



LEGAL COUNSELORS & ADVOCATES PLC
P.O. Box 827 • Castleton, VT • 05735

Leslie A. Cadwell
lac@lac-ica.com
802-342-3114

August 10, 2015

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701

Re: Petition of Swanton Wind LLC re: Approval of Rule 4.100 Power Purchase Agreement

Dear Mrs. Hudson:

Enclosed for filing with the Public Service Board please find an original and six (6) copies of the following documents on behalf of Swanton Wind LLC, a self-certified qualifying small power production facility presently under development in Swanton, Vermont:

1. Petition for Approval of Rule 4.100 Power Purchase Agreement
2. My Notice of Appearance on behalf of Swanton Wind LLC
3. List of Parties Entitled to Notice Per PSB Rule 2.205(A) and Service List
4. Prefiled Testimony and Exhibits of John Zimmerman
 - a. Exhibit Swanton Wind-1 - Resume of John Zimmerman
 - b. Exhibit Swanton Wind-2 - Proposed Power Purchase Agreement between Swanton Wind LLC and Vermont Electric Power Producers, Inc. in its capacity as Rule 4.100 Purchasing Agent
5. Proposed Findings and Order

Swanton Wind is seeking Public Service Board approval of a purchase power agreement with the Rule 4.100 purchasing agent pursuant to PSB Rule 4.104(A). Notice

of the Petition is being served by U.S. Mail on the parties entitled to notice under Rule 4.104(A), as well as the Department of Public Service and the Vermont Public Power Supply Authority.

The terms and conditions of the proposed agreement were negotiated at arm's length and were guided by the terms and conditions in the Board-approved standard offer contract. The contract is subject to Swanton Wind obtaining a certificate of public good under Section 248, and the facility must be commissioned within four years of the contract's execution.

The form of contract is commercially reasonable, and Swanton Wind is requesting that the Board notice a two-week period for interested parties to comment on the proposed agreement's general terms and conditions. The Board should approve the contract and authorize the purchasing agent to execute it absent a showing that the contract's terms and conditions raise an issue that warrants a hearing. For the Board's convenience, proposed findings and a form of order are included with this filing.

Please contact me should you or the Board require additional information. Thank you as always for your assistance.

Very truly yours,



Leslie A. Cadwell

Enclosures

Cc: Service List Enclosed



STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No.

Petition of Swanton Wind LLC for approval of)
Rule 4.100 power purchase agreement)

PARTIES ENTITLED TO NOTICE PER PSB RULE 2.205(A)
AND SERVICE LIST

Vermont Department of Public Service
112 State Street
Montpelier, VT 05620-2601

Village of Jacksonville Electric Company
P.O. Box 169
Jacksonville, VT 05342

Vermont Electric Power Producers, Inc.
1955 Depot Road
Manchester Center, VT 05255

Village of Hyde Park Electric Department
P.O. Box 400
Hyde Park, VT 05655

Barton Village Electric Department
P.O. Box 519
Barton, VT 05822

Village of Johnson Water & Light
Department
P.O. Box 383
Johnson, VT 05656

City of Burlington Electric Department
585 Pine Street
Burlington, VT 05401

Village of Ludlow Electric Department
9 Pond Street
Ludlow, VT 05149

Village of Enosburg Falls Water & Light
Department
42 Village Drive
Enosburg, VT 05450

Village of Lyndonville Electric Department
20 Park Avenue
P.O. 167
Lyndonville, VT 05851

Green Mountain Power Corporation
163 Acorn Lane
Colchester, VT 05446

Village of Morrisville Water & Light
Department
857 Elmore Street
Morrisville, VT 05661

Town of Hardwick Electric Department
123 North Main Street
P.O. Box 516
Hardwick, VT 05655

Village of Northfield Electric Department
51 South Main Street
Northfield, VT 05663

Village of Orleans Electric Department
Municipal Building
One Memorial Square
Orleans, VT 05860

Village of Stowe Electric Department
56 Old Farm Road
P.O. Box 190
Stowe, VT 05672

Village of Swanton Electric Department
20 First Street
P.O. Box 279
Swanton, VT 05488

Vermont Electric Cooperative, Inc.
42 Wescom Road
Johnson, VT 05656

Washington Electric Cooperative, Inc.
P.O. Box 8
East Montpelier, VT 05651

Vermont Public Power Supply Authority
P.O. Box 126
Waterbury Center, VT 05677

STATE OF VERMONT
PUBLIC SERVICE BOARD

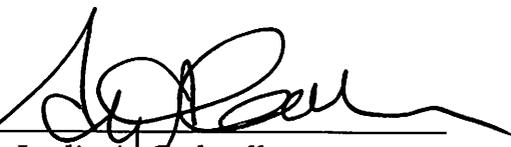
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NOTICE OF APPEARANCE

In accordance with Public Service Board Rule 2.201(A), Leslie A. Cadwell of
Legal Counselors & Advocates, PLC hereby enters her appearance for Swanton Wind
LLC in the above-captioned matter.

Dated at Castleton, Vermont this 10th day of August, 2015.

By: 
Leslie A. Cadwell
Legal Counselors & Advocates, PLC
P.O. Box 827
lac@lac-lca.com
802-342-3114

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No.

Petition of Swanton Wind, LLC for approval of)
Rule 4.100 power purchase agreement)

PETITION

NOW COMES Swanton Wind LLC (Petitioner), by and through the undersigned counsel, and petitions the Honorable Vermont Public Service Board, pursuant to 30 V.S.A. § 209(a)(8), 16 U.S.C. § 824a-3, and Public Service Board Rule 4.104(A), for approval of a purchase power agreement with Vermont Electric Power Producers, Inc. in its capacity as the State of Vermont Rule 4.100 Purchasing Agent. In support of its request, Petitioner state as follows:

1. On February 9, 2015, the Public Service Board adopted a rate schedule for mandatory long-term power purchases from small qualifying power production facilities under the Federal Public Utility Regulatory Policies Act of 1978 (PURPA) as implemented in Vermont by Rule 4.100. *Order re: Rate Schedules*, Docket 8010, Order of 2/9/2015.

2. Pursuant to the Board's February 9, 2015 Order in Docket 8101, "effective for any contract executed subsequent to the issuance of [the] Order between a qualifying facility and the Board Rule 4.100 Purchasing Agent, the avoided-cost rate schedules shall be as contained in Attachment I to [the] Order." *Order re: Rate Schedules*, Docket 8010, Order of 2/9/2015, at 46.

3. Pursuant to Public Service Board Rule 4.104(A), the Rule 4.100 Purchasing Agent, Vermont Electric Power Producers, Inc. (VEPPI) is not empowered to execute any agreement for mandatory power purchases from small qualifying power production facilities under Rule 4.100 "until such agreement shall have been approved by the Board" and only "after notice to the purchasing agent, the qualifying facility, and all Vermont retail electric utility companies."

4. The Board has not approved a form of agreement pursuant to Rule 4.401(A) for execution by the Purchasing Agent in order to implement the February 9, 2015 rate order and fulfill the State's obligations under PURPA.

5. Swanton Wind LLC is a Vermont limited liability company with a principal place of business at 1962 Sheldon Road, St. Albans, Vermont and is a self-certified qualifying small power production facility, or "QF," pursuant to 18 C.F.R. § 292.207(a) and as defined by 18 C.F.R. § 292.203.

6. Swanton Wind is presently developing a utility-scale wind electric generation project that will require a certificate of public good pursuant to 30 V.S.A. § 248(b) before it may commence construction and begin producing power.

7. Swanton Wind wishes to sell renewable energy to Vermont's electric distribution utilities through a long-term power purchase agreement with the State's Rule 4.100 Purchasing Agent at the rates established by the Public Service Board in Docket No. 8010 in accordance with 30 V.S.A. § 209(a)(8) and 16 U.S.C. § 824a-3.

8. VEPPi and Swanton Wind have negotiated commercially reasonable terms and conditions for the purchase and sale of power produced by qualifying facilities under Rule 4.100, including Swanton Wind. The Purchasing Agent may not execute this agreement without Board approval.

9. Notice of this Petition is being served by U.S. Mail on VEPPi, Vermont's electric distribution utilities, the Department of Public Service, and the Vermont Public Power Supply Authority, Inc. A list of Parties Entitled to Notice is attached to this Petition.

