BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Joint Application of Wisconsin Public Service Corporation and Madison Gas and Electric for a Certificate of Authority to Purchase the Red Barn Wind Energy Center Generation Facility in the Towns of Wingville and Clifton, Grant County, Wisconsin	5-BS-256

I. INTRODUCTION

Wisconsin Public Service Corporation (“WPSC”), and Madison Gas and Electric Company ("MGE") (collectively, the “Joint Applicants”) apply for approval under Wis. Stat. § 196.49 to acquire the Red Barn Wind Farm (referred to as “Red Barn”), a utility-scale wind-powered electric generating facility, following its construction and upon its commercial operation. The project is being developed by PRC Wind and will be built by ALLETE Clean Energy (“ACE”), both experienced, U.S.-based wind farm developers. In total, Joint Applicants propose to acquire 91.6 MW of wind generating nameplate capacity – the ownership of which will be shared as follows:

- WPSC: 82.44 MW (90%)
- MGE: 9.16 MW (10%)

Joint Applicants seek approval of Red Barn as part of a larger effort to transition their respective generation fleets.

WEC Energy Group (“WEC”), the parent company of WPSC, recently announced its plan to lower its carbon emissions by 70% from 2005 levels by 2030 and for its generation fleet to be net carbon zero in 2050. Based on preliminary data for 2020, WPSC has reduced carbon dioxide emissions by 50% below 2005 levels.

WEC plans to retire older, less efficient fossil fuel plants, and invest more than $2 billion in low-cost, highly efficient natural gas generation, renewable generation and storage resources in Wisconsin.

The company's longer-range plan is expected to save utility customers more than $1 billion over the next 20 years. Appendix A discusses WEC's overall plan, and where Red Barn fits into it, in much more detail.

Red Barn represents another significant step by WEC to build a bright, sustainable future for its customers. The project will help maintain reliability, deliver significant savings to customers and help achieve WEC's carbon reduction goals.

Likewise, MGE will need over 250 MW of new capacity by 2024 due to previously announced retirements of legacy assets and expiration of existing PPAs. The acquisition of a portion of Red Barn represents another step in MGE's ongoing transition toward greater use of cleaner energy sources and deep carbon reductions. To meet its customers' future energy and capacity needs, MGE is looking forward to not only adding a portion of Red Barn to its generation portfolio, but additional investments in cost-effective, clean energy projects to maintain its top-ranked electric reliability and to achieve its carbon reduction goals.

Joint Applicants propose to acquire Red Barn after it has achieved commercial operation at a total cost of approximately $162 million. Joint Applicants believe the acquisition of Red Barn will benefit customers of both utilities over the life of the project due to several cost advantages associated with the project, including zero fuel costs. Joint Applicants' acquisition of Red Barn will not: (1) substantially impair the efficiency of their service; (2) provide facilities unreasonably in excess of their probable future requirements; or (3) add to their cost of service without proportionally increasing the value or available quantity of service, when placed in operation. Wis. Stat. § 196.49(3)(b). Therefore, the application is reasonable and in the public interest, considering alternative supply sources, engineering, economic, safety, reliability, and environmental factors.

II. BACKGROUND

A. Developers

ACE will acquire the project from Red Barn Energy LLC, an affiliate of PRC Wind, and will construct the project. Headquartered in Duluth, Minnesota, ACE acquires, develops, and operates clean and renewable energy projects. ACE owns, operates, has in advanced construction and has delivered build-transfer projects totaling more than 1,500 megawatts of nameplate wind capacity across seven states.

B. Facility Description

Red Barn will be located entirely within Grant County in Southwest Wisconsin. Red Barn is located on approximately 12,220 acres in the Towns of Wingville and Clifton (the "Towns"). The project has been permitted for up to 29 turbines ranging in size up to 5.6 MW nameplate capacity, and a total project capacity of up to 99 MW. The project as proposed consists of 28 turbines with a total nameplate capacity of 91.6 MW.

The major components of the proposed project include the wind turbine generators, project collector substation, O&M building, underground collection lines, gravel access roads, two meteorological towers, and temporary laydown areas. Construction of Red Barn is scheduled to begin in early 2022 and is expected to be completed by December 31, 2022, which will allow the project to qualify for 80% production tax credits ("PTCs") and the Joint Applicants to use the associated capacity to meet their MISO Planning Year 2023 / 2024 obligations, as discussed further in confidential Appendix A for WPSC and confidential Appendix D for MGE. Appendix D will be provided as a supplement to this application.

