# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED



AN ALLETE COMPANY

David R. Moeller Senior Attorney 218-723-3963 dmoeller@allete.com

September 19, 2018

VIA E-FILING Mr. Daniel P. Wolf, Executive Secretary MN Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

Re: Minnesota Power's Petition for Approval of Amendments to FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC Power Purchase Agreements **Docket No. E015/M-18-\_\_\_\_** 

Dear Mr. Wolf:

Enclosed for filing with the Minnesota Public Utilities Commission please find Minnesota Power's Petition for Approval of Amendments to FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC Power Purchase Agreements.

If you have any questions regarding this letter, please do not hesitate to contact me at the number above.

Yours truly,

Dais R. Malle

David R. Moeller

DRM:sr Attach.

# STATEMENT REGARDING JUSTIFICATION FOR EXCISING TRADE SECRET INFORMATION

Pursuant to the Commission's revised Procedures for Handling Trade Secret and Privileged Data in furtherance of the intent of Minn. Stat. 13.37 and Minn. Rule Part 7829.0500, Minnesota Power has designated portions of the attached Petition and exhibits thereto as Trade Secret.

The Petition describes the Amendments to the Power Purchase Agreements between Minnesota Power and FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC (hereinafter "NextEra"). These Amendments contains terms and conditions that are materially sensitive to Minnesota Power and contains Minnesota Power's unique methods, techniques and process for negotiated terms and conditions with NextEra. The information regarding specific energy pricing and other terms and conditions contain valuable commercial information to both Minnesota Power and NextEra, and because of the intensely competitive marketplace NextEra operates in, this information is also confidential and Trade Secret to NextEra. Minnesota Power and NextEra follow strict internal procedures to maintain the secrecy of this information in order to capitalize on the economic value of the information. Potential competitors of both parties would gain a commercial advantage if this information was publicly available, with severe competitive implications resulting.

Minnesota Power believes that this statement justifies why the information excised from the attached report should remain a trade secret under Minn. Stat. §13.37. Minnesota Power respectfully requests the opportunity to provide additional justification in the event of a challenge to the trade secret designation provided herein.

## STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of Minnesota Power's Petition for Approval of Amendments to FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC Power Purchase Agreements

Docket No. E015/M-18\_\_\_\_\_

**PETITION FOR APPROVAL** 

# SUMMARY OF FILING

Pursuant to Minn. Stat. §§ 216B.1645 and 216B.1691 and Minn. Rules 7829.1300, Minnesota Power petitions the Minnesota Public Utilities Commission for approval of amendments to two power purchase agreements for wind energy between Minnesota Power and FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC ("NextEra").

## STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of Minnesota Power's Petition for Approval of Amendments to FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC Power Purchase Agreements

Docket No. E015/M-18

**PETITION FOR APPROVAL** 

## I. INTRODUCTION

Minnesota Power (the "Company") submits this Petition to the Minnesota Public Utilities Commission ("Commission") requesting approval of amendments to two power purchase agreements ("PPA" or "Oliver PPAs") for wind energy between Minnesota Power and FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC (hereinafter "NextEra"). These two NextEra projects were Minnesota Power's first foray into wind energy and for over a decade have been providing 98.6 MW of renewable energy and capacity that has been primarily delivered on Minnesota Power's Direct Current ("DC") Line from Center, North Dakota to the Arrowhead Substation in Hermantown, Minnesota.

The 50.6 MW FPL Energy Oliver Wind I PPA ("Oliver I PPA") was executed on May 27, 2005 and received Commission approval in Docket No. E015/M-05-975 in an order dated December 20, 2005. The 48 MW FPL Energy Oliver Wind II ("Oliver II PPA") was executed on December 28, 2006 and received Commission approval in Docket No. E015/M-07-216 in an order dated May 11, 2007. Minnesota Power has been purchasing the energy and capacity from these two wind projects to meet customer needs and comply with the prior Minnesota Renewable Energy Objective ("REO") (Minn. Stat. § 216B.1691, subd. 2) and the current Minnesota Renewable Energy Standard ("RES") (Minn. Stat. § 216B.1691, subd. 2a(a)).

To take advantage of the federal Production Tax Credit ("PTC") and lower customer costs, Minnesota Power and NextEra have reached an agreement to amend the Oliver PPAs ("Amendments"). The Amendments, as discussed in Section III below, will extend the term of the PPAs and in return Minnesota Power customers will receive reduced PPA pricing. This will allow NextEra to repower Oliver I and Oliver II and capture ten years of PTC benefits.

## **II. PROCEDURAL MATTERS**

#### A. General Filing Information

Pursuant to Minn. Rule 7829.1300, Minnesota Power provides the following required general filing information.

## 1. Summary of Filing (Minn. Rule 7829.1300, subp.1)

A one-paragraph summary accompanies this Petition.

## 2. Service on Other Parties (Minn. Rule 7829.1300, subp. 2)

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power eFiles the Petition on the Department of Commerce – Division of Energy Resources ("Department") and the Residential Utilities Division of the Office of Attorney General. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on Minnesota Power's general service list.

# 3. Name, Address and Telephone Number of Utility (Minn. Rule 7829.1300, subp. 3(A))

Minnesota Power 30 West Superior Street Duluth, MN 55802 (218) 722-2641 4. Name, Address and Telephone Number of Utility Attorney (Minn. Rule 7829.1300, subp. 3(B))

David R. Moeller Senior Attorney Minnesota Power 30 West Superior Street Duluth, MN 55802 (218) 723-3963 dmoeller@allete.com

# 5. Date of Filing and Date Proposed Rate Takes Effect (Minn. Rule 7829.1300, subp. 3(C))

This Petition is being filed on September 19, 2018 and will have no effect on Minnesota Power's base rates. A condition precedent in the Amendments is approval by the Commission within ten (10) months of filing this Petition.

# 6. Statute Controlling Schedule for Processing the Filing (Minn. Rule 7829.1300, subp. 3(D))

This Petition is made pursuant to Minn. Stat. § 216B.1645. Furthermore, Minnesota Power's Petition falls within the definition of a "Miscellaneous Tariff Filing" under Minn. Rules 7829.0100, subp. 11 and 7829.1400, subps. 1 and 4, permitting comments in response to a miscellaneous filing to be filed within 30 days, and reply comments to be filed no later than 10 days thereafter.

# 7. Utility Employee Responsible for Filing (Minn. Rule 7829.1300, subp. 3(E))

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#### 8. Impact on Rates and Services (Minn. Rule 7829.1300, subp. 3(F))

These Amendments in and of themselves will have no effect on Minnesota Power's base rates. The energy costs under the current Oliver PPAs are already being assigned through Minnesota Power's Rider for Fuel and Purchased Energy to customers as allowed in Docket No. E015/M-05-975 in an order dated December 20, 2005.

### 9. Service List (Minn. Rule 7829.0700)

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## B. Eligible Energy Technology Determination

Minnesota Power is proud to have achieved its requirements under Minnesota's Renewable Energy Standard several years early and is currently in compliance with the 2025 requirement of providing 25 percent of its energy from renewable energy sources due in part to the Oliver PPAs. To the extent necessary, Minnesota Power requests that the Commission confirm that the Oliver PPAs continue to be a reasonable and prudent way for the Company to continue to meet its obligations under Minn. Stat § 216B.1691.

## C. Justification for Excising Trade Secret Information

Minnesota Power provides the Amendments in Appendix A. The Amendments and this Petition contain material designated as "Trade Secret" pursuant to Minn. Stat. § 13.37, subd. 1(b) and they are filed consistent with the Commission policy on trade secret material. Minnesota Power believes that all information identified as "Trade Secret" within this filing meets the requirements of Minn. Stat. § 13.37, subd. 1(b) and Minn. Rule 7829.0500. A statement regarding justification for excising Trade Secret information accompanies this Petition.

