



Attachment A to PUC Staff's
Briefing Paper for the
Commission's April 9, 2015
Agenda

March 12, 2015

State of Minnesota
Public Utilities Commission
Utility Information Request #2

PUBLIC RESPONSE

Docket Number: W-08-208

Date of Request: March 2, 2015

The Commission requests that Sibley Wind provide information on the following questions:

1) A copy of Sibley Wind's PPA with MMPA;

The Purchase Agreement (PPA) is Proprietary and Confidential , therefore cannot be released to the General Public per a mutual Non-Disclosure Agreement with the Off-taker.

2) a summary of milestones included with the PPA, whether they have been met by Sibley Wind and if not, what agreements or extensions have been agreed upon; and,

Construction Milestone	Outcome
Sept. 23, 2013	Seller and all required counterparties have executed major procurement contracts, the Construction Contract, any operating agreements, and the Interconnection Agreement needed to commence construction of the Facility
Oct. 15, 2013	Seller shall have achieved closing on financing for the Facility or provided [REDACTED] with proof of financial capability to construct the Facility.
Dec. 31, 2013	Seller has satisfied all "safe harbor" requirements to obtain federal tax benefits for the Facility.
June 3, 2014	Seller shall have laid the foundation for all Facility buildings, generating facilities and main power transformation facilities.

July 3, 2014	The turbine(s)/generator(s)/main power transformer shall have been delivered to, and installed at, the Site.
August 3, 2014	Seller shall have constructed Seller's Interconnection Facilities and such facilities are capable of being energized.
August 3, 2014	Start-up testing of the Facility commences.
Sept. 3, 2014	Commercial Operation Milestone.
Dec. 31, 2014	Seller shall make all applications and/or filings required by Applicable Law for REC accreditation and for the provision of such RECs to [REDACTED]

Milestone: September 23, 2013

- Construction Contract ready for signature pending final selection of Wind Turbine Generator (WTG) by Off-taker of two (2) units presented by Sibley Wind Substation (SWS)
- Operating Agreement ready for signature pending final selection of WTG by Off-taker of two (2) units presented by SWS.
- Generator Interconnect Agreement (GIA) is in place.

Milestone: October 15, 2013

- Project delayed for avian study.

Milestone: December 31, 2013

- All Safe Harbor requirements satisfied and project is qualified through 2017
Following is an excerpt from a Memo from Foley and Lardner, LLP on their review of the question:

Conclusion

Based on the express language in Notice 2013-29 paired with the safe harbor contained in Notice 2013-60, some developers were likely inclined to perform activities during 2013 that could only be viewed as immaterial when considering such work in relation to the project as a whole. For example, a developer may have read Notice 2013-29 as permitting it to set a single anchor bolt into the ground during 2013 in an attempt to qualify the entire wind farm.

In contrast, we believe that WESCO's Plan should be viewed favorably by the IRS as demonstrating that the Commencement Prong was satisfied in 2013 with respect to the Sibley Project. We understand that WESCO documented its 2013 activities through date-stamped photographs and other evidence demonstrating its year-end accomplishments. Additionally, we understand that WESCO obtained an independent engineer's review of the Sibley Project site at the end of 2013 and will receive a written statement regarding the activities performed as of the end of the year. An independent engineer's assessment of the activities performed during 2013 will

provide the IRS comfort regarding the extent of WESCO's construction activities during the relevant period. In other words, it will help WESCO demonstrate that it has satisfied the Commencement Prong, as opposed to simply engaging in preliminary activities insufficient to satisfy the required standard.

During 2014 and through completion of the Sibley Project, WESCO should maintain a course of steady progress on construction and document its activities through photographs and other evidence demonstrating that actions are being performed on a regular basis. While it is assumed that the Sibley Project will rely on the safe harbor provided in Notice 2013-60 to satisfy the Continuation Prong, we believe that it is prudent for the facts and circumstances to support continuing construction, in the event that the facility is not completed before January 1, 2016 and thus does not benefit from the safe harbor.

Milestone: June 3, 2014

- Project delayed for avian study. Rescheduled for third quarter 2015.

Milestone: July 3, 2014

- Project delayed for avian study. Rescheduled for third quarter 2015.

Milestone: August 3, 2014 (Two for this date)

- Project delayed for avian study. Rescheduled for third quarter 2015.

Milestone: September 3, 2014

- Project delayed for avian study. Rescheduled for fourth quarter 2015.

Milestone: December 31, 2014

- Project delayed for avian study. Rescheduled for fourth quarter 2015.

3) if any milestones have not been met, reasons for the failure to do so.

- Please see Question #2 above for explanations. (Note – At this point in time the project is poised to move forward immediately upon on the positive outcome by the MNPUC to not revoke the Permit.

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Development Director

