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March 1, 2011

Via Electronic Mail

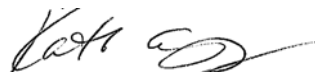
Marcia Spencer-Famous, Senior Planner
Maine Land Use Regulation Commission
State of Maine Department of Conservation
22 State House Station
Augusta, ME 04333-0022

Re: Highland Wind Application

Dear Marcia:

Please find the attached excerpts from Highland Wind's February 16, 2011 completeness submission, as requested. Please note that as discussed the attached revised sections or additional documents can now be found embedded in the complete application and have therefore been excised from this letter. However, I want to ensure that the substantive discussions located in this submission are entered into the record and are available for the review of both parties and the public.

Truly yours,



Katherine A. Joyce

KAJ/mkh

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February 16, 2011

Marcia Spencer-Famous
Land Use Regulation Commission
22 State House Station
Augusta, Maine 04333-0022

Re: Highland Wind, Additional Information

Dear Marcia:

On behalf of Highland Wind LLC (Highland), please find enclosed additional information to Highland's December 29, 2010 revised application. This additional information, organized as a series of numbered attachments containing documents and/or narrative, is being provided to LURC for three specific purposes:

- 1) to respond to LURC staff requests set forth in your January 28, 2011 letter to me regarding completeness,
- 2) to respond to letters challenging the completeness of Highland's application filed by attorneys Philip Worden on behalf of Friends of Highland Mountains (January 12, 2011) and William Plouffe on behalf of the Maine Appalachian Trail Club (January 21, 2011), and
- 3) to describe non-substantive additional application revisions which the Applicant has elected to make for the purposes of clarity and ease of review.

Attachments 1 through Attachment 11 each respond to one of the application sections addressed in LURC's January 28, 2011 letter, and are organized in the same order as presented in that letter. In those instances where the topics raised by Mr. Plouffe or Mr. Worden overlap with questions raised by LURC (*e.g.*, financial capacity or TRI), their arguments, as well as LURC's questions, are addressed together in the relevant Attachment. Finally, contained in these Attachments are *all* changes or explanations that Highland is now proposing for a particular section in the revised application -- whether triggered by completeness questions or by Highland's independent decision to make additional, non-substantive clarifications -- and are discussed in the appropriate Attachment.

Attachments 12 and Attachment 13 address topics raised by Mr. Worden and Mr. Plouffe for which there was no completeness question raised by LURC (*e.g.*, decommissioning). Providing those responses in this submission is not intended to suggest that the Applicant

believes them to be completeness issues, but is solely in the interest of being clear and comprehensive.

Attachment 14 addresses non-substantive revisions to the text of the Application, not for completeness, but for the purposes of improving clarity and ease of review.

Highland appreciates your attention to these responses.

Truly,

A handwritten signature in black ink, appearing to read 'Katherine A. Joyce', with a long horizontal flourish extending to the right.

Katherine A. Joyce

KAJ/mkh

ATTACHMENT 1: PROCESSING FEE

LURC REQUEST:

In accordance with 12 M.R.S.A., section 685,F,2, one-half of the processing fee must be paid for the application to be accepted for processing. A letter documenting the revised processing fee estimate and amount now due was sent to you under separate cover.

APPLICANT RESPONSE:

All obligations to LURC for payment of the processing fee have been fulfilled. The latest installment of the processing fee was paid by Highland Wind promptly upon receipt of the processing fee assessment, as adjusted for the revised application.

ATTACHMENT 2: APPLICATION FORM

LURC REQUEST:

In accordance with LURC's rules, Chapter 4.03(2) and Item 2 of the LURC development permit application form and instructions, the completed application form must include an original signature by the applicant.

In accordance with the LURC development permit application form instructions, complete Items 5 and 6 of the application form, and cross-reference to the relevant sections of the application: met towers (note that Section 12 of the application states that there are no existing structures on the parcel).

In accordance with the LURC development permit application form instructions, complete Item 7 of the application form: lighting, the O&M building driveway, and setbacks pursuant to LURC's Chapter 10.26D.