#### III. POWER PURCHASE AGREEMENT AMENDMENTS

#### A. <u>Background and Overview</u>

Minnesota Power seeks to continue building on the success of its initial forays from 2005 through 2007 into wind energy through these Amendments to the Oliver PPAs that will provide additional near term customer benefits. Minnesota Power's current wind portfolio consists of more than 600 MW of network integrated renewables that include both utility-owned and PPA structures. Owned assets include the Bison 1, Bison 2, Bison 3, and Bison 4 Wind projects (totaling 496.6 MW), and the Taconite Ridge project (25 MW). PPA sources include the Oliver PPAs (totaling 98.6 MW) that are the subject of this Petition. Figure 1 below shows Minnesota Power's existing wind resources, including the pending 250 MW Nobles 2 Power Purchase Agreement.





Table 1 below provides the details on the current Oliver I and Oliver II PPAs which would continue if the Amendments are not approved by the Commission or other contingencies are not met to allow the repowering projects to go forward.

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

	Oliver I	Oliver II			
Term	25 years	25 years			
Expiration Date	December 2031	December 2032			
Capacity	50.6 MW	48 MW			
Turbines	22 - Siemens 2.3 MW	32 - GE 1.5 MW			
Annual Generation	[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]			
Price	[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]			
PTC Status	Expired in December 2016	Expired in December 2017			

## Table 1 - Current Oliver I and Oliver II PPA Terms and Pricing

NextEra has made safe harbor investments in turbine components that could be used to repower Oliver I and II and qualify them for another 10 years of 100% PTC. Repowering would include replacing the blades with longer blades, and upgrading or replacing some of the generator and drive train components. The repowering modifications would increase annual generation by **[TRADE SECRET DATA EXCISED]** and extend the life of the wind projects. Minnesota Power can realize the benefits of repowering Oliver I and II through **[TRADE SECRET DATA EXCISED]** lower PPA prices saving customers around **[TRADE SECRET DATA EXCISED]** per year, additional low cost energy and contract extensions to secure this important renewable resource into the future.

Table 2 below provides the details of the Amendments and expected results of the repowering projects.

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

	Oliver I	Oliver II					
Term Extension	9 years	8 years					
New Expiration Date	December 2040	December 2040					
Capacity	50.6 MW	48 MW – 51.8 MW					
Turbines	22 - Siemens 2.3 MW	32 - GE 1.5 – 1.62 MW					
Annual Generation	[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]					
Price	[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]					
Pre-repower							
Repower Phase 1							
Repower Phase 2							
PTC Status	100% PTC for 10 years after	100% PTC for 10 years after					
	repowering	repowering					

# Table 2- Oliver I and Oliver II Amendments Terms and Pricing

## B. <u>Summary of Relevant Amendment Terms</u>

## 1. Extended Term and Pricing

If NextEra's repowering projects receive all the necessary approvals, the Amendments will become effective. The Amendments call for NextEra to continue supplying Minnesota Power with all of the output from Oliver I and Oliver II for extended terms of twenty years beyond repowering. Upon NextEra's completion of the repowering projects, the PPA pricing will be adjusted as set forth in Table 2 above. In addition to the significant price reduction, the repowering modifications will increase annual generation by **[TRADE SECRET DATA EXCISED]** and extend the life of the projects.

# 2. Other Provisions in the Amendments

In addition to updated and new definitions, Minnesota Power and NextEra have agreed to make other modifications in the Amendments. **[TRADE SECRET DATA EXCISED]**. Specific sections in Articles 5, 6 and 7 are amended to reflect updated curtailment practices and procedures between Minnesota Power and NextEra. Under Section 5.4.2 of the Amendments, the PPA language is modernized to reflect the Midcontinent

Independent System Operator ("MISO") Dispatchable Intermittent Resource ("DIR") requirements and operational procedures that were approved by the Federal Energy Regulatory Commission ("FERC") after Oliver I and Oliver II became fully operational. Specific sections in Articles 9, 11, 13 and 16 are amended to align with current commercial and industry standards for security, financing, insurance and liability. Finally, all of the remaining terms and provisions in the Oliver PPAs that are not amended are generally standard provisions in purchased power contracts as previously approved by the Commission.

## C. <u>Potential Risk Factors</u>

Minnesota Power understands that there are potential risks associated with the development and operation of the NextEra repowering projects. It is NextEra's intention to complete the repowering projects by year-end 2020 in order to qualify for the PTC. NextEra requires construction-related permitting from the North Dakota Public Service Commission, but can utilize existing generation interconnection approvals. In addition, the Oliver PPAs will continue to be primarily delivered over Minnesota Power's DC Line thereby maximizing this important utility asset. In the event NextEra does not obtain approval or the Commission does not approve these Amendments, then Minnesota Power and NextEra will revert to the current Oliver PPAs.

## D. <u>Ongoing Communication Updates</u>

Minnesota Power recognizes the importance of on-going communication with the Commission, the Department, and other stakeholders following approval of the Amendments. Minnesota Power has identified three primary milestones where it would be important to communicate project updates to the Commission, Department, and other stakeholders. The first milestone is when NextEra receives the required site permit approval from the North Dakota Public Service Commission. The second milestone is when the NextEra provides notice that it will begin the repowering projects. The third milestone will occur when the repowering projects are operational and the Oliver PPA pricing is adjusted as set forth in the Amendments. Minnesota Power commits to informing the Commission, the Department, and other stakeholders in a timely manner about the achievement of these milestones. The Company will also inform the Commission of any significant schedule changes that arise during implementation of NextEra's repowering projects.

## IV. THE AGREEMENT IS IN THE PUBLIC INTEREST

## A. <u>The Pricing in the Agreement is Economic</u>

The current favorable tax treatment of repowered wind projects with the extension of the PTC creates an opportunity for Minnesota Power's customers to realize the benefits through lower PPA prices, additional renewable energy and contract extensions to secure the renewable resources into the future while utilizing Minnesota Power's existing DC Line. NextEra has taken the necessary action to qualify the Oliver I and Oliver II repowering projects for the full amount of the PTC; therefore, Minnesota Power's customers will benefit from availability of the full PTC amount through the adjusted PPA price. During the first 12 years after repowering, after which the current PPAs would expire, Minnesota Power customers will benefit from a **[TRADE SECRET DATA EXCISED]** price reduction, saving around **[TRADE SECRET DATA EXCISED]** per year that customers will receive immediate benefits through Minnesota Power's Rider for Fuel and Purchased Energy.

# B. <u>The Amendments Offer Favorable Terms</u>

The Amendments to the Oliver PPAs extend existing, well operating wind resources that will help continue to meet Minnesota Power's customers' needs. At the same time, the Oliver PPAs will continue to provide a valuable resource for customers throughout the extended contract years without having to procure the same amount of market energy, capacity and renewable energy credits. Subject to regulatory approvals, the repowering projects and resulting amended Oliver PPAs will provide customers additional energy, capacity, and renewable energy attributes at lower prices that takes advantage of the full 100% PTC benefit.

#### V. CONCLUSION

Minnesota Power believes that the Amendments to the Oliver PPAs are in the public interest and respectfully requests that the Commission approve the Amendments. The Company also requests that the Commission confirm the Oliver PPAs continue to be a reasonable and prudent way for Minnesota Power to meet its obligations under Minnesota's Renewable Energy Standard in Minn. Stat § 216B.1691.

The Amendments provide a number of benefits for Minnesota Power and its customers including:

- Immediate reduction of costs upon the completion of the repowering projects
- Secure low cost renewable energy during the PPA extension
- Provide additional renewable energy to minimize carbon impact
- Continue to maximize utilization of Minnesota Power's DC Line
- Update and modernize terms and conditions from vintage PPAs

Commission approval of the Amendments will ensure these important wind resources through 2040 as Minnesota Power continues on a path to increase renewables and reduce greenhouse gas emissions to meet state goals. Minnesota Power looks forward to working with the Commission, the Department, and interested stakeholders to implement the Amendments to the Oliver PPAs.

