

Stiles Brook Wind Project

Updated Project Proposal



Project Proposal for Windham, VT

The Stiles Brook Wind Project ("Project") team has been meeting, talking and listening to residents of Windham and Grafton for almost four years. Over the last several months we have heard from people that some of their greatest financial needs are assistance with home energy bills and property taxes. In response to these concerns, we have restructured and substantially increased the overall economic benefit package: now, in addition to cutting the municipal portion of property taxes by more than half in Windham, every registered voter will be eligible to receive a minimum of

\$1,162 annually to use at their own discretion, including offsetting home energy costs.

We also heard from residents in Windham that they are concerned with the potential impact of turbines that are sited closest to residences. In response, we have reduced the number of turbines in Windham from 20 to 16, and generally reconfigured the layout to shift several turbines further from residences. The updated project layout will thus reduce both the Project's visibility and sound levels.

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Economic Proposal

The Project will have a substantial positive impact on Windham's economy. It will contribute a total of \$1 million per year to Windham, up from \$715,000 as originally proposed. This total includes several components:

1. paying annual municipal property taxes of \$395,000 in Windham that will equal approximately 58% of the municipal budget;
2. supplemental payments to the town government of \$105,000;
3. \$150,000 each year directly to the community for use by local charities, fire departments, and educational scholarships for local children, a Windham School Per Pupil Equalization Fund ; and
4. \$350,000 per year for direct partnership payments to registered voters to offset their own expenses, such as education taxes and energy bills. These direct partnership payments will result in a minimum of \$1,162 to every registered voter in Windham on an annual basis, based upon the town's current number of registered voters.

Iberdrola Renewables's annual payments to the towns and their residents will save every Windham resident a significant amount of money. Combined, the Project's payments will effectively cut an individual's municipal property taxes in half in Windham. In addition, every registered voter will be eligible to receive a minimum of \$1,162 annually.

Environmental Permitting Process

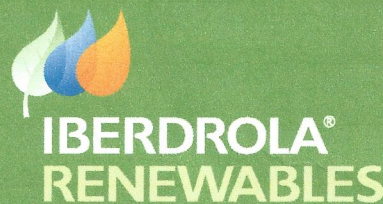
As Iberdrola Renewables has previously discussed with the communities, the Project will be required to obtain permits from federal and state agencies, the principal one being a Certificate of Public Good (CPG) from the Vermont Public Service Board.

The Project will be required to demonstrate satisfaction of all of these criteria during the PSB review process in order to receive a CPG, submit a number of detailed plans such as:

- **Decommissioning** - The Project will prepare a Decommissioning Plan for the removal of Project equipment at the end of its useful life, including a decommissioning cost analysis. As required for all commercial wind projects in Vermont, prior to construction the Project will fully fund a Letter of Credit or equivalent financial security for the entire decommissioning amount.
- **Stormwater** - The Project will provide fully engineered stormwater design and analysis to the Agency of Natural Resources under a separate permitting process, to obtain individual construction and operational phase permits.
- **Blasting** - The Project will develop a comprehensive blasting plan that provides for, among other things, pre-blasting notification of nearby residences and baseline structural and well surveys, where needed, consistent with requirements imposed by the PSB in past cases.
- **Sound** - The Project will provide a fully developed sound modeling which demonstrates compliance with the Vermont's sound limits for wind projects.
- **Aesthetics** - The Project will provide a comprehensive aesthetics analysis, including visual simulations.