APPLICANT RESPONSE:

Attached is an application form which has been revised to provide the additional detail requested by LURC, as well as clearer cross-references to the body of the Application. The form provided in this packet has an original signature. In addition, the CD version of the application that is enclosed with this submission includes this revised form, replacing the form provided in the December 2010 submission.

ATTACHMENT 3: SECTION 3, LURC SUBDISTRICTS

LURC REQUEST:

In accordance with Item 3 of the LURC development permit application form instructions, provide a LURC subdistrict map showing the project location clearly marked.

In accordance with Item 10 of the development permit application form, make sure the application clearly indicates any structures that would be located in a P-FP Flood Prone Protection Subdistrict or a 100-year floodplain.

APPLICANT RESPONSE:

Attached are two maps of the project with the subdistrict overlay: one for the portion of the Project within Highland Plantation, and the other for the portion of the Project within Pleasant Ridge Plantation. These maps have been added as Appendix 3-1 and Appendix 3-2 to Section 3 of the Application.

Also attached is a revised narrative of Section 3 to indicate structures that would be located in a P-FP Flood Prone Protection Subdistrict or a 100-year floodplain. This version now replaces the narrative in Section 3 of the Application.

ATTACHMENT 4: SECTION 5, TITLE RIGHT OR INTEREST

LURC REQUEST:

Wind Energy Ground Lease, December 11, 2009

- Section 1.4 of the lease – Clarify that this lease provides TRI for the O&M building, temporary lay-down areas, and the substation and interconnection.
- Clarify that the timing of the Development and the Operations terms are still applicable where the project review had been postponed since last April.

Central Maine Power segment

- Provide an explanation of the last paragraph of the Central Maine Power (CMP) letter.
- Clarify that the Highland Wind 115 kV line would end and join with the CMP line at the FPL Energy (FPL) parcel boundary.
- Provide the portion of the CMP easement that allows their line to be upgraded where it crosses the FPL parcel in the manner needed to accommodate the increased load from the Highland Wind project.
- Provide the language of the FPL deed or the FERC license that allows for the CMP line to be upgraded where it crosses the FPL parcel in the manner needed to accommodate the increased load from the Highland Wind project.
Or, provide a letter from FPL that they are aware of and find no legal issues with, the proposed joining of the Highland Wind transmission line with the existing CMP where it meets the FPL parcel boundary.

Notice of Lease - Provide a dated and signed copy (the document provided indicates Thomas Colgan, President of Wagner Forest Management as the signatory).

Pleasant Ridge Plantation interests – Provide an explanation of how this interest will be met.

APPLICANT RESPONSE:

Wind Energy Lease and Notice of Lease

With regard to the ground lease, attached hereto are two amendments to the Wind Energy Ground Lease, which have also been added to Appendix 5-1 of the Application to clarify that the lease provides TRI for various purposes associated with the Project including, but not limited to, the O&M building, temporary laydown (which the Application identifies as occurring throughout the leased area) and the substation. Please also note the following: 1) the Development term has not expired, and is ongoing; 2) the Notice of Lease is included as it is one of several attachments to the Lease, but has no bearing on the legal effectiveness of the Lease, and its execution is therefore not required at this time.

Central Maine Power Segment

Attached is a revised narrative of Section 5, which replaces the narrative of Section 5 in the Application, to provide the additional clarification requested on what the Application terms the Central Maine Power (CMP) Segment. The CMP Segment is the final segment of land over which the transmission line will cross prior to connecting into the CMP-owned Wyman substation. Specifically, the narrative has been revised to:

- explain the last paragraph of the CMP letter,

- clarify the location of the end of the Highland-owned 115 kV line,
- identify the easement language located within the deed provided in Appendix 5-2 of the Application which provides CMP with the authority to engage in the line upgrades necessary to allow for the proposed transmission across its easement, and
- cross-reference Section 4 of the Application, which identifies FPL as having been notified of the revised application submission.

You have received letters from Mr. Worden (and by endorsement, Mr. Plouffe) in which it is clear that he does not understand, and his comments did not account for the fact, that the geographic location of this last remaining segment of the transmission line has been revised from that set forth in the 2009 application. To be clear, HWLLC's 2009 application proposed a *HWLLC-owned transmission line* crossing FPL / NextEra Energy land *to the north of* CMP's existing transmission corridor at FPL / NextEra's Wyman hydroelectric station, thus the need for an easement from FPL / NextEra. The configuration and ownership of this last segment has been revised in the 2010 Application.

