

5/2014

Agreement Between Department of Defense, Department of the Navy, Iberdrola Renewables, LLC, and Baffin Wind, LLC, on Mitigation of Development Impacts of a Wind Turbine Project in Kenedy County, Texas

**AGREEMENT
BETWEEN DEPARTMENT OF DEFENSE; DEPARTMENT OF THE NAVY;
IBERDROLA RENEWABLES, LLC; AND BAFFIN WIND, LLC**

Subject: MITIGATION OF DEVELOPMENT IMPACTS OF A WIND TURBINE PROJECT IN KENEDY COUNTY, TEXAS

Parties: Department of Defense (DoD)
Department of the Navy (Navy)
Iberdrola Renewables, LLC (Iberdrola Renewables)
Baffin Wind, LLC (Baffin Wind)

The DoD, Navy, Iberdrola Renewables, and Baffin Wind are each referred to herein as a "Party" and collectively referred to as "Parties".

References: (a) Section 358 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011, as amended by Section 331 of Public Law 112-81
(b) 32 C.F.R. Part 211

Attachments: A. Diagram Showing Geographic Boundary of Wind Project (Project Boundary)

Section 1. Purpose.

Pursuant to references (a) and (b), it is an objective of the DoD to ensure that the robust development of renewable energy sources and the increased resiliency of the commercial grid may move forward in the United States, while minimizing or mitigating any adverse impacts on military operations and readiness. Baffin Wind, currently owned by Iberdrola Renewables, is developing a 202 megawatt (MW) wind farm project (Wind Project) in Kenedy County, Texas, consisting of 101 wind turbines, within the boundaries indicated in Attachment A (Project Boundary), attached hereto and made a part hereof. In order to mitigate the potential impact of the Wind Project upon the operations and readiness of the Navy, the Parties have worked cooperatively and will continue to work cooperatively to meet the desired goals of supporting military operations and readiness simultaneously with the production of renewable energy. The Parties have agreed that the terms below allow for the mutual goals of the Parties to be met including the protection of the Navy's aviator training mission at Naval Air Station Kingsville (NASK).

Section 2. Terms and Provisions.

The terms and provisions below reflect practices and procedures that the Navy, DoD, Iberdrola Renewables, and Baffin Wind believe will allow for the mutual goals to be met. The Navy, DoD, Iberdrola Renewables, and Baffin Wind will carry out their respective obligations pursuant to the terms of this agreement to achieve the following mutually beneficial objectives:

A. Baffin Wind will voluntarily contribute funds in the total amount of eighty thousand

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dollars (\$80,000.00) to the DoD. Baffin Wind will transfer these funds, in the manner specified in paragraph A.1. below, within 30 days of executing this Agreement. These funds are being offered and will be accepted in accordance with Section 358(g) of reference (a). The DoD will accept the offered funds and will transfer the funds to appropriate Navy accounts for execution.

1. The form of payment may be any guaranteed negotiable instrument, such as a Cashier's Check, Certified Check, a Bank Draft or a Postal Money Order. The instrument must be payable to the "U.S. Treasury" and must reference "U.S. Treasury Account Symbol 97X5753." The reference line on the instrument should indicate: "Contributions for Renewable Energy." The instrument should be mailed, along with any related documentation associated with the contribution, to the address below. Baffin Wind will advise the Navy and DoD when the voluntary contribution has been submitted to enable the tracking and transfer of funds:

Mr. Antonio King (Financial Management Analyst)
Washington Headquarters Service
115 5 Defense Pentagon
Washington, DC 20301-1155
Phone: 703-699-3388

B. In accordance with reference (a), the Navy will use the funds to offset the cost to mitigate identified impacts of the Wind Project on military operations and readiness in one or more of the following ways:

1. Optimization of the NASK Digital Airport Surveillance Radar (DASR) to include Range Azimuth Gate (RAG) mapping of the wind turbines within the Project Boundary defined in Attachment A;
2. Optimization of the NASK DASR to include measures such as adjustments to the Target Beam and STC Map, Doppler Filter Editing, False Plot Censor, Plot Amplitude Thresholding, Track Eligibility, and weather optimization settings before the date the Wind Project begins commercial operations (Generation Commencement Date);
3. Implementing any other appropriate measure to mitigate the impact of the Wind Project.

