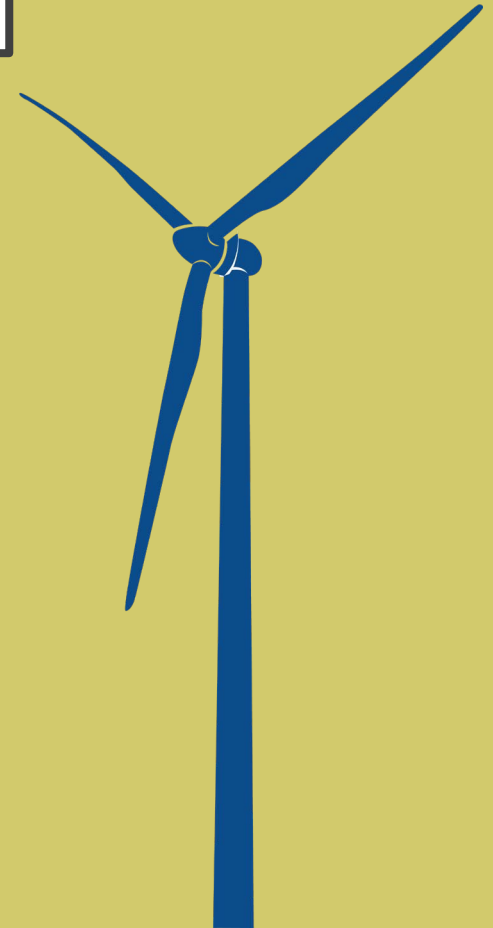


SPIRIT LAKE TRIBE 1.5 MW COMMUNITY WIND ENERGY PROJECT



Presented by

Ryan Brown – Economic Development Planner, Spirit Lake Tribe



DOE Annual Program Review

November 2020

PRESENTATION OUTLINE



- Background of Spirit Lake Tribe
- Project Overview & Location
- Project Participants
- Project Objectives
- Progress to-date
- Next steps