WHEREFORE, Petitioner respectfully request that the Honorable Vermont Public Service Board:

- A. Docket this Petition and set a two-week deadline for comments on the Petition from date the Board notifies the Parties Entitled to Notice that comments are due;
- B. Issue an order approving the purchase power agreement and authorizing the Vermont Electric Power Producers, Inc. to execute the agreement in its capacity as Rule 4.100 Purchasing Agent; and
- C. Provide any further relief that the Board deems just and proper.

Dated at Castleton, Vermont this 10th day of August, 2015.

SWANTON WIND LLC

By: 

Leslie A. Cadwell

Legal Counselors & Advocates, PLC

PO Box 827

Castleton, VT 05735

802-342-3114

lac@lac-lca.com

Its Attorney

cc: Attached Service List

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No.

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PREFILED TESTIMONY AND EXHIBITS OF JOHN ZIMMERMAN

August 10, 2015

Mr. Zimmerman's testimony presents the proposed purchase power agreement between Swanton Wind, LLC and Vermont Electric Power Producers, Inc. in its capacity as the State's Rule 4.100 Purchasing Agent.

1 Q1. Please state your name, occupation and business address.

2 A1. My name is John Zimmerman. I am the owner of Vermont Environmental
3 Research Associates, Inc. ("VERA") with an address of 1209 Harvey Farm
4 Road, Waterbury Center, Vermont.

5 Q2. Please describe your educational background and professional experience.

6 A2. I have an undergraduate degree in Environmental Administration from
7 Johnson State College (1983), and a Master's degree in Business
8 Administration from the University of Vermont (1986). I founded VERA in
9 the early 1980s and assembled a small team of professionals that provides
10 project development and finance services to clients involved in the
11 development of utility-scale renewable energy facilities. While I function as
12 team leader at VERA, my specific areas of expertise focus in project
13 management and project financing along with other strategic business
14 functions. Further details of my professional experience are provided on my
15 resume, which is offered with my testimony as Exhibit Swanton Wind-1.

16 Q3. What is the Swanton Wind Project?

17 A3. The Swanton Wind Project is an up to 20 MW renewable energy generation
18 project under development by Gerald, Travis and Ashley Belisle (the Belisle
19 Family). The Belises are lifelong Vermonters and residents of Swanton.

1 Swanton Wind is a self-certified, qualifying small power production facility
2 entitled to sell power to Vermont's electric utilities at avoided costs under
3 Rule 4.100.

4 Q4. What is VERA's role in the development of the Swanton Wind Project and the
5 purchase power agreement for which Swanton Wind is seeking approval?

6 A4. VERA is responsible for developing all aspects of the Swanton Wind Project
7 on behalf of the Belisle Family, including negotiating a purchase power
8 agreement for the sale of power from the facility upon commissioning.

9 Q5. What relief is Swanton Wind seeking from the Board?

10 A5. Swanton Wind is asking the Board to approve a form purchase power
11 agreement and authorize the Rule 4.100 Purchasing Agent, Vermont Electric
12 Power Producers, Inc. (VEPPI), to execute an agreement with Swanton Wind
13 for the purchase of power from the proposed facility to Vermont's electric
14 utilities under Rule 4.100 as required by PURPA. The Board approved rate
15 schedules for Rule 4.100 purchase power agreements after a contested and
16 fully litigated proceeding, and according to the Board's final order in that
17 proceeding, the rate schedules it approved must be used for all agreements
18 executed under the authority of the rule. Only the form of agreement and its

1 general terms and conditions have not been approved by the Board at this
2 time.

3 Q6. Do all contracts for in-state power require Board approval before they are
4 executed?

5 A6. No. Utilities may enter contracts for power purchased from in-state
6 renewable energy projects without having to obtain prior Board approval.
7 Recent examples include the purchase power agreements Green Mountain
8 Power entered with independent power producers for the company's
9 Rutland area Solar City initiative. The SPEED standard offer contracts are
10 form contracts that have been pre-approved by the Board so there is no extra
11 step once a developer qualifies for such a contract. The only contracts for in-
12 state power that have to be approved by the Board before they are executed
13 are those under the Vermont's PURPA rule. The rule does not have to be read
14 to require individual approval of each contract, but my understanding is that
15 is how the Board has implemented the rule in the past. Based on my years of
16 experience developing utility-scale renewable energy projects, it would be
17 preferable for the Board to approve a form contract and authorize the
18 Purchasing Agent to execute it with an approved rate schedule. This would
19 allow projects to move through development and permitting without a

1 proceeding each time a PURPA contract is requested from the Purchasing
2 Agent.

3 Q7. Please describe generally the proposed purchase power agreement (PPA)
4 with VEPPI.

5 A7. The PPA is offered with my testimony as Exhibit Swanton Wind-2. The PPA
6 provides for the purchase and sale of electric energy and capacity at avoided
7 costs. The PPA requires Swanton Wind to commission the project within four
8 years of the date the PPA is executed. Many of the general terms and
9 conditions are derived from or based on terms contained in the Board-
10 approved SPEED standard-offer contract.

11 Q8. What rate schedule and term has Swanton Wind elected?

12 A8. Swanton Wind has elected firm levelized rates but has not yet made a final
13 election on the term of the contract. We are considering ten and thirty years
14 (see Attachments E to Exhibit Swanton Wind-2), but we are asking only for
15 approval of the form of contract subject to Swanton Wind making a post-
16 approval election on contract term within 120 days of the Board's order.

17 Q9. Why should the Board approve the PPA before Swanton Wind has made a
18 final decision on the contract term?

1 A9. Flexibility in selecting the financing term is needed so the project can examine
2 available financing options and negotiate with wind turbine vendors on
3 warranty terms and maintenance coverage.

4 Q10. How are tradeable renewable energy credits (RECs) and other products
5 related to electric generation from the facility treated in the contract?

6 A10. Rule 4.100 requires rates for avoided costs of energy and capacity only and
7 does not include tradeable renewable energy credits (RECs) or other products
8 related to electric generation. I note that under Act 56 passed this past
9 legislative session, the Board is tasked with establishing a system for
10 recognizing, approving and monitoring RECs that are not monitored and
11 traded on the New England Generation Information System. This new REC
12 system may allow qualifying small power production facilities like Swanton
13 Wind to sell their RECs locally and assist Vermont's utilities in satisfying
14 their mandatory renewable energy requirements set out in Act 56.

15 Q11. Why not seek approval of the PPA at the time Swanton Wind petitions for a
16 certificate of public good under Section 248?

17 A11. A PPA is a necessary instrument for most developers to secure financing to
18 develop, construct and commission an electric generation project. This is
19 especially true in today's market for independent, non-institutional

1 developers like the Belisle Family. Utilities and large institutional
2 development companies enjoy greater access to capital and robust balance
3 sheets, and can underwrite a significant share of project development costs
4 without the security of a PPA. Since approval of the PPA now does not
5 guarantee the project will receive a Section 248 certificate of public good,
6 there is no prejudice to any party affected by the PPA by approving it now so
7 that project development can continue. The utilities who will receive the
8 benefit of the power if the project receives a certificate of public good bear no
9 development risk even if the Board approves the PPA before the Section 248
10 proceeding.

11 Q12. Has Swanton Wind prepared a Maintenance and Replacement Plan and
12 established a Maintenance Reserve fund for the Project?

13 A12. A Maintenance and Replacement Plan (MRP) will be prepared with the
14 selected wind turbine vendor to adequately maintain the selected wind
15 turbines over the life of the contact. A Maintenance Reserve Fund as required
16 by Section 12 of the PPA will be established prior to commissioning that will
17 be adequate to fund the work and equipment replacements called for in the
18 MRP. Deposits in the fund will commence at commissioning and will
19 continue according to the schedule set forth in the MRP.

1 Q13. What is your opinion of the commercial reasonableness of the PPA's other
2 terms?

3 A13. The PPA contains standard commercial provisions assigning rights and
4 obligations of the parties. In my opinion, the terms are commercially
5 reasonable.

6 Q14. Does this conclude your testimony?

7 A14. Yes, thank you.



VERMONT ENVIRONMENTAL RESEARCH ASSOCIATES, INC.
1209 HARVEY FARM ROAD,
WATERBURY CENTER, VERMONT 05677
PHONE: (802) 244-7522
FAX: (802) 244-1857
EMAIL: johnz@northeastwind.com

- Curriculum Vitae -

John L. Zimmerman, M.B.A.
Principal
Vermont Environmental Research Associates, Inc.