HWLLC's transmission line is now proposed to join the existing CMP transmission corridor at the westernmost boundary of the FPL / NextEra property, and will from that point to the CMP substation be owned by CMP and located within its existing transmission corridor. CMP has agreed to this, as demonstrated by the co-signed, legally binding letter submitted with the Application, providing right and interest to HWLLC. CMP has made the legal determination that it has the right to enter into such an agreement under the terms of its corridor easement with FPL / NextEra Energy.

Thus, notwithstanding the statements made by Mr. Worden and endorsed by Mr. Plouffe, the revised location of the transmission line does not, in fact, require FPL permission. Title, right or interest to transmit the energy produced by HWLLC from the point of production to the CMP substation at Wyman has been secured.

Pleasant Ridge Plantation

In addition, the narrative of Section 5 has been revised to describe the parallel permitting process with Pleasant Ridge Plantation for utility crossing permits for the areas previously to be dealt with through the now-expired option documents executed by Pleasant Ridge. Appendix 5-2 of the Application has now been amended to remove the option documents previously executed by Pleasant Ridge. Subsequent delineation of the specific property over which the proposed transmission line will run has eliminated the need for the contemplated easement. Because the transmission line will pass over Plantation-controlled public ways, the appropriate permissions from Pleasant Ridge are in the form of utility crossing permits, which are the subject of a parallel permitting process in that plantation. As LURC well knows, it is routine for a development project to need companion permits to be issued by other local, state or federal agencies before construction of a development can begin (e.g., from U.S. Army Corp, Maine DOT, Maine DEP, etc.). To the best of Highland's knowledge, LURC has never found this routine co-permitting need to be a TRI issue. Instead, LURC's standard practice is to condition the beginning of project construction on the receipt of all necessary permits; Highland would expect such a condition as part of any permit issued by LURC in this proceeding. We will keep LURC apprised of the status of separate permitting processes, in Pleasant Ridge and otherwise, as those processes evolve.

ATTACHMENT 5: SECTION 6, LAND DIVISION HISTORY

LURC REQUEST:

Provide a map showing the parent parcel.

APPLICANT RESPONSE:

A map of the parent parcel is attached hereto, and has been added as an Appendix to Section 6 of the Application. Please note that the Leased Premises for this Project constitute one contiguous area, carved out of the parent parcel.

In addition, the narrative of Section 6 has been revised to clarify that items 2 and 8 of the land division history involve outparcels which are not contiguous with the parent parcel. This revised narrative is attached, and has replaced the Section 6 narrative in the Application.

ATTACHMENT 6: SECTION 8, FINANCIAL CAPACITY

LURC REQUEST:

Outline Highland Wind's business plan for procuring funding.

Provide additional narrative explaining the CoBank letter. In particular, please explain what "non-recourse debt financing is, who would CoBank provide a proposal to, what are "off-takers", and explain what is meant by "must be creditworthy".

Provide the name of the "controlling majority owner" of Highland Wind referred to in the Northern Trust Bank letter; and explain how that money would be used for this project (i.e., as leverage for a loan, to directly cover development costs, etc).

APPLICANT RESPONSE TO LURC:

Highland Wind's plan for procuring funding is addressed in two documents attached hereto and added to Appendix 8-1 of the Application:

- A memorandum from Michael Novello of Wagner Forest Management, who is in charge of all financial issues for Highland. Mr. Novello's memorandum explains standard grid-scale wind industry practice regarding project financing, showing why the absence of legally obligated project financing at this completeness stage is normal and absolutely has not been an indication of lack of financial capacity to complete permitting and project construction. The memorandum also provides the requested additional narrative defining the terms identified in LURC's letter.
- A letter from Thomas Colgan, President and Chief Executive Office of Wagner Forest Management which clearly establish the very substantial financial resources that have been, and continue to be, at Highland's disposal for both permitting and constructing the project. This letter explains to LURC the membership of Highland Wind LLC, and provides LURC with the answers, and the assurance that you were seeking in the questions you raised in your January 28th letter.