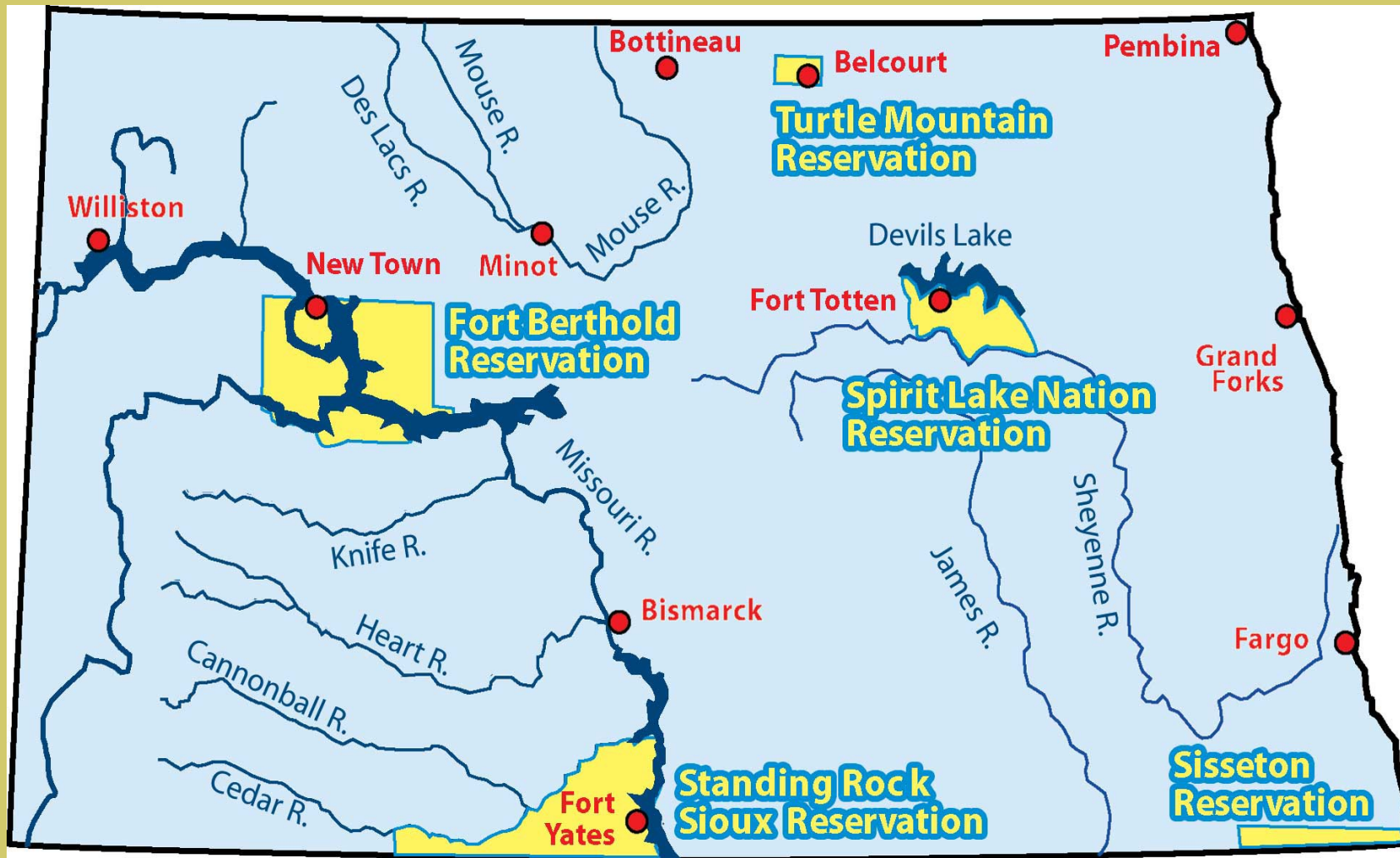
BACKGROUND



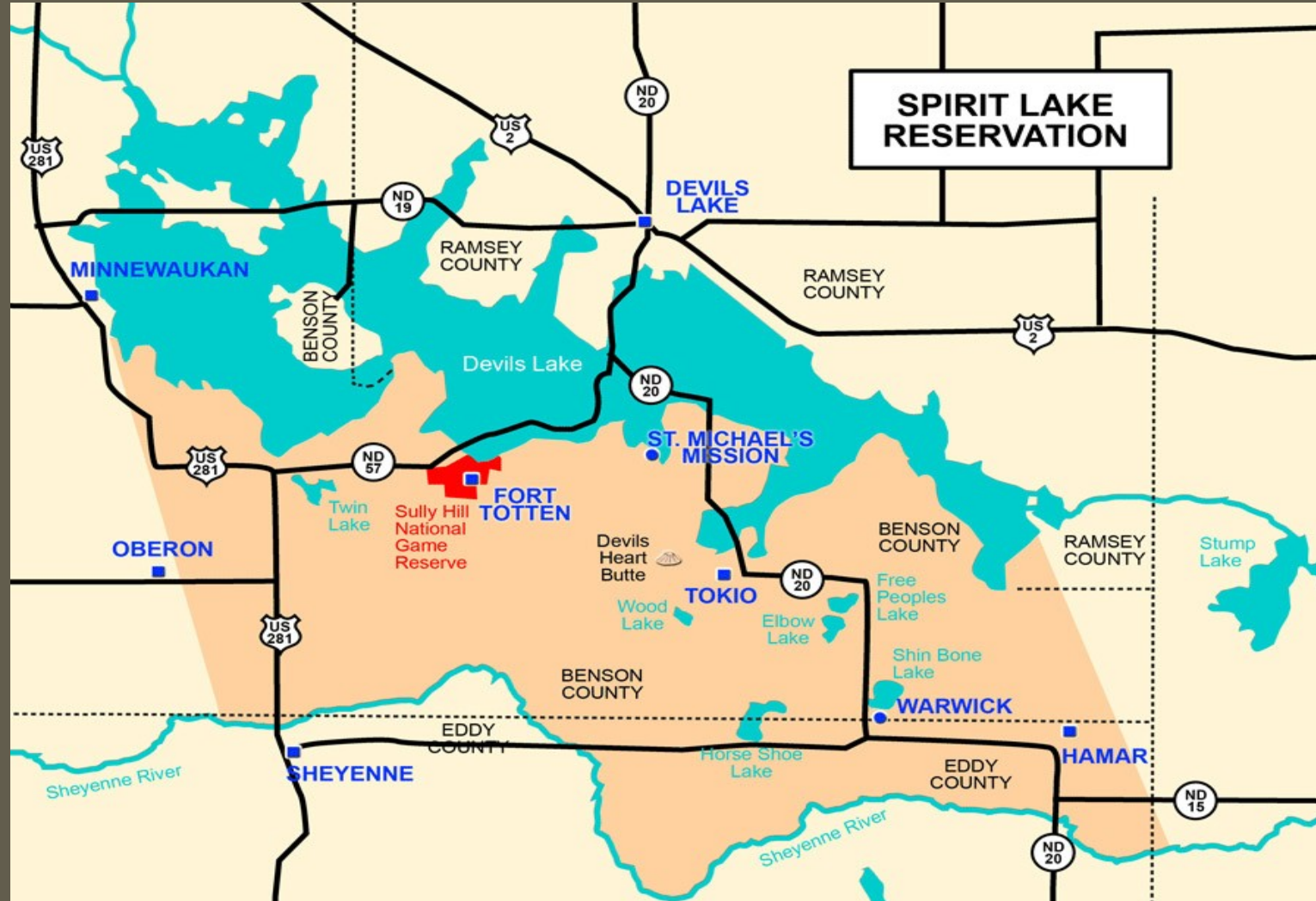
- Located in east-central North Dakota
- Federally Recognized - Treaty of 1867 between US Government and Sisseton Wahpeton Sioux Bands
- Tribal Leadership consists of Chairperson, Secretary-Treasurer, and Four District Representatives (one district representatives voted as Vice Chair)
 - Crow Hill, Fort Totten, Mission and Woodlake Districts
- 245,000 acres (383 square miles)
 - 38% or 93,000 acres – Tribally owned, allotted trust, and government
 - 62% or 152,000 acres – Fee Land
- Enrollment
 - 7,577 members but only
 - 3,674 reside within the boundaries



