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May 12, 2014

VIA E-Mail and U.S. Mail

Mark Bergeron  
Maine Department of Environmental Protection  
Land and Water Quality  
17 State House Station  
Augusta, ME 04333-0017

Re: Hancock Wind Project  
Project # L-25875-24-A-N/L-25875-TF-B-N

Dear Mark:

The following is provided in response to the Department's request for information on the impact of the Maine Law Court's decision in Houlton Water Company et al. v. Public Utilities Commission, 2014 ME 31 on the applicant's financial capacity showing as described in Section 3.0 of the Application and supplemented on April 11, 2013 and 19, 2013 (collectively the "Application Materials").

As a threshold matter, the Law Court's decision does not have any immediate impact on the showing of financial capacity because the decision did not invalidate the joint venture between First Wind and Emera (the "Joint Venture"), but instead held that the Public Utilities Commission (PUC) applied the wrong legal standard in approving it. The matter has been remanded to the PUC for further proceedings consistent with the Law Court's decision. We believe that the Joint Venture satisfies the legal standard articulated by the Law Court and should be affirmed on that basis.

More importantly, even if it is determined that the Joint Venture is not permissible and therefore must be set aside, for the reasons set forth below, such a decision would not adversely impact First Wind's ability to finance the Hancock (or any other) project.

First, while the Joint Venture remains an attractive source of capital, it is by no means the sole source of capital available to First Wind for the Hancock or any other Maine project. The Application Materials demonstrate that First Wind has a successful track record of financing 16 wind energy projects across the United States. All of those projects were successfully financed without access to Emera capital. The Application Materials also demonstrate that since 2004, First Wind had raised more than \$7 billion including project debt financings, tax equity, corporate financings and government grants. See Application Section 3, Exhibit 3A.

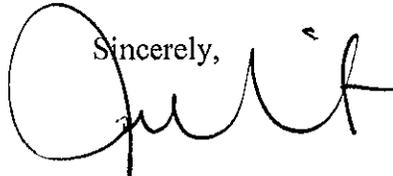
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Second, since the application was filed, First Wind has continued to raise capital to support its projects. For example, First Wind recently completed a successful \$75 million bond offering to support several of its projects. The bonds were issued and the funds received by First Wind on April 4, 2014. The success of that offering is evidence of investor interest in these projects and First Wind's ability to raise capital to support such projects. Additionally, and as you are aware, First Wind recently closed on construction financing for its Oakfield project. The attached press release describes that financing, which did not rely on capital from Emera.

Third, and as also stated in the Application Materials, the specific financing for any given project will be determined closer to the time of actual construction and will be subject to Department review in accordance with Condition 10 of the Permit. The Department's practice of requiring the applicant to submit evidence of final financing prior to commencement of construction reflects the reality that the specific financing typically cannot be determined at the time an application is filed or even when the permit is issued. Thus, while First Wind typically finances construction of its projects utilizing a combination of third party financing and First Wind equity, a specific bank identified as a potential lender or, in this case, a source of equity financing, identified in the application materials may change between submission of the application and final financing. The condition compliance process allows the Department to assess the adequacy of project financing prior to commencement of construction, when the specifics of such financing are known. Thus, prior to commencement of construction, First Wind will provide updated information on the final financing for the Hancock project (including its ability to fund any First Wind equity at that time).

In light of Condition 10 of the Permit, and because the Application Materials provided a sufficient basis for the Department to determine that First Wind has the capacity to finance the Hancock Project, we believe that there is no need to modify the Permit through the minor revision process. Please let us know if the Department continues to believe it is necessary to do so.

I hope that this information is helpful to the Department and, as always, please don't hesitate to let me know if you have additional questions.