Education

Master of Business Administration (Finance concentration), University of Vermont, 1986
Bachelor of Arts, Environmental Administration, Johnson State College, 1983

Academic Achievement and Awards

Environmental Department Award, Johnson State College, 1983
Oracle at Delphi Award, UVM Graduate School of Business Administration, 1986
Industry Award, Renewable Energy Vermont, 2013

Professional Memberships, Testimony and Presentations

American Wind Energy Association, 1988 – 2011

Renewable Energy Vermont, 2004 – present

Wind power representative, (appointed) on Vermont's Deliberative Polling Advisory Committee and Resource panel established to examine alternatives for Vermont's Energy Future, 2007

Presentations at various national, regional and state (MA, NH, VT, NY) renewable energy conferences and meetings, 1993 – present

Legislative Testimony, before state legislative and advisory committees on renewable energy legislation and policy matters (VT, NH, ME), 2003 –present

Expert Testimony, before state regulatory approval proceedings for specific wind power and solar projects in Vermont, 1994 - present

Professional Experience

President and Owner
Vermont Environmental Research Associates, Inc. (VERA)
Waterbury Center, Vermont, 05677
1984 to present

VERA is an independent renewable energy consultancy serving needs of electric utilities, government agencies, and private renewable energy developers and land owners. Under Mr. Zimmerman's guidance and often with his direct supervision and

participation, VERA exercises the business and project management skills together with technical and analytical capabilities to provide a full spectrum of development services to meet clients' needs efficiently and effectively. VERA's wind power experience and capabilities extend from project concepts to facility operations. It includes experience in areas of site identification and land rights acquisition; conceptual project design and feasibility analyses; wind resource measurement program design, operation, and data analyses; wind turbine micro-siting and energy production forecasts; ecological, visual, and engineering studies; development of visual analysis and mitigation techniques; permit preparation, permitting management, expert testimony; electrical interconnection studies/issues; public outreach program design and implementation; wind turbine, balance of plant and consultant procurement services; independent review of project's key economic and wind assumptions for lender due diligence; construction oversight and commissioning and ultimately to monitoring the performance of completed projects.

VERA put this experience to work over the last two decades by taking managerial and responsible roles in development of the many of the region's wind projects. These included the Little Equinox project in Manchester Vermont (.2 MW 1989-94), the Deerfield project in southern Vermont (34 MW 2003-2009), the Hoosac Wind Project in northwestern Massachusetts (30 MW 2002 – 2006), the Grandpas Knob project in central Vermont (50 MW 2006-2007), the Granite Reliable Project in northern New Hampshire (100 MW 2006-2009), the Mt. Tom Project in central Massachusetts (7 – 12 MW 2008-Present); Berkshire Wind Project in western Massachusetts (15 MW 2008-2009), the Kingdom Community Wind Project in northern Vermont (63 MW 2009-Present), the Georgia Mountain Community Wind Project in northwestern Vermont (7-12 MW 2006-Present), and many others. Notably, under Mr. Zimmerman's leadership, VERA was responsible for providing Project Management and Oversight for the development of the 6 MW Searsburg Wind Power Facility, and served as the management interface with client Green Mountain Power (GMP), and its technical coordinators and partial funders, the Electric Power Research Institute (EPRI), and the U.S. Department of Energy (DOE). When placed in-service in 1997, this facility was the first utility-owned and developed commercial-scale wind power plant in the eastern U.S. VERA provided resource assessment and energy production forecasts; land rights acquisition; feasibility and economic analyses (rate-base and Project Financed); aesthetic impact assessments; public outreach program design and implementation; permitting oversight and expert testimony, planning, budgeting and cost accounting; equipment and services procurement, construction, acceptance testing, and commissioning oversight. VERA continues to monitor and evaluate and report on the performance of this plant. VERA also prepared the first complete set of wind maps in 2004 for the Vermont Department of Public Service, and continues to provide feasibility assessments and performance monitoring of their small wind turbine projects throughout the state.

Business Development Advisor / Financial and Technical Analyst
Mountain Energy Inc. / enXco Inc.
South Burlington, Vermont 05478
1989 to 2006

Mountain Energy was formed in 1989 as an unregulated investment subsidiary of a New England regulated electric utility. It was charged with placing equity, debt investments in non-utility independent power projects and energy efficiency investments. As a co-founder of the business, Mr. Zimmerman was instrumental in formulating its business plan and competitive strategy, in addition to training staff in accounting and financial analysis functions. As an operating business Mr. Zimmerman was responsible locating new investment opportunities, performing analytical work, investment due

diligence, risk and financial analyses, and overall ensuring that the firm's financial investments were consistent with the owner's expectations and would meet target returns with acceptable risks. He has participated in power sales contract negotiations, operating and maintenance management and contract negotiations, and is familiar with fuel supply issues and the legal and regulatory issues confronting developers and operators.

During his tenure and with his direct involvement and oversight, Mountain Energy placed equity and debt investments in projects employing technologies of wind power, hydro power, natural gas-fired engines and turbines, in the states of California, New Hampshire, Illinois, and New Jersey. In addition, energy efficiency investments were placed using new technologies for lighting and space conditioning in Hawaii; efficient motors in paper mills in Maine, and waste water treatment in Florida and Massachusetts. Mountain Energy was sold to international wind power developer enXco, in 2003, and Mr. Zimmerman (with VERA staff) then managed their northeast wind power development office through 2006.

Specific Skills and Competencies

In the course of his professional career Mr. Zimmerman has acquired specific competence in performing, or managing the following Project Management and technical functions associated with the development of renewable power plants.

Project Management and Economic Analyses

- Preparation of plans, budgets, and schedules for renewable power plant development
- Management of small professional office environment
- Procurement and management of outside consultants
- Approve payments for payroll, contractors, and other service providers
- Economic analyses
- Public presentations and meetings; public - project interface
- Independent review of project key economics for lenders' due diligence
- Management/client presentations and meetings; private – project interface

Renewable power plant development

- Power plant siting issues considering to fuel source, grid connection, and environmental issues
- Regional solar site mapping and site evaluation
- Development of visual analyses methods and mitigation techniques for wind and solar facilities
- Legal and regulatory issues associated with regulated electric utility development of renewable power
- Legal and regulatory issues associated with non-utility development of renewable power plants
- Long-term fuel source availability and contracts
- Power off-take agreements
- Electrical interconnection issues
- Energy, capacity, and REC price issues
- Operating and Maintenance issues
- Project Financing, considering equity, debt, and developer perspectives

- Proforma development, economic and risk simulations, and due diligence

Wind power plant development

- Regional scale wind resource and siting assessment
- Regional scale mapping and database design and management
- Land owner identification and wind rights acquisition
- Wind measurement program design, permitting, and met tower installation and operation
- Statistical analysis and quality assurance screening of meteorological databases.
- Project-scale wind resource assessments and energy production estimates
- Facility design and micrositing of wind turbines using state-of-the-art software
- Planning, procurement, and oversight of civil and electrical engineering services
- Planning, procurement, and oversight of ecological; visual; and sound investigations
- Planning, procurement, and oversight of legal and permitting work
- Technical specializations in producing visual simulations and viewshed maps of proposed projects; shadow flicker analyses
- Permit application preparation, and preparing expert testimony for permitting proceedings
- Public outreach program design and implementation
- Wind project feasibility and fatal flaw analyses

Wind power plant installation

- Oversight for all EPC functions, and coordinating with client management and funding sources
- Design, issue, manage, and evaluate results of wind turbine and balance of plant procurement programs
- Oversight of construction and installation activities and insure compliance with permit conditions
- Oversight transportation of major equipment; installation and acceptance test; and approve release of funds for prescribed payments
- Oversight of plant commissioning and final inspections; approve final payments to turbine suppliers
- Planning and implement dedication ceremonies

Personal

Mr. Zimmerman resides and works in Waterbury Center Vermont, where he has serviced on board positions in the renewable energy industry and in local home owner associations. His daughter is financial analyst and his son is serving the U.S. Marines Corps.

