



May 1, 2017

VIA ELECTRONIC FILING

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

**Re: In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of Wind Energy
MPUC Docket No. E002/M-16-777**

Dear Mr. Wolf:

Geronimo Energy is pleased to provide these comments supporting Xcel Energy's acquisition of its Blazing Star 1 and Blazing Star 2 projects as part of its self-build portfolio. Geronimo is a leading independent wind and solar developer based in Edina, Minnesota. Formed in 2008, it has successfully developed over 1,600 MW of wind and solar projects throughout the US, including the Prairie Rose, Odell and Courtenay projects, which are currently under contract with or owned by Xcel Energy. Geronimo also has a near-term pipeline of over 4,000 MW of wind and solar in development, including over 1,000 MW in Minnesota.

The Blazing Star projects continue Geronimo's exceptional track record of developing large scale wind projects that are both cost-effective and compatible with the local community and the environment. Blazing Star 1, proposed to be in-service by 2019, expects to have its site permit issued by July 2017. The site permit for Blazing Star 2, which is proposed to be in service by 2020, is being prepared and will be filed later this year. Geronimo has successfully permitted four large wind and solar projects in Minnesota, as well as projects in North Dakota, Nebraska, Michigan and Illinois. The Company works closely with state and federal regulators to ensure that environmental issues are thoroughly addressed in permitting, and provides mechanisms for ongoing monitoring and reporting on projects as they are operational.

In its March 15, 2017 filing in this Docket, Xcel Energy provided the Commission with a detailed analysis of the ratepayer benefits resulting from the acquisition of Blazing Star 1 and Blazing Star 2, along with the rest of its proposed wind portfolio. In addition to the cost-effectiveness of the projects for Xcel Energy customers, Blazing Star 1 and Blazing Star 2 also provided significant benefits for the project landowners and surrounding communities. Geronimo provides the following information regarding the economic impact of the Blazing Star Projects:

- *Landowner Payments:* The Blazing Star 1 and 2 landowner leases provide for payments to project landowners both during the development period and throughout the construction and operation of the project. The lease provides for payments to all landowners that are signed within the footprint of the project, regardless of whether or not they host facilities. In the pre-development phase, the projects will result in approximately \$885,000 annually in landowner payments for each project, for a total of \$1.77 million in annual payments. Once the projects reach Commercial Operation, landowner payments will increase to approximately \$1.3 million annually per project, or a total of \$65 million over an expected 25 year project life.
- *Project Construction:* The Blazing Star projects are expected to create approximately 200 construction jobs for each project. During the two years over which the projects will be built, several hundred thousand dollars will be spent on temporary worker living and entertainment expenses. Additionally, more than \$6 million is expected to be spent on local supplies and services during the construction period.
- *Road Improvements:* The delivery of wind turbines and the heavy construction equipment needed to erect them typically requires reinforcement in the county and township roads. The Blazing Star projects will invest millions of dollars in road improvement and maintenance, and will leave the roads in better condition than they were before the projects were constructed.
- *Tax Revenue:* Each of the Blazing Star projects is expected to provide about \$900,000 per year in production tax payments, 80% of which will go to Lincoln County, with the remaining 20% divided among Ash Lake, Hansonville, Hendricks, Marble, Royal and Shakotan townships. The \$1.44 million in annual production taxes to Lincoln County represents slightly more than 10% of the county's 2017 Budget of \$13.99 million. In total, the Blazing Star Projects will result in \$45 million in new tax revenue to Lincoln County and the project townships over an expected 25 year project life.
- *Community Fund:* Geronimo was founded with deep roots in agriculture and an understanding and respect for farming practices. As a landowner advocate, Geronimo is committed to providing the landowners and local communities with the best information possible, prompt responsiveness and expert advice. Geronimo's farmer-

friendly development approach ensures that each of our projects will benefit the local area for generations to come. By reinvesting in our local cities and towns, Geronimo and community members are working towards building stronger rural communities.

As a unique feature of every Geronimo-developed wind project, Geronimo establishes a community fund in each of its host communities. The Community Fund is a 501(c)(3) organization that is intended to financially support local charities and community needs while the project is operating. Geronimo provides \$200/MW annually to each project's community fund, which is governed by a board of directors made up of local community members – typically, representatives of the project and the townships in which it is located. The board will decide which needs to sponsor and will ensure that the funds are dispersed evenly within the project footprint. The Blazing Star projects will each provide the local community with \$40,000/year for a community fund. The funds will be made available each year through an annuity that will be purchased by Geronimo at the time of the closings of the sales of Blazing Star 1 and Blazing Star 2. As such, Xcel ratepayer money will not be used to fund the community funds. In total, the community funds are expected to provide \$1.6 million to the host communities over a 20 year period.

Geronimo Energy believes that the project benefits noted above are of significant value to the State of Minnesota, Lincoln County and the host townships, which will not occur unless the Commission approves Xcel Energy's acquisition of the Blazing Star 1 and Blazing Star 2 projects. We strongly urge the Commission to approve these projects as part of Xcel Energy's wind portfolio.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Engelking".

Betsy Engelking
Vice President, Strategy and Policy