C. DoD and the Navy agree not to posit any objection to the construction and operation of the Wind Project under the FAA Obstruction Evaluation/Airport Airspace Analysis system, or as they relate to NASK, to any regulatory entity with jurisdiction over the Wind Project, provided Baffin Wind carries out the terms of this Agreement. The Parties may freely share this Agreement with any person or entity.

D. Baffin Wind agrees to confine the placement of all Wind Project turbines to the area within the Project Boundary indicated in Attachment A. Baffin Wind agrees not to install more than 112 wind turbines within the Project Boundary and to limit the height of all turbines to not more than 500 feet; however, should Baffin at any stage determine that it must install more than 101 turbines but less than 113 turbines within the Project Boundary to reach an installed capacity of 202 MWs, Baffin shall notify NASK within five business days and promptly schedule a

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meeting with all Parties before finalizing its design. No changes are permitted to Attachment A. without prior written agreement from DoD and Navy.

E. Any measures agreed to by the DoD or the Navy pursuant to this Agreement are not binding upon any other Federal agencies, nor does this Agreement waive compliance with any other law or regulation.

F. Within 30 days of completion of construction, Baffin Wind will provide to the Navy the information submitted to the FAA on form 7460-2, including the final coordinates for each turbine erected. Baffin Wind will notify the Navy of the Generation Commencement Date.

G. DoD, the Navy, and Baffin Wind acknowledge known electromagnetic interference on the primary radar return of the existing DASR systems as a result of operating wind turbines; however, as a result of a Navy evaluation of air traffic control operations in the vicinity of the Project Boundary depicted in Attachment A, it was determined that curtailment outside of National Security or Defense purposes is not required.

1. Curtailment for National Security or Defense purposes. National Security or Defense purposes are defined as those emergency circumstances where the President of the United States or the Secretary of Defense, or a combatant commander under 10 U.S.C. § 164, direct a change to the mission of NAS Kingsville in support of such emergency circumstances. National Security or Defense purposes do not include directed routine or non-routine service changes to the mission of NAS Kingsville with regards to manning, training, and equipping. The Navy may request and Baffin Wind agrees to immediately curtail wind turbine operations for a National Security or Defense purpose. Curtailment may not be requested except for a National Security or Defense purpose. Curtailment for National Security or Defense purposes will be temporary in nature and extend only so long as is necessary to meet the National Security or Defense purpose. This Agreement in no way precludes Iberdrola Renewables, Baffin Wind or their successors and assigns from seeking any and all legal or equitable remedies for any curtailment. Any request for curtailment under this paragraph will be communicated between the Parties via the Points of Contact listed in Section 5.

2. The Parties agree and acknowledge that Baffin Wind is subject to and required to comply with the protocols of the Electric Reliability Council of Texas (ERCOT) and that such protocols will control how quickly Baffin Wind can curtail its generation of power. The parties agree that a request for curtailment for National Security or Defense purposes shall constitute a "force majeure" event as defined in ERCOT Nodal Protocols.

3. Baffin Wind acknowledges that it is responsible for any damage or "wear and tear" to the wind turbines as a result of curtailment pursuant to this Agreement.

Section 3. Assignment.