C. Facility Operations

Under an Operation and Maintenance Agreement ("O&M Agreement") with Joint Applicants, Red Barn will be operated by a third party operations and maintenance service provider ("O&M provider"). Joint Applicants will select an O&M provider that will staff Red Barn with experienced industry personnel who can combine asset

management, operations, maintenance and commercial execution functions to provide a single, comprehensive solution to asset management.

Permits

1.1 Permits and Approvals

Table 1-1 below provides a preliminary list of permits and regulatory approvals assumed necessary for the project.

Table 1-1: Preliminary Permit List

Agency		Name and Type of Permit	Status
Federal	Federal Aviation Administration	Form 7460-1 Notice of Proposed Construction or Alteration (Determination of No Hazard)	Complete
		Notice of Actual Construction or Alteration (Form 7460-2)	To be completed once turbines/permanent met tower is erected
	U.S. Army Corps of Engineers	Federal Clean Water Act and Nationwide Permit(s); Wetland Delineation Approvals Jurisdictional Determination	To be completed after detailed design is complete
	U.S. Fish and Wildlife Service	Review for Threatened and Endangered Species	Ongoing
	U.S, Department of Commerce - National Telecommunications and Information Administration (“NTIA")	NTIA Communications Study	Complete
	National Oceanic and Atmospheric Administration	NexRAD	Completed through FAA/NTIA
	Environmental Protection Agency	Spill Prevention Control and Countermeasure Plan	To be completed by EPC Contractor after detailed design is complete
State	Wisconsin Public Service Authority	Certificate of Authority	Application Filed
	Wisconsin Department of Natural Resources	Very Small Quantity Generator Hazardous Waste Collection Facility Form	To be completed after detailed design is complete

		Section 401 Permit	To be completed after detailed design is complete
		Grading Permit	To be completed after detailed design is complete
		Waterway and Wetland Permit	To be completed after detailed design is complete
		Wetland Water Quality Certification	To be completed after detailed design is complete
		Endangered Species Review	Complete (ERR Log # 18-970)
		Incidental Take Authorization	Not expected to be required
		Water Resources Application for Project Permits for Construction Activities and Storm Water Pollution Prevention Plan	To be completed by EPC Contractor after detailed design is complete
	Wisconsin State Historical Society	Archaeological and Cultural Resource Review	Not required - desktop review to be submitted with WDNR Section 401 Permit
	Wisconsin Department of Agriculture, trade and Consumer Protection	Aboveground Flammable/Combustible/Hazardous Liquid Storage Tank Registration Form (TR-WM-118)	To be completed by EPC Contractor after detailed design is complete
	Wisconsin Department of Safety and Professional Services	Private Onsite Water Treatment Systems Plan review	To be completed by EPC Contractor after detailed design is complete
	Wisconsin Department of Transportation	Heavy and Oversized Load Permits	To be completed by EPC Contractor after detailed design is complete
		High Structure Permit	Completed
		Permit to Construct and operate Utility Facilities on Highway Right-of-Way	To be completed after detailed design is complete
		Permit for Connection to State Trunk Highway	To be completed after detailed design is complete
		Permit to Work on Highway Right-of-Way	To be completed after detailed design is complete
Local	Grant County	Zoning Permit	Complete
		Conditional Use Permit	Complete
		Wind Energy System Permit	Same as Conditional Use Permit
		Building Permits	To be completed by EPC Contractor after detailed design is complete

		Sanitary permit (for O&M building)	To be completed by EPC Contractor after detailed design is complete
		Utility Right-of-Way Permit	To be completed by EPC Contractor after detailed design is complete
		Driveway Entrance Permit	To be completed by EPC Contractor after detailed design is complete
		Oversize/Overweight Permit	To be completed by EPC Contractor after detailed design is complete
	Towns	Driveway Permits	To be completed by EPC Contractor after detailed design is complete
		Utility Right-of-Way Access Permit	To be completed by EPC Contractor after detailed design is complete

Red Barn has already obtained local zoning approval by Grant County and the Towns. The town boards recommended approval of the conditional use permit by the county in June 2019. After two public hearings, the Grant County Conservation, Sanitation and Zoning Committee approved the conditional use permit at the second public hearing on July 12, 2019. There was no opposition to the project registered at the July 12th public hearing. Joint Applicants have requested copies of the permits and supporting materials for in-process and approved permits. Joint Applicants will file them with the Commission to support this application once these materials have been provided.