MAP OF SPIRIT LAKE RESERVATION



MAP OF SPIRIT LAKE RESERVATION



BACKGROUND (CONTINUED)



- Previous efforts with Wind Energy
 - Micon-108 Wind Turbine
 - Installed in 1997-98, lasted about 10 years
 - Used from Palm Springs
- Early 2000's Spirit Lake Tribe proposed a 49.5 MW Wind Farm Project



BACKGROUND (CONTINUED)

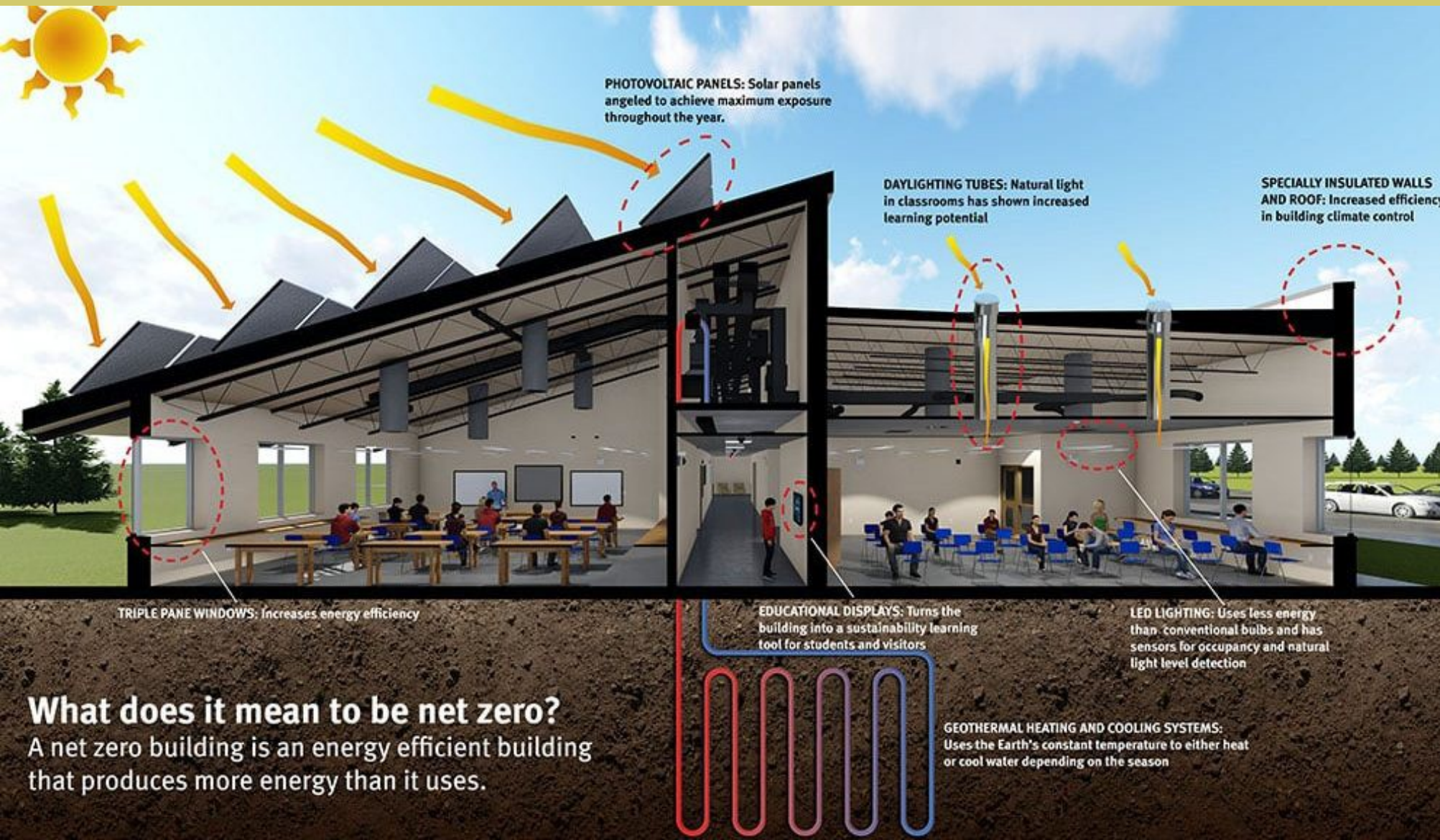


- IHS Clinic to Spirit Lake Health Center – June 1, 2016
 - Control of compact and operations – Title V Self Governance
 - Still receive federal dollars
- Currently process own 3rd party billing



NET ZERO SCHOOL

FIRST NET ZERO SCHOOL ON TRIBAL LANDS
DECEMBER 13, 2017



- Geothermal Heating and Cooling System
- Solar Panels
- Daylighting Tubes
- LED Lighting
- High-efficiency water-to-air heat pumps
- Insulated walls and roof
- Triple pane windows
- Educational displays

What does it mean to be net zero?

A net zero building is an energy efficient building that produces more energy than it uses.

NET ZERO SCHOOL



TRIBAL ENTITIES



- **Sioux Manufacturing Corporation – 250,000 sq ft**
 - Opened doors in 1974 as a joint venture with Brunswick Corporation
 - DoD funded contracts through Small Business Administrations 8(a) program of which we graduated in 1986
 - 1989, Spirit Lake Tribe purchased remaining share from Brunswick Corp and gained full ownership
 - Manufactured lightweight camouflaged screening systems(1974-1995),helmets (1980-1991), fabric weaving and coating to support helmet program.
 - In late 1980's produced composite spall liners from aramid "Kevlar" and fiberglass materials.

Currently Manufactured in 2020

- Woven Aramid (Kevlar) Fabric
- Aramid/Phenolic Prepreg
- Spall Liners for Combat GroundVehicles
- Blast Resistant Floors for CommercialVehicles
- AblativeTills forVertical Launch Systems
- Bonded Ablative/SteelAssemblies



TRIBAL ENTITIES (CONTINUED)



Spirit Lake Housing Corporation – The Spirit Lake Housing corporation will provide low income, quality housing in a safe and healthy environment to the people of the Mni Wkan Oyate.



CCCC provides opportunities that lead to student independence and self-sufficiency through academic achievement and continuation of the Spirit Lake Dakota language and culture.

