this Agreement in accordance with Section 10. Upon termination by any Party of this Agreement, the terminating Party shall have no liability or obligation to the other Party, except as provided in Section 10 (Project Cancellation, Termination or Suspension), Section 12 (Confidentiality), Section 15 (Indemnification and Hold Harmless) and any other provision that by its nature survives termination of this Agreement.
 15. Indemnification and Hold Harmless. Each Party ("Indemnifying Party") agrees to defend, indemnify, and hold harmless each other Party, including its affiliates, and all of their respective officers, directors, agents and employees ("Indemnified Party"), as the case may be against third party claims, liability, losses, damages, judgments costs or expenses, including reasonable attorney's fees ("Claims") to the extent such Claims were caused by or resulted from the willful misconduct or negligent acts or omissions of the Indemnifying Party, its employees or agents arising out of or related to this Agreement. A Party shall promptly notify the other Party as the case may be, of the assertion of any Claim against such Party which is potentially indemnifiable by the other Party. An Indemnified Party shall tender defense of such Claim to the Indemnifying Party. No Claim shall be settled without the express written approval of the Indemnified Party, which approval shall not be unreasonably denied.
 16. Limitation of Liability. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR, OR ENTITLED TO RECOVER, SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS OR REVENUES, LOSS OF USE OF ANY PROPERTY, PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF PURCHASED POWER OR REPLACEMENT POWER, DOWNTIME, AND/OR OTHER INDIRECT COSTS.
 17. Warranty. Each Party warrants that it will perform the obligations under this Agreement in accordance with Good Utility Practice. WITH THE EXCEPTION OF THE FOREGOING WARRANTY, KINGSBURY AND EAST RIVER DISCLAIM ANY AND ALL WARRANTIES OR REPRESENTATIONS PERTAINING TO THE WORK THAT ARE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT

INCLUDING, BUT NOT LIMITED TO, EXPRESS OR IMPLIED WARRANTIES AS TO FITNESS OR DESIGN AND ALL EQUIPMENT PROVIDED HEREUNDER WILL BE PROVIDED AS-IS. "Good Utility Practice" shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known to the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

18. Entire Agreement. The terms and conditions of this Agreement contain the entire agreement between the Parties with respect to the subject matter hereof and supersede any prior and contemporaneous oral or in writing agreements and all subsequent oral agreements between the Parties.
19. Modifications. This Agreement shall not be amended, modified, or supplemented without written agreement executed by both Parties.
20. Assignment. Each Party shall have the right to assign, in whole or in part, this Agreement to an affiliate or third party participating in the Project upon obtaining the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Upon written notice to the other Parties, Gevo may assign its rights and obligations under this Agreement in conjunction with the sale of Gevo or of all or substantially all of the assets of Gevo related to the subject matter of this Agreement, provided the assignee assumes and agrees to undertake all of Gevo's right, title and interest in, to, and under the Agreement and further agrees to be bound by, comply with, and perform all the terms of the Agreement. Notwithstanding the foregoing, Gevo may assign this Agreement to its lenders as collateral security for any financing obtained by Gevo in connection with all or part of the Refinery and Kingsbury and East River agree to reasonably cooperate with Gevo and its lenders in respect of such assignment.
21. Notice. Notice for purposes of fulfilling this Agreement and further negotiations pursuant thereto shall be provided to the following contacts:

Kingsbury Electric Cooperative, Inc.
ATTN: General Manager
PO Box 126
511 US-14
De Smet, South Dakota 57321

East River Electric Power Cooperative, Inc.
ATTN: Chief Operations Officer
P.O. Box 227
Madison, South Dakota 57042

Gevo Net Zero 1, LLC
ATTN: Chris Ryan
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112
Email: netzer01@gevo.com

Copy to:

Legal Department
Email: legal@gevo.com

22. Term. The term of this Agreement shall begin on the Effective Date and shall terminate, if not terminated earlier by the Parties as set forth herein, at the completion of the Project whereby Service can be fully rendered through a complete electric path to the Refinery through the Facilities. Notwithstanding the availability of the Service to the Refinery, the delivery of Service to the Refinery shall not be provided until the Electric Service Agreement has been fully executed by the Parties, including all necessary easements.
23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
24. Waiver. Failure to exercise any right hereunder or to insist on strict performance of any obligation hereunder shall not be considered a waiver of such right or rights in the future.
25. Severability. In the event one or more of the provisions of this Agreement or any application thereof shall be declared or made invalid, void, unenforceable, or illegal, the remaining provisions and any application thereof shall remain in full force and effect, and if possible, the Parties will attempt to reasonably modify the Agreement to reflect the Parties' original intention.
26. Exhibits. All exhibits attached hereto and referred to herein are hereby incorporated by reference herein for all purposes.
27. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and its respective successors and permitted assigns and shall not inure to the benefit of any other person or entity whomsoever or whatsoever, it being the intention of the Parties that no third person shall be deemed a third-party beneficiary of this Agreement.
28. Authority to Bind. Each Party and signatory hereto represents that he, she, or it, as the case may be, is authorized to enter into this Agreement or has signed this Agreement through its authorized representative.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the Parties' duly authorized representatives as of the Effective Date.

Kingsbury Electric Cooperative, Inc.

By: _____
Evan Buckmiller
General Manager

Gevo Net-Zero 1, LLC

DocuSigned by:
By: Chris Ryan
08E0032CF8FB458...
Chris Ryan
President

East River Electric Power Cooperative, Inc.

By: Mark Hoffman
Mark Hoffman
Chief Operations Officer

Exhibit "A"

Facilities

Parties agree to make available drawings and critical design information for the purposes of this Exhibit A to the other Party within 30 days from the Effective Date of this Agreement and such drawings, renderings and critical information shall be deemed to have effect as of the Effective Date.