The narrative of Section 8 has been revised to reflect those additions. Highland believes that these two pieces of supplemental information, in addition to the information already contained in Highland's revised application, fully satisfies LURC's financial capacity requirement for the beginning of the permitting process, and forthrightly answers all reasonable questions regarding Highland's financial capacity.

APPLICANT RESPONSE TO FOHM AND MATC:

In addition, in response to financial capacity comments provided by Mr. Worden and Mr. Plouffe in their letters to LURC, Highland provides the following discussion regarding the purpose and requirements of the financial capacity requirement, and how Highland has fully satisfied the requirement for the completeness stage of its Application review. This discussion includes how the challenges raised by FOHM and MATC reflect both a lack of understanding of how and when large-scale development projects are financed and by whom, and also identifies misstatements and

distortions by both parties regarding what must be demonstrated by Highland at this point in the permitting process.

A. Purpose and Requirements of the Financial Capacity Requirement

In evaluating an application for completeness, versus for approval, it is essential to deconstruct the intent behind the financial capacity requirement, so that one may understand what an applicant is required to show (and why) at (a) the beginning of the permitting process, vs. (b) at the conclusion of the permitting process, before construction begins.

LURC's financial capacity requirement is set forth as follows:

1. "The commission may not approve an application, unless: Adequate [...] financial provision has been made for complying with the requirements of the State's [...] environmental laws[.]" LURC Rule Chapter 10.24.
2. "The applicant shall have adequate financial resources to construct the proposed improvements, structures, and facilities and meet the criteria of all state and federal laws and the standards of these rules. In determining the applicant's financial capacity, the Commission shall consider the cost of the proposed subdivision or development, the amount and strength of commitment by the financing entity, and, when appropriate, evidence of sufficient resources available directly from the applicant to finance the subdivision or development." LURC Rule Chapter 10.25, C.

At the beginning of the permitting process -- the completeness review stage -- the financial capacity requirement operates in tandem with an applicant's processing fee to protect the Commission from wasting its administrative time and resources, as well as those of the individual Commissioners.

At the completeness review stage, the Commission gathers information about an applicant's financial capacity to put in place the funding that will be needed to construct the project once permitted, in order to make sure its limited time and resources are not wasted on reviewing a permit application that does not have the financial resources to go forward. In addition to the protection LURC gains from gathering this information from an applicant, a very significant independent and supplemental protection against LURC's wasting its time and resources is now in place: an applicant must pay to LURC a very sizeable processing fee, calculated to cover all of LURC's costs in the permitting process. This means that LURC has pre-insured against incurring uncompensated costs that would have to be absorbed by LURC, although Highland is very aware and appreciative of the non-monetized volunteer time contributed by the Commissioners as part of this process. The significant size of this fee requirement also serves, indirectly, as an additional way for LURC to assess an applicant's financial capacity, since the high amount of the fee -- in the case of Highland it is \$32,295.50 -- screens out applicants that don't have the financial "legs" go the distance in the permitting process. A potential applicant that is not very serious about following through in the proceeding will not make the substantial investment required by this cost of entry.

At the conclusion of the permitting process, and where post-permitting financing is contemplated, after permits have been approved, the financial capacity requirement serves to protect the public health and welfare and the environment, including those persons living in proximity to the proposed development, by ensuring that the permitted project has sufficient funding to be constructed the project as permitted and conditioned.

Thus, to protect the Commission and the public, LURC's requirement speaks of an applicant having adequate financial *resources* to complete the proposed development. However, there is absolutely no language that requires a developer to possess legally binding commitments at the outset of a proceeding, or before permits have been received, for all the money needed to pay for construction and operation, whether that money would be coming from sources internal to the developer or from third-party financing.

Instead, the language sets forth certain factors for LURC to consider in determining whether adequate financial resources exist. This language is not exclusive. LURC is required to consider the cost of the proposed development, and the amount and strength of a financing commitment. LURC is also free, of course, to consider whether it feels the project is credible and reasonably likely to be financed based on such things as the a) make-up and seriousness of the development company, b) the history of the members and their conduct in other similar projects, c) the history of other grid-scale wind projects in Maine and whether and when financing has been secured by them and, d) the normal financing practices for large scale wind and other major development projects.

