



April 15, 2015

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East  
Suite 350  
Saint Paul, MN 55101-2147

RE: Paynesville Wind, LLC Site Permit and Certificate of Need (PUC Docket Nos. IP6830/WS-10-49 and IP6830/CN-09-1110)

Mr. Wolf:

Paynesville Wind, LLC (“Paynesville”) submits this response to your May 8, 2015 *Request for Permittee to Show Cause* under Docket Nos. IP6830/WS-10-49.

Paynesville has been unable to obtain a Purchase Power Agreement (PPA) or other enforceable mechanism for the sale of electricity from the proposed wind project. Lacking a PPA, Paynesville has also been unable to commence construction under the permit. We agree that Paynesville should have provided information to the Commission by February 7, 2015 regarding these issues, and we apologize for failing to make that communication.

While the Paynesville project has been offered into numerous solicitations for wind energy over the past two years, we have not been awarded a contract in any of those solicitations. As we understand factors related to the selection of wind projects, we surmise that we have been unsuccessful based on some of the cost and interconnection attributes of the project. Paynesville does not believe current market conditions are favorable to construct the project on a merchant basis to sell energy into the MISO market. Thus, our failure to commence construction under Permit Condition 10.3 is directly related to our inability to obtain a PPA.

Paynesville has continued its development and marketing of this project, but understands that it will likely need to obtain a new Site Permit and Certificate of Need in order to proceed with the project. We will make the necessary filings with the Commission if and when we decide to move forward with the project.

Respectfully,

Betsy Engelking  
Vice President  
Paynesville Wind, LLC

**AFFIDAVIT OF SERVICE**

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**In the Matter of the Application of Paynesville Wind, LLC for a Certificate of Need and Site Permit for a 95 MW Large Wind Energy Conversion System in Stearns County**

MPUC Docket Nos.: IP6830/CN-09-1110 and IP6830/WS-10-49

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STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF HENNEPIN    )

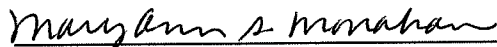
Kristen A. Swenson, of the City of Minneapolis, County of Hennepin, in the State of Minnesota, being duly sworn, says that on the 5<sup>th</sup> day of June, 2015, she e-filed with the Minnesota Public Utilities Commission the following:

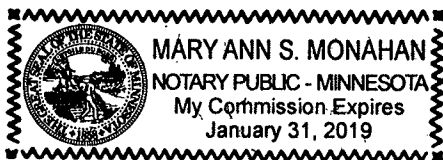
- 1. Letter Regarding the Site Permit and Certificate of Need; and,**
- 2. Affidavit of Service.**

A copy has also been served via electronic mail or U.S. Mail in accordance with the service list of record.

  
Kristen A. Swenson

Subscribed and sworn to before me  
on June 5, 2015.

  
Notary Public



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_10-49_Official
Angie	Berg	angie.berg@co.stearns.mn.us	Stearns County	Administration Ctr, Rm 343 705 Courthouse Square St. Cloud, MN 56303	Electronic Service	No	OFF_SL_10-49_Official
Christina	Brusven	cbrusven@fredlaw.com	Fredrikson Byron	200 S 6th St Ste 4000  Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_10-49_Official
Becky	Coates	N/A	Professional Service Industries, Inc.	2401 Pilot Knob Rd, Ste 138  Mendota Heights, MN 55120	Paper Service	No	OFF_SL_10-49_Official
Michael	Deruyter	michael.deruyter@hdrinc.com	HDR Engineering, Inc.	701 Xenia Ave S, Suite 600  Minneapolis, MN 55416	Paper Service	No	OFF_SL_10-49_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_10-49_Official
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_10-49_Official
Brian	Meloy	brian.meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_10-49_Official
Colleen	Mueller	N/A		22186 State Hwy 4  Paynesville, MN 56362	Paper Service	No	OFF_SL_10-49_Official
Bob	Rosenquist	N/A		42883 228th Avenue  Mazeppa, MN 55956	Paper Service	No	OFF_SL_10-49_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jamie	Schrenzel	jamie.schrenzel@state.mn.us	Minnesota Department of Natural Resources	500 Lafayette Road Saint Paul, MN 55155	Electronic Service	No	OFF_SL_10-49_Official
Patrick	Smith	patrick@geronimowind.com	Geronimo Wind Energy, LLC	7650 Edinborough Way, Ste 725 Edina, MN 55435	Electronic Service	No	OFF_SL_10-49_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_10-49_Official

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Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_9-1110_1
Christina	Brusven	cbrusven@fredlaw.com	Fredrikson Byron	200 S 6th St Ste 4000  Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_9-1110_1
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_9-1110_1
Michael	Jacobson	N/A		211 Washburne Avenue  Paynesville, MN 56362	Paper Service	No	OFF_SL_9-1110_1
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_9-1110_1
Colleen	Mueller	N/A		22186 State Hwy 4  Paynesville, MN 56362	Paper Service	No	OFF_SL_9-1110_1
Patrick	Smith	patrick@geronimowind.com	Geronimo Wind Energy, LLC	7650 Edinborough Way, Ste 725  Edina, MN 55435	Electronic Service	No	OFF_SL_9-1110_1
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_9-1110_1