In addition to the CPG, the Project will also apply for and obtain

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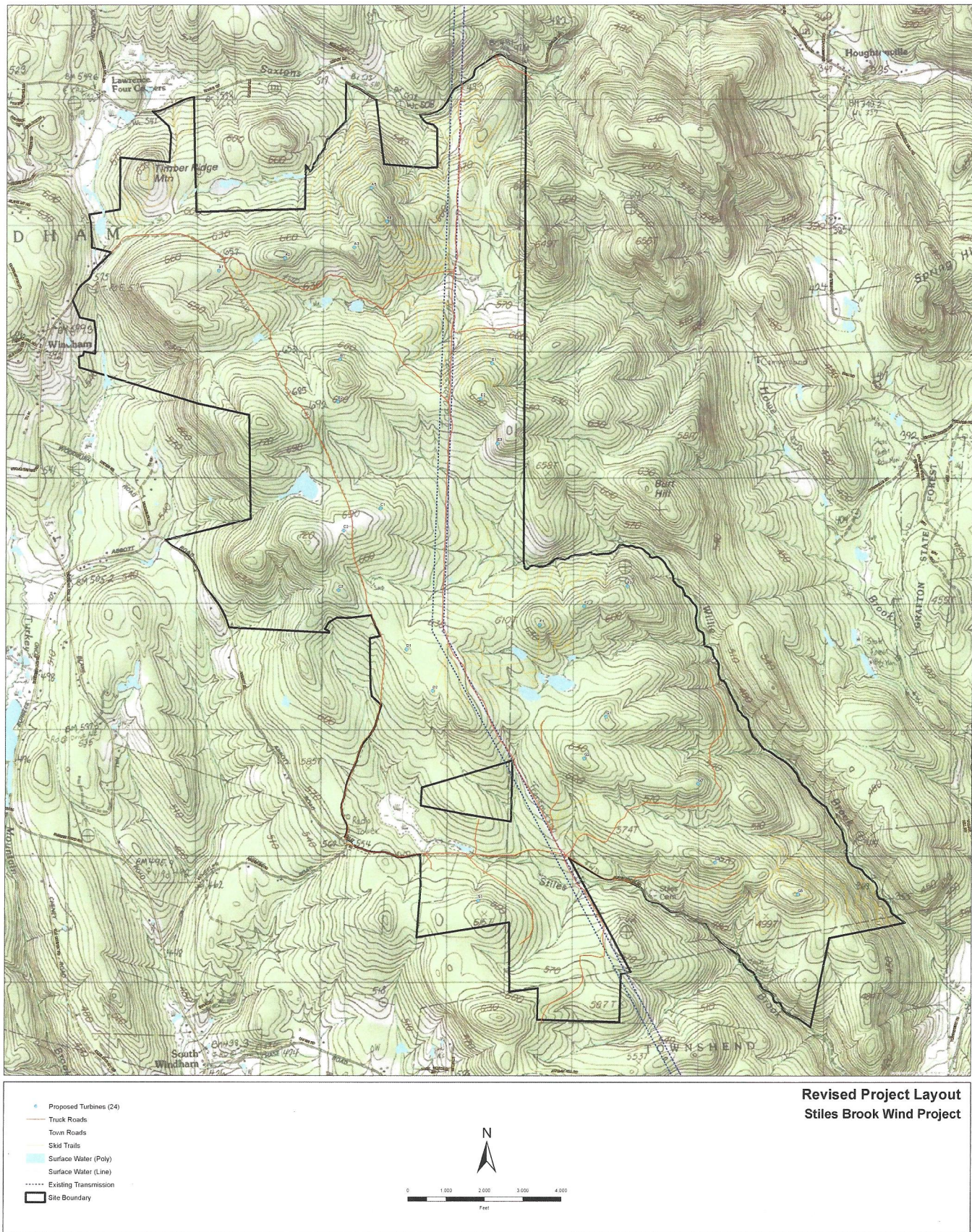
other permits, including but not limited to: stormwater permits, Vermont and federal wetlands permits, plant/wildlife takings permit (if required), and VTrans road permits. State and Federal wildlife agencies also will be reviewing the project to evaluate potential impacts to wildlife, including rare, threatened, and endangered species.

Iberdrola Renewables has started many of the detailed environmental studies, and will complete the work if the Project receives a supportive vote from the communities. The permitting processes required of the Project will be very transparent and comprehensive, and offer numerous opportunities for public comment and input.

Project Specifics

The Stiles Brook Wind Project is located on existing MTL land, over 5,000 Acres in the towns of Grafton and Windham. The Project will consist of no more than 16 turbines in the Town of Windham, and no more than eight turbines in the Town of Grafton. What the Project will look like is on the following page.





**The above is a general study layout. Throughout the permitting process, there is the potential that minor modifications to the project design will be required.