III. REQUESTED AUTHORIZATION

Because Red Barn has less than 100 MW of nameplate generating capacity, the project does not require a CPCN. Additionally, Joint Applicants are proposing to acquire the project after construction has been completed and it has achieved commercial operations. Therefore, this Application for a Certificate of Authority focuses on Joint Applicants' needs for the capacity and energy that will be produced by Red Barn, as well as the economic justification for acquiring the project. Wisconsin Stat. §

196.49(3)(b) states that the Commission may refuse to certify a project only if it appears that the project will do any of the following:

1. Substantially impair the efficiency of the service of the public utility.

2. Provide facilities unreasonably in excess of the probable future requirements.

3. When placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service.

Joint Applicants' acquisition of Red Barn will have none of these consequences.

The acquisition of the project will not impair the efficiency of the utilities' service. In fact, the project will enhance efficiency by providing a highly-reliable, high capacity-accredited renewable resources, significantly improving Joint Applicants' resource diversity.

The proposed acquisition will not provide facilities unreasonably in excess of probable future requirements. Joint Applicants need capacity to meet current and anticipated future customer requirements. These needs are addressed in confidential Appendices A and C for WPSC and Appendix D for MGE.

Further, Red Barn will provide energy at no additional incremental cost (*i.e.*, no fuel cost). Though energy is currently available in the market at relatively low cost, the project will provide a valuable hedge against the potential for higher energy costs in the future.

Joint Applicants' acquisition of Red Barn will not add to the cost of service without proportionately increasing the value or available quantity of service. Joint Applicants independently evaluated the expected costs of acquiring Red Barn relative to the alternatives of meeting energy and capacity needs with other resources. These economic analyses are discussed in greater detail in confidential Appendices B (for WPSC) and D (for MGE).

Moreover, in conjunction with the retirement of older generating assets and the expiration of PPAs, Joint Applicants can accomplish the acquisitions with minimal rate impact in the first year of project operation. Each Joint Applicant will reflect its portion of the approximately $162 million acquisition cost in its rate base. Joint Applicants seek approval to acquire Red Barn a cost of up to 110% of this amount. To the extent the cost of Red Barn exceeds this threshold, Joint Applicants propose that they be required to promptly notify the Commission and seek further Commission review and approval.

The Purchase and Sale Agreement will establish a fixed price that Joint Applicants will pay for the defined set of assets that make up the project, including land agreements, transmission interconnection rights and permits. However, the fixed price will be subject to certain unanticipated scope changes or force majeure events that are beyond the parties' control that could increase the cost to complete the project. Therefore, Joint Applicants believe that it is reasonable for the Commission to authorize the 110% allowance.

Finally, Joint Applicants submit that the proposed transactions are consistent with the public interest and should be approved. Joint Applicants ask the Commission to provide a written Order approving this request by December 1, 2021, which will allow Joint Applicants the time needed to provide the Notice to Proceed so that construction can start in early January 2022 and be completed and commercial operation achieved by December 31, 2022, which is the latest date a wind project must achieve commercial operation to secure 80% PTCs. Red Barn's qualifying for 80% PTCs will maximize the project's customer benefits.

IV. JUSTIFICATION FOR TRANSACTION

Each of Joint Applicants have a need for long-term capacity and energy resources. Due to the complementary timing of Joint Applicants' needs, they were able to take advantage of the scale and scope of this project to achieve cost-saving efficiencies for the benefit of their respective customers. Each Joint Applicant evaluated the potential options for filling their needs independently as noted in confidential Appendices A and D.

For WPSC, Red Barn is the first wind project in its combined Generation Reshaping Plan with WEPCO to transition the combined WEC Wisconsin generation fleet to support a clean, reliable future. The utilities will accomplish this by retiring some older, less efficient fossil fuel plants, and investing nearly $2 billion in low-cost and highly efficient and natural gas generation, renewable generation and storage resources in Wisconsin, creating energy solutions for the customers and communities WEC's utilities serve. Overall, the Generation Reshaping Plan will not only transition the combined WEC Wisconsin generating fleet and assist in reducing CO2 emissions by 70% from 2005 levels by 2030, it is also expected to save customers nearly $1 billion over 20 years.

For MGE, Red Barn represents another step in its ongoing transition toward greater use of cleaner energy sources and deep carbon reductions. MGE expects to achieve carbon reductions of 65% by 2030, and the acquisition of Red Barn will help the company achieve this goal in a cost-effective manner.