The Mission of the Four Winds Community School is to produce learners who excel academically, physically, spiritually, and socially by expanding curriculum and activities, increasing community involvement and integrating culture in the school environment



TRIBAL ENTITIES (CONTINUED)



Spirit Lake Casino and Resort

- June 1, 1996
- 49,000 sq. ft.
- \$7 million cost
- 35 new jobs



TRIBAL ENTITIES (CONTINUED)



PROJECT OVERVIEW



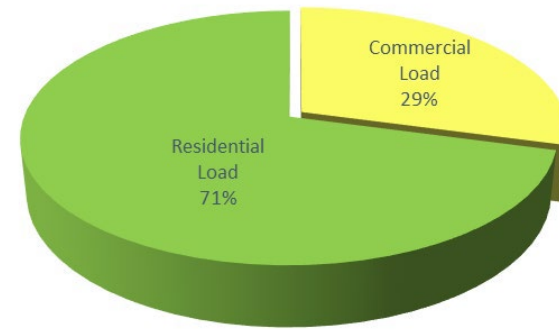
- * Project will address the energy cost on the Spirit Lake Reservation
- * Currently served by three different power companies
 1. Ottertail Power Company
 2. Northern Plains Electric Co-op
 3. Nodak Electric Co-op
- * Project goal is to reduce the electrical energy use of Tribal and Residential buildings within the boundaries of the Spirit Lake Reservation
- * Small Scale and Large Scale Wind Turbine Project
- * Energy Analysis and Organizational Assessment
- * Prior Tribal Utility Development frames this project

ENERGY ANALYSIS - USAGE

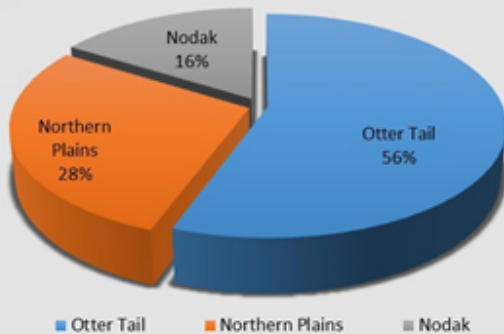


- The tribe is served by 3 utilities
 - Otter Tail Power Company
 - Northern Plains Electric Co-op
 - Nodak Electric Co-op

Residential vs. Commercial Usage



Load share of utilities



Utility	Total Usage (kWhs)
Otter Tail	15,105,886
Northern Plains	6,032,280
Nodak	3,263,172
Total	24,401,338

Missing Loads

Dakota Tribal Industries
Spirit Lake Fire Department
BIA Correctional Facilities
Warwick Public School
Oberon Grain Elevator
Fort Totten Historical Site
Oberon School
Sully's Hill National Game Preserve
Spirit Lake Roads Department
Other smaller loads

* Missing some large loads that are on the reservation

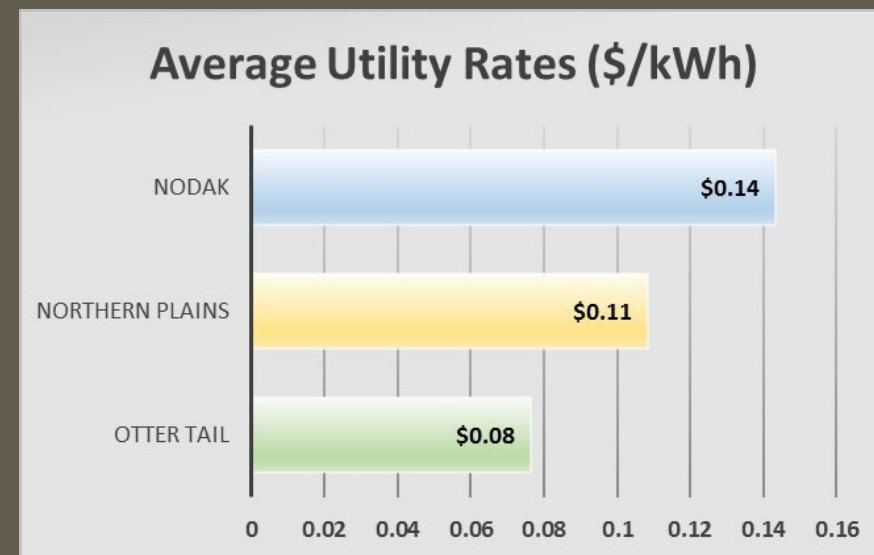
ENERGY ANALYSIS – COST OF SERVICE



Residential is the largest load followed by Casino and Hotel

- Estimated Electric Load: 24,401 MWh/year
- Total annual electricity spend: \$2.27MM
- Includes Gen, Trans, Distribution

