

The Developer's Role



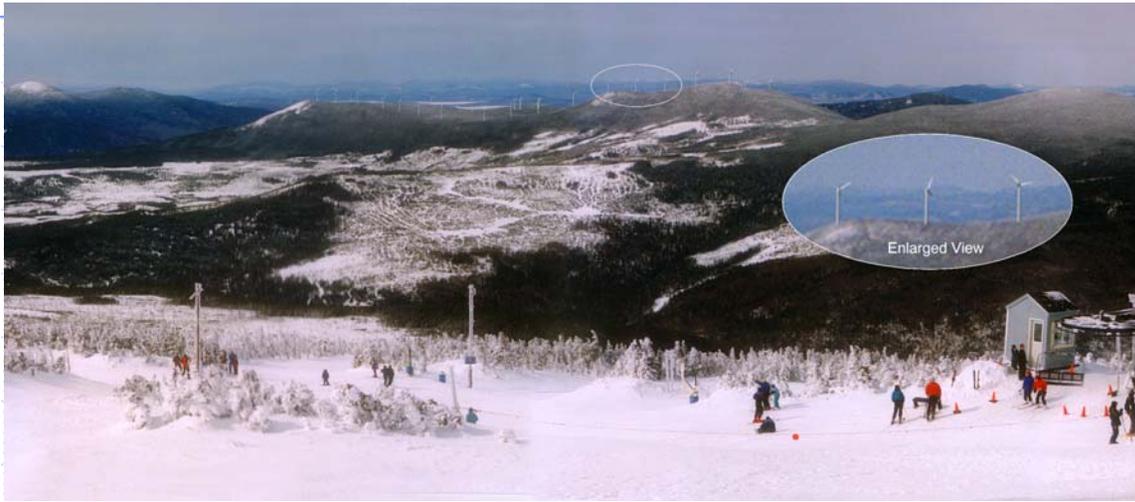
***Wind Energy in New England
Islands and Coastal
Communities***

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Endless Energy Corporation
December 5, 2002***

Presentation Overview

- ◆ Endless Energy overview
- ◆ Project Finance vs. Balance Sheet
- ◆ 9 Key Development milestones

EEC currently developing 2 attractive commercial scale wind farm sites

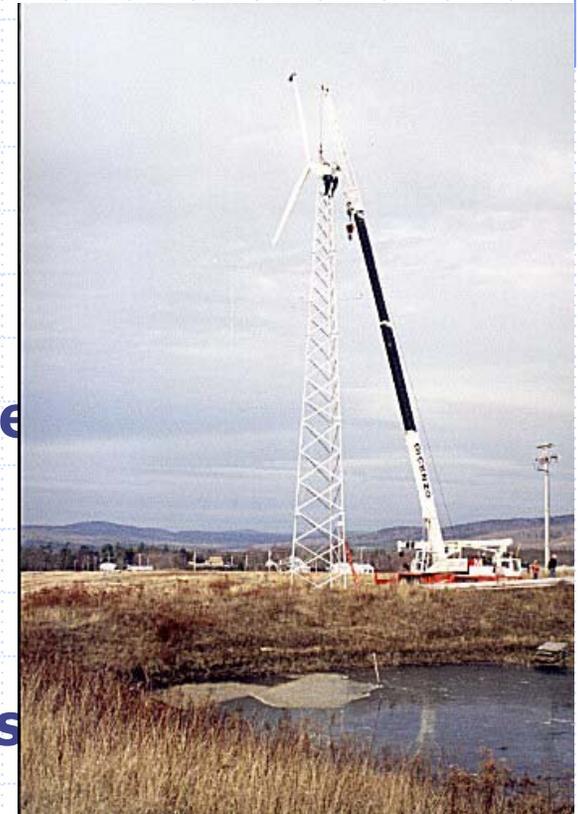


◆ ***Redington Mountain
in Maine: 50+ MW***

◆ ***Equinox Mountain in
Vermont: 9+ MW***

Endless Energy: *Experienced Regional Developer*

- ◆ **Power contract: 20 year contract with Burlington Electric**
- ◆ **Permitting, feasibility analyses – technical, economic**
- ◆ **Land agreements with paper companies and other landowners**
- ◆ **First US developer to win competitive power contract**
- ◆ **First wind turbine installed by developer in Maine—2000**
- ◆ **Wind measurements using 21 towers at 9 sites in 4 states**