Dated: September 19, 2018

Respectfully submitted,

Dais R. Malle

David R. Moeller Senior Attorney Minnesota Power 30 West Superior Street Duluth, MN 55802 (218) 723-3963 dmoeller@allete.com

## THIRD AMENDMENT

#### OF

#### **POWER PURCHASE AGREEMENT**

This THIRD AMENDMENT OF POWER PURCHASE AGREEMENT (this "Third Amendment"), is made and entered into as of this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 2018 ("Execution Date"), by and between FPL Energy Oliver Wind I, LLC ("FPLE"), a Delaware limited liability company with a principal place of business at 700 Universe Boulevard, Juno Beach, Florida 33408, and Minnesota Power ("MP"), a division of ALLETE, Inc., a Minnesota corporation with headquarters at 30 West Superior Street, Duluth, Minnesota 55802 ("FPLE", together with MP, the "Parties", individually, a "Party"). Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Agreement (as defined below).

## WITNESSETH:

WHEREAS, FPL Energy Burleigh County Wind, LLC ("FPLE Burleigh County") and MP executed that certain Power Purchase Agreement, dated as of May 27, 2005 (the "Agreement" or "PPA");

WHEREAS, pursuant to an Assignment and Assumption Agreement, dated as of April 26, 2006, FPLE Burleigh County assigned all of its rights and obligations under the Agreement to FPL Energy Oliver Wind LLC ("Original FPLE"), and Original FPLE assumed all of FPLE Burleigh County's rights and obligations under the Agreement;

WHEREAS, Original FPLE and MP executed that certain First Amendment of Power Purchase Agreement, dated as of December 28, 2006 (the "First Amendment");

WHEREAS, Original FPLE and MP executed that certain Second Amendment of Power Purchase Agreement, dated as of November 9, 2007 (the "Second Amendment");

WHEREAS, Original FPLE, FPLE and MP executed that certain Assignment and Assumption of Power Purchase Agreement, dated as December 24, 2009, pursuant to which Original FPLE assigned all of its rights and obligations under the Agreement to FPLE, and FPLE assumed all of Original FPLE's rights and obligations under the Agreement;

WHEREAS, the Parties now desire to amend the Agreement as provided for herein;

Now, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. Section 1.1 of the Agreement shall be amended by (i) deleting the phrase "twenty-fifth (25<sup>th</sup>)" and inserting "twentieth (20<sup>th</sup>)" in lieu thereof and (ii) deleting the phrase "Commercial Operation Milestone" and inserting the phrase "Repower Completion Date" in lieu thereof.

# 2. [TRADE SECRET DATA EXCISED]

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# 1.2 [TRADE SECRET DATA EXCISED]

1.2.1 [TRADE SECRET DATA EXCISED]

1.2.2 [TRADE SECRET DATA EXCISED]

1.2.3 [TRADE SECRET DATA EXCISED]

## 1.2.4 [TRADE SECRET DATA EXCISED]

3. Section 2.1 of the Agreement shall be amended by inserting the following additional Section 2.1.4 at the end thereof:

2.1.4 Subject to the requirements of this Section 2.1.4, FPLE shall repower the wind turbines installed at the Wind Facility, in whole or in part, with newer technology (a "Repower", such replacement wind turbines, "Repowered Turbines"). FPLE shall provide written notice to MP of the commencement of the decommissioning and Repowering of the wind turbine(s) (a "Repower Commencement Notice"), after which FPLE shall use commercially reasonable efforts to complete such Repower in a timely manner, which repower is currently targeted to commence on or prior to July 1, 2020; **[TRADE SECRET DATA EXCISED]** Upon delivery by FPLE to MP of written notice of the Repower Completion Date, the Repower shall be deemed complete and the definition of "Wind Facility" and the description of the Wind Facility in **Exhibit A** shall be automatically amended, without the necessity of further written amendment, to reflect the Wind Facility as Repowered.

4. Section 3.3.1 of the Agreement shall be amended by deleting **[TRADE SECRET DATA EXCISED]** in paragraphs (a) and (c) therein and inserting "the then applicable price set forth in **Exhibit B**" in lieu thereof.

5. Section 5.4.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

5.4.2 Throughout the Term, MP shall serve as the Market Participant for the Wind Facility and shall be responsible for performing all obligations of a Market Participant under the MISO Tariff, including but not limited to all registration, reporting, forecasting, scheduling and financial obligations required in connection with the Wind Facility's registration as a Dispatchable Intermittent Resource with MISO. **[TRADE SECRET DATA EXCISED]** FPLE agrees to use commercially reasonable efforts to cooperate with MP in connection with MP's performance of such obligations and to minimize deviations and MISO charges, provided, however, that in no event shall such efforts require FPLE to operate or maintain the Wind Facility in a manner that (a) is inconsistent with Good Utility Practices, (b) could otherwise reasonably be expected to result in damage to FPLE's equipment or harm to life and/or other property, (c) would violate any applicable law or the MISO Tariff or the Interconnection Provider's Tariff or (d) could cause

FPLE to breach any term of the Interconnection Agreement. MP shall be responsible for the payment of all charges associated with such scheduling activities, including, without limitation, any imbalance/deviation charges or other dispatch-related charges or penalties. MP, or MP's designated Market Participant, shall be responsible for the Energy Market settlement of all Contract Energy during the Term, including all costs associated therewith, and shall be entitled to retain all settlement payments received from MISO in connection therewith.

6. Section 5.4 of the Agreement shall be amended by inserting the following additional Section 5.4.3 at the end thereof:

## [TRADE SECRET DATA EXCISED]

7. Section 6.7.3 of the Agreement shall be amended by deleting the third sentence and inserting the following in lieu thereof:

## [TRADE SECRET DATA EXCISED]

8. Section 7.5.3 of the Agreement shall be amended by inserting the following **[TRADE SECRET DATA EXCISED]** 

9. Section 8.4 of the Agreement shall be amended by inserting "or other industryapproved remote sensing technology" after the phrase "meteorological towers" in the second sentence thereof.

10. Section 9.2 of the Agreement shall be deleted in its entirety.

11. Section 9.3.5 of the Agreement shall be amended by **[TRADE SECRET DATA EXCISED]** 

12. Section 11.1.9 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

# [TRADE SECRET DATA EXCISED]

13. Section 13.1 of the Agreement shall be amended by deleting clause (b) therein and inserting the following in lieu thereof:

(b) provided that MP shall receive thirty (30) Days' prior written Notice of nonrenewal or cancellation of any of the corresponding policies (except that such Notice shall be ten (10) Days for non-payment of premiums);

14. Section 13.1 of the Agreement shall be amended by inserting the clause "rated no less than A- VII by A.M. Best or" after the word "insurers" in the third sentence thereof.

15. Section 13.2 of the Agreement shall be amended by (i) deleting "and Umbrella" from the heading thereof and (ii) deleting the first two (2) sentences thereof their entirety and inserting the following in lieu thereof:

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Commercial General Liability (CGL) Insurance shall be procured at a minimum limit of coverage of one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) in the aggregate, where applicable.

16. Section 13.2.2 of the Agreement shall be amended by (i) inserting the word "additional" prior to the word "insured" in the first clause of the first sentence thereof and (ii) deleting the word "commercial" in the first, second and third sentences thereof.

17. Section 13.2.3 of the Agreement shall be amended by (i) deleting the word "commercial" therein and (ii) deleting the phrase "this policy" therein and inserting "these policies" in lieu thereof.

18. Section 13.5 of the Agreement shall be amended by deleting the word "or" therein.

19. Section 13.7 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

13.7 <u>Pollution Liability Insurance</u>. Pollution Liability Insurance shall be procured at a level of five million dollars (\$5,000,000) each occurrence. The requirement hereunder may be satisfied with any combination of primary and umbrella liability insurance.

20. Section 13.8 of the Agreement shall be amended by (i) deleting "Special Form" from the heading and inserting "All Risk" in lieu thereof, (ii) deleting the word "absolute" in the second sentence thereof and (iii) deleting "Special Form" in the third sentence therein and inserting "All Risk" in lieu thereof.