Utility	Estimated Cost of Service
Otter Tail	\$1,154,068.96
Northern Plains	\$663,550.80
Nodak	\$456,844.08
Total	\$2,274,463.84



KEY STRATEGIC ELEMENT – CONTROL OF INTERCONNECTING MEANS



- Two substations located on trust lands
 - Otter Tail Power Company
 - Central Power Electric Co-op



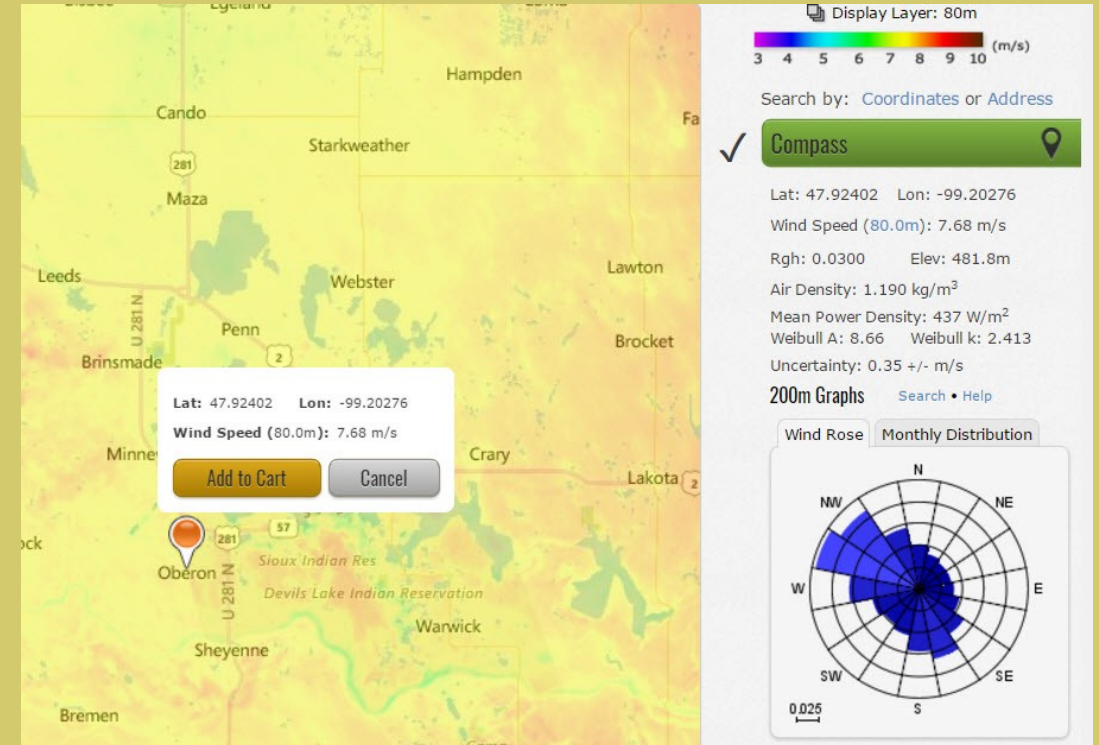
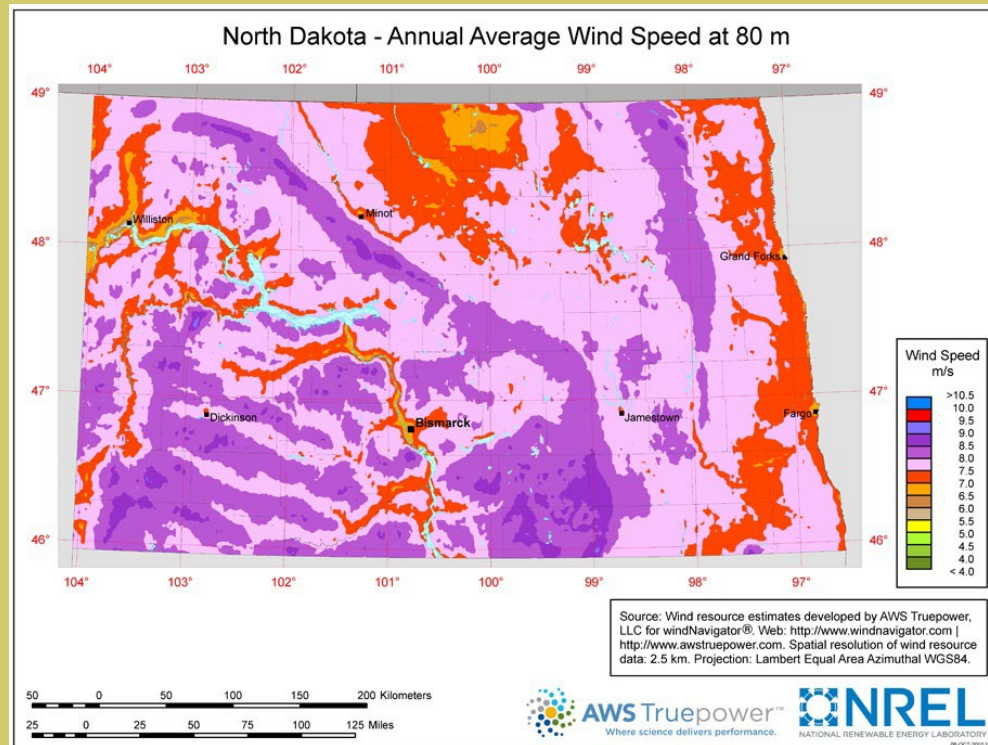
PROJECT MODEL: ENERGY PROJECT DEVELOPMENT IN CONTEXT OF TUA



