

ALIGNING GREEN POWER PARTNERS WITH NEW GREEN ENERGY PROJECTS

BEAR CREEK WIND PROJECT

JOHN IHLE

PLAINSTATES ENERGY

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BEAR CREEK WIND PROJECT

Overview

- ▣ Located in west central MN
- ▣ Permitted for 47.5 MW
- ▣ Phase I: 28.8 MW
 - Annual yield - 103,400 MWh
 - Installed cost - \$53.87 million
 - Commercial operation - December 31, 2012
- ▣ Phase II: 18 MW
 - Projected 2013
- ▣ Wind data collected for 3 yrs, 10 months

BEAR CREEK WIND PROJECT

Overview (cont)

- ▣ Local governmental and citizen support
- ▣ Land leases in place
- ▣ MN PUC permit secured
- ▣ Interconnection Agreement fall 2011
- ▣ Turbine supplier provides strong support thru supply, construction, warranty, and insurance agreements protecting owner interests

BEAR CREEK WIND PROJECT

Finance

- ▣ Off take/ merchant pricing
 - Average yearly pricing \$33 MWh
 - Significant increase projected

- ▣ Renewable Energy Credit (REC)
 - Pricing TBD
 - Offsets debt/ tax equity required

- ▣ Tax equity partner
 - Production Tax Credit (PTC)
 - Depreciation
 - Reasonable IRR
 - Expires December 31, 2012

- ▣ Debt term 20 yrs

- ▣ Bridge financing by turbine manufacturer and construction partner

BEAR CREEK WIND PROJECT

Development Team

- ▣ John Ihle
 - President; 30 yrs wind experience (development, construction, operations & maintenance)
- ▣ Todd Wilen
 - Power engineer; 17 yrs experience in wind development, construction management and O&M
- ▣ Patrick Louwagie
 - CPA with Hoffman and Brobst; 12 yrs practice in wind energy project administration and account management
- ▣ Keith Martin
 - Transactional attorney, Chadbourne and Parke; specializing in tax and project finance

BEAR CREEK WIND PROJECT

Summary

- ▣ Predictable wind resource
- ▣ Permitting/ lease agreements in place to facilitate commercial operation by end of 2012
- ▣ Viable finance structures available
- ▣ Sound development team
- ▣ Additional projects available for review