VERMONT PUBLIC SERVICE BOARD RULE 4.100
POWER PURCHASE AGREEMENT

This Agreement is made between Swanton Wind, LLC ("Producer") and VEPP Inc. ("Purchasing Agent"), a Vermont nonprofit corporation.

RECITALS

WHEREAS, Producer desires to produce and sell Electricity in accordance with the Vermont Public Service Board ("Board") Rule 4.100 Program, pursuant to 30 V.S.A. § 209(a)(8) and 16 U.S.C. § 824a-3 ("Statute") and

WHEREAS, Purchasing Agent is the duly appointed Purchasing Agent under Board Rule 4.102(C); and

WHEREAS, Producer and Purchasing Agent (collectively "the Parties") desire to enter into this Agreement to provide for the purchase and sale of Electricity and Other Products Related to Electric Generation provided by Producer's electric generating facility described in Attachment A hereto ("the Project") pursuant to and subject to the Statute.

NOW, THEREFORE, the Parties agree as follows:

1. DEFINED TERMS

Capitalized terms used in this Agreement shall have the following meanings.

- a. Board means the Vermont Public Service Board.
- b. Commercially Reasonable Efforts means efforts that are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, a transaction, activity or undertaking contemplated by this Agreement and that do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities that are reasonable in nature and amount in the context of the transaction, activity or undertaking contemplated by this Agreement.
- c. Delivered, in the context of Electricity, means delivered to the interconnection point and successfully injected into the Distribution System, and Deliver has the corresponding meaning.
- d. Distribution System means the system connected to the ISO-NE-Controlled Grid for distributing Electricity at voltages of 50 kV or less, which is owned and operated by the Interconnecting Utility, and includes any structures, equipment or other things used for that purpose.
- e. Electricity means electric energy, measured in kWh.

- f. Force Majeure means any act, event, cause or condition that (i) prevents a Party from performing its obligations, and (ii) is beyond the affected Party's reasonable control, except that no act, event, cause or condition shall be considered to be an event of Force Majeure:
- (1) if and to the extent the Party seeking to invoke Force Majeure has caused or contributed to the applicable act, event, cause or condition by its act, fault or negligence or has failed to use Commercially Reasonable Efforts to prevent or remedy such act, event, cause, or condition and, so far as possible and within a reasonable time period, remove it (except in the case of strikes, lockouts and other labor disturbances, the settlement of which shall be wholly within the discretion of the party involved);
 - (2) if the act, event, cause or condition involves a failure or delay on the party of the Interconnecting Utility or its agents to complete network or system upgrades or otherwise perform responsibilities under an Interconnection Agreement, and such failure or delay is attributable to a change in specifications of the interconnection point or the Project by the Producer;
 - (3) if the act, event, cause or condition is the result of a violation of law or the terms of any regulatory approval by the Party seeking to invoke Force Majeure; or
 - (4) if the act, event, cause or condition was caused by a lack of funds or other financial cause.
- g. Good Engineering and Operating Practices means any of the practices, methods and activities adopted by a significant portion of the North America electric utility industry as good practices applicable to the design, building, and operation of generating facilities of similar type, size and capacity or any of the practices, methods or activities that, in the exercise of skill, diligence, prudence, foresight and reasonable judgment by a prudent generator of Electricity in light of the facts known at the time the decision was made, reasonably could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and laws and regulations.
- h. ISO-NE means the Independent System Operator-New England, or its successor.
- i. ISO-NE Administered Markets has the meaning given to it by the ISO-NE Market Rules.
- j. ISO-NE Controlled Grid has the meaning given to it by the ISO-NE Market Rules.
- k. Interconnecting Utility means the electric utility with which Producer enters into the Interconnection Agreement.

- l. Interconnection Agreement means the agreement or agreements entered into between the Interconnecting Utility and Producer with respect to the connection of the Project to the Distribution System.
- m. Interconnection Costs mean all costs which are payable by Producer with respect to the interconnection of the Facility to the Distribution System.
- n. Meter means a meter owned by or under the control of the Interconnecting Utility that measures and records the quantity of Electricity which passes through it.
- o. Net Electric Output means the capacity and energy which the Project generates, less normal and reasonable Station Service and all losses incurred before delivery to the Interconnecting Utility.
- p. Other Products Related to Electric Generation means capacity only and excludes all other transferable commodities that are directly attributable to the generation of electricity from the plant, including, but not limited to (1) tradeable renewable energy credits, as defined in 30 V.S.A. § 8002(22); (2) ancillary heat associated with engine exhaust, combined heat and power systems, or biomass systems; or (3) tax credits associated with power production.
- q. Qualified Investments means (a) obligations issued by the United States of America or any agency or instrumentality thereof; (b) re-purchase agreements with respect to obligations described in clause (a), above; (c) certificates of deposit of a bank or trust company; (d) daily interest savings accounts in a bank or trust company to the extent of any deposit insurance applicable to such accounts; (e) short-term money market funds in which a trustee customarily invests moneys entrusted to it in a fiduciary capacity; (f) securities commonly known as “commercial paper” issued by any company organized and existing under the laws of the United States of America which at the time of purchase have been rated and the ratings for which are not less than “P-1,” if rated by Moody's Investors Service, Inc. and not less than “A-1,” if rated by Standard and Poor's Corporation; or (g) bankers acceptances drawn on or accepted by a bank or trust company described in clause (c) above.
- r. Regulatory Approval means the receipt of any federal, state or local permit, license or other assent of any governmental body, where such assent is required for lawful construction and/or operation of the Project.
- s. Reserve Fund means a trust fund established by the Producer to be used solely for the purposes specified in Board Rule 4.104(E)6. Any investment by the Producer of reserve fund assets shall be limited to Qualified Investments with maturities at or before the time when such assets are required to be available. Interest or profit derived therefrom shall not be deemed part of the Reserve Fund and may be used for any lawful purpose by the Producer.
- t. Secured Lender means the lender(s) under a Security Agreement.

- u. Security Agreement means an agreement or instrument, including a deed or trust or similar instrument securing bonds or debentures, or other evidences of indebtedness, containing a charge, mortgage, pledge, security interest, assignment, sublease, deed of trust or similar instrument with respect to all or any part of the Producer's interest granted by the Producer that is security for any indebtedness, liability or obligation of the Producer, together with any amendment, change, supplement, restatement, extension, renewal or modification thereof.
- v. Site Control means proof of dominion over real property to the extent necessary to construct the project in accordance with the description set forth on Attachment A. Site control may be established by: (1) fee simple title to such real property; or (2) a legally enforceable written leasehold interest in such real property for at least the duration of the contract term; or (3) a legally enforceable written option with all terms stipulated, unconditionally exercisable by Producer, to purchase or lease such real property; or (4) a duly executed contract for the purchase or lease of such real property.
- w. Station Service means the Electricity used at the Project for excitation, on-site maintenance, and operation of auxiliary and other facilities that are essential to the operation of the Project.

2. EFFECTIVE DATE

This Agreement shall become effective upon its execution by the Purchasing Agent, and is of no force and effect whatsoever until that time. Both Producer and Purchasing Agent shall execute this Agreement within sixty (60) calendar days of the Board's Order approving this Agreement, otherwise this Agreement shall terminate with no further force and effect. The Purchasing Agent shall file an executed original of this Agreement with the Vermont Public Service Board.

3. PURCHASE AND SALE OF ELECTRICITY

Producer shall deliver to the Vermont Distribution Utilities through Purchasing Agent, and the Vermont Distribution Utilities shall purchase, subject to Board Rule 4.100, the entire Net Electric Output of the Project.

4. REGISTRATION OF OTHER PRODUCTS RELATED TO ELECTRIC GENERATION

Producer shall use Commercially Reasonable Efforts to obtain, register, certify or deliver the Other Products Related to Electric Generation or any evidence of the Purchasing Agent's right, title and interest thereto to Purchasing Agent, to the ISO-NE Administered Markets or other markets, or as Purchasing Agent reasonably may direct otherwise.

5. SITE CONTROL

Producer warrants that it has the Site Control required for the Project, pursuant to the documentation set forth in Attachment B hereto.

6. INTERCONNECTION APPLICATION

Producer warrants that it has submitted an interconnection application to the interconnecting utility and/or ISO-NE. Producer shall pay all required interconnection fees or deposits necessary within the timeframes established by Board Rule 5.500 or Schedule 23 Small Generator Interconnection Procedures in order to remain in the interconnecting utility's queue. Any requests for extensions within Rule 5.500 or Schedule 23 must be noticed to the Purchasing Agent.