PROJECT LOCATION



- ND has the best wind resource in US but only 16% of its electricity generation is from wind
- Fort Totten, ND : Estimated wind speed = 8.2 m/s
 - Good wind resource for an economically feasible project
- Capacity factor: 44-48%

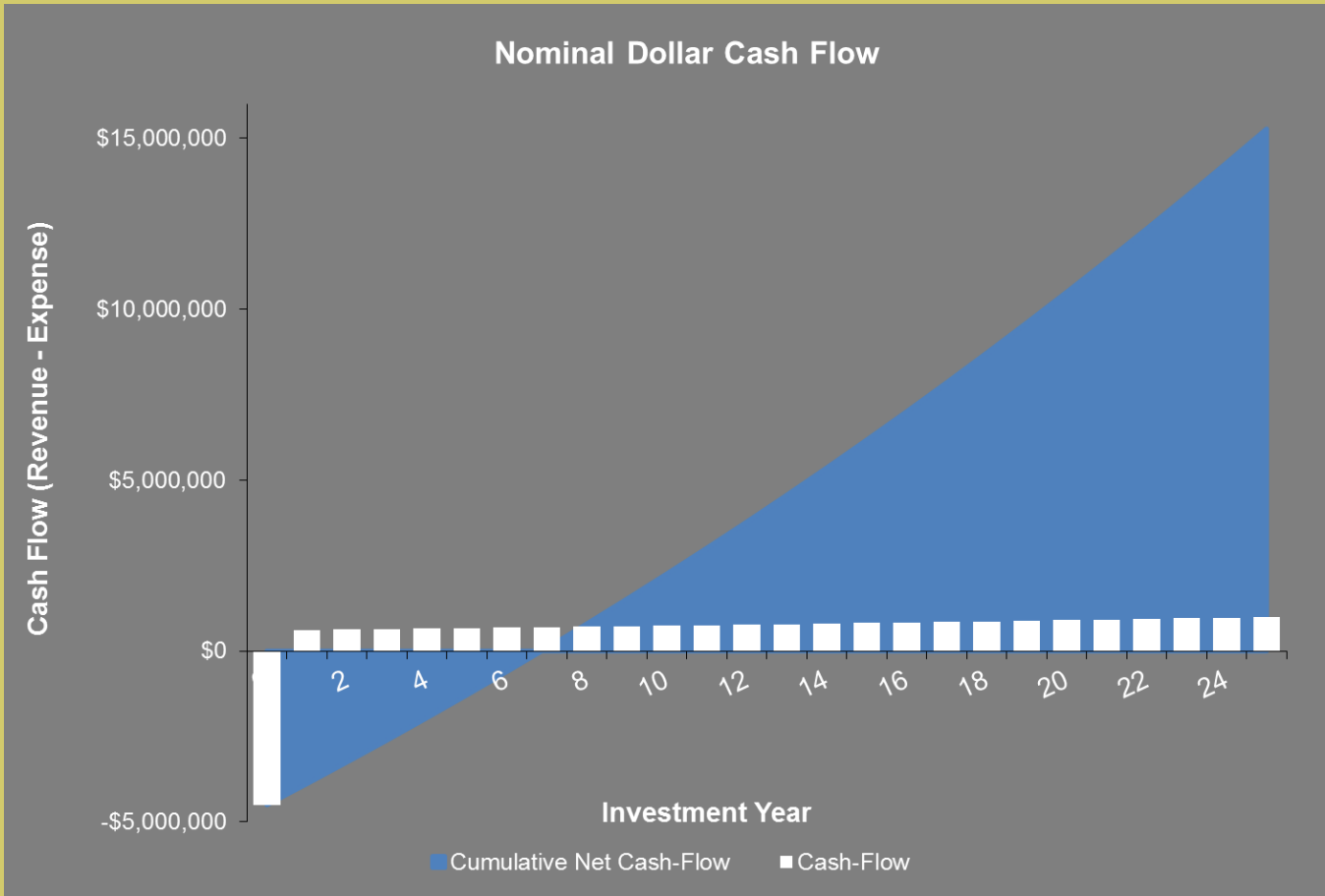


PROJECT PRO-FORMA



Power Output (kWh/year)	5,501,664
Average Cost of Electricity (\$/kWh)	\$ 0.12
Nominal Electricity Escalation Rate (%/year)	2%
Analysis Period (Years)	25
Total Installed Cost / Lease Initial Cost	\$ 4,500,000

Payback Period (SPB)	7
Rate of Return (IRR)	15%
Net Present Value (NPV)	\$9,469,808



PROJECT COSTS



- Total Project Cost = \$4.7 million
 - DOE Grant = \$1 million
 - Tribal Cost Match = \$500,000
- Remaining Cost Share = \$3.2 million
 - Potential Partnership considerations
 - Tribal Funds/Resources



PROJECT PROGRESS



Progress Timeline:

- Grant Award/Agreement May 1, 2019
 - Change of Leadership in May of 2019
 - Signed Grant Agreement by TC in Sept 2019
 - Change of Chairperson in June of 2020
 - Environmental Assessment completed – July 2020
 - Began interconnection application with WES engineering – Summer 2020
 - Gathered and reviewed ROW data on local substation – October 2020
 - Signed new WAPA contract – December 2020
-
- Quarterly meetings with Tribal Council
