



Project Matching: Facilitating New Renewable Energy Projects Project Proposal Submittal Form

Opportunity Overview

Apex is pleased to discuss power offtake and investment opportunities for the Patriot Wind Project with interested parties. For power offtake contracts we are open to consider contract sizes from 5 MW up to the full 130 MW capacity and we are open to contract lengths of 5 years to 20 years. On the investment/ownership side there are opportunities for partial or 100% stakes in the sponsor equity and tax equity financing of the project.

This project is PTC-qualified and in an advanced stage of development with no significant development hurdles anticipated to reach the scheduled October 2016 commercial operation date. We are actively discussing power offtake and finance opportunities for this project with interested parties and encourage those interested in additional information to contact us immediately following the webinar.

Contact Information

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Project Summary

Project name:

Patriot

Developer name:

Apex Clean Energy

Renewable energy type:

Wind

Project city/state:

Nueces County, Texas

Project geographic coordinates (To find, use: www.latlong.net/):

Latitude 27.610708 **Longitude** -97.632384

Total planned megawatt (MW DC) size:

Contracts available for 5 MW up to the entire 130 MW project capacity

Are there phases? If so, how many and in what size tranches?

The project can be apportioned out in segments to interested buyers but the project will be constructed in one phase.

What is the expected annual output of the completed project (MWh)?

Contract portions available for anywhere from 19,500 MWh (5 MW) annual production up to entire project output of 506,990 MWh (130 MW).

Expected date of construction commencement:

On site construction is expected to start in Q2 2016.

Expected date of commercial operation:

October 2016. This project is qualified to receive the federal production tax credit ("PTC").

What is the largest development hurdle and how is it anticipated to be overcome?

Development is effectively complete at this site and we are currently moving into financing and construction.

Can you provide examples of similar projects you have developed?

- December 2012, Apex completed the development and construction of the 300 MW Canadian Hills Wind project outside Oklahoma City. At the time of its construction, Canadian Hills was the largest single-phase wind farm in Oklahoma. The project, which utilizes both Repower and Mitsubishi turbines, sells all of its power through long-term PPAs with three utility off-takers.
- In April 2014, Apex executed a transaction for the development, financing, construction and sale of the 98 MW Hoopston Wind project in Illinois to IKEA. In March 2015, Apex completed the construction and transferred ownership of the completed project to IKEA.
- In October 2014, Apex executed a similar transaction for the development, financing, construction, and sale of the 165 MW Cameron Wind project to IKEA. Apex is managing construction of the project and will transfer ownership to IKEA upon commercial operation, which is scheduled for Q4 2015.
- Apex developed the 300 MW Balko Wind project in Beaver County, OK and sold the project to D.E. Shaw in December 2014. The Balko project, which utilizes GE turbines, will sell all of its power through long-term PPAs with two utility off-takers. It is expected to begin commercial operation in Q3 2015.
- In January 2015, Apex completed the sale of its 300 MW Kingfisher Wind project in Canadian county, OK to First Reserve. Apex is currently managing construction of the project. Kingfisher, which will utilize Vestas turbines, is expected to begin commercial operation in Q4 2015.

- In February 2015, Apex executed a transaction for the sale of the 300 MW Kay Wind project in Kay County, OK to Southern Power Company. Apex will complete development, finance and construct the project, and transfer ownership to Southern upon commercial operation, which is anticipated in Q4 2015. The Kay Wind project will utilize Siemens turbines and sell its power through long-term PPAs with two utility off-takers.

Site Readiness

Has the project received all necessary federal, state, and local permits to proceed with construction and operation? If not, please outline the key permits required to proceed with project construction/operation and describe the steps you have taken in order to evaluate and address permitting risk for this project.

Patriot Wind has completed recommended studies and consultations with key federal, state and local officials. With the exception of FAA Determinations, non-discretionary construction-related permits and Clean Water Act Section 404 permits (no pre-construction agency consultation required), the Project is not subject to federal, state, or local permitting requirements in order to build the Project.

- Nueces County has no local zoning
- Project has a signed Memorandum of Agreement with DoD allowing for FAA permits to be issued
- Only standard administrative permits are required prior to commencement of construction activities (e.g., Road Use Agreement)
- Tier 3 bird and bat studies were developed and implemented in coordination with the Fish and Wildlife Service (“USFWS”) and the Texas Parks and Wildlife Department (“TPW”). Study results confirmed the site as low risk to wildlife, with no federal threatened, endangered or proposed to be listed species found and no eagles or eagle nests documented. No permits for special-status species are expected or required

Have you secured long-term site control? If so, please describe the nature of the agreement (lease, ownership, etc.)?

90% site control has been secured for the project.