7. QUALIFYING FACILITY

Producer warrants that the Project is a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, pursuant to the documentation set forth in attachment C hereto and that the project does not use fossil fuels for generation.

8. COMMISSIONING MILESTONE

Within four (4) years of the Effective Date of this Agreement, the Project shall achieve Commissioning as defined by 30 V.S.A. § 8002(2). Should Producer fail to meet the Commissioning Milestone, this Agreement shall be null and void and of no further force and effect, unless both Producer and Purchasing Agent agree to an extension, which must be approved by the Board. The Board shall extend the date to achieve Commissioning if it finds that the Producer has proceeded diligently and in good faith and that Commissioning of the Project has been delayed because of litigation or appeal or because of the need to obtain an approval, the timing of which is outside the Board's control.

9. RATES AND TERM

Beginning with Commissioning, Purchasing Agent shall pay Producer in accordance with the Rate Schedule and for the Term set forth in Attachment E hereto.

10. PROJECT LOCATION, DESIGN, CONSTRUCTION AND OPERATION

Producer shall construct the Project at the location and in a manner substantially consistent with the description set forth in Attachment A. Producer shall utilize Commercially Reasonable Efforts in the design, construction, and operation of the Project in accordance with Good Engineering and Operating Practices, the terms and conditions of any certificate of public good and any other Regulatory Approvals issued relative to the Project, and shall be solely responsible for all costs, expenses, liabilities, and other obligations associated with the Project. All operations and deliveries shall be subject to the rules and regulations of the ISO-NE bulk power system in effect during the Term of this Agreement, and Producer shall be responsible for payment of any costs, sanctions, or charges assessed by ISO-NE arising from actions or inactions of Producer.

11. INTERCONNECTION

Producer shall be solely responsible for the negotiation, delivery, and execution of the Interconnection Agreement, along with the payment of all costs and the execution of all

responsibilities arising under that Agreement. Producer shall deliver to Purchasing Agent a copy of the executed Interconnection Agreement within five (5) business days of its execution. At such time as the Interconnection Agreement is executed, it shall be deemed part of this Agreement and a copy shall be appended as Attachment D to this Agreement. Purchasing Agent shall be named as a named insured under any policies of insurance required under the Interconnection Agreement.

12. RESERVE FUND

A Producer seeking a long-term levelized firm rate shall establish a Reserve Fund to cover anticipated capital replacements and maintenance requirements during the Term of this Agreement, and shall be required to maintain adequate business interruption insurance, property damage insurance, and liability insurance.

13. EXCLUSIVITY

During the Term of this Agreement, Producer shall not enter into any other agreement for the sale or other conveyance of any portion of the Electricity or any Other Products Related to Electric Generation that is the subject of sale under this Agreement. Producer acknowledges that, by entering into this Agreement, Producer is waiving any and all rights to seek an alternative power sales arrangement, including but not limited to an arrangement through Board Rules 4.300 and 5.100, at any time throughout the Term set forth in this Agreement. Absent an order of the Board to the contrary, this waiver shall extend throughout the full term contemplated under this Agreement, even if this Agreement is terminated early for any reason by default, for cause or otherwise. In the event of a default by Purchasing Agent, the Board's review under this paragraph shall begin with the rebuttable presumption that Producer should be relieved of the waiver contained in this paragraph.

14. STATION SERVICE

Station service, if any is provided by the Interconnecting Utility, shall be priced only in accordance with any applicable tariff, special contract, order or other means approved by the Board.

15. PAYMENT TO PRODUCER

Purchasing Agent shall pay or cause to be paid to Producer amounts calculated in accordance with Attachment E within 45 days of the end of each billing period during which Electricity and Other Products Related to Electric Generation were provided by Producer. Purchasing Agent shall have no authority whatsoever to make payments to producer for Electricity or Other Products Related to Electric Generation that are not Delivered. As a matter of administrative convenience, Purchasing Agent may wait to send payments to Producer until the total amount due to Producer, net of any set offs, exceeds \$100.00.

16. METERING REQUIREMENTS

Producer shall be responsible for meeting such metering requirements as may be established by Purchasing Agent or by regulatory requirement, all at Producer's expense. The

testing of metering equipment shall be at the discretion of Purchasing Agent; provided, however, that Purchasing Agent shall cause such testing to be performed in accordance with ISO-NE Operating Procedure No. 18 Metering and Telemetering Criteria. Any Vermont Distribution Utility may request additional verification at any time, but all costs shall be borne by the requesting utility should the metering prove to be accurate within 2%.

17. SETTLEMENT REQUIREMENTS

Producer shall cooperate with Purchasing Agent as necessary to meet rules related to settlement of Project generation. This may include, among other actions, registering generation assets with ISO-NE.

18. EVENTS OF DEFAULT AND TERMINATION EVENT

Under this agreement, an event of default includes, but is not limited to of any of the following:

- a. Any breach of the terms of this Agreement.
- b. Producer fails to deliver any Electricity from the Project for a period of twelve consecutive months at any time after Commissioning.
- c. Producer ceases to hold any Regulatory Approval after Commissioning, the failure or cessation of which results in a lack of legal right on the part of Producer to continue to operate the Project.
- d. Any information provided by Producer relative to this Agreement or any information, representations or warranties set out in this Agreement is not true or correct in any material respect when given, or Producer commits any act of fraud in relation to this Agreement or any regulatory proceeding relating to the Project.
- e. By agreement, decree, judgment, or order of a court, Producer agrees to be treated as and/or is adjudicated bankrupt or insolvent, or real or personal property of the Project is sequestered or subject to the appointment of any third party and such agreement, decree, judgment, order of appointment continues in effect unrevoked, undischarged, and unstayed for a period of thirty (30) days after the entry or implementation thereof.
- f. Producer utilizes electricity, or any source of fuel other than the fuel type specified in attachment A, for the generation of electricity.
- g. Producer fails or ceases to comply with Good Engineering and Operating Practices.
- h. Producer fails to comply with applicable statutory requirements or Board Rules or Board Orders.

19. CURE PERIOD AND TERMINATION OF AGREEMENT

- a. Remedies of Purchasing Agent. Within five (5) business days after learning of an event of default, Purchasing Agent shall send a written notice to Producer and the Board specifying the default and allowing a cure period of thirty (30) days from the date of notice to Producer and the Board, unless a shorter period is ordered by the Board. If the default is not cured within the cure period, Purchasing Agent shall send a notice of termination to Producer and the Board to take effect ten business days after the notice is sent, absent an order of the Board to the contrary.
- b. Remedies of Producer. Within five (5) business days after learning of an event of default, Producer shall send a written notice to Purchasing Agent and the Board specifying the default and allowing a cure period of thirty (30) days from the date of the notice to Purchasing Agent and the Board, unless a shorter period is ordered by the Board. If the default is not cured within the cure period, Producer shall send a notice of termination to Purchasing Agent and the Board to take effect ten business days after the notice is sent, absent an order of the Board to the contrary.

20. EFFECT OF TERMINATION OR EXPIRATION

Termination of this Agreement, whether by expiration or otherwise, shall not affect or prejudice any rights or obligations of either Party, including those relating to amounts payable under this Agreement up to and including the time of any termination.

21. FORCE MAJEURE

In the event of Force Majeure, act event, cause, or condition, Purchasing Agent shall suspend the obligations of Producer under this Agreement for a period of up to sixty (60) days. Any further suspension or remedy for a Force Majeure event shall only be in accordance with an order of the Board. The Party seeking to invoke this Force Majeure provision shall provide prompt notification of such Force Majeure act, event, cause, or condition to the other Party and the Board.