Although not heretofore required of other wind power projects which have been permitted by LURC, Highland interprets a financial capacity requirement as reasonably including a showing by a developer prior to construction that actual funding for construction as required by all permits is in place, whether internally provided or externally secured.

B. Specific Comments on FOHP and MATC Letters

In addition to the demonstration of financial capacity based on the information provided above and what is already in the revised application, I would like to point out the following glaring omissions from Mr. Worden's and Mr. Plouffe's challenges to Highland's financial capacity that I believe LURC should take note of:

1. Neither letter presented any evidence that Highland's pursuit to date of this development project has demonstrated in any way a lack of financial capacity, thereby suggesting that Highland may be wasting the Commission's time. In fact, Highland's capacity and seriousness have demonstrated financial capacity on a "real time" and ongoing basis. It has, *inter alia*, secured easements and other legal commitments; promptly paid the requisite permitting fees; assembled a well-regarded, experienced development team; conducted over many months many rounds of agency consultations; and put together first an initial and then a revised application demonstrating in-depth and sustained data gathering and analysis regarding, *inter alia*, numerous ecological surveys, electrical engineering, site design and engineering, etc.
2. Neither letter set forth any argument, let alone a single piece of credible evidence, to demonstrate that legally committed construction financing prior to receipt of permit approvals (whether internal or third party) is either the industry norm for financing the construction phase of wind projects, or that the absence of such commitments at this pre-permitted stage is unusual or indicative that a lack of financing will exist at the appropriate time. No evidence was provided by reputable and established wind-lending entities stating that this project was clearly not able to be financed as proposed, and the reasons therefore, or that a lack of construction financing right now meant anything about the viability of financing after permits have been received.

3. Neither letter cited to a single LURC precedent, nor is Highland aware of any, in which LURC required a demonstration that committed project construction financing be in place now, at the front end, for a major development project that LURC has yet to review and permit. To our knowledge, LURC has never required any other major developer to show, in order for an application to be accepted for processing, that (a) it had all the financing in place and committed exclusively to the project, and (b) that if could not get financing from bank or other third party, that it would construct the whole thing itself. Note that neither First Wind nor TransCanada were required to do this. These facts were notably not discussed by Mr. Worden and Mr. Plouffe.

In short, there is no evidence contained in the letters submitted by Mr. Worden and Mr. Plouffe which support Mr. Plouffe's rather bold assertion that Highland is a "speculative project" that is wasting LURC's "time and resources." (*see* letter, FN 4). In fact, the record shows just the opposite.

In summary, the discussion above demonstrates that Highland (1) has now satisfied all the "front end" purposes and requirements for the financial capacity regulation and (2) why, at the appropriate time, HWLLC will satisfy all the "back end" purposes prior to construction. Among other things, this discussion has shown that:

- Highland has already invested \$5 million in the permitting process, as stated by Mr. Colgan;
- Highland's majority member, and its manager, have a repeated, long-term track record of financial capacity demonstrated in innumerable other projects;
- Highland's minority member is comprised of two individuals known throughout Maine who, in their own right, have long-term track records of success;
- Highland has sufficient funds at its disposal, through its members, to both complete the permitting process and to purchase a sufficient equity interest in a commercial financing arrangement;
- Highland has provided evidence from a bank that the Highland project, once permitted, is generally perceived to be financeable;
- Regarding the need to protect the public health and safety and the environment post-permitting, pre-construction, Highland has agreed, as stated by Mr. Colgan, to demonstrate sufficient funding – *actual funding*, NOT just capacity -- to construct and operate the project in compliance with its permit and all other laws. This is all consistent with Highland's plan and is the appropriate chronological point, and not before, for Highland to demonstrate credible, in place "financial resources" to properly build and legally operate the project. Whether this is achieved by self-funding or third party financing at the time is irrelevant, and it is certainly irrelevant at completeness review given how the industry is structured.

ATTACHMENT 7: SECTION 9, SERVICES

LURC REQUEST:

In accordance with 12 M.R.S.A., section 685-B,4, please provide additional detail about how medical emergencies would be handled.