Sincerely,  
  
Juliet T. Browne

JTB/prf

cc: Dave Fowler (First Wind)  
Brooke Barnes (Stantec)



## **First Wind Closes Financing for Oakfield Wind Project**

*The wind project in Aroostook County is creating construction jobs while boosting community revenues and will provide 148 MW of clean energy*

**Boston, MA—May 1, 2014—**First Wind, an independent U.S.-based renewable energy company, today announced that it has closed financing for its 148 megawatt (MW) wind project in Aroostook County, Maine. With financing in place, First Wind will continue on schedule with construction with commercial operations expected in the fourth quarter of 2015. The Oakfield Wind project will create approximately 300 jobs during construction and provide \$27 million in tax and community benefit payments to the town of Oakfield and the surrounding communities over the next 20 years.

“We are very pleased to close the financing for our Oakfield Wind project,” said Paul Gaynor, CEO of First Wind. “By securing financing, we will be able to continue construction activities on our sixth wind project in Maine. We appreciate the commitment from our financial and construction partners, and we are grateful for the long-term support we have received from the residents and community leaders in the town of Oakfield. It is exciting to see this project move forward as it will deliver significant direct investment into the local economy while serving as a source of cost-competitive clean energy.”

The financing package for the combined wind farm and generator lead, with a total construction cost of approximately \$369 million, includes a \$236 million construction loan and \$133 million of equity contribution. KeyBank National Association (NYSE: KEY) served as the joint lead arranger and administrative agent on the construction loan.

“We are very pleased to have played a leading role in First Wind’s financing of the Oakfield project,” said Andrew Redinger, managing director and head of KeyBanc Capital Markets’ Utilities, Power & Renewable Energy Group. “We applaud First Wind’s long-term dedication that brings significant investment to Maine. The financing of the Oakfield project demonstrates the solid fundamentals of the wind project that will provide an excellent source of renewable power.”

Situated about 2.5 miles from the center of the town of Oakfield, construction activities on the Oakfield project will continue with a completion and generation date predicted for the fourth quarter of 2015. Vestas will supply 48 V-112 turbines with a capacity of 3.075 MW each to the Maine project. Construction commenced in late 2013 and the Oakfield project will qualify for the federal wind energy Investment Tax Credit.

The power that will be generated by the Oakfield Wind project is contracted to be sold to customers of four Massachusetts utilities as part of a 15-year contract, and will generate enough clean energy at cost-competitive rates to power the equivalent of about 50,000 New England homes.

First proposed in 2008, the Oakfield Wind project received approval from the Maine Department of Environmental Protection (DEP) in January of 2012. In 2011, town of Oakfield residents voted 81-21 to approve the tax and community benefit agreement. Earlier this year, First Wind made its first payment to the town of Oakfield in the amount of \$600,000 as part of the community benefit agreement. The project will provide \$12 million in community benefit payments over the next 20 years. In addition to the community benefit payments, First Wind is also scheduled to make about \$15 million in tax payments over the next 20 years. A generation line being built from the project to the electrical grid will add an additional \$7 million in tax payments.

Once complete, the Oakfield Wind project will increase the total capital expenditures made by First Wind for wind projects sited in Maine to over \$1.25 billion. The company currently has five operational wind projects in Maine including the 42 MW Mars Hill Wind project in Aroostook County, the 83 MW Stetson Wind I and II projects in Washington County, the 60 MW Rollins Wind project in Penobscot County, and the 34 MW Bull Hill Wind project in Hancock County. These combined facilities have a capacity of 219 MW, enough to supply clean power for the equivalent of more than 90,000 households every year.

First Wind also has three wind projects in advanced development including the 51 MW Hancock Wind project in Hancock County, the 48 MW Bowers Wind project in Penobscot and Washington Counties, and the 186 MW Bingham Wind project in Somerset County.

#### **About First Wind**

First Wind is an independent renewable energy company exclusively focused on the development, financing, construction, ownership and operation of utility-scale renewable energy projects in the United States. Based in Boston, First Wind is operating or building renewable energy projects in the Northeast, the West and Hawai'i, with combined capacity of nearly 1,300 megawatts (MW) – enough to power more than 375,000 homes each year. For more information on First Wind, please visit [www.firstwind.com](http://www.firstwind.com) or follow us on Twitter [@FirstWind](https://twitter.com/FirstWind).

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#### **For more information, contact:**

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