22. SECURED LENDER RIGHTS

- a. Producer shall have the right, at its cost, to enter into one or more Security Agreements upon such terms as it desires, provided that:
 - (i) in the case of a deed of trust, syndication agreement or similar instrument by which the trustee or syndication agent holds security on behalf of, or for the benefit of, other lenders, only the trustee or agent shall be entitled to exercise the rights and remedies under the Security Agreement as the Secured Lender on behalf of the lenders;
 - (ii) Purchasing Agent shall have no liability whatsoever under any Security Agreement for the payment of the principal sum secured or any interest accrued thereon or any other sum secured thereby or accruing thereunder, and the

Secured Lender shall not be entitled to seek any damages against the Purchasing Agent for any or all of the same; and

- (iii) all rights acquired by a Secured Lender under any Security Agreement shall be subject to all of the provisions of this Agreement, including the restrictions on assignment contained herein.
- b. While a Security Agreement remains outstanding, and provided that Purchasing Agent has received from Producer prior written notice of the name and address of the Secured Lender, Purchasing Agent shall provide a copy of any written notice of default or termination to the Secured Lender at such time that such notice is sent to Producer. Subject to the provisions of this Agreement, a Secured Lender may enforce any Security Agreement and acquire Producer's interest in the Project in any lawful way, subject to (1) receipt of any required Regulatory Approvals, (2) the honoring of all obligations of Producer under this Agreement, and (3) payment of all of Purchasing Agent's costs and expenses (including attorney fees) incurred with respect to the acquisition and any related events.
- c. Purchasing Agent, upon request of Producer, shall enter into a reasonable acknowledgement and agreement, in such form as Purchasing Agent may determine, with Producer and any Secured Lender for the purpose of implementing the Security Agreement protection provisions contained in this Agreement.

23. INDEMNIFICATION OF PURCHASING AGENT

Purchasing Agent shall not be liable under this Agreement or under any cause of action relating to the subject matter of this Agreement for any special, indirect, incidental, punitive, exemplary or consequential damages, including loss of profits, loss of use of any property or claims of customers or contractors of the Producer for any such damages. Producer may seek review by the Board of any decision made by Purchasing Agent that materially impacts Producer. Producer shall indemnify, defend and hold Purchasing Agent, the State of Vermont, the Vermont Distribution Utilities, any transmission service providers and their respective directors, officers, employees, shareholders, advisors, and agents (including contractors and their employees) (collectively, the "Indemnitees") harmless from and against any and all claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses, interest accrued thereon (including the costs and expense of, and interest accrued on, any and all actions, suits, proceedings for personal injury (including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable attorney fees and reasonable disbursements in connection therewith), asserted against or suffered by the Indemnitees relating to, in connection with, resulting from, or arising out of the design, construction or operation of the Project or the generation and delivery of Electricity and Other Products Related to Electric Generation therefrom or any occurrence or event relating thereto, or any occurrence or event on Producer's side of the interconnection point, or a breach by Producer of any of its representations, warranties, obligations, or covenants contained in this Agreement.

24. JOINT AND SEVERAL LIABILITY

If Producer is not a single legal entity, then all such entities comprising Producer shall be jointly and severally liable to Purchasing Agent for all representations, warranties, obligations, covenants, and liabilities of Producer under this Agreement.

25. RECORD RETENTION

Producer and Purchasing Agent each shall keep complete and accurate records and all other data required by either of them for the purpose of proper administration of this Agreement. Without limiting the generality of the foregoing, Producer shall keep all records and other documents that may be necessary to establish, substantiate, or maintain any claim or title of Purchasing Agent to any Other Products Related to Electric Generation. All such records and other documents shall be maintained as required by law, but for no less than seven (7) years after the creation of the record or data. Producer shall provide or cause to be provided to Purchasing Agent reasonable access to the relevant and appropriate financial and operating records and data kept by it or on its behalf relating to this Agreement reasonably required for Purchasing Agent to comply with its obligations, or to verify billings, or to verify information provided in accordance with this Agreement or relating to compliance by Producer with this Agreement.

26. PROJECT INSPECTION

Purchasing Agent shall have the right to inspect the Project during normal business hours during the term of this Agreement, upon at least five (5) business days' notice to Producer.

27. NOTICES

- a. Unless otherwise stated, all notices pertaining to this Agreement shall be in writing and shall be transmitted, by the Party giving notice, via electronic mail, or if such method is unavailable, via facsimile, first-class mail, courier or hand delivery, and addressed to the other Party as follows:

If to Producer:

Swanton Wind, LLC
30 Foundry Street
Waterbury, VT 05676

If to Purchasing Agent:

VEPP Inc.
P.O. Box 1938
1965 Depot Street
Manchester Center, VT 05255

- b. Notice transmitted or delivered as provided above shall be deemed to have been given and received on the day it is transmitted (if by electronic mail or facsimile) or delivered (if by courier or hand delivery), provided such notice is transmitted or delivered on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. If a notice is transmitted or delivered after 5:00 p.m. local time or such day

is not a business day, then such notice shall be deemed to have been given and received on the next business day. Either Party, by written notice to the other, may change its contact person, electronic mail address, facsimile number or postal address to which notices are to be sent.

28. PUBLIC RECORD REQUESTS

Producer acknowledges that Purchasing Agent's records are subject to Vermont's Access to Public Records law, 1 V.S.A. § 315 et seq. (Public Records Law). To the extent that Purchasing Agent may receive requests under the Public Records Law for information provided by Producer to Purchasing Agent, Purchasing Agent shall notify Producer of the request not later than the next business day after the request is received.

29. OTHER AMENDMENTS TO THE CONTRACT

When authorized by the Public Service Board, the Purchasing Agent may amend Attachment A of this Agreement. Otherwise, the Purchasing Agent may not amend the Agreement.

30. BUSINESS RELATIONSHIP

The relationship between the Purchasing Agent and Producer is that between independent contractors, and nothing in this Agreement shall create or be deemed to create a relationship of partnership, joint venture, fiduciary, principal and agent, or any other relationship between the Parties.

31. BINDING AGREEMENT

Except as set out otherwise in this Agreement, this Agreement shall not confer upon any person or entity, except the Parties and permitted assigns, any rights, interests, obligations or remedies under this Agreement.

32. ASSIGNMENT

Producer may assign its rights and duties under this Agreement by giving Purchasing Agent written notice of the assignment within thirty (30) days of the date of the assignment. Nothing in this provision shall be deemed to alter Producer's responsibility or obligations to obtain any and all Regulatory Approvals that may be required in conjunction with a transfer of all or part of any legal interest in the Project. Purchasing Agent may not assign its rights and duties under this Agreement, absent consent of the Board.

33. PURCHASING AGENT SETOFF RIGHTS

In addition to its other rights of setoff under this Agreement or otherwise arising in law or equity, Purchasing Agent may set off any amounts owed to it by Producer against any monies owed by Purchasing Agent to Producer.

34. PURCHASING AGENT FEE

Producer shall be required to pay a monthly Purchasing Agent Fee as, authorized by the Board. The initial Purchasing Agent Fee shall be \$1,600.00 per month, with the Vermont Distribution Utilities paying an equal amount. This Purchasing Agent Fee may be increased or decreased over the Term of this Agreement, as authorized by the Board. The Producer shall be billed on the first day of the month after the Project begins generating electricity and shall continue to be billed for the Term of this Agreement.

35. TIME OF ESSENCE

Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

36. FURTHER ASSURANCES

Each Party, from time to time on written request of the other Party, shall perform further acts, including execution of documents, as may reasonably be required in order to fully perform and to more effectively implement and carry out the terms of this Agreement, provided that such acts shall not be inconsistent with this Agreement or any law or Regulatory Approvals pertaining to the Project.

37. MISCELLANEOUS

a. Headings

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

b. Entire Agreement

This Agreement constitutes the entire understanding between the Parties pertaining to the subject matter of this Agreement.

c. Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of any provision of this Agreement shall be binding unless executed in writing by the Party to be bound thereby and approved in writing by the Board. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall it constitute a continuing waiver or operate as a waiver of, or estoppel with respect to, any subsequent failure to comply, unless otherwise expressly provided.

d. Board Jurisdiction

The Board shall have jurisdiction to resolve disputes arising under or in connection with this Agreement, to the fullest extent allowed by law.

IN WITNESS WHEREOF, Producer and Purchasing Agent have executed this instrument on the respective dates set forth below.

Swanton Wind, LLC (PRODUCER)

By: _____
Duly authorized agent
Dated:

Witness: _____

VEPP Inc., acting as Purchasing Agent

By: _____
John R. Spencer, Executive Director
Dated:

Witness: _____

Attachment A
Description of Facility

The proposed Swanton Wind project will be an up to 20 MW wind generation facility to be located at 1964 Sheldon Road in Swanton, Vermont. The interconnecting utility is Green Mountain Power Corporation.