APPLICANT RESPONSE:

A revised narrative of Section 9 is attached, stating that the contractor will be providing first responder training, and, as appropriate, high-elevation rescue training. This narrative replaces the Section 9 narrative in the Application.

ATTACHMENT 8: SECTION 12, PROJECT DESCRIPTION

LURC REQUEST:

Meteorological towers - Include in the narrative section the proposed access ways to the permanent meteorological towers.

LURC Chapter 10 setbacks

- Section 12.3.1 must include the setbacks per LURC's Section 10.26,D standards, or complete the application form and cross-reference (see application form item at the beginning of this list).

Solid waste disposal - A fill material/stump disposal location must be included in the application so it can be evaluated during the review process.

Project access - For the road entrance at Long Falls Dam Rd, include the site distance evaluation results and any other improvements needed for heavy equipment use.

Temporary areas

- Temporary lay-down and storage areas must be shown on the plans.
- Temporary "construction control center" - Section 12.5.2 must include a description of the areas to be used for the temporary trailers during construction: location; the number of trailers and other accessory structures; the size of area needed to accommodate them and for parking, equipment storage, etc.; how water and waste disposal will be handled; and how the area will be restored after construction.
- This should all be reflected in the clearing section, too.

Geotechnical borings - Include any geotechnical boring data that has been collected that provided the basis for the evaluation of acidic rock and the assessment of the types of turbine foundations proposed to be used.

Turbine foundations – If a spread-footing foundation is a possibility for some of the turbines, as opposed to the rock anchor foundation, then the narrative section must state this. The support letter later on indicates that this is the case.

APPLICANT RESPONSE:

The narrative of Section 12 has been revised to answer the questions set forth above, and is attached hereto. This revised narrative replaces Section 12 in the Application.

In addition, attached hereto, and added as Appendix 12-5 to Application Section 12, is an Acid Rock Mitigation proposal, to act as a safeguard against any acid rock found in the field during construction.

ATTACHMENT 9: SECTION 17, SHADOW FLICKER

LURC REQUEST:

In accordance with the DEP/LURC guidance document provided at the end of the wind power development application checklist, please supply a map showing the shadow flicker modeling results.

APPLICANT RESPONSE:

A shadow flicker map is attached hereto, and has been added to Section 17 of the Application.

ATTACHMENT 10: SECTION 19, NOISE

LURC REQUEST:

In accordance with the DEP/LURC guidance document provided at the end of the wind power development application checklist, please include a proposal for noise compliance monitoring during operation of the facility.

APPLICANT RESPONSE:

A proposed noise compliance monitoring plan is attached hereto, and has been added to Section 19 of the Application.

ATTACHMENT 11: SECTION 20, PUBLIC SAFETY

LURC REQUEST:

In accordance with 12 M.R.S.A., section 685,B(4-B) and 35-A M.R.S.A., ch. 34-A, section 3455, identify the areas you considered when conducting your evaluation.

In accordance with 12 M.R.S.A., section 685,B(4-B) and 35-A M.R.S.A., ch. 34-A, and the LURC/DEP guidance document provided at the end of the wind power development application checklist, provide turbine design safety certification and specifications for over-speed control for the turbine(s) proposed to be used.

APPLICANT RESPONSE:

Replacing Section 20 in the revised application, attached hereto please find a revised narrative for Section 20 which identifies the areas considered in the public safety evaluation.

As set forth in the revised application, Highland Wind is currently considering at least four possible turbines for installation, and has modeled and otherwise analyzed project impacts based on the specification that constitutes “worst case” for the regulatory criteria at issue (e.g., the noisiest, the tallest shaft, etc.), regardless of which turbine contains that particular specification. Attached are the certifications for three of the four possible turbines, with a description of the safety mechanisms on the fourth provided by Abigail Krich, President of Boreas Renewables, LLC. However, it is important to note that the Application presumes the ability of Highland Wind to select a turbine post-permit, so long as its specifications are within the parameters set forth in the Application. The turbine design safety certification and specifications for over-speed control are only substantively relevant once the turbine selection has been made, and once the project has confirmed that the certificates reflect the then-current model of the selected turbine. At the time of final turbine selection, Highland Wind will provide the requisite safety information for the selected turbine, either through the opinion of a civil engineer or through manufacturer’s safety certifications.

