

February 7, 2014

David Fowler, Director, Development New England First Wind, LLC

Via email: <u>dfowler@firstwind.com</u>

Dear David:

We understand that the Maine Department of Environmental Protection (DEP) has requested information on the reason for using #1 steel as opposed to #2 steel in the salvage estimates included in our August 20, 2013 Decommissioning Budgets for the Bingham Wind Project. This letter provides the requested information.

The salvage estimates included in our reports were based on discussions with a local scrap dealer in the Bangor, Maine area. The dealer determined that the scrap should be characterized as #1 steel based on the thickness, which is why we referenced it as such in our reports. There may be some confusion between #1 and #2 steel and the significance of such classifications. For example, the Institute of Scrap Recycling Industries states that #2 steel is "black or galvanized," which does not apply to the material at issue here. See, e.g., Scrap Specifications Circular 2013 at p. 17. Importantly, the classifications are intended as guidelines and deviations from the classifications may be agreed to by mutual consent of the buyer and seller. Id.

Because of the DEP's questions, we took the added step of contacting five additional scrap dealers in Maine to verify our assumptions regarding the characterization of the material. Each of the dealers uses slightly different classifications for steel for determining scrap value. Two of the dealers do not use the classification of #2 steel at all and several dealers define #2 steel in the same manner as a subcategory of #1 steel. Please note that the material referenced in our reports was classified as #1 steel by all six of the scrap dealers that we contacted. Also important, each of the dealers stated that painted steel (such as the material here) does not affect the price.

We hope this helps to clarify. Should you have any questions, please let us know.

Sincerely, James W. Sewall Company

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Janine S. Murchison, PE Project Manager

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