Have land leases been filed with the county?

Yes.

Does the project require either an Environmental Impact Statement or Environmental Assessment? If so, what is the status?

Not required.

Is this project sited on a current or formerly contaminated land, landfill or mine site?¹ If so, has the site addressed the related environmental issues?

¹ Examples of such properties could include brownfields, municipal solid waste landfills, abandoned mine lands, and Superfund sites, among others subject to state or federal authorities or cleanup programs.

Project is located on farmland. Not on contaminated land, landfill or mine site.

Interconnection

What is the status of interconnection, and have system impact and facility studies been completed? (Distribution or transmission level projects are both eligible)

Patriot Wind will interconnect with AEP Texas Central Company's ("AEP TX") Nelson Sharpe 345 kV substation via a new 345 kV GenTie line that will be constructed within the Project boundaries.

The Project signed an Interconnect Agreement with AEP TX on July 2, 2013 and provided full Notice to Proceed and required security on July 17, 2013, per Interconnect Agreement 111NR0062.

- Interconnection consists of 345 kV Gen tie into the existing Nelson Sharpe Substation via 345 kV GenTie line
- Full Notice to Proceed for Interconnection filed with ERCOT and AEP TX in July 2013 (111NR0062)

When do you expect the interconnection study process will be complete?

The interconnection study process is complete.

Does the transmission owner (TO) or independent system operator (ISO) have a process to study the project's impact on the local or regional grid and the subsequent cost to interconnect?

Yes, process completed.

Operation & Financing

Is any element of the project – technology or systems – experimental or pilot-phase or proven technology?

No. All technology and systems used for the project are proven.

What is the long- and short-term plan for operating and maintaining the project?

Apex will serve as the long-term operator of the project subject to agreement with the Project's sponsor equity investor. Apex is currently contracted to serve this role on 1 MW of assets that are online or scheduled for completion in 2015.

The Apex asset management team provides oversight, management, and optimization of the Project:

- Site Services: safety, stakeholder relationship management, operations and maintenance
- Market Services: performance monitoring and forecasting, scheduling, market participation, NERC compliance

- Administrative Services: compliance, accounting, insurance, tax, legal, reporting & analysis
- Asset Optimization: research, analysis, and implementation of new technologies, optimization to changes in market conditions

The Project's turbine supplier is anticipated to be the initial primary subcontractor for the operations and maintenance of the project's turbines, and will provide all required scheduled and unscheduled service, maintenance and repair work (including all parts, consumables, tools / cranes) under a fixed fee service agreement that will include an annual availability warranty.

For wind projects, has a meteorological tower been installed? If yes, when was the tower installed and how much data has been collected?

Wind resource data has been gathered at the site since January 2009 with the installation of a 50-meter meteorological tower. Two additional 60-meter towers were installed in July 2011, along with a fourth 60-meter tower in September 2011.

Provide a short summary of how you view project finance and structure/ownership taking shape for this project:

Apex is actively discussing investment and ownership opportunities for the project with potential investors and is open to new discussions for partial or full sponsor equity and tax equity positions.

In anticipation of a 2016 COD for the Project, the proposed capital structure will include the following:

- **Construction Period.** During the construction period, Apex assumes that 85-90% of the capital required to construct the Project will be provided by a construction loan and 10-15% from the long-term equity sponsors, which will be Apex and its equity partners.
- **Operational Period.** Upon or shortly after COD, Apex anticipates the Project's capital structure to be as follows: (i) 60% will be supported by tax equity investors; and (ii) 40% will be supported by our sponsor equity investors, which will be Apex and its equity partners.

This structure is identical to the structure Apex has used to finance many of their projects. For example, for the 300 MW Balko Wind Farm, the tax equity investors are GE, Bank of America, Citi Group, and Google. For the 298 MW Kingfisher Wind Farm, the tax equity investors is a Strategic investor owned utility. Additional counterparties we have worked with for tax equity include JP Morgan, Union Bank, State Street and MetLife. For construction lenders, we have worked with Morgan Stanley, Key Bank, and Santander. With current market knowledge of needs of financing counterparties from recent large financings such as these, Apex is confident that it will close a successful financing for Grant Plains on time to support a November 2016 COD.

Partners

In what ways can organizations participate in the project? (Check all that Apply)

- Power purchase agreement for bundled power and RECs**

- X Financial hedge or contract for differences
- X Long term REC offtake
- X Financial investment / ownership stake
- Other, please specify: _____

What are some of the characteristics of your ideal power purchaser, investor, or other partner?

Power purchasers, investors or other partners should have investment grade credit.

What marketing opportunities exist at the project?

Apex is open to discussing marketing opportunities such as naming rights with project partners.