Endless Energy: *Coastal Experience*

Coastal Experience:

- **Contract with the Rhode Island Renewable Energy Collaborative for wind farm feasibility**
- **\$230K DOE contract for a turbine along Maine coast**
- **Wind measurement contracts: Mass and Maine energy offices, U. Mass.**

Endless Energy Hands-on:

Orland, Me.
turbine



Project Finance vs. "Balance Sheet"

- ◆ Project Finance:
based on economics
of project. 20+ MW
- ◆ "Balance Sheet:"
based on assets of
larger entity



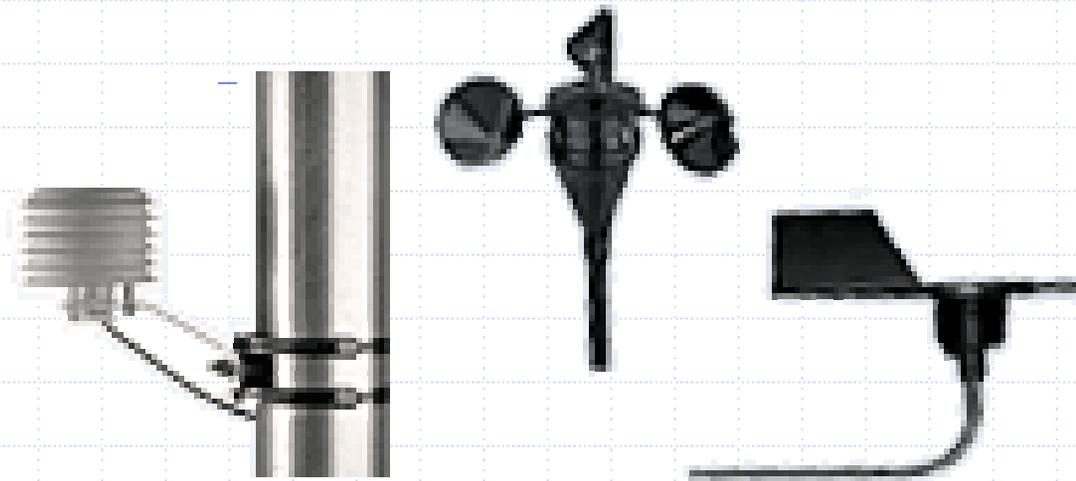
Nine development steps

- 1) Wind data
- 2) Site control
- 3) Interconnect
- 4) Power market
- 5) Design / bids / pro forma
- 6) Permits
- 7) **Project finance**
- 8) Construction
- 9) Operation