21. Section 16.1.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

for:

16.1.2 Notwithstanding the foregoing, no consent shall be required

(a) any assignment of this Agreement by FPLE to any Wind Facility Lenders as collateral security for obligations under the financing documents entered into with such Wind Facility Lenders;

(b) any assignment by the Wind Facility Lenders to a third party after the Wind Facility Lenders have exercised their foreclosure rights with respect to this Agreement or the Wind Facility;

(c) any assignment or transfer of this Agreement by FPLE to an Affiliate of FPLE;

(d) any assignment or transfer of this Agreement by FPLE to a person succeeding to all or substantially all of the assets of FPLE, provided that such person's creditworthiness is equal to or better than that of FPLE, as reasonably determined by MP; or

(e) any assignment by MP to an Affiliate of MP in connection with MP reorganizing its corporate structure, provided that MP provides assurances and executes documents reasonably required by FPLE regarding MP's continued liability for all of MP's obligations under this PPA in the event of any nonperformance on the part of such assignee;

provided, however, in each of the cases set forth above (except with respect to clause (a) and clause (e) above), the assignee or transferee (i) shall agree in writing to be bound by the terms and conditions hereof and furnish a copy of the assignment or transfer document to the non-assigning Party; (ii) in the case of an assignment or transfer by the FPLE or Wind Facility Lender to a third party that is not an Affiliate of FPLE, shall possess the technical expertise and capability (or shall have retained such technical expertise and capability) to perform FPLE's obligations under this Agreement, and (iii) shall have complied with the obligations to provide financial support in accordance with Section 9.1 of this Agreement.

22. Section 16.1.3 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

16.1.3 MP acknowledges that upon an event of default under any financing documents relating to the Wind Facility, any of the Wind Facility Lenders or their designees may (but shall not be obligated to) assume, or cause its designee or a new lessee or MP of the Wind Facility to assume, all of the interests, rights and obligations of FPLE thereafter arising under this Agreement, provided that, regardless of whether any such Wind Facility Lender or its designee assumes all of the interests, rights and obligations of FPLE thereafter arising under this Agreement, MP's interests, rights and obligations under this Agreement will remain in full force and effect.

23. Section 16.1.4 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

16.1.4 If the rights and interests of FPLE in this Agreement shall be assumed, sold or transferred as and upon satisfaction of the conditions set forth in this Section 16.1 and as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to MP arising or accruing hereunder from and after the date of such assumption, then FPLE shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and MP shall continue this Agreement with the assuming party as if such person had been named as FPLE under this Agreement; provided, however, that if any such person assumes this Agreement as provided herein, MP acknowledges and agrees that such persons shall not be personally liable for the performance of such obligations hereunder except to the extent of the total interest of the Wind Facility Lenders in the Wind Facility. Notwithstanding any such assumption by any of the Wind Facility Lenders or a designee thereof, FPLE shall not be released and discharged from and shall remain liable for any and all obligations to MP arising or accruing hereunder prior to such assumption.

24. Section 16.1 of the Agreement shall be amended by inserting the following additional Section 16.1.5 at the end thereof:

16.1.5 The provisions of this Section 16.1 are for the benefit of the Wind Facility Lenders as well as the Parties hereto, and shall be enforceable by the Wind Facility Lenders as express third-party beneficiaries hereof. MP hereby agrees that none of the Wind Facility Lenders, nor any bondholder or participant for whom they may act or any trustee acting on their behalf, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of FPLE or shall have any obligation or liability to MP with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this Section 16.1.

25. Section 16.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

## 16.2 Accommodation of Wind Facility Lender; Financing Liens.

16.2.1 FPLE, without approval of MP, may, by security, charge or otherwise encumber its interest under this Agreement for the purposes of financing the development, construction and/or operation of the Wind Facility and the FPLE's Interconnection Facilities. Promptly after making such encumbrance, FPLE shall notify MP in writing of the name, address, and telephone and facsimile numbers of each Wind Facility to which FPLE's interest under this Agreement has been encumbered. Such notice shall include the names of the account managers or other representatives of the Wind Facility Lenders to whom all written and telephonic communications may be addressed. After giving MP such initial notice, FPLE shall promptly give MP notice of any change in the information provided in the initial notice or any revised notice.

16.2.2 If FPLE encumbers its interest under this Agreement as permitted by this Section 16.2.2, or otherwise in connection with any Wind Facility Debt, the following provisions shall apply:

(a) The Parties, except as provided by the terms of this Agreement, shall not modify or cancel this Agreement without the prior written consent of the Wind Facility Lenders;

(b) The Wind Facility Lenders or their designees shall have the right, but not the obligation, to perform any act required to be performed by FPLE under this Agreement to prevent or cure a default by FPLE and such act performed by the Wind Facility Lenders or their designees shall be as effective to prevent or cure a default as if done by FPLE, provided that, if any such Wind Facility Lender or its designee elects to perform any act required to be performed by FPLE under this Agreement to prevent or cure a default by FPLE, MP will not be deemed to have waived or relinquished its rights and remedies as provided in this Agreement;

(c) MP shall upon request by FPLE execute statements certifying that this Agreement is unmodified (or, modified and stating the nature of the modification), in full force and effect and the absence or existence (and the nature thereof) of default hereunder by FPLE and documents of consent to such assignment to the encumbrance and any assignment to such Wind Facility Lenders; and

Upon the receipt of a written request from FPLE or (d) any Wind Facility Lender, MP shall execute, or arrange for the delivery of, such certificates, opinions, representations, information and other documents as may be reasonably necessary in order for FPLE to consummate any financing or refinancing of the Wind Facility or any part thereof and will enter into reasonable agreements (including a consent agreement or estoppel certificate in connection with any tax equity financing) with such Wind Facility Lender, which agreements will grant certain rights to the Wind Facility Lenders as more fully developed and described in such documents, including (i) this Agreement shall not be terminated (except for termination pursuant to the terms of this Agreement) without the consent of Wind Facility Lender, which consent is not to be unreasonably withheld or delayed, (ii) Wind Facility Lenders shall be given notice of, and the opportunity to cure as provided in Section 11.2, any breach or default of this Agreement by FPLE, provided, however, that Wind Facility Lenders shall be provided thirty (30) Days to cure such breach or default after FPLE's failure to cure pursuant to Section 11.4, with respect to a monetary default, and one hundred and twenty (120) Days to cure such breach or default after FPLE's failure to cure pursuant to Section 11.4, with respect to a non-monetary default, (iii) if the Wind Facility Lender forecloses, take a deed in lieu of foreclosure or otherwise exercise its remedies pursuant to any security documents, then (A) MP shall, at Wind Facility Lender's request, continue to perform all of its obligations hereunder, and Wind Facility Lender or its nominee may perform in the place of FPLE, and subject to satisfaction of the conditions set forth in Section 16.1, may assign this Agreement to another person in place of FPLE, (B) Wind Facility Lender shall have no liability under this Agreement except during the period of such Wind Facility Lender's ownership or operation of the Wind Facility, and (C) MP shall accept performance in accordance with this Agreement by Wind Facility Lender or its nominee, subject to satisfaction of the conditions set forth in Section 16.1, and (iv) that MP shall make representations and warranties to Wind Facility Lender as Wind Facility Lender may reasonably request with regard to (A) MP's existence, (B) MP's authority to execute, deliver and perform this Agreement, (C) the binding nature of the document evidencing MP's consent to assignment to Wind Facility Lender and this Agreement on MP and (iv) receipt of regulatory approvals by MP with respect to its execution and performance under this Agreement.

(e) FPLE shall reimburse, or shall cause the Wind Facility Lender to reimburse, MP for the incremental direct expenses

(including without limitation, the reasonable fees and expenses of counsel) incurred by MP in the preparation, negotiation, execution and/or delivery of any documents requested by FPLE or the Wind Facility Lender, and provided by MP, pursuant to this Section.

