



3 July 2013

Tom Zale
Bureau of Land Management
El Centro Field Office
1661 S 4th Street
El Centro, CA 92243

Re: Tule Wind Energy Project

Dear Mr. Zale:

The Tule Wind Energy Project (Tule) would like to take this opportunity to provide an update to the Bureau of Land Management's (BLM) El Centro Field Office on several key points related to the project.

Tule is pursuing the Federal Production Tax Credit (PTC), which expires on December 31, 2013, for the approved Tule wind project. Initially, it was assumed we would start substantial construction prior to year end, which would have qualified the project for these credits. On April 15, 2013, the Internal Revenue Service issued guidance regarding qualification requirements. After much evaluation we believe we qualify for the PTC through the safe harbor provision and therefore are not dependent on initiating actual construction activities in 2013.

In addition, we recently became aware that SDG&E's schedule for constructing the ECO substation has been delayed. That project was slated to be complete on March 1, 2014; however SDG&E has informally let us know that it now has an in-service date of November 2014. Because this substation is tied to the Tule Wind Project via SDG&E's Boulevard Substation, we cannot interconnect prior to this date. For business reasons, it is illogical to initiate construction activities until we are confident that the project will be able to immediately back feed into the grid upon construction completion.



For these two reasons, revising the project schedule was necessary (see Exhibit A). Currently, our goal is to work through satisfying specific conditions (agency review and approval of identified plans) of the Right of Way (ROW) Grant (dated April 2012), by the end of this calendar year. We are now requesting to obtain the Notice to Proceed (NTP) for construction from the BLM by April 2014, which would satisfy a condition stipulated in the ROW Grant. Accordingly, we are requesting an extension to Condition 5e and Stipulation 14 to reflect our current project schedule.

In the interim, Tule is taking the necessary steps that will allow us initiate construction activities in an efficient and effective manner, outlined below:

1. Tule is diligently preparing and submitting for review to the BLM and San Diego County Planning Department the approximately 40 plans identified in the ROW Grant and Major Use Permit, respectively. To date, seven plans have been officially approved by BLM and are ready for implementation, 12 plans are in the BLM review process, and 20 plans are currently being prepared by Tule for submittal. In addition, 19 plans have been submitted to San Diego County of which five have been approved. A schedule outlining the sequence and timing of the submitting the remaining plans will be provided by July 12, 2013.
2. Geotechnical investigations were conducted in November 2012 and May 2013, and the final analysis and report are currently being performed. A contractor will be selected to begin all facets of engineering work, which include: turbine foundations, grounding design, site surveys, road design, transmission line design, collection system design, substation design, and O&M building design. These designs may be reviewed by a third-party engineer before being submitted to the BLM and County for review and final approvals prior to construction.
3. Tule is currently in the process of securing approval by agencies for the mitigation land requirements and we have executed a purchase option agreement for said land (Stipulation 14). This agreement has been recorded with the County and we have the sole option on this property until December of 2014 (Document No. 2011-0687989). The Stipulation reads that "Land preservation or mitigation fee payment for habitat compensation must be completed within 18 months of permit issuance". Tule respectfully requests that the BLM acknowledge that the mitigation land has been approved and is under contract for an option to purchase, and allow Tule to satisfy this Stipulation immediately prior to construction in 2014, rather than 18 months from permit issuance, which would be October 2013. The United States Army Corps of Engineers, State Water Resources Control Board, and California



Department of Fish and Wildlife have all reviewed our Conceptual Mitigation Plan and are close to issuing their respective permits.

4. Finally, Tule has retained ASM Affiliates, Inc. to assist with the mitigation requirements for cultural resources under the Historic Properties Treatment Plan-Cultural Resources Management Program (HPTP-CRMP) (Stipulation 59). This work is slated to begin in the next several months. Under other requirements in the Memorandum of Agreement (MOA) (Stipulation 3), as executed by the Tribes, the BLM, the United States Army Corps of Engineers, the California State Historic Preservation Officer, and the Advisory Council on Historic Preservation, Tule is currently in discussions with the BLM (Christine McCollum) to satisfy all other requirements in the MOA.

Tule is sensitive to the BLM's time and effort and is hoping to coordinate with you and Brian Paul so BLM can allocate resources appropriately. Our ultimate goal is a successful wind project on BLM land.

Please feel free to contact Harley McDonald at (760) 445-3081 or Amy Parsons at (503) 796-7082 with any questions.

Best regards,

A handwritten signature in black ink, appearing to read "K. Harley McDonald".

K. Harley McDonald
Senior Business Developer

Enclosure

Cc: Carrie Simmons, BLM
Dan Kreckleberg, BLM
Brian Paul, BLM
Allison Shaffer, Dudek
Amy E. Parsons, Iberdrola Renewables

Activity Name	Start	Finish	2012				2013				2014				2015				2016	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2015 COD	19-Dec-11 A	05-Apr-16	[Timeline bar from Dec 2011 to Apr 2016]																	
Development	19-Dec-11 A	05-Apr-16	[Timeline bar from Dec 2011 to Apr 2016]																	
BLM Record of Decision		19-Dec-11 A	19-Dec-11 A																	
BLM Right-of-Way Issued		10-Apr-12 A	10-Apr-12 A																	
County MUP		08-Aug-12 A	08-Aug-12 A																	
County Ministerial Permits	08-Aug-12 A	05-May-14	05-May-14																	
BLM notice to proceed for construction	09-Apr-14*		09-Apr-14*																	
Complete construction 24 months after NTP	09-Apr-14*	05-Apr-16	05-Apr-16																	
Construction	12-Nov-12 A	10-Nov-15	[Timeline bar from Nov 2012 to Nov 2015]																	
Final micrositing and geotech	12-Nov-12 A	28-Aug-13	28-Aug-13																	
Civil RFB (request for bid) and award contract	16-Jun-14*	05-Sep-14	05-Sep-14																	
Civil construction roads and site clearing	08-Sep-14*	05-Dec-14	05-Dec-14																	
Civil construction foundations	03-Nov-14	03-Mar-15	03-Mar-15																	
Turbine delivery	26-Jan-15*	26-May-15	26-May-15																	
Turbine installation	23-Feb-15	23-Jun-15	23-Jun-15																	
Turbine mechanical completion	23-Mar-15	21-Jul-15	21-Jul-15																	
Final electrical engineering and RFB	02-Jun-14*	28-Nov-14	28-Nov-14																	
Electrical collection system construction	23-Jan-15	26-May-15	26-May-15																	
Electrical substation construction	29-Jan-15	29-May-15	29-May-15																	
Electrical transmission line construction	06-Apr-15*	04-Aug-15	04-Aug-15																	
Substation long lead equipment delivery	28-Jul-14	17-Apr-15	17-Apr-15																	
ECO Substation expected on line date	07-Nov-14*	07-Nov-14	07-Nov-14																	
Collector substation testing and energization	22-Jul-15	04-Aug-15	04-Aug-15																	
Turbine and plant commissioning	05-Aug-15	29-Sep-15	29-Sep-15																	
Substantial completion		27-Oct-15	27-Oct-15																	
COD		10-Nov-15	10-Nov-15																	