 - Conversation with THPO
 - Discussions with all three power companies
 - Choosing another site location
-
- Identified Cost Share considerations
 - BIA Loan Guarantee Program
 - Internal Tribal Resources



PARTICIPANTS



- Ryan Brown, Economic Development Planner, Spirit Lake Tribe
- BakerTillyVirchow Krause, LLP
- WES Engineering
- Spirit Lake Tribal Council
- Potential Cost Share Partner
- Department of Energy, Office of Indian Energy



U.S. DEPARTMENT OF
ENERGY

Office of
Indian Energy

NEXT STEPS



- Spirit Lake Tribe and Baker Tilly will work on Establishing Tribal Utility Authority (TUA)
- Continue to Provide Tribal Council with quarterly updates/meetings
- Plan community engagement/informational meetings
- Continue Legal and Regulatory assessment of Rights of Way for substations and Distribution
- Continue to monitor WAPA Contract for potential credit updates (Yearly)
- Continue Interconnection application and discussions with local utilities



QUESTIONS??



Ryan Brown, Economic Development Planner, Spirit Lake Tribe

sltplanningpm@gondtc.com

701-766-1700

Jim Yockey, Senior Manager, BakerTillyVirchow Krause, LLP

Jim.Yockey@bakertilly.com

608-240-2696

Jonathan Berry, Consultant, Energy and Utilities, Baker Tilly Virchow Krause, LLP

jonathan.berry@bakertilly.com

512-975-7298