BASIN ELECTRIC POWER COOPERATIVE
A Touchstone Energy® Cooperative

April 13, 2016

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

Re: Brady Wind, LLC
Case No. PU-15-690

Dear Mr. Nitschke:

Basin Electric Power Cooperative (**Basin Electric**) is a generation and transmission (**G&T**) cooperative organized under the laws of the State of North Dakota. Basin Electric is composed of member cooperatives which, with one exception, are G&T cooperatives or distribution cooperatives. A G&T cooperative is a cooperative engaged primarily in providing wholesale electric service to its members, which generally consist of distribution cooperatives. Service by a G&T cooperative is provided from its own generating facilities or through power purchase agreements with other wholesale power suppliers. A distribution cooperative is a local membership cooperative whose members are the individual retail consumers of an electric distribution system.

Basin Electric is the largest G&T cooperative in the nation in terms of land area served. As of January 1, 2016, Basin Electric provides wholesale, supplemental electric service for 138 member cooperatives in the states of Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Wyoming. Approximately 2.9 million consumers are served by Basin Electric's member cooperative systems.

Basin Electric's generation and transmission facilities are located in North Dakota, South Dakota, Montana, Wyoming, Nebraska, Iowa and Minnesota.

As of year-end 2015, Basin Electric had approximately 5,590 megawatts in its resource portfolio, including generation fueled by coal, gas, oil, nuclear, wind and recovered energy, and 2,184 miles of high-voltage transmission facilities.

Basin Electric has entered into wholesale power contracts with each of its Class A members. Pursuant to the contracts with our eight Class A distribution cooperative members and six of Basin Electric's ten Class A G&T cooperative members, Basin Electric sells and delivers to each member its capacity and energy requirements over and above specifically enumerated amounts of power and energy available to such member from other specified sources, primarily Western Area Power Administration.

The majority of the wholesale power contracts between Basin Electric and its members currently extend through 2075.



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Brady Wind, LLC

In the state of North Dakota, Basin Electric directly serves the Dakota Gasification Company's Great Plains Synfuels Plant located near Beulah, ND; KEM Electric Cooperative located in Linton, ND; Mor-Gran-Sou Electric Cooperative located in Flasher, ND; Central Power Electric Cooperative (**Central Power**) located in Minot, ND and Upper Missouri Power Cooperative (**Upper Missouri**). Indirectly Basin Electric supplies power to 11 distribution cooperatives in the state of ND through Central Power and Upper Missouri. These 11 North Dakota distribution cooperatives supply power to approximately 190,000 consumers in the state of North Dakota.

Each of Basin Electric's Class A G&T cooperative members has entered into a wholesale power supply contract with each of its distribution members. These contracts are all supplemental requirements contracts under which each Class A Member supplies all power and energy required by its respective members.

Based upon the results of comprehensive power requirement load forecasts developed annually (most recent study was completed as of January 2016) by Basin Electric and its member cooperatives, Basin Electric projects the overall load growth of its member systems across the nine state region served by Basin Electric members to be 600 MW from 2015 through 2020. 475 MW of that forecast load growth is expected to occur in the Williston Basin area of its members' (for example-- Upper Missouri Power Cooperative, McKenzie Electric Cooperative, Burke-Divide Electric Cooperative, Mountrail-Williams Electric Cooperative) service territories.

It is Basin Electric's obligation to provide its member cooperatives with electric energy in the most reliable and cost effective manner reasonably possible. To do that, Basin Electric currently owns, operates and/or purchases electric energy from various electric generation resources including but not limited to coal-fired, base load generating facilities such as the Antelope Valley Station, near Beulah, ND, and the Leland Olds Station near Stanton, gas-fired peaking units such as the Lonesome Creek Station located in McKenzie County, ND, and the Pioneer Generation Station, near Williston, ND, renewable resources such as the PrairieWinds 1 and Minot Wind Projects located in Ward County, ND and Crow Lake Wind Project located near White Lake, SD. In addition to facilities that Basin Electric itself owns or operates, it purchases electric energy at wholesale from a variety of resources and energy sellers to meet its members' power requirements. For example, in 2015 Basin Electric had contractual arrangements in place representing 1,574.7 MW of winter purchase power from unrelated entities that own and/or operate wind farms and other types of generating resources.

Basin Electric plans to meet its members' current and forecasted power requirements in the Williston Basin and throughout the Basin Electric membership service territories, through construction of new gas-fired electric generation currently under construction in western North Dakotas well as purchases under long-term power purchase agreements (**PPA**) with developers of wind generation projects and purchases of power from other utilities in the region through the energy market operated by the Southwest Power Pool and under bi-lateral contracts with other local utilities.

Electric energy from renewable resources such as wind farms is an important component of Basin Electric's ongoing evaluation of the most reliable, cost-effective and environmentally friendly resources available to serve its members. As stated above, Basin Electric currently (as of end of year 2015) has 850 MW of renewable capacity and energy included in its generation resource mix, the large majority of which is comprised of energy generated by wind resources. The energy from those renewable resources facilitate Basin Electric's activities in several important ways. The purchase of wind energy serves as a partial hedge to Basin Electric's

exposure to higher gas and electric market prices and results in a significant reduction in Basin Electric's CO2 footprint associated with meeting our member load growth requirements.

Specifically with respect to the NextEra Brady Wind Project (the "**Brady Project**"), Basin Electric has agreed to purchase all of the output of the facility (capacity and energy) on terms and conditions set forth in a long-term PPA. The purchase was made and the PPA negotiated on the basis of a comprehensive pre-purchase analysis by Basin Electric that included, among other factors, the identification of the specific needs and projected load growth of our member cooperatives in Western North Dakota, Basin Electric's need to include renewable resources in its power supply portfolio to meet the requirements of existing and future environmental laws, rules and regulations, the physical location of the Brady Project (relevant to existing energy markets, member load locations, and access to the bulk transmission system) as well as purchase price for the power. Also extremely important was an evaluation of NextEra's solid track record in developing and successfully operating wind resources in the Upper Midwest. Based upon our overall analysis of resource alternatives, Basin Electric selected the Brady Project as a resource very well suited to meet Basin Electric's specific needs and objectives with respect to reliability and cost.

Sincerely,

David D. Raatz
Vice President of Cooperative Planning

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