Attachment B
Documentation of Site Control

The proposed Swanton Wind project will be located at 1964 Sheldon Road, in the town of Swanton, and County of Franklin. Documentation of Site Control is established by Memorandum of Easement Agreement entered into as of 27 February, 2014, by and between Gerald A. Belisle and Travis Belisle, jointly and severally (“Landowner”) and Swanton Wind, LLC, a limited liability company formed under the laws of Vermont (“Developer”). See Attached.

WIND FACILITY EASEMENT AGREEMENT

THIS WIND FACILITY EASEMENT AGREEMENT is entered into as of February 27, 2015 by and between Gerald A Belisle and Travis Belisle (the “**Landowner**”) and **Swanton Wind, LLC**, a Vermont limited liability company (“**Developer**”). Landowner and Developer are sometimes herein together referred to as the “Parties” and individually as a “Party”.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landowner and Developer hereby agree as follows:

1. **Definitions.** The following terms shall have the following meanings when capitalized in this Agreement:

“Access Easement” means the Easement described in Exhibit B of this Agreement.

“Agreement” means this Wind Facility Easement Agreement, including all exhibits hereto, as the same may be amended or supplemented from time to time.

“Easements” shall mean the collective reference to the easements described in Exhibit B of this Agreement.

“Effective Date” means the date set forth in the first paragraph of this Agreement.

“Evaluation Period” means the period commencing on the Effective Date and ending on the sooner to occur of (a) December 31 of the calendar year that includes the fifth (5th) anniversary of the Effective Date (provided that Developer shall have the option to extend the Evaluation Period for an additional two (2) years by giving Landowner written notice prior to the end of the initial term of said Evaluation Period, and further provided that if Developer is actively engaged in the development of a Wind Power Facility on the Property at the expiration of such term as extended, Developer shall have the option to extend the Evaluation Period for two (2) additional two (2) year terms by giving Landowner written notice) or (b) the date on which the Operating Period commences.

“Hazardous or Toxic Substances or Materials” has the meaning as those terms are defined in any federal or state law, statute, or local ordinance.

“Maintenance Easement” means the Easement described in Exhibit B of this Agreement.

“Operating Period” means the period commencing on the earlier of the date in the Evaluation Period when Developer (a) commences site work for an access road for the installation of Wind Turbines or for a substation, Transmission Facilities or a maintenance and operations building as provided for in this Agreement or (b)

notifies Landowner in writing that Developer elects to begin the Operating Period, and which shall extend the Easements and this Agreement for one (1) twenty (20) year period commencing on the date of the commencement of such installation or the date specified in such notice, as applicable (provided that Developer shall have the option to extend such twenty (20) year period for an up to an additional thirty (30) years by giving Landowner written notice prior to the end of the initial twenty (20) year period), provided, further, that the entire period that this Agreement shall be in effect shall be less than fifty (50) years.

“Payment Agreement” means the Payment Agreement, dated the date of this Agreement between the Parties as the same may be amended or supplemented from time to time.

“Property” means that certain real property described in Exhibit A hereto.

“Substation Easement” means the Easement described in Exhibit B to this Agreement.

“Transmission Easement” means the Easement described in Exhibit B to this Agreement.

“Transmission Facilities” means facilities for the collection, step-up, step-down, distribution and sale of electricity and for communications in connection with the Wind Turbines, including transmission lines, telecommunications equipment, energy storage facilities, interconnection and/or switching facilities, and any related or associated improvements, fixtures and equipment.

“Wind Turbine” means wind power generating turbines and their associated towers and foundations.

“Wind Development Easement” means the Easement described in Exhibit B of this Agreement.

“Wind Power Facilities” means anemometers, wind and weather monitoring facilities, Wind Turbines, power generation facilities to be operated in conjunction with Wind Turbine installations, Transmission Facilities, utility lines and installations, roads, bridges, culverts and erosion control facilities, staging and lay down areas, signs, fences, gates, other safety and protection facilities, and any other improvements, fixtures, and equipment, whether temporary or permanent, that are related thereto or associated therewith to be located on that portion of the Property as approximately indicated on the map attached as Exhibit A hereto.

2. Grant of Easements.

2.1 Landowner hereby grants and conveys to Developer the Easements on, over, above, under, through, and across the Property as are fully described in Exhibit B to this Agreement.

3. Payments to Landowner.

3.1 Developer shall make Evaluation Period and Operating Period Payments to Landowner in accordance with the terms and conditions contained in the Payment Agreement.

4. Developer's Covenants. Developer covenants to Landowner as follows:

4.1 Payment of Taxes. Developer shall be responsible for (i) any personal property taxes levied against the Wind Power Facilities and other improvements installed by Developer pursuant to this Agreement, (ii) any increase in real property taxes levied against the Property as a result of Developer's installation of Wind Power Facilities on the Property and other improvements installed by Developer pursuant to this Agreement, subject to Developer's right, at its expense, but with Landowner's cooperation, to contest such taxes, including any Land Use Change tax resulting from any portion of the Property being deemed developed under Vermont's Use Value Appraisal program, any increase in property taxes payable by the Landowner over that which Landowner would have been liable for had the Property remained in the "current use" program, and any reasonable costs associated with re-establishing a new "current use" program for any of the remaining Property eligible for use value appraisal and (iii) any transfer taxes due as a result of the execution and delivery of this Agreement. Landowner agrees to cooperate as requested by Developer in the filing of any tax returns by Developer. Developer's obligations hereunder shall not include any recaptured taxes attributable to any period prior to the Effective Date or any penalties or interest thereon. Landowner shall pay all taxes attributable to Landowner. The Landowner shall provide prior written notice to the Developer of any petition or notice to the Vermont Department of Taxes in connection with the fair market value of any Property no longer eligible for use value appraisal resulting from the granting of the Easements or the exercise of Developer's rights under this Agreement and will promptly furnish to the Developer copies of all notices and assessments received by it in connection with such fair market determination and any Land Use Change Tax.

To the extent permitted by law, Developer shall be billed directly by the taxing authority and be responsible for all taxes referenced in this section. If Developer cannot be billed directly by the taxing authority, Landowner shall, upon receipt, forward to Developer a copy of the tax bill so that Developer may timely pay the taxes as provided herein and appeal or contest any tax in a timely fashion, and Developer shall pay on or before the due date all such taxes as finally determined to be due and any penalties and interest incurred through the failure of Developer to make such timely payment.

4.2 Utilities. Developer shall pay all charges for utilities services used by Developer in connection with the Wind Power Facility. If the Property does not have utilities services thereat, Developer shall have the right to cause utilities services to be installed at Developer's expense at the Property to service the Wind Power Facility, and to improve, at Developer's expense, the present utilities services to the Property.

4.3 Procurement of Permits and Approvals. Developer will be responsible for obtaining all permits and approvals required from any governmental agencies or authorities in connection with the granting of and exercise of all rights under this Agreement and Developer's construction and operation of the Wind Power Facilities.

4.4 Requirements of Governmental Agencies. Developer shall comply in all material respects with all valid laws, permits, approvals or consents applicable to the Wind Power Facilities and other improvements installed by Developer pursuant to this Agreement, but shall have the right, in its sole discretion and at its sole expense, in its name or in Landowner's name, to contest the validity or applicability of any law, ordinance, order, permit, approval, consent, rule or regulation of any governmental agency or entity applicable to the Wind Power Facilities and the Easements, unless, if adversely determined, it would have a material adverse effect on the Landowner or Landowner's interest in the Property, provided that any contest, irrespective of its effect on the Landowner, shall be permitted if the Developer provides a bond or other security as Landowner may reasonably request. Developer shall control any such permitted contest, and Landowner shall cooperate with Developer in every reasonable way in such contest, at no out-of-pocket expense to Landowner.

4.5 Mechanics' and Construction Liens. Developer shall not permit any mechanics' or construction liens to be filed against the Property as a result of Developer's use of the Property pursuant to this Agreement. If Developer wishes to contest any such lien, Developer shall, within sixty (60) days after it receives notice of the lien, provide a bond or other security as Landowner may reasonably request, or remove such lien from the Property pursuant to applicable law.