ONE LINE DIAGRAM – FOR DISCUSSION 115 kV Windfarm Interconnect

Preliminary concepts - subject to change

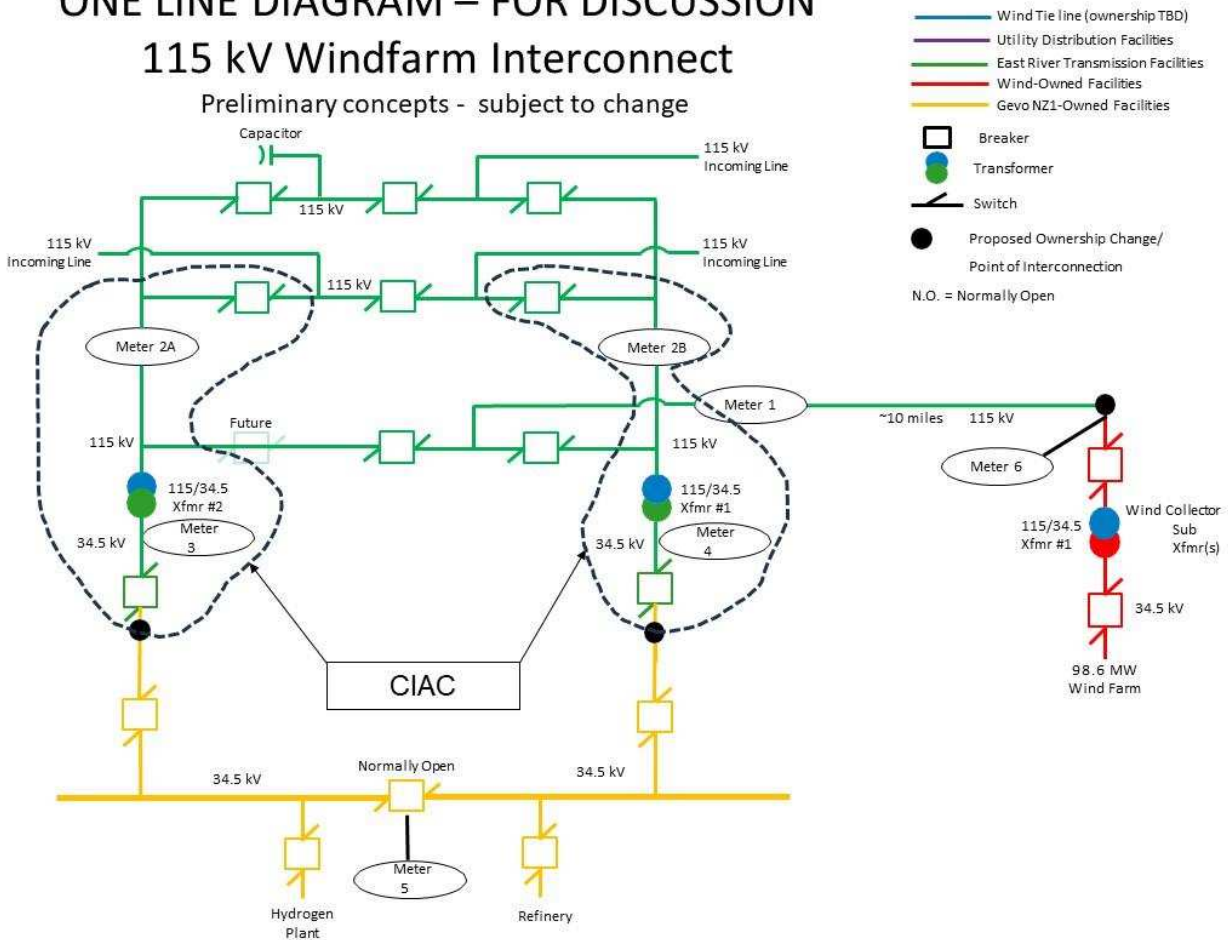


Exhibit "B"Project Cost Estimate

Facility	Costs	Description
New Substation	\$10,850,000	115 kV ring, seven positions, two 45/56/75 MVA transformers, cap bank. The CIAC cost reflects payment of Gevo to pay for the two transformers, the two breaker positions protecting those transformers, and an allocated portion of common facilities within the new substation.
Total	\$10,850,000	

GevoCIAC Payment Estimate

Gevo shall make CIAC payments to East River according to the schedule below. The schedule represents weeks from the Effective Date.

Gevo – Estimated Spending Curve (65%)

	4 weeks	15 weeks	30 weeks	56 weeks	64 weeks	80 weeks	96 weeks
Engineering	16,250	97,500	81,250				
Material						325,000	4,550,000
Construction				341,250	650,000	650,000	341,250

Dakota Renewable Hydrogen, LLCCIAC Payment Estimate

Dakota Renewable Hydrogen, LLC shall make CIAC payments to East River according to the schedule below. The schedule represents weeks from the Effective Date.

Dakota Renewable Hydrogen LLC – Estimated Spending Curve (35%)

	4 weeks	15 weeks	30 weeks	56 weeks	64 weeks	80 weeks	96 weeks
Engineering	8,750	52,500	43,750				
Material						175,000	2,450,000

Construction				183,750	350,000	350,000	183,750
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Exhibit “C”

Project Schedule

The schedule represents weeks from the Effective Date.

<u>Date</u>	<u>Milestone</u>
2 weeks	Commence design of the Substation.
4 weeks	East River to identify and acquire real estate interest for Substation
4 weeks	Notice to order major equipment
56 weeks	Commence construction and installation of the Substation
96 weeks	Substation “ready to be placed into service”