A. Economic Analysis and Justification

Joint Applicants recognize there are inherent risks and uncertainties that all utilities face in making long-term electric resource planning decisions in an environment that involves considerable change and uncertainty related to projecting future fuel costs, capital costs, technology advancements, environmental regulations, etc.. However, based on each Joint Applicant's needs analysis and the relative size of the project for each of the Joint Applicants, they are confident that purchasing Red Barn is a prudent step to meeting each of the utilities' needs in a cost-effective manner.

In the near term, the cost-effectiveness of Red Barn specifically, and utility scale renewable energy resources more generally, are driven by (1) improvements in renewable technology performance that have increased capacity factors for wind and solar; (2) the current favorable interest rate environment where interest rates have been relatively low and stable as compared to historical levels, which helps lower the costs of capital-intensive investments such as renewable energy projects; and (3) production

and investment tax credits that are available now but will be gradually phased out in the coming years.

At the same time, renewable resources provide a hedge against uncertainty in future delivered fossil fuel costs while also serving to mitigate the potential risks and costs attributable to possible future regulation of CO2 emissions.

B. Utility Ownership Versus PPA

One option to secure capacity would be to enter into a PPA with a developer. However, doing so would deprive customers of several important benefits of utility ownership. Joint Applicant's acquiring and constructing Red Barn would permit customers to benefit from Joint Applicants' ability to: (1) avoid future site development costs; (2) hedge energy costs; and (3) avoid negative implications of a debt-structured PPA on Joint Applicants' balance sheets, and ultimately customer rates.

First, if Joint Applicants are permitted to own the facility, the facility will provide a continuous source of renewable energy for an extended period of time of at least 30 years. This is optimal considering the challenges that utilities face in locating viable wind sites and obtaining the necessary land-use permits. The developers have already located a site, obtained or are in the process of obtaining the required Federal Aviation Administration permit along with all required local permits, entered into relevant interconnection agreements, and developed a plan to build the required infrastructure. Upon completion, the project and its permits will be transferred to Joint Applicants. In the future, the facility could be reutilized to provide extended service without requiring an outlay of development costs, such as the costs incurred in obtaining Commission and transmission-provider approval for the site. Thus, the facility is preferable to potential green-field projects that would require Joint Applicants to incur such development costs for a potential replacement project.

Second, permitting Joint Applicants to proceed with acquiring the project would allow them to hedge against an uncertain energy future. At the end of wind turbines' useful economic life, Joint Applicants could determine whether it would be more beneficial to

install new wind turbines or derive exceptionally inexpensive energy from the existing technology—albeit at a lower output—once fully depreciated. By owning the facility, Joint Applicant would be able to control these decisions and customers would reap the economic benefits of any future redevelopment.

Finally, utility ownership would allow customers to avoid additional costs by offsetting the negative impacts of the debt-like PPAs on Joint Applicants' balance sheets.

C. Choice of Projects

Because Joint Applicants' analysis identified wind as the appropriate technology to meet a portion of their capacity needs, Joint Applicants sought to identify the appropriate wind project in which to invest. Joint Applicants are regularly approached by local, regional and national developers seeking to build wind facilities. Joint Applicants focused on finding a cost-competitive project, at a premier site, offered by highly experienced developers with track records of success in such projects. Red Barn was identified as such a project, and ACE was determined to be an appropriate partner based on its:

i. Significant wind development experience;
ii. Effective land owner/public relations functions;
iii. Large utility-scale wind experience;
iv. High quality Wisconsin site;
v. Having obtained site control;
vi. Ability to provide equipment and construct to achieve PTC benefit at the 80% level;
vii. MISO generator interconnection agreement;
viii. Company longevity;
ix. Capital access and strong balance sheet;
x. No third party financing or foreign ownership.

D. The Price of the Facilities Is Competitive in the Market

There is an active market for wind projects and Joint Applicants understand that Red Barn is not only competitive within the market, but offers highly favorable economics. To confirm this, Joint Applicants retained DNV GL, which is a global engineering and consulting firm with decades of experience assisting with wind facility diligence, economic forecasting, and development to assess the economics of Red Barn. When DNV GL's analysis is finalized, Joint Applicants will supplement this application with the results of that analysis.

E. The Acquisition Will Deliver Important Qualitative Benefits

In addition to Red Barn's quantifiable economic benefits, it will provide other benefits to customers by enhancing the technological and fuel diversity of their electric generation resource portfolios. The addition of these no-fuel and zero emission resources will serve as a price hedge against future increases in fossil fuel costs and the cost of complying with future environmental regulations. Additionally, acquiring Red Barn will allow Joint Applicants and their customers to mitigate the risk of any future potential and currently unknown costs associated with fossil fuel based electric generation facilities, including the risk of future carbon pricing, taxes or other regulation over the life of the wind facilities.

