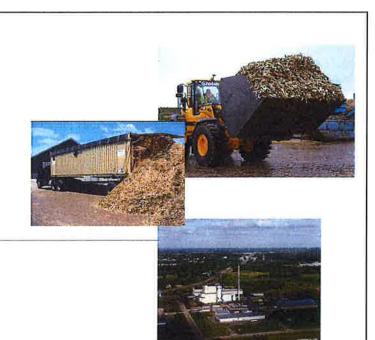
Benson Biomass Suppliers & Transporters

SEPTEMBER 14, 2017



Craig Mataczynski

- Advisor to the plant suppliers and fuel transporters
- ☐ 35+ years energy and utilities experience
- ☐ Former Director of NSP Corporate Strategy

1994 Legislation & Agreement

- Allowed continued operation of Prairie Island
 - Cease operation by 2000
 - Lowest cost option for 1,100 MW supply
 - Replaced by coal plant



- NSP's (Xcel's) customers benefitted from the operation of Prairie Island for 17 years
- Received \$100s of millions in savings

Wind & Biomass Commitments

- ☐ Right decision with great outcome
- ☐ Biomass about as expected
- Wind = "Grand Slam"







Past PUC Approval(s)

- Created the biomass market in MN
 - Guaranteed a market through the terms of the Power Purchase Agreement (PPA)
- ☐ Impact on the forest products industry
 - Increased cost
 - Eliminated competing uses



Who We Are

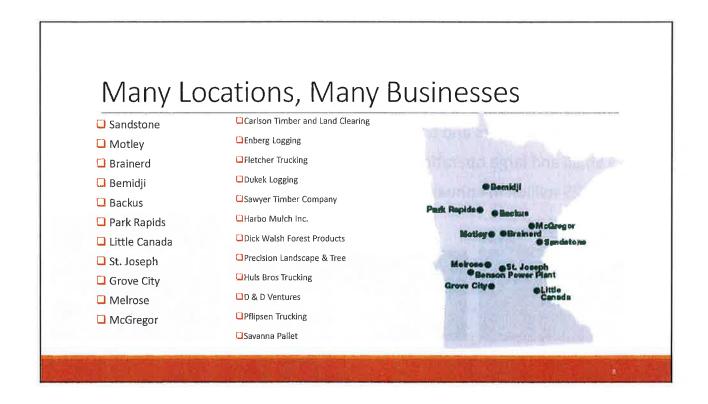
- Current suppliers and transporters
- ☐ Small and large operations (>330 employees directly affected)
- □ > \$25 million in annual business in Greater MN







The Work We Do Harvesting Handling Transporting Land Clearing Forest Management



Economic Impact

- ☐ Benson is the most significant customer for nearly all companies
- ☐ Important for local jobs, families and communities in Greater MN
- Expectation of the work continuing regulatory certainty
- ☐ Major business investments specialized equipment, personnel training







Our Business Investments

- Over \$55,000,000 in past 5 years
- □ > 50% of investments made in the past 3 years (as contracts with Benson Power were renewed)
- Provided concessions under representations that the plant would remain open until 2028







Range of Agreements

- Short and long term
- ☐ Fully enforceable contracts
- Annual agreements
- ☐ Relationships and/or handshake agreements
- ☐ All anticipated to last until 2028





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The DEED Study

- Grateful for its inclusion
- ☐ Timing concerns
- ☐ Requested data (2016 numbers) seems incomplete
- ☐ Other data necessary to capture full impact
- ☐ Need for greater stakeholder involvement
- ☐ Open questions re: methodology





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Our Asks

- Delay action at the PUC until the DEED study is completed
- ☐ Visibility into DEED process include a broader range of information
- Equitable treatment of all parties (like others helped in the 2017 legislation)
- ☐ Identify funds to provide mitigation and a process/timeline for determining that assistance
- ☐ Identify DEED and other state resources and assistance appropriate for these suppliers and employees
- Explore long-term assistance and research necessary to assist the wood products industry



Thank You and Questions

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