Baffin Wind and Iberdrola Renewables, their successors or assigns (Assignors) have the right to sell, convey, mortgage, assign, or otherwise transfer all or any part of its interests and obligations in the assets comprising the Wind Project (Assignment) to any third party (Assignee),

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without the prior consent of the DoD or Navy, provided that such Assignment expressly acknowledges the existence of this Agreement and a copy of this Agreement is provided to the Assignee. Notwithstanding the previous sentence, the obligations of this Agreement to curtail operations for National Security or Defense purposes must be retained by the actual owner of the Wind Project. Upon such Assignment, Baffin Wind and Iberdrola Renewables shall be automatically relieved of any obligations or liability under this Agreement to the extent that the Assignee has assumed in writing such obligations or liabilities and provided that Baffin Wind has given written notice of the Assignment to the DoD and the Navy.

Section 4. Effective Date.

This Agreement will be effective as against all Parties, including any future owner, lessee, operator, transferee, purchaser, assignee, or any successor-in-interest of the Wind Project, for the life of the Wind Project or until this Agreement is modified subject to the provisions of Section 8 or terminated by mutual agreement of the Parties. This Agreement will be effective upon the date that the final Party signs this Agreement.

Section 5. Points of Contact and Notification.

The following persons shall be the primary points of contact (Point of Contact) for the Parties for purposes of this Agreement:

Navy - Naval Air Station Kingsville
Commanding Officer
311 N. Mitscher Ave, Suite 212
Kingsville, TX 78363-5002
Office: 361-516-6481
E-mail: christopher.misner@navy.mil

Baffin Wind c/o Iberdrola Renewables, LLC
ATTN: Kit Blair, Manager, Generation Dispatch
1125 NW Couch, Suite 700
Portland, OR 97209
Office General: 503-796-7000
Office Direct: 503-241-3207
E-mail: kit.blair@iberdrolaren.com

Any Party may change its Point of Contact provided that written notification of any such change must be provided to the other Parties at least 30 days in advance.

Section 6. Breach.

If a Party believes that another Party has breached this Agreement, it must provide notice of the breach to the breaching party and provide an opportunity to cure the breach. If there is a dispute between the involved Parties as to whether a breach occurred, the involved Parties agree to attempt to resolve the dispute beginning with Baffin Wind and representatives of the Navy at NASK. Disputes may be elevated, on the part of the Navy/DoD, to the Director for Energy and

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Environmental Readiness, Office of the Chief of Naval Operations, and then to the Executive Director of the Defense Siting Clearinghouse, as required. If the breach is not cured or resolved after any attempt at initial dispute resolution, any Party may seek to enforce this Agreement. Each Party specifically reserves any and all rights or causes of action it may have both at law and in equity to require compliance with any provision of this Agreement. Each Party reserves the right to enforce or refrain from enforcing against another Party the terms of this Agreement as it sees fit under applicable state or federal law.

Section 7. Funds limitations.

The one-time not-to-exceed total amount that Baffin Wind will contribute towards the mitigation from the Wind Project on NASK is eighty thousand dollars (\$80,000.00). In the event that actual costs incurred by the DoD and Navy under this Agreement exceed the contribution provided for herein, Baffin Wind will not be responsible for funding any or all such excess amounts unless it so elects.

Section 8. Amendments.

Any Party to this Agreement may request that it be amended, whereupon the Parties agree to consult to consider such amendments. Any amendment to this Agreement shall be effective if executed in writing and signed by Baffin Wind and Iberdrola Renewables, or their successors or assigns, and the DoD and Navy.

Section 9. Signature/Counterparts.

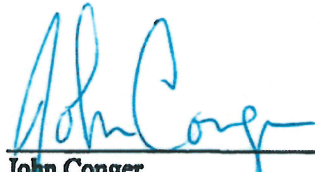
This Agreement may be executed in several counterparts, each of which shall be deemed an original, all of which shall constitute but one and the same instrument.