V. RATE ANALYSIS

Using reasonable assumptions (described in confidential Appendices B and D), Joint Applicants forecast that acquiring Red Barn as part of their long-term strategies to transition their generating fleets will result in significant customer savings over the life of these investments when compared with continuing to invest in and operate their existing generation fleets.

For WPSC, the Generation Reshaping Plan of which Red Barn a part will not only transition their combined generating fleet, but is also expected to save customers approximately $1 billion over the 20 years while being integral to meeting WEC's carbon

emission reduction goal of reducing CO2 levels by 70% by 2030, when compared to 2005.

VI. SIGNIFICANT CONTRACTS

Joint Applicants are in the process of negotiating a commercial contract with ACE that will allow them to acquire Red Barn's wind generating capacity, as well as agreements among themselves that will govern their joint ownership of Red Barn.

Under the Red Barn Purchase and Sale Agreement, Joint Applicants will acquire project assets for 91.6 MW of wind generating capacity once the project construction is completed and the project has achieved commercial operation. The acquired assets will include wind turbine generators, project collector substation, O&M building, underground collection lines, gravel access roads, two meteorological towers, generator interconnection agreement[1], real property rights, all permits, and books and records. Joint Applicants will acquire interests in Red Barn's common facilities and other assets proportional to Joint Applicants' shares of the project's total generating capacity.

Receipt of Commission approval of this application and successful completion of construction of the project will be a precondition to closing on the acquisition of Red Barn by the Joint Applicants.

Joint Applicants will also be negotiating an O&M Agreement with a third-party O&M Provider. Under this agreement, the O&M Provider will provide the vast majority of day-to-day operations and maintenance services for Red Barn. The O&M Agreement will be between the O&M Provider and WPSC, and WPSC will act as the agent for WPSC and MGE under this agreement.

[1] Red Barn Wind filed an Interconnection Request with MISO and is in the MISO August 2017 DPP Study Cycle, with the assigned queue position of [redacted] Phase 1, Phase 2, and Phase 3 of the MISO study process are complete and Red Barn Wind was waiting to execute a Generator Interconnection Agreement ("GIA").

Finally, Joint Applicants will jointly own and operate Red Barn under a Joint Ownership Agreement. Joint Applicants expect to finalize all of these agreements upon receiving Commission approval.

VII. OTHER CONSIDERATIONS

A. Benefits to the Local Community

Local communities will benefit from Wisconsin shared revenue payments received by the towns and county where Red Barn will be located. Further, the project will boost employment, both during and after construction.

B. Wisconsin Environmental Policy Act

This action is subject to the terms of the Wisconsin Environmental Policy Act, Chapter 274, section 1, laws of 1971 and Wis. Stats. § 1.11. The proposed project is categorized as a Type III action under § PSC 4.10(3), Wis. Admin. Code, and does not normally require the preparation of an Environmental Assessment or Environmental Impact Statement by Commission staff. See Wis. Admin. Code, Ch. 4, Table 3 (listing "Purchase, sell or transfer utility property" as a Type III Action).

Type III actions are proposed actions involving requests for Commission approval that do not have the potential to significantly affect the quality of the human environment within the meaning of Wis. Stat. § 1.11 (2)(c). As such, they do not normally require an environmental impact statement. *See* Wis. Admin Code § 4.10(3). Therefore, environmental screening information is not included with this application. In any event, the project developer has already received or is in the process of acquiring all required local permits as this project does not required a CPCN. Joint Applicants will work with Commission Staff to provide environmental impact information needed for their review of this Type III project.

C. Energy Priorities Law

Wis. Stat. § 196.025(1)(ar) states: "to the extent cost-effective, technically feasible and environmentally sound, the Commission shall implement the priorities under § 1.12 (4)

in making all energy-related decisions and orders." Wis. Stat. § 1.12 (4) establishes the following priorities:

> (4) PRIORITIES. In meeting energy demands, the policy of the state is that, to the extent cost-effective and technically feasible, options be considered based on the following priorities, in the order listed:
>
> (a) Energy conservation and efficiency.
>
> (b) Noncombustible renewable resources.
>
> (c) Combustible renewable energy resources.
>
> (d) Nonrenewable combustible energy resources in the order listed:
>
> 1. Natural gas.
>
> 2. Oil or coal with sulfur content of less than 1 percent.
>
> 3. All other carbon-based fuels.