4.6 Insurance. Developer agrees to maintain liability insurance (property damage and personal injury) in the amount of \$1,000,000 each occurrence, \$2,000,000 general aggregate covering its use and operations on the Property. Landowner shall be named as an additional insured at all times that Developer is engaged in construction or operation of Wind Power Facilities on the Property, and Developer shall upon request provide Landowner with a Certificate of Insurance as evidence thereof. Developer shall use commercially reasonable efforts to cause such insurance policy to provide that it shall not lapse or be cancelled, materially changed or not renewed, without at least thirty (30) days prior written notice (or ten (10) days notice if such cancellation is due to failure to pay premiums) to Developer and Landowner.

4.7 No Obligation To Develop; Ownership of Wind Power Facilities. Nothing in this Agreement or the Payment Agreement shall be construed as requiring Developer to undertake operation of any Wind Power Facilities on the Property or elsewhere or

prohibit Developer from removing Wind Power Facilities from the Property. If no Wind Turbines are installed on the Property, Developer may keep this Agreement in place for the Operating Period by paying Nominal Rent as specified in the Payment Agreement. Developer shall retain title to all building, improvements and equipment that comprise the Wind Power Facilities or that it installs pursuant to this Agreement and shall have the right to remove any of them from the Property at any time regardless of whether the same are deemed to be fixtures. Landowner acknowledges that Developer is the exclusive owner of electricity (kwh) generated by the Wind Power Facilities and owner of any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government for the production of electricity by the Wind Power Facilities.

4.8 Indemnification. Developer shall indemnify Landowner against any loss or liability of Landowner that results from any third-party claim for personal injury or property damage resulting from Developer's negligent actions or inactions in its exercise of its rights hereunder.

5. Hazardous or Toxic Substances or Materials. Landowner represents and warrants to Developer that to the best of Landowner's knowledge:

(a) there are no undisclosed Hazardous or Toxic Substances or Materials undisclosed abandoned wells, undisclosed solid waste disposal sites or undisclosed underground storage tanks located on the Property;

(b) the Property is not in violation of any environmental or land use law;

(c) the Property is not subject to any judicial or administrative action, or order under any environmental or land use law; and

(d) to the best of Landowner's knowledge, the Property is not subject to any investigation under any environmental or land use law.

Landowner and Developer each warrant to the other that it has done nothing and will do nothing to contaminate the Property with Hazardous or Toxic Substances or Materials. If Landowner or Developer breaches its warranty or representation herein, or if a release of a Hazardous or Toxic Substance or Material is caused or permitted by Landowner or Developer or its respective agents, employees or contractors which results in contamination of the Property, then the breaching Party or Party causing or permitting such release shall indemnify, defend, protect and hold the other Party and that Party's employees, agents, partners, members, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including without limitation sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) which arise during or after and as a result of such breach or release. This indemnity shall include, without limitation, all costs and expenses relating to:

- (i) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment;
- (ii) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Property; and
- (iii) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the Property.

6. Landowner's Representations, Warranties and Covenants.

6.1 Landowner's Representations and Warranties: Except as otherwise disclosed in writing by Landowner to Developer prior to the Effective Date, Landowner makes the following representations and warranties to Developer, all of which shall be true, correct and complete as of the Effective Date:

6.1.1 Title to Property. Landowner is the sole Owner of the Property in fee simple and holds marketable title to the Property according to Vermont law. Landowner has not transferred or encumbered in any way its title to the Property, except as disclosed on Exhibit A hereto. Landowner and each person signing this Agreement on behalf of Landowner has the full and unrestricted power and authority to execute and deliver this Agreement and grant the Easements and rights herein granted. All persons having any ownership interest in the Property (including spouses) have signed this Agreement. Each spouse signing this Agreement agrees that any rights of community property, homestead, dower, contribution, and the like shall be subject and subordinate to this Agreement and the Easements and other rights granted hereby. Landowner hereby releases and waives all rights under and by virtue of any applicable homestead exemption laws as to the Easements and other rights granted hereunder. Landowner is not the subject of any bankruptcy, insolvency or probate proceeding.

6.1.2 Liens and Tenants. To the best of Landowner's knowledge, there are no liens, encumbrances, leases, fractional interests, mineral or oil and gas rights, or other exceptions to Landowner's fee title ownership of the Property or otherwise burdening the surface estate of Landowner in the Property, except as set forth on Exhibit A hereto. Landowner has not received any notice (orally or in writing) from any third party of any adverse claim or encumbrance burdening the Property. There are no tenants on the Property, except as set forth on Schedule A hereto.

6.1.3 Compliance with Laws. Landowner's Property (including the rights and interests granted and/or created hereby and all improvements thereon (other than the Wind Power Facilities) are in substantial compliance with all laws, rules, regulations and ordinances.

6.1.4 Authority. If Landowner is an entity or a trust, Landowner represents and warrants that the person executing this Agreement is duly and validly authorized to do so and that Landowner has the full right and authority to enter into this Agreement, perform all of its obligations hereunder and grant the interests herein granted.

6.2 Landowner's Covenants. Landowner covenants the following to Developer:

6.2.1 No Interference. Developer shall have the quiet use and enjoyment of the Property in accordance with the terms of this Agreement without any suit, trouble or interference of any kind by Landowner or any other person or entity, and Landowner shall protect and defend the right, title and interest of Developer hereunder from any other rights, interests, title and claims. Without limiting the generality of the foregoing:

(a) Landowner, its lessees, tenants and licensees may use the Property for any purpose, so long as it and they do not interfere with or materially increase the costs associated with any Wind Power Facilities or the exercise by Developer of any other rights given to it hereunder. In no event during the term of this Agreement shall Landowner construct, build or locate or allow others to construct, build or locate any Wind Turbines or any similar project on the Property. Landowner agrees, at Developer's request and expense, to post "No Trespassing" or similar signs on the Property or on other property owned by Landowner through which persons may access the Property, and to take other safety and security measures as reasonably required by permit condition. Without limiting the generality of the foregoing, (a) the activities of Landowner shall not interfere with the wind speed or wind direction over the Property, whether by planting trees or constructing buildings or other structures (collectively, "Landowner's Structures") closer than five hundred (500) feet to any wind turbine or proposed wind turbine of Developer, whether located on the Property or elsewhere, and (b) Landowner shall not engage in any other activity, whether located on the Property or elsewhere, that might cause a decrease in the output or efficiency of the Wind Power Facilities.

(b) If Landowner fails to pay the taxes or any other monetary obligations for which it is responsible hereunder, or otherwise defaults under this Agreement, then, in addition to its other rights and remedies, Developer shall have the right to pay such taxes and other obligations, and/or cure any such default, by any appropriate means; and the cost thereof shall be reimbursed to Developer by Landowner within thirty (30) days. Developer may offset such cost against any amounts owed by it to Landowner.

(c) Landowner shall cooperate with Developer in obtaining prior to the Effective Date a nondisturbance agreement, consent, or subordination agreement, in form and substance satisfactory to Developer, from each mortgagee and lien or other holder of an interest (recorded or unrecorded) of or in the Property which shall include, among other things, an acknowledgment of the terms of Paragraph 4.6.

6.2.2 Waiver of Setback Requirements. If the location of any Wind Power Facilities or other improvements to be installed or constructed by Developer on the Property or any adjacent properties along or near property lines is limited or restricted by private agreements or restrictions or law, Landowner hereby waives such private limitations and restrictions and waives any right to claim damages in respect of, or otherwise to prosecute, any violation by Developer of any limitation or restriction described above.

6.2.3 Taxes and Utilities Charges. Landowner shall timely pay all taxes and charges for utilities applicable to the Property, other than those which are the responsibility of Developer as provided for herein.

6.2.4 Lateral Support. Developer shall have and exercise the right of subjacent and lateral support for Wind Power Facilities on the Property to whatever extent is necessary for the safe construction, operation and maintenance of Wind Power Facilities. Landowner expressly covenants that Landowner shall not excavate so near the sides of or underneath the Wind Power Facilities as to undermine or otherwise adversely affect their stability.

7. Encumbrances. Developer shall have the right, to the extent rights and interests are conveyed by this Agreement, at any time and from time to time to mortgage or otherwise encumber to any party providing financing for any of Developer's or its affiliates' projects, without the consent of Landowner, all or any part of Developer's rights and interests under this Agreement, in the Easements and/or in any Wind Power Facilities or other improvements. Any such mortgage or encumbrance shall burden only the easement estate in the Property. Landowner hereby consents to recordation of the interest of