**[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK;
SIGNATURE PAGES ARE MADE PART OF THIS AGREEMENT AND FOLLOW AT
PAGES 6-14]**

Agreement Between Department of Defense, Department of the Navy, Iberdrola Renewables, LLC, and Baffin Wind, LLC, on Mitigation of Development Impacts of a Wind Turbine Project in Kennedy County, Texas

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

U.S. DEPARTMENT OF DEFENSE:



**John Conger
Acting Deputy Under Secretary of Defense
Installations and Environment**

10/15/2014
Date

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U.S. DEPARTMENT OF THE NAVY:



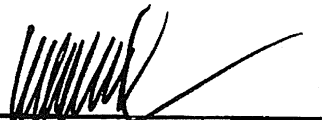
Roger Natsuhara
Principal Deputy Assistant Secretary of the Navy
Energy, Installations and Environment

8/10/14
Date

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U.S. DEPARTMENT OF THE NAVY:



K. R. Slates
Rear Admiral, U.S. Navy
Director, Energy and Environmental Readiness
Division
Chief of Naval Operations

9 SEP 2014
Date

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U.S. DEPARTMENT OF THE NAVY:



R. J. Kelley
Rear Admiral, U.S. Navy
Chief of Naval Air Training


23 April 2014

Date

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U.S. DEPARTMENT OF THE NAVY:



W. D. French
Vice Admiral, U.S. Navy
Commander, Navy Installations Command

15 July 14
Date

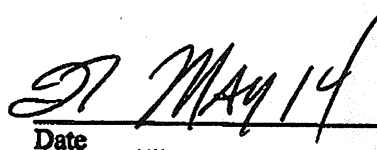
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U.S. DEPARTMENT OF THE NAVY:



R. L. Williamson
Rear Admiral, U.S. Navy
Commander, Navy Region Southeast



Date

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U.S. DEPARTMENT OF THE NAVY:



Christopher Misner
Captain, U.S. Navy
Commanding Officer, Naval Air Station Kingsville

3-25-14
Date

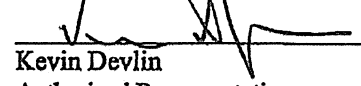
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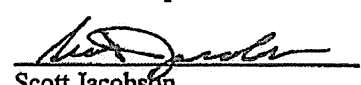
IBERDROLA RENEWABLES, LLC:


Martin Mugica
Authorized Representative

3/18/2014
Date


Kevin Devlin
Authorized Representative

3/18/2014
Date

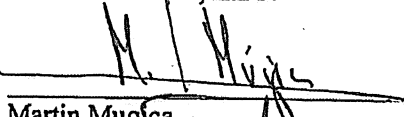

Scott Jacobson
Authorized Representative

3/19/2014
Date

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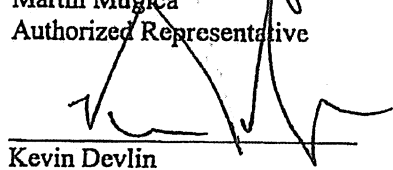
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BAFFIN WIND, LLC:




