RATE DESIGNATION: RIDER C-BED
CLASS OF SERVICE: COMMUNITY-BASED ENERGY DEVELOPMENT TARIFF
SERVICE AREA: ALL MINNESOTA SERVICE AREA

General: Company shall purchase kW capacity and kWh energy from qualified owners of community-based renewable energy projects in Minnesota on a monthly basis, at terms and conditions set forth below. Community-based energy development project or "C-BED" project means a new renewable energy project that either as a stand-alone project or part of a partnership in which a utility providing electric service to retail or wholesale customers in Minnesota and an independent power producer may, subject to the limits specified in this tariff, participate in a community-based energy project, including as an owner, equity partner, or provider of technical or financial assistance.

The following information provides guidelines for the negotiated purchase power agreements for service under this tariff. Nothing in this schedule shall be construed to obligate the Company to enter into a power purchase agreement. In the alternative, at the discretion of a qualifying owner, the qualifying owner and Company may negotiate a power purchase agreement with terms different from this schedule. Company must receive Minnesota Public Utilities Commission approval of a power purchase agreement for a C-BED project. In addition, service may be provided under the alternative Cogeneration and Small Power Producers Rider DG-1.

Applies to: New renewable energy projects that (1) has no single qualifying owner owning more than 15 percent of a wind energy project unless; (i) the project consists of only one or two turbines; or (ii) the qualifying owner is a public entity listed below under clause (5) that is not a municipal utility; and (2) demonstrates that at least 51 percent of the gross revenues from the power purchase agreement over the life of the project will flow to qualifying owners and other local entities; and (3) have a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for the reservation.
A qualifying owner, or combination of qualifying owners, may develop a joint venture project with non-qualifying renewable energy project developer. However, the terms of this C-BED tariff may only apply to the portion of the energy production of the total project that is directly proportional to the equity share of the project owned by the qualifying owners.

"Qualifying Owner" which means:

1. a Minnesota resident;
2. a limited liability corporation that is organized under Minnesota law Chapter 322B and that is made up of members who are Minnesota residents;
3. a Minnesota nonprofit organization organized under Minnesota law Chapter 317A;
4. a Minnesota cooperative association organized under Minnesota law Chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

5. a Minnesota political subdivision or local government including, but not limited to, a municipal power agency on behalf of and at the request of a member distribution utility, a county, statutory or home rule charter city, town, school district, or public or private higher education institution or any other local or regional governmental organization such as a board, commission, or association;

6. a tribal council.

The interconnection and operation of C-BED generation systems at each point of common coupling shall be considered as a separate application of the Rider. All provisions of the applicable standard service schedule shall apply to C-BED generation service under this Rider except as noted below.

Rates and Charges:

Meter Charge: $1.94235 per day*

* For Comparison Only: Meter Charge $59.08/month

Power and/or Energy Delivered to Customer:

Power and energy delivered to the Customer at the same location shall be billed on the appropriate retail rate schedule for the class of Customer served. The following charges and payments are applicable in addition to all charges for service being taken under Company's standard rate schedule:

Supply Services: These include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Company's Rider for Standby and Supplemental Service.

Transmission Services: Reservation and delivery of capacity and energy on either a firm or non-firm basis and those ancillary services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation over Transmission Providers' Transmission System. These ancillary services include services such as scheduling, system control and dispatch service, reactive supply and voltage control from generation sources service, regulation and frequency response service, generator imbalance service, operating reserve – spinning reserve and operating reserve – supplemental reserve. Transmission services are provided as applicable under Company's FERC-approved tariff.

Distribution Services: Reservation and delivery of capacity and energy on either a firm or non-firm basis and those indirect services that are necessary to support the delivery of capacity and energy over Company's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, customer accounts, customer service and information, administrative and general, depreciation, interest and taxes.

Power and/or Energy Delivered to Company: Customer may sell all or a portion of the energy produced by the C-BED generation system to the Company provided any "portion" shall be metered separately. The guidelines for the rates negotiated power purchase agreement are presented below. A C-BED project developer and the Company shall negotiate the rate and purchase power agreement terms consistent with the terms in this tariff. At the discretion of the C-BED developer, the Customer and the Company may negotiate a purchase power agreement with different terms than that established within this tariff.

Energy Rate:

C-BED Energy Rate:
The C-BED energy rate available under this tariff is the net present value rate over the twenty year life of the purchase power agreement. This rate will be higher for the first ten years of a twenty year purchase power agreement (front loaded)The actual rate will be computed on an individual project basis taking into account the operational parameters of the proposed wind generation and will be based upon the Company's avoided cost of renewable generation. The net present value of the C-BED energy rate means a rate equal to the net present value of the nominal payments to a project divided by the total expected energy production of the project over the life of its power purchase agreement. The net present value computation shall be based upon the discount rate of IPL's cost of capital in the most recently approved electric rate case. The front loading of the C-BED energy rate shall be negotiated between the Company and the Customer. In the alternative, at the discretion of the qualifying owners, the qualifying owners and Company may negotiate a power purchase agreement with terms different from those described above.

C-BED Financial Surety:
A C-BED customer may be required to provide a bond or other financial surety related to the estimated maximum balance of the potential C-BED discount.