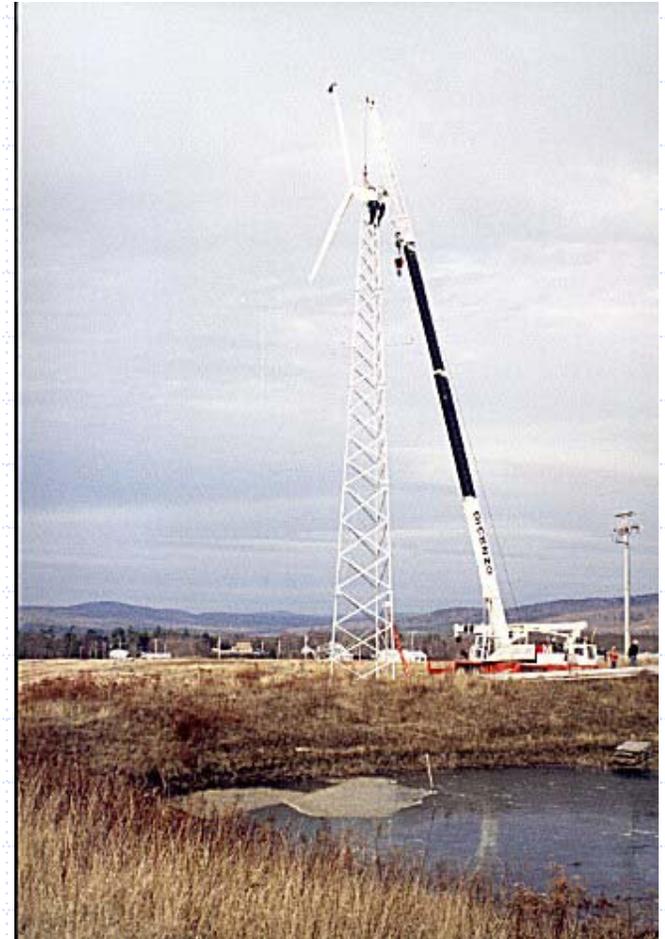
1. Wind data

- ◆ **MANTRA:** *The key to wind resource development is to have a wind resource to develop*



2. Site

- ◆ Windy
- ◆ Available
- ◆ Compatible land use
- ◆ Accessible w/ big equipment
- ◆ Low-cost interconnect



3. Interconnect

- ◆ Voltage: e.g. 12 kV, 34 kV, 115 kV
- ◆ Grid strength / capacity
- ◆ Transmission cost and availability to customers

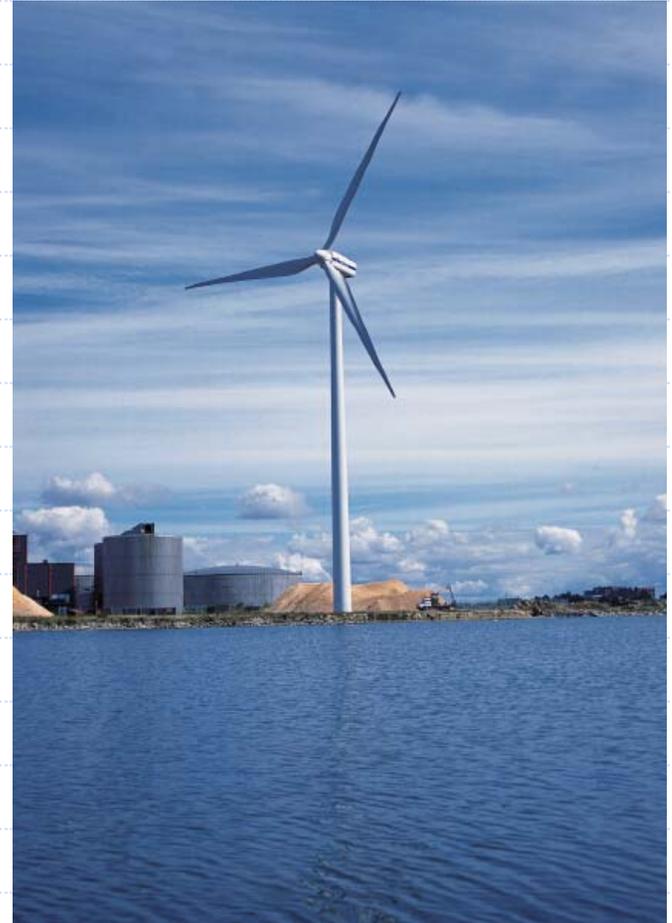
4. Power Marketing

- ◆ Project Finance requires long-term contract with creditworthy entity.
- ◆ Net billing / own use: potential benefits
- ◆ Renewable Energy Credits: Potential for significant revenue stream. Term?



5. Design / bids / pro forma

- ◆ Murphies rear their ugly little heads
- ◆ Vendors increasingly sophisticated, capable.



6. Permits

- ◆ Can be very onerous, expensive
- ◆ May become easier over time as experience is gained
- ◆ Small, well conceived projects may be much easier.

7. Project Financing

- ◆ Due diligence process for project finance exhaustive but a good check on project feasibility
- ◆ 20 to 30 megawatt minimum typical
- ◆ Clean energy funds may help

8 Construction

- ◆ Turnkey contract allocates construction risks to party best able to take them
- ◆ Hybrid: separate civil, electrical, erection contracts
- ◆ Project financed projects will have to manage construction risks

Operation

- ◆ Project financed projects may require vendor operation to take advantage of availability guarantees
- ◆ Vendors offer wind smith training
- ◆ Good equipment pays off
- ◆ Larger developers have expertise