Martin Mugica
Authorized Representative

3/18/2014
Date



Kevin Devlin
Authorized Representative

3/18/2014
Date

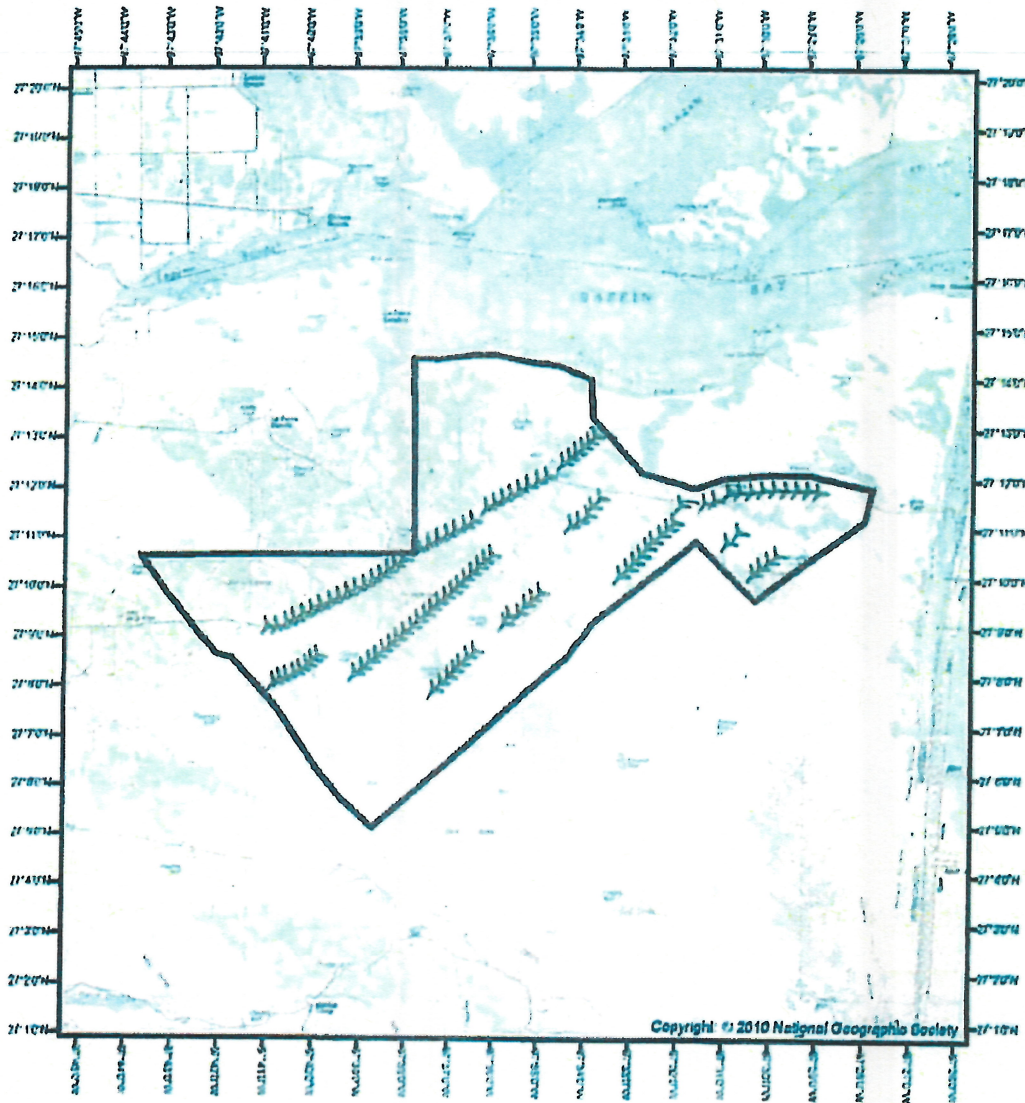


Scott Jacobson
Authorized Representative

3/19/2014
Date

ATTACHMENT A

Diagram Showing Geographic Boundary of Wind Project (Project Boundary)