Distribution Credits: Distribution credits to Customer equals the utility's avoided distribution costs resulting from the installation and operation of the wind generation system. Company shall provide, upon Customer's written request, a list of substation areas or feeders that could be likely candidates for distribution credits as determined through the utility's normal distribution planning process. Upon receiving an application from Customer for the interconnection and operation of a C-BED project generation system, Company shall perform an initial screening study to determine if the project has the potential to receive distribution credits. Customer shall be responsible for the cost of such screening study. If Company's study shows that there exists potential for distribution credits, Company shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution capacity study. If the study is not part of Company's annual distribution capacity study, it shall be pursued with Customer's approval at Customer's expense.

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Renewable Credits: The payment of the rate negotiated under this tariff includes payment for the property rights of all renewable attributes (or, in the event of the development of a Commission-approved renewable tracking system, the renewable energy credits) associated with the generation from the C-BED project. That is, receipt of this payment constitutes a transfer of the property rights of all renewable attributes (or renewable energy credits) associated with the generation from the C-BED project to Company, unless otherwise agreed to by qualifying owners of the project and Company.

Metering: Separate metering will be required to measure power and/or energy delivered to the Company.

Interconnection Charges: The costs of interconnecting a C-BED facility and any costs and all reasonable costs including MISO charges for studies and system upgrades and all appropriate charges related specifically to the interconnection of the C-BED project that are not part of the Company's scheduled studies and needs or the studies incurred by the Company will be the responsibility of the customer. These include services, but are not limited to, system impact studies, such as engineering/design studies, deemed necessary and not part of the Company's scheduled studies or the studies of others, utility system upgrades and testing as further described in Company's Technical Standards. For facilities of 10 MW or less will follow the Minnesota Interconnection Process for Distributed Generation of 10 MW or less.. Please see Alliantenergy.com (Environmental>Renewable & Alternative Energy). In addition these projects may also be subject to the MISO interconnection process. For larger facilities the interconnection process will follow the Midwest Independent System Operator (MISO) process. Please see http://www.midwestiso.org/page/Generator+Interconnection.

Rules and Regulations: Service hereunder is subject to the provisions of the Company's Electric Service Standards and shall be available from Company at the rates and under the terms and conditions set forth in the currently applicable federal and/or state schedule, tariff or rider, or other superseding schedule, tariff or rider in effect from time to time. Such service shall include any additional services provided by Company under any revisions, amendments or additions to the OATT or MISO Schedules or other federal and/or state schedule, tariff or rider.

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Conditions:

The use of this rider requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all C-BED facilities.

1. The Customer will be compensated monthly for all energy received from the generation source less the metering charge. The schedule for these payments is subject to annual review. The Power Purchase agreement between the Company and the C-BED developer should contain a schedule for payments which would be set for the term of the contract.

2. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.

3. The Customer shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered.

4. The Customer shall pay for any increased capacity of the distribution equipment serving them and made necessary by the installation of their generator.

5. Power and energy purchased by the Customer from the Company shall be under the available retail rates for the purchase of electricity.

6. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.

7. The Customer will provide equipment to maintain a 100% power factor (+ or - 10%) during periods of generator operation.

8. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company Customers.

9. Prior to installation, a detailed electrical diagram of the generator and related equipment must be furnished to the Company for its approval for connection to the Company's system. No warranties, express or implied, will be made as to the safety or fitness of the said equipment by the Company due to this approval.

10. The Customer shall execute an electric service contract with the Company which may include, among other provisions, a minimum term of service.

11. Equipment shall be provided by the Customer that provides a positive means of preventing feedback to the Company during an outage or interruption of the system.

12. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.

13. Any project operating under a purchase power agreement through this tariff will not qualify for net metering under Minnesota Statute 216B.164, subdivision 3 (IPL Small Power Production and Cogeneration tariffs 901, 902, or 903) or production incentives under Minnesota 216C.41.

14. C-BED projects are non-transferrable from qualifying owners to non-qualifying owner(s) during the initial 20 years of the purchase power agreement.

15. A C-BED project must meet the utility's cost and reliability requirements, supplying stand reliability criteria, to fulfill some or all of the identified need at minimal impact to customer rates. Standard reliability criteria means the project: (1) can be safely integrated into and operated within the Company's grid without causing any adverse or unsafe consequences; and (2) is consistent with Company's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

16. The C-BED project shall be responsible for the submission of an interconnection request. C-BED projected sized at 10 MW or less connecting to Company's distribution system shall use the Minnesota interconnection process for Distributed Generation of 10 MW or less. In addition these projects may also be subject to the MISO interconnection process. Larger C-BED projects or those connecting to Company's transmission system shall meet all of the requirements of the transmission provider in acquiring applicable approval, including C-BED project developer paying all costs of all system studies deemed necessary and not part of the Company's scheduled studies or the studies of others, equipment upgrades, and costs assessed by MISO and any MISO required system upgrades. The Company shall be responsible for requesting transmission service for delivery of the energy from the C-BED project to the Company's load or other designated purpose.

Definitions:
Renewable refers to a technology listed in Minnesota Statute §216B.1691, subdivision 1, paragraph (a).

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Company during scheduled maintenance of the Customer's non-utility source of electric energy supply.

Supplemental service is energy, or energy and capacity, supplied by the Company to the Customer when Customer's non-utility source of electricity is insufficient to meet the Customer's own load.

Unscheduled Outage service is energy, or energy and capacity, supplied by the Company during unscheduled outages of the Customer's non-utility source of electric energy supply.

All other definitions shall be as described in Company's Technical Guidelines.