Wis. Stat. § 196.025(1)(b)1. further provides: “In a proceeding in which an investor-owned electric public utility is a party, the commission shall not order or otherwise impose energy conservation or efficiency requirements on the investor-owned electric public utility if the commission has fulfilled all of its duties under § 196.374 and the investor-owned electric public utility has satisfied the requirements of § 196.374 for the year prior to the commencement of the proceeding, as specified in § 196.374(8).”

Joint Applicants have satisfied all the requirements of Wis. Stat. § 196.374(8). Therefore, the Commission may not require energy efficiency or conservation in connection with the project. The project is a noncombustible renewable resource, which

is the second-highest energy priority, and energy conservation and efficiency would be insufficient to offset the need for capacity demonstrated in Appendices A and D. Thus, Joint Applicants' acquisition and construction of Red Barn satisfies Wisconsin's Energy Priorities Law.

D. Brownfield Site Consideration

Joint Applicants are not aware of any Wisconsin brownfield sites that would be of sufficient size and would meet the siting criteria for land and electric infrastructure for this project.

E. Affiliated Interest Issues

The Red Barn purchased assets will include a GIA with the American Transmission Company, LLC ("ATC"). While the GIA will be a jointly-owned asset, a GIA with ATC can only have one counterparty, which will be WPSC as project manager. Because ATC is an affiliate of WPSC, under Wis. Stat. § 196.52(3), this arrangement will require Commission approval as an affiliate transaction, which will be requested in a separate application.

F. Effect on Wholesale Energy Competition

Construction of the project will have no effect on wholesale market competition. The proposed project is located in the MISO energy market, which includes over 130,000 MW of generation. The proposed project is 91.6 MW of wind generation. The amount of generation owned by Joint Applicants will actually be reduced – WPSC has an ownership interest in the Columbia Power Plant, and Wisconsin Power and Light as the principle owner announced the expected retirement of Unit 1 in 2023 and Unit 2 of 2024, which will eliminate 314 MW of capacity for WPSC, and MGE plans to retire over 250 MW of capacity through a combination of expiring PPAs and retirements of older, legacy assets.

G. Decommissioning and Restoration

Decommissioning includes removal of turbines, towers, and service building and the removal of concrete foundations to four feet below grade. Underground cables are left in place (after being cut off well below grade) because removing them would cause more disruption to the land than abandoning them in place. The land used for the wind turbines and associated equipment will be restored to its original condition. Roads may be left intact, at the landowner's request.

Restoration typically includes grading and replanting areas where foundations, roads and buildings were located after they have been removed. Removed parts can either be sold into the used wind turbine market (where turbines are reconditioned and resold), sold for their scrap value, or disposed of. If a secondary market for the used equipment is not available, it would be typical for the tower, frame, bearings, gearbox, and generator to be recycled as scrap metal, and the fiberglass components such as blades and the nacelle cover to be cut down in size and disposed of.

The Joint Applicants estimate the cost of decommissioning the wind turbines will be negligible, net of scrap value. Steel from the towers will be sold as scrap metal to offset the expenses of removing the towers, foundations and access roads. There would of course be no removal costs incurred by customers if the Red Barn site is redeveloped as discussed in Section VII.

H. Method of Financing

The cost of the project will be met from internal sources or the issuance or sale of securities by each of Joint Applicants.

VIII. SCHEDULE

March 29, 2021

- File Application with Commission

December 1, 2021

- Receive Commission authorization and written Order

January 2022

- Notify ACE to proceed with project and execute the Operations and Maintenance Agreement

December 2022

- Red Barn achieves Commercial Operation and Joint Applicants close on acquisition of the project

IX. CONCLUSION

As explained in this Application, Red Barn will provide a zero-fuel-cost, zero-emission capacity and energy resources for Joint Applicants' customers for many years to come. The project represents the most cost-effective means of meeting Joint Applicants' long-term capacity needs, and utility ownership of the facilities will deliver value to customers.

As such, Joint Applicants request that the Commission grant the necessary approvals under Wis. Stat. § 196.49(3)(b) and any other necessary consents and approvals, including authorizing Joint Applicants to acquire Red Barn upon its achievement of commercial operation and to include the acquisition costs in their respective rate bases

Joint Applicants request a written Order including these requested approvals no later than December 1, 2021 in order to allow commercial operation to be achieved for Red Barn by the end of December 2022 so that the facility can not only qualify for 80% PTC but also be used to meet Joint Applicants' need requirements for the MISO 2024 / 2025 Capacity Planning Year.