

Benson Biomass Suppliers & Transporters

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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
- ❑ Result:
 - 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



7

Many Locations, Many Businesses

- | | |
|--|---|
| <input type="checkbox"/> Sandstone | <input type="checkbox"/> Carlson Timber and Land Clearing |
| <input type="checkbox"/> Motley | <input type="checkbox"/> Enberg Logging |
| <input type="checkbox"/> Brainerd | <input type="checkbox"/> Fletcher Trucking |
| <input type="checkbox"/> Bemidji | <input type="checkbox"/> Dukek Logging |
| <input type="checkbox"/> Backus | <input type="checkbox"/> Sawyer Timber Company |
| <input type="checkbox"/> Park Rapids | <input type="checkbox"/> Harbo Mulch Inc. |
| <input type="checkbox"/> Little Canada | <input type="checkbox"/> Dick Walsh Forest Products |
| <input type="checkbox"/> St. Joseph | <input type="checkbox"/> Precision Landscape & Tree |
| <input type="checkbox"/> Grove City | <input type="checkbox"/> Huls Bros Trucking |
| <input type="checkbox"/> Melrose | <input type="checkbox"/> D & D Ventures |
| <input type="checkbox"/> McGregor | <input type="checkbox"/> Pflipsen Trucking |
| | <input type="checkbox"/> Savanna Pallet |



8

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



9

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



10

Range of Agreements

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



11

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



m EMPLOYMENT AND
ECONOMIC DEVELOPMENT
MINNESOTA

12

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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