26. Section 16.3 of the Agreement shall be amended by deleting the third sentence thereof in its entirety.

27. Section 18.1 of the Agreement shall be amended as follows:

(a) The definition of "**Commercial Operation Year**" shall be amended by inserting the following at the end thereof:

; provided, however, that on and after the Repower Completion Date, "Commercial Operation Year" shall mean any consecutive twelve (12) month period, during the Term of this PPA, commencing with the Repower Completion Date or its anniversary.

(b) The definition of "**Financing Documents**" shall be amended by deleting the phrase "or refinancing documents" and inserting ", financing lease, monetization of tax benefits, back-leverage or paygo financing, tax equity financing or credit derivative arrangement or refinancing of the foregoing" in lieu thereof.

(c) The definition of "**Wind Facility Debt**" shall be amended by inserting the phrase ", including any tax equity investor," after the word "lender" therein.

(d) The definition of "**Wind Facility Lender**" shall be amended by inserting the phrase ", including any tax equity investor(s)," after the word "lender(s)" therein.

# (e) [TRADE SECRET DATA EXCISED]

(f) The following new definition of "**Dispatchable Intermittent Resource**" shall be added:

"**Dispatchable Intermittent Resource**" – has the meaning set forth in the MISO Tariff and related rules.

(g) The following new definition of "Dispatch Interval;" shall be added:

"**Dispatch Interval**" - a 5-minute length of time for which MISO issues Dispatch Targets for the Real Time Energy and Operating Reserve Market, each as defined in the MISO Tariff, or as amended in MISO's Tariff hereafter.

# (h) [TRADE SECRET DATA EXCISED]

- (i) **[TRADE SECRET DATA EXCISED]**
- (j) The following new definition of "Energy Market" shall be added:

"Energy Market" - any market then in use by MISO, or any other entity that is authorized to balance energy supply and demand for the Wind Facility.

# (k) [TRADE SECRET DATA EXCISED]

(1) The following new definition of "Market Participant" shall be added:

"Market Participant" - the person representing MP in MISO's Energy Market with respect to the Wind Facility.

- (m) [TRADE SECRET DATA EXCISED]
- (n) [TRADE SECRET DATA EXCISED]
- (o) [TRADE SECRET DATA EXCISED]
- (p) [TRADE SECRET DATA EXCISED]
- (q) [TRADE SECRET DATA EXCISED]
- (r) The following new definition of "Offer" shall be added:

"Offer" - an offer that is duly submitted to MISO consistent with the MISO Tariff and applicable "MISO Business Practices Manuals, Market Rules and Procedures", to sell Energy and Operating Reserve in the Energy and Operating Reserve Markets (as defined therein) at a specified price, location, quantity, and time period.

# (s) [TRADE SECRET DATA EXCISED]

(t) **[TRADE SECRET DATA EXCISED]** 

# (u) [TRADE SECRET DATA EXCISED]

(v) The following new definition of "PTC Rate" shall be added:

"**PTC Rate**" - the then-current amount of the PTCs (on a per MWh basis) as set forth in applicable Internal Revenue Service guidance.

(w) The following new definition of "**Repower**" shall be added:

"Repower" - shall have the meaning set forth in Section 2.1.4.

(x) The following new definition of "**Repower Commencement Notice**" shall be added:

"**Repower Commencement Notice**" - shall have the meaning set forth in **Section 2.1.4**.

(y) The following new definition of "Repower Completion Date" shall be added:

"Repower Completion Date" - the date that FPLE notifies MP in writing [TRADE SECRET DATA EXCISED]

(z) The following new definition of "**Repowered Turbine**" shall be added:

"Repowered Turbine" - shall have the meaning set forth in Section 2.1.4.

- (aa) [TRADE SECRET DATA EXCISED]
- (bb) [TRADE SECRET DATA EXCISED]

28. **Exhibit B – Contract Energy Pricing** of the Agreement shall be amended by deleting the text thereof in its entirety and inserting the following in lieu thereof:

The price paid for Contract Energy delivered to the Point of Delivery shall be as follows for the applicable periods:

Period	Contract Rate (\$/MWh)
From and including the Commercial Operation Milestone through the Repower Completion Date	[TRADE SECRET DATA EXCISED]
[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]
[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]

29. This Third Amendment is executed in connection with, and upon the Effective Date, shall be deemed to be a part of, the Agreement.

# (i) [TRADE SECRET DATA EXCISED]

(ii) [TRADE SECRET DATA EXCISED] and (c) MP obtaining MPUC Approval of this Third Amendment within ten months from MP's submittal of the petition for MPUC Approval. Notwithstanding the terms and conditions in Section 1.3.1 of the Agreement, MP shall file the petition for MPUC Approval of this Third Amendment within 60 days of execution hereof.

FPLE shall provide MP with prompt written notice of FPLE obtaining all such consents and approvals, or that FPLE has determined that no such consents and approvals are required for the performance of this Third Amendment. MP shall provide FPLE with prompt written notice of MP obtaining all such consents and

approvals, or that MP has determined that no such consents and approvals are required for the performance of this Third Amendment.

(iii) Upon the occurrence of the Effective Date, this Third Amendment shall thereafter automatically become a part of the Agreement. Thereafter, wherever the terms of this Third Amendment and the terms of the Agreement are in conflict, the terms of this Third Amendment shall govern and control. Capitalized terms used herein, unless otherwise defined in this Third Amendment, shall have the meanings ascribed to them in the Agreement.

30. Except as provided in Section 29, the execution, delivery, and performance of this Third Amendment has been duly authorized by all requisite corporation action and this Third Amendment constitutes the legal, valid and binding obligation of FPLE and MP, enforceable against each Party in accordance with its terms.

31. If any one or more of the provisions of this Third Amendment should be ruled illegal, wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction under present or future laws, then: (i) the validity and enforceability of all provisions of this Third Amendment not ruled to be invalid or unenforceable shall be unaffected and remain in full force and effect; (ii) the effect of the ruling shall be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held illegal, wholly or partly invalid or unenforceable shall be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the Parties' intent as manifested herein.

32. The Parties acknowledge and agree that this Third Amendment may be executed in multiple counterparts, and transmitted via telecopy, each such counterpart (whether transmitted via telecopy or otherwise), when executed, shall constitute an integral part of one and the same agreement between the Parties.

33. Except as expressly modified by this Third Amendment, all of the terms, conditions, covenants, agreements and understandings contained in the Agreement shall remain unchanged and in full force and effect, and the same are hereby expressly ratified and confirmed by the Parties.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have affixed their signatures, effective on the date first written above.

FPL ENERGY OLIVER WIND I, LLC

By: Name: Kujawa Reberca Title: President

MINNESOTA POWER, A DIVISION OF ALLETE, INC.

B esidut 2 CE Hads Name: A D LAN Title:

[SIGNATURE PAGE TO THIRD AMENDMENT OF POWER PURCHASE AGREEMENT]

#### SECOND AMENDMENT

OF

#### **POWER PURCHASE AGREEMENT**

This SECOND AMENDMENT OF POWER PURCHASE AGREEMENT (this "Second Amendment"), is made and entered into as of this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 2018 ("Execution Date"), by and between FPL Energy Oliver Wind II, LLC ("FPLE"), a Delaware limited liability company with a principal place of business at 700 Universe Boulevard, Juno Beach, Florida 33408, and Minnesota Power ("MP"), a division of ALLETE, Inc., a Minnesota corporation with headquarters at 30 West Superior Street, Duluth, Minnesota 55802 ("FPLE", together with MP, the "Parties", individually, a "Party"). Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Agreement (as defined below).

