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PUBLIC SERVICE COMMISSION

June 29, 2012

VIA HAND DELIVERY

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

RE: CPV Ashley Renewable Energy Company, LLC's Ten Year Plan for 2012-2022
Case No. PU-12-___

Dear Mr. Nitschke:

Please find enclosed for filing an original and ten (10) copies of the following:

1. CPV Ashley Renewable Energy Company, LLC's Ten Year Plan: 2012-2022.

Also enclosed is a CD containing the above-referenced document and this letter in PDF format.

If you have any questions, please let me know.

Sincerely,

JILLIAN R. RUPNOW

JR/ms

Enclosures

cc: Mr. John Hafner (w/ encl. – *via e-mail*)
Mr. Robert Burke (w/ encl. – *via e-mail*)
Mr. Sean J. Finnerty (w/ encl. – *via e-mail*)
Ms. Mollie M. Smith (w/ encl. – *via e-mail*)

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1 PU-12-444 Filed: 6/29/2012 Pages: 4
2012 Ten year plan

CPV Ashley Renewable Energy Company, LLC

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TEN YEAR PLAN: 2012-2022
CPV Ashley Renewable Energy Company, LLC

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02-01 of the North Dakota Administrative Code, CPV Ashley Renewable Energy Company, LLC ("CPV"), submits the following Ten Year Plan for years 2012 through 2022.

(1) A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.

CPV does not currently own or operate any generation or transmission facilities in North Dakota. The only facility that CPV plans to construct in the next ten years is the Ashley Wind Energy Project, an up to approximately 200.1 megawatt ("MW") wind energy conversion facility. The Ashley Wind Energy Project site consists of approximately 17,400 acres of privately owned land located approximately six miles north of the town of Ashley in McIntosh County, North Dakota. On December 8, 2010, the North Dakota Public Service Commission ("Commission") issued Certificate of Site Compatibility for Energy Conversion Facility No. 20 ("Certificate No. 20") to CPV for the Ashley Wind Energy Project (Case No. PU-09-370). Construction on the Ashley Wind Energy Project is anticipated to begin as early as the 4th quarter of 2013 and the facility is expected to be commercially operational by the end of 2014.

As noted above, CPV does not currently own or operate any facilities and, as such, does not own or operate any facilities that will be removed from service during the next ten years.

(2) An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.

The Ashley Wind Energy Project is the only energy conversion facility that CPV plans to construct during the next five years. As noted previously, construction on the Ashley Wind Energy Project is anticipated to begin as early as the 4th quarter of 2013. The proposed location of the Ashley Wind Energy Project is depicted in Public Hearing Exhibit No. 2 (*see* Case No. PU-09-370). As set forth in CPV's Application for a Certificate of Site Compatibility for the Ashley Wind Energy Project, which was filed with the Commission on May 14, 2010, and the Commission's Findings of Fact, Conclusions of Law and Order ("Order") issuing Certificate No. 20, dated December 8, 2010, the proposed location of the Ashley Wind Energy Project will comply with all siting criteria set forth in Section 49-22-05.1 of the North Dakota Century Code and Section 69-06-08-01 of the North Dakota Administrative Code (*see* Case No. PU-09-370). Additional information regarding the proposed location of the Ashley Wind Energy Project is set forth in Sections 1.3.1 and 5.1 of the Application for a Certificate of Site Compatibility, and in the Commission's Order.

CPV does not plan to construct any transmission facilities within the next five years.

(3) A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.

CPV has an application pending before the Midwest Independent Transmission Systems Operator ("MISO") for interconnection of 250 MW of wind generation at the Montana-Dakota Utilities ("MDU") 230 kV transmission line, which crosses the site proposed for the Ashley Wind Energy Project. The CPV Interconnection Application has been filed per the MISO Business Practice Manual 015 for Generator Interconnection. This application and MISO's administration of the application is consistent with its Open Access Transmission, Energy and Operating Reserves Market Tariff, as approved by the Federal Energy Regulatory Commission, and per the operating policies of the Electric Reliability Organization designed to facilitate the administration of efficient energy markets.