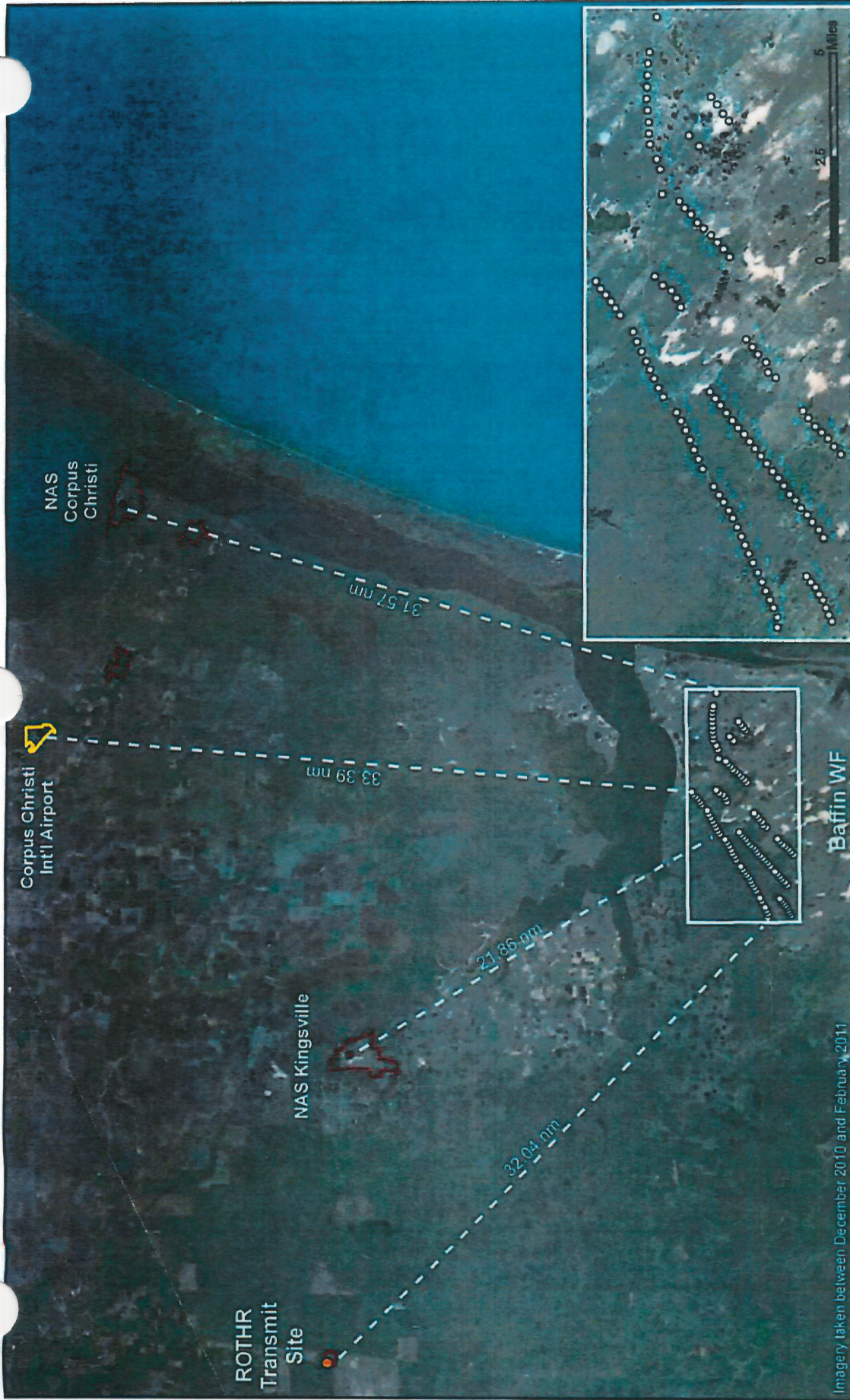
Project Area Map
Baffin Wind Project



Legend

-  Proposed Turbine Location
-  Project Boundary

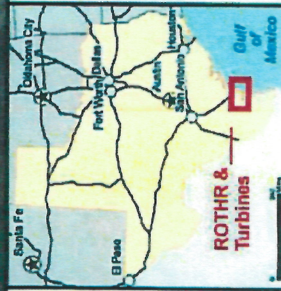




Imagery taken between December 2010 and February 2011

Baffin Wind

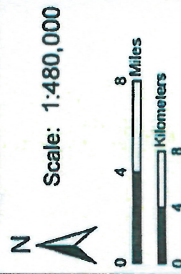
South Texas



Legend

- Baffin Wind Farm
- ROTH TX
- Corpus Christi Int'l
- Navy Inst'l Boundary

Coordinate System: UTM 14N
Projection: Transverse Mercator
Datum : NAD83
Sheet Size: 11" W x 8.5" H



PREPARED BY:



Date: 5/10/2013
Naval Facilities Engineering
Command Southeast
Asset Utilization Branch, AM4
Contact: SE GeoReadiness
Center (904) 542-6132

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