## WITNESSETH:

WHEREAS, FPL Energy Oliver Wind II, LLC ("FPLE") and MP executed that certain Power Purchase Agreement, dated as of December 28, 2006 (the "Agreement" or "PPA");

WHEREAS, Original FPLE and MP executed that certain First Amendment of Power Purchase Agreement, dated as of November 9, 2007 (the "First Amendment");

WHEREAS, the Parties now desire to amend the Agreement as provided for herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. Section 1.1 of the Agreement shall be amended by (i) deleting the phrase "twenty-fifth (25<sup>th</sup>)" and inserting "twentieth (20<sup>th</sup>)" in lieu thereof and (ii) deleting the phrase "Commercial Operation Milestone" and inserting the phrase "Repower Completion Date" in lieu thereof.

- 2. [TRADE SECRET DATA EXCISED]
- 1.2 [TRADE SECRET DATA EXCISED]
- 1.2.1 [TRADE SECRET DATA EXCISED]
- 1.2.2 [TRADE SECRET DATA EXCISED]

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

## 1.2.3 [TRADE SECRET DATA EXCISED]

### 1.2.4. [TRADE SECRET DATA EXCISED]

3. Section 2.1 of the Agreement shall be amended by inserting the following additional Section 2.1.4 at the end thereof:

2.1.4 Subject to the requirements of this Section 2.1.4, FPLE shall repower the wind turbines installed at the Wind Facility, in whole or in part, with newer technology (a "Repower", such replacement wind turbines, "Repowered Turbines"). FPLE shall provide written notice to MP of the commencement of the decommissioning and Repowering of the wind turbine(s) (a "Repower Commencement Notice"), after which FPLE shall use commercially reasonable efforts to complete such Repower in a timely manner, which repower is currently targeted to commence on or prior to July 1, 2020; [TRADE SECRET DATA EXCISED] Upon delivery by FPLE to MP of written notice of the Repower Completion Date, the Repower shall be deemed complete and the definition of "Wind Facility" and the description of the Wind Facility in **Exhibit A** shall be automatically amended, without the necessity of further written amendment, to reflect the Wind Facility as Repowered, including but not limited to the Installed Capacity referenced in Section 3.1 hereof shall be automatically amended to the range of 48 to 52 MW.

4. Section 5.4.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

5.4.2 Throughout the Term, MP shall serve as the Market Participant for the Wind Facility and shall be responsible for performing all obligations of a Market Participant under the MISO Tariff, including but not limited to all registration, reporting, forecasting, scheduling and financial obligations required in connection with the Wind Facility's registration as a Dispatchable Intermittent Resource with MISO. **[TRADE SECRET DATA EXCISED]** FPLE agrees to use commercially reasonable efforts to cooperate with MP in connection with MP's performance of such obligations and to minimize deviations and MISO charges, provided, however, that in no event shall such efforts require FPLE to operate or maintain the Wind Facility in a manner that (a) is inconsistent with Good Utility Practices, (b) could otherwise reasonably be expected to result in damage to FPLE's equipment or harm to life and/or other property, (c) would violate any applicable law or the MISO Tariff or the Interconnection Provider's Tariff or (d) could cause FPLE to breach any term of the

Interconnection Agreement. MP shall be responsible for the payment of all charges associated with such scheduling activities, including, without limitation, any imbalance/deviation charges or other dispatch-related charges or penalties. MP, or MP's designated Market Participant, shall be responsible for the Energy Market settlement of all Contract Energy during the Term, including all costs associated therewith, and shall be entitled to retain all settlement payments received from MISO in connection therewith.

5. Section 5.4 of the Agreement shall be amended by inserting the following additional Section 5.4.3 at the end thereof:

# [TRADE SECRET DATA EXCISED]

6. Section 6.7.3 of the Agreement shall be amended by deleting the third sentence and inserting the following in lieu thereof:

# [TRADE SECRET DATA EXCISED]

7. Section 7.5.3 of the Agreement shall be amended by inserting the following **[TRADE SECRET DATA EXCISED]** 

8. Section 8.4 of the Agreement shall be amended by inserting "or other industry-approved remote sensing technology" after the phrase "meteorological towers" in the second sentence thereof.

9. Section 9.2 of the Agreement shall be deleted in its entirety.

10. Section 9.3.3 of the Agreement shall be amended **[TRADE SECRET DATA EXCISED]** 

11. Section 11.1.9 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

# [TRADE SECRET DATA EXCISED]

12. Section 13.1 of the Agreement shall be amended by deleting clause (b) therein and inserting the following in lieu thereof:

(b) provided that MP shall receive thirty (30) Days' prior written Notice of non-renewal or cancellation of any of the corresponding policies (except that such Notice shall be ten (10) Days for non-payment of premiums);

13. Section 13.1 of the Agreement shall be amended by inserting the clause "rated no less than A- VII by A.M. Best or" after the word "insurers" in the third sentence thereof.

14. Section 13.2 of the Agreement shall be amended by (i) deleting "and Umbrella" from the heading thereof and (ii) deleting the first two (2) sentences thereof their entirety and inserting the following in lieu thereof:

Commercial General Liability (CGL) Insurance shall be procured at a minimum limit of coverage of one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) in the aggregate, where applicable.

15. Section 13.2.2 of the Agreement shall be amended by (i) inserting the word "additional" prior to the word "insured" in the first clause of the first sentence thereof and (ii) deleting the word "commercial" in the first, second and third sentences thereof.

16. Section 13.2.3 of the Agreement shall be amended by (i) deleting the word "commercial" therein and (ii) deleting the phrase "this policy" therein and inserting "these policies" in lieu thereof.

17. Section 13.5 of the Agreement shall be amended by deleting the word "or" therein.

18. Section 13.7 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

13.7 <u>Pollution Liability Insurance</u>. Pollution Liability Insurance shall be procured at a level of five million dollars (\$5,000,000) each occurrence. The requirement hereunder may be satisfied with any combination of primary and umbrella liability insurance.

19. Section 13.8 of the Agreement shall be amended by (i) deleting "Special Form" from the heading and inserting "All Risk" in lieu thereof, (ii) deleting the word "absolute" in the second sentence thereof and (iii) deleting "Special Form" in the third sentence therein and inserting "All Risk" in lieu thereof.

20. Section 16.1.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

16.1.2 Notwithstanding the foregoing, no consent shall be required for:

(a) any assignment of this Agreement by FPLE to any Wind Facility Lenders as collateral security for obligations under the financing documents entered into with such Wind Facility Lenders;

(b) any assignment by the Wind Facility Lenders to a third party after the Wind Facility Lenders have exercised their foreclosure rights with respect to this Agreement or the Wind Facility;

(c) any assignment or transfer of this Agreement by FPLE to an Affiliate of FPLE;

(d) any assignment or transfer of this Agreement by FPLE to a person succeeding to all or substantially all of the assets of FPLE, provided that such person's creditworthiness is equal to or better than that of FPLE, as reasonably determined by MP; or

(e) any assignment by MP to an Affiliate of MP in connection with MP reorganizing its corporate structure, provided that MP provides assurances and executes documents reasonably required by FPLE regarding MP's continued liability for all of MP's obligations under this PPA in the event of any nonperformance on the part of such assignee;

provided, however, in each of the cases set forth above (except with respect to clause (a) and clause (e) above), the assignee or transferee (i) shall agree in writing to be bound by the terms and conditions hereof and furnish a copy of the assignment or transfer document to the non-assigning Party; (ii) in the case of an assignment or transfer by the FPLE or Wind Facility Lender to a third party that is not an Affiliate of FPLE, shall possess the technical expertise and capability (or shall have retained such technical expertise and capability) to perform FPLE's obligations under this Agreement, and (iii) shall have complied with the obligations to provide financial support in accordance with Section 9.1 of this Agreement.

21. Section 16.1.3 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

16.1.3 MP acknowledges that upon an event of default under any financing documents relating to the Wind Facility, any of the Wind Facility Lenders or their designees may (but shall not be obligated to) assume, or cause its designee or a new lessee or MP of the Wind Facility to assume, all of the interests, rights and obligations of FPLE thereafter arising under this Agreement, provided that, regardless of whether any such Wind Facility Lender or its designee assumes all of the interests, rights and obligations of FPLE thereafter arising under this Agreement, MP's interests, rights and obligations under this Agreement will remain in full force and effect.

22. Section 16.1.4 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

16.1.4 If the rights and interests of FPLE in this Agreement shall be assumed, sold or transferred as and upon satisfaction of the conditions set forth in this Section 16.1 and as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to MP arising or accruing hereunder from and after the date of such assumption, then FPLE shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and MP shall continue this Agreement with the assuming party as if such person had been named as FPLE under this Agreement; *provided*, *however*, that if any such person assumes this Agreement as provided herein, MP acknowledges and agrees that such persons shall not be personally liable for the performance of such obligations hereunder except to the extent of the total interest of the Wind Facility Lenders in the Wind Facility. Notwithstanding any such assumption by any of the Wind Facility Lenders or a designee thereof, FPLE shall not be released and discharged from and shall remain liable for any and all obligations to MP arising or accruing hereunder prior to such assumption.

23. Section 16.1 of the Agreement shall be amended by inserting the following additional Section 16.1.5 at the end thereof:

16.1.5 The provisions of this Section 16.1 are for the benefit of the Wind Facility Lenders as well as the Parties hereto, and shall be enforceable by the Wind Facility Lenders as express third-party beneficiaries hereof. MP hereby agrees that none of the Wind Facility Lenders, nor any bondholder or participant for whom they may act or any trustee acting on their behalf, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of FPLE or shall have any obligation or liability to MP with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this Section 16.1.

24. Section 16.2 of the Agreement shall be amended by deleting the same in its entirety and inserting the following in lieu thereof:

## 16.2 Accommodation of Wind Facility Lender; Financing Liens.

16.2.1 FPLE, without approval of MP, may, by security, charge or otherwise encumber its interest under this Agreement for the purposes of financing the development, construction and/or operation of the Wind Facility and the FPLE's Interconnection Facilities. Promptly after making such encumbrance, FPLE shall notify MP in writing of the name, address, and telephone and facsimile numbers of each Wind Facility to which FPLE's interest

under this Agreement has been encumbered. Such notice shall include the names of the account managers or other representatives of the Wind Facility Lenders to whom all written and telephonic communications may be addressed. After giving MP such initial notice, FPLE shall promptly give MP notice of any change in the information provided in the initial notice or any revised notice.

16.2.2 If FPLE encumbers its interest under this Agreement as permitted by this Section 16.2.2, or otherwise in connection with any Wind Facility Debt, the following provisions shall apply:

(a) The Parties, except as provided by the terms of this Agreement, shall not modify or cancel this Agreement without the prior written consent of the Wind Facility Lenders;

(b) The Wind Facility Lenders or their designees shall have the right, but not the obligation, to perform any act required to be performed by FPLE under this Agreement to prevent or cure a default by FPLE and such act performed by the Wind Facility Lenders or their designees shall be as effective to prevent or cure a default as if done by FPLE, provided that, if any such Wind Facility Lender or its designee elects to perform any act required to be performed by FPLE under this Agreement to prevent or cure a default by FPLE, MP will not be deemed to have waived or relinquished its rights and remedies as provided in this Agreement;

(c) MP shall upon request by FPLE execute statements certifying that this Agreement is unmodified (or, modified and stating the nature of the modification), in full force and effect and the absence or existence (and the nature thereof) of default hereunder by FPLE and documents of consent to such assignment to the encumbrance and any assignment to such Wind Facility Lenders; and

(d) Upon the receipt of a written request from FPLE or any Wind Facility Lender, MP shall execute, or arrange for the delivery of, such certificates, opinions, representations, information and other documents as may be reasonably necessary in order for FPLE to consummate any financing or refinancing of the Wind Facility or any part thereof and will enter into reasonable agreements (including a consent agreement or estoppel certificate in connection with any tax equity financing) with such Wind Facility Lender, which agreements will grant certain rights to the Wind Facility Lenders as more fully developed and described in such documents, including (i) this Agreement shall not be terminated

(except for termination pursuant to the terms of this Agreement) without the consent of Wind Facility Lender, which consent is not to be unreasonably withheld or delayed, (ii) Wind Facility Lenders shall be given notice of, and the opportunity to cure as provided in Section 11.2, any breach or default of this Agreement by FPLE, provided, however, that Wind Facility Lenders shall be provided thirty (30) Days to cure such breach or default after FPLE's failure to cure pursuant to Section 11.4, with respect to a monetary default, and one hundred and twenty (120) Days to cure such breach or default after FPLE's failure to cure pursuant to Section 11.4, with respect to a non-monetary default, (iii) if the Wind Facility Lender forecloses, take a deed in lieu of foreclosure or otherwise exercise its remedies pursuant to any security documents, then (A) MP shall, at Wind Facility Lender's request, continue to perform all of its obligations hereunder, and Wind Facility Lender or its nominee may perform in the place of FPLE, and subject to satisfaction of the conditions set forth in Section 16.1, may assign this Agreement to another person in place of FPLE, (B) Wind Facility Lender shall have no liability under this Agreement except during the period of such Wind Facility Lender's ownership or operation of the Wind Facility, and (C) MP shall accept performance in accordance with this Agreement by Wind Facility Lender or its nominee, subject to satisfaction of the conditions set forth in Section 16.1, and (iv) that MP shall make representations and warranties to Wind Facility Lender as Wind Facility Lender may reasonably request with regard to (A) MP's existence, (B) MP's authority to execute, deliver and perform this Agreement, (C) the binding nature of the document evidencing MP's consent to assignment to Wind Facility Lender and this Agreement on MP and (iv) receipt of regulatory approvals by MP with respect to its execution and performance under this Agreement.

(e) FPLE shall reimburse, or shall cause the Wind Facility Lender to reimburse, MP for the incremental direct expenses (including without limitation, the reasonable fees and expenses of counsel) incurred by MP in the preparation, negotiation, execution and/or delivery of any documents requested by FPLE or the Wind Facility Lender, and provided by MP, pursuant to this Section.

25. Section 16.3 of the Agreement shall be amended by deleting the third sentence thereof in its entirety.

26. Section 18.1 of the Agreement shall be amended as follows:

## PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

(a) The definition of "**Commercial Operation Year**" shall be amended by inserting the following at the end thereof:

; provided, however, that on and after the Repower Completion Date, "Commercial Operation Year" shall mean any consecutive twelve (12) month period, during the Term of this PPA, commencing with the Repower Completion Date or its anniversary.

(b) The definition of "**Financing Documents**" shall be amended by deleting the phrase "or refinancing documents" and inserting ", financing lease, monetization of tax benefits, back-leverage or paygo financing, tax equity financing or credit derivative arrangement or refinancing of the foregoing" in lieu thereof.

(c) The definition of "**Wind Facility Debt**" shall be amended by inserting the phrase ", including any tax equity investor," after the word "lender" therein.

(d) The definition of "**Wind Facility Lender**" shall be amended by inserting the phrase ", including any tax equity investor(s)," after the word "lender(s)" therein.

# (e) [TRADE SECRET DATA EXCISED]

(f) The following new definition of "Dispatchable Intermittent Resource" shall be added:

"**Dispatchable Intermittent Resource**" – has the meaning set forth in the MISO Tariff and related rules.

(g) The following new definition of "Dispatch Interval;" shall be added:

"**Dispatch Interval**" - a 5-minute length of time for which MISO issues Dispatch Targets for the Real Time Energy and Operating Reserve Market, each as defined in the MISO Tariff, or as amended in MISO's Tariff hereafter.

## (h) [TRADE SECRET DATA EXCISED]

# (i) [TRADE SECRET DATA EXCISED]

(j) The following new definition of "Energy Market" shall be added:

"Energy Market" - any market then in use by MISO, or any other entity that is authorized to balance energy supply and demand for the Wind Facility.

## (k) [TRADE SECRET DATA EXCISED]

(1) The following new definition of "Market Participant" shall be added:

"**Market Participant**" - the person representing MP in MISO's Energy Market with respect to the Wind Facility.

- (m) [TRADE SECRET DATA EXCISED]
- (n) [TRADE SECRET DATA EXCISED]
- (o) [TRADE SECRET DATA EXCISED]
- (p) [TRADE SECRET DATA EXCISED]
- (q) [TRADE SECRET DATA EXCISED]
- (r) The following new definition of "Offer" shall be added:

"Offer" - an offer that is duly submitted to MISO consistent with the MISO Tariff and applicable "MISO Business Practices Manuals, Market Rules and Procedures", to sell Energy and Operating Reserve in the Energy and Operating Reserve Markets (as defined therein) at a specified price, location, quantity, and time period.

## (s) [TRADE SECRET DATA EXCISED]

(t) [TRADE SECRET DATA EXCISED]

## (u) [TRADE SECRET DATA EXCISED]

(v) The following new definition of "PTC Rate" shall be added:

"**PTC Rate**" - the then-current amount of the PTCs (on a per MWh basis) as set forth in applicable Internal Revenue Service guidance.

(w) The following new definition of "**Repower**" shall be added:

"Repower" - shall have the meaning set forth in Section 2.1.4.

(x) The following new definition of "**Repower Commencement Notice**" shall be added:

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

"**Repower Commencement Notice**" - shall have the meaning set forth in **Section 2.1.4**.

(y) The following new definition of "**Repower Completion Date**" shall be added:

"**Repower Completion Date**" - the date that FPLE notifies MP in writing **[TRADE SECRET DATA EXCISED]** 

(z) The following new definition of "**Repowered Turbine**" shall be added:

"**Repowered Turbine**" - shall have the meaning set forth in **Section 2.1.4**.

- (aa) [TRADE SECRET DATA EXCISED]
- (bb) [TRADE SECRET DATA EXCISED]

27. **Exhibit B – Contract Energy Pricing** of the Agreement shall be amended by deleting the text thereof in its entirety and inserting the following in lieu thereof:

The price paid for Contract Energy delivered to the Point of Delivery shall be as follows for the applicable periods:

Period	Contract Rate (\$/MWh)
From and including the Commercial Operation Milestone through the Repower Completion Date	[TRADE SECRET DATA EXCISED]
[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]
[TRADE SECRET DATA EXCISED]	[TRADE SECRET DATA EXCISED]

28. This Second Amendment is executed in connection with, and upon the Effective Date, shall be deemed to be a part of, the Agreement.

# (i) [TRADE SECRET DATA EXCISED]

(ii) [TRADE SECRET DATA EXCISED] (c) MP obtaining MPUC Approval of this Second Amendment within ten months from MP's submittal of the petition for MPUC Approval. Notwithstanding the terms and conditions in Section 1.3.1 of the Agreement, MP shall file the petition for MPUC Approval of this Second Amendment within 60 days of execution hereof.

FPLE shall provide MP with prompt written notice of FPLE obtaining all such consents and approvals, or that FPLE has determined that no such consents and approvals are required for the performance of this Second Amendment. MP shall provide FPLE with prompt written notice of MP obtaining all such consents and approvals, or that MP has determined that no such consents and approvals are required for the performance of this Second Amendment.

(iii) Upon the occurrence of the Effective Date, this Second Amendment shall thereafter automatically become a part of the Agreement. Thereafter, wherever the terms of this Second Amendment and the terms of the Agreement are in conflict, the terms of this Second Amendment shall govern and control. Capitalized terms used herein, unless otherwise defined in this Second Amendment, shall have the meanings ascribed to them in the Agreement.

29. Except as provided in Section 28, the execution, delivery, and performance of this Second Amendment has been duly authorized by all requisite corporation action and this Second Amendment constitutes the legal, valid and binding obligation of FPLE and MP, enforceable against each Party in accordance with its terms.

30. If any one or more of the provisions of this Second Amendment should be ruled illegal, wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction under present or future laws, then: (i) the validity and enforceability of all provisions of this Second Amendment not ruled to be invalid or unenforceable shall be unaffected and remain in full force and effect; (ii) the effect of the ruling shall be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held illegal, wholly or partly invalid or unenforceable shall be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the Parties' intent as manifested herein.

31. The Parties acknowledge and agree that this Second Amendment may be executed in multiple counterparts, and transmitted via telecopy, each such counterpart (whether transmitted via telecopy or otherwise), when executed, shall constitute an integral part of one and the same agreement between the Parties.

32. Except as expressly modified by this Second Amendment, all of the terms, conditions, covenants, agreements and understandings contained in the Agreement shall remain unchanged and in full force and effect, and the same are hereby expressly ratified and confirmed by the Parties.

# [BALANCE OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have affixed their signatures, effective on the date first written above.

FPL ENERGY OLIVER WIND II, LLC

By: Name: Rebecca Kujawa

Title: President

MINNESOTA POWER, A DIVISION OF ALLETE,

By INJR. HodNik, A.RWN, Presdut RCEO Name: ALAN Title:

[SIGNATURE PAGE TO SECOND AMENDMENT OF POWER PURCHASE AGREEMENT]

INC.

SUSAN ROMANS, of the City of Duluth, County of St. Louis, State of Minnesota, says that on the **19<sup>th</sup>** day of **September**, **2018**, she served Minnesota Power's Petition for Approval of Amendments to FPL Energy Oliver Wind I, LLC and FPL Energy Oliver Wind II, LLC Power Purchase Agreements via electronic filing on the Minnesota Public Utilities Commission and the Office of Energy Security. The persons on Minnesota Power's Large Power Service List were served as requested.

Jusan Romans

Susan Romans

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Greg	Chandler	greg.chandler@upm.com	UPM Blandin Paper	115 SW First St Grand Rapids, MN 55744	Paper Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
David	Chura	dchura@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Paul	Ciesielski	Paul.Ciesielski@arcelormitt al.com	ArcelorMittal	3300 Dickey Road East Chicago, IN 46312	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Jack	Croswell	Jack.croswell@cliffsnr.com	Hibbing Taconite	P O Box 589 Hibbing, MN 55746	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
lan	Dobson	Residential.Utilities@ag.sta te.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	GEN_SL_Minnesota Power_MP's Large Power Service List
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_MP's Large Power Service List
Kimberly	Hellwig	kimberly.hellwig@stoel.co m	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Shane	Henriksen	shane.henriksen@enbridge .com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
James	Jarvi	N/A	Minnesota Ore Operations - U S Steel	P O Box 417 Mountain Iron, MN 55768	Paper Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Langmo	david.langmo@sappi.com	Sappi North America	P O Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Patrick	Loupin	PatrickLoupin@Packaging Corp.com	Packaging Corporation of America	PO Box 990050 Boise, ID 83799-0050	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Sarah	Manchester	sarah.manchester@sappi.c om	Sappi North American	255 State Street Floor 4 Boston, MA 02109-2617	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Keith	Matzdorf	keith.matzdorf@sappi.com	Sappi Fine Paper North America	PO Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Matthew	McClincy	MMcClincy@usg.com	USG	35 Arch Street Clouqet, MN 55720	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_MP's Large Power Service List
Andrew	Moratzka	andrew.moratzka@stoel.co m	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Ralph	Riberich	rriberich@uss.com	United States Steel Corp	600 Grant St Ste 2028 Pittsburgh, PA 15219	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Santi	Romani	N/A	United Taconite	P O Box 180 Eveleth, MN 55734	Paper Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duulth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Thomas	Scharff	thomas.scharff@versoco.c om	Verso Corp	600 High Street Wisconsin Rapids, WI 54495	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Jim	Tieberg	jtieberg@polymetmining.co m	PolyMet Mining, Inc.	PO Box 475 County Highway 666 Hoyt Lakes, MN 55750	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Karen	Turnboom	karen.turnboom@versoco.c om	Verso Corporation	100 Central Avenue Duluth, MN 55807	Electronic Service	No	GEN_SL_Minnesota Power_MP's Large Power Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	GEN_SL_Minnesota Power_MP's Large Power Service List