(4) A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.

Since early in the planning process for the Ashley Wind Energy Project, CPV has been working with Local, State and Federal agencies and authorities to identify and minimize any potential environmental, cultural resource and/or land-use planning concerns. As noted previously, the Commission issued Certificate No. 20 to CPV authorizing construction of the Ashley Wind Energy Project.

Additional information regarding CPV's agency contacts and efforts to identify and minimize any environmental issues presented by the Ashley Wind Energy Project is set forth in Sections 8.0 and 10.11 of its Application for a Certificate of Site Compatibility and in the Commission's Order (*see* Case No. PU-09-370).

(5) A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.

The Project is consistent with North Dakota's commitment to increasing the renewable energy portfolio of both the state and the nation. North Dakota has the greatest potential wind energy capacity of any state in the nation, and is theoretically capable of powering over a fourth of all United States (U.S.) electricity demand from this resource (AWEA 2009). The leaders of North Dakota have recognized the significance and value of the potential of the state's wind and other renewable resources, and have demonstrated a commitment towards fulfilling it. In his 2007 State of the State Address, former North Dakota Governor John Hoeven stated:

> "...we have only begun to tap the true potential for our state's varied energy and energy-related agricultural industries. To realize our full potential, we must look beyond the borders of our state. Our real future in energy is not about what we consume in North Dakota – it's about what we can supply to the nation, a nation that needs more energy and more energy independence...By leveraging our enormous potential for both renewable and traditional energy resources, we can truly make North Dakota a powerhouse for America." (Hoeven 2007)

North Dakota's emphasis on renewable energy began internally, with the enactment of the State Renewable and Recycled Energy Objective (NDCC 49-02-28), which established a goal of producing 10 percent of all of its electricity through renewable and recycled energy by 2015. As North Dakota has progressed towards this statewide objective, it has expanded its policies to also focus on supporting the growing renewable energy portfolio of the entire U.S. This emphasis was formalized through the adoption of the "25x'25 Initiative" of the Midwestern Governor's Association in House Bill No. 1462 by the 2007 North Dakota Legislative Assembly. The "25x'25 Initiative" is set forth in Section 17-01-01 of the North Dakota Century Code and states that the goal, in part, is for not less than twenty-five percent of the total energy consumed in the U.S. to be provided from renewable resources. By adopting this initiative, North Dakota has signaled its recognition of a need for greater renewable energy generation throughout the U.S., and a desire to contribute to fulfilling that need.

In addition, a regional need exists for renewable energy produced in North Dakota. According to the MISO's 2011 Transmission Expansion Plan (MTEP 2011), the eleven states in the MISO region are expected to need approximately 23,500 MW of wind to meet existing renewable standards and objectives, yet have only achieved about 12,400 MW to date.[1] As a further example of the existing need for additional renewable energy, sixteen Minnesota utilities reported to the Minnesota Public Utilities Commission on November 1, 2011 that the utilities collectively need to add an additional 3,200 MW of renewable energy by 2025.[2] Given the geographic proximity of CPV's proposed project to the Minnesota market and CPV's existing MISO interconnect request, energy from CPV's proposed project may be utilized to meet the existing renewable energy needs of one or more Minnesota utilities or other utilities in the MISO region, as well as other Regional utilities located in adjacent Transmission Organizations (RTO)/Independent System Operators (ISO), such as WAPA, PJM, or TVA. Thus, the renewable energy that may be produced by CPV's proposed wind project will help meet the increasing regional need for renewable energy.

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[1] MISO Transmission Expansion Plan 2011, at 44. Available at: www.midwestiso.org (accessed June 28, 2012).

[2] *In the Matter of the 2011 Biennial Transmission Projects Report*, Minnesota Public Utilities Commission Docket No. E999/M-11-445 (November 1, 2011).