ATTACHMENT 12: SECTION 22, DECOMMISSIONING

(Provided in response to issue raised in letter from Friends of Highland Mountains, January 12, 2011)

Highland submitted a decommissioning plan in its revised application, which, to the best of its knowledge, and based on good faith review and understanding of precedent, complies fully with both DEP and LURC's interpretation of the PL provision which requires the submission of a decommissioning plan.

To the extent that LURC, in its substantive review of Highland's plan following completeness, concludes that it intends to change its interpretation of this provision such that it will apply differently to Highland than to other similar projects, Highland is willing to work with LURC to determine what may be several commercially reasonable options to satisfy LURC's reasonable interpretation of the provision. That is a process which appropriately resides within the substantive review of the application, and not within the completeness determination.

ATTACHMENT 13: SELECTION OF TURBINES

(Provided in response to issue raised in letter from Friends of Highland Mountains, January 12, 2011)

On behalf of Friends of Highland Mountains, in his correspondence to LURC Mr. Worden expressed frustration that Highland has not yet selected the turbine that Highland irrevocably commits to using in its project. First and foremost, this is not a completeness issue, and therefore does not need to be resolved at this stage of the process. However, by way of clarification, Mr. Worden and his client are fully aware that permitting of wind projects in Maine is a time-consuming process – so time consuming that it creates the possibility that by the conclusion of permitting and any subsequent appeals, new and superior turbine technologies may have been developed.

By selecting a turbine today, Highland would be binding itself to today's technology. Make no mistake, Highland's application does not contemplate leaving its choices of future technology wide open; rather, Highland commits to selecting a turbine which satisfies or surpasses the regulatorily-relevant turbine specifications (e.g., noise output, shaft height, clearing size needed for turbine pad, etc.) that LURC establishes in its permit. Highland Wind considers the representations set forth in its application as a commitment that its final turbine selection will be no louder than, no higher than, its clearing requirements will be no larger than, what was approved in its permit.

Further, Highland respects that modeling, simulations, etc. must be based on real data – Highland therefore utilized specifications associated with three current turbine models in which it is genuinely interested, and selected the "worst case" for each specification out of those three models to use for its modeling or photosimulations. In that way, its application also captures the circumstance in which superior technology has not come along during the permitting process – any one of the three turbine models represented in the application would fall within the parameters created by those "worst case" specifications, and none of those three turbine models represents all of the "worst case" specifications.

While Highland's approach here may be unfamiliar to Mr. Worden, Highland's review of permitting histories and timelines in Maine has lead it to the conclusion that this method is not only necessary, but also results in a project which, even should a current model be selected, exceeds expectations in *some* areas of review; it also allows for the potential that Highland could select from a future technology that exceeds expectations in *all* areas of review. Given that, as stated above, Highland final turbine selection will fit within the parameters used in its application, Highland is unaware of what prejudice is suffered by Mr. Worden's clients by its approach.

ATTACHMENT 14: MINOR REVISIONS FOR CLARIFICATION

SECTION 4, Public Notice

Revised to provide an accurate accounting of who was informed of the submission of Highland's revised application; the revised narrative and list of notified parties is attached hereto, and replaces both documents in the Application.

SECTION 10, Construction Schedule

Revised to clarify that instream work will be done within the work window or as negotiated with IFW, to cross reference after the Third Party Inspector (3PI) discussion that additional erosion and control materials can be located in Section 13, and to remove the request of a 15 day window in which LURC can respond to a request for approval of a 3PI. The revised narrative is attached hereto and replaces Section 10 of the Application.

SECTION 14, Environmental Assessment

Appendices have been saved differently to show up in the proper order in the Application.

SECTION 21, Tangible Benefits

The narrative of Section 21 has been revised to clarify a few elements of the Community Benefits Package, and is attached hereto. This replaces Section 21 of the Application.

SECTION 23, Other Required Permits

The list of other required permits was revised to include the Pleasant Ridge utility crossing permits, the 241 line upgrade, and plumbing/septic inspection. The revised list is attached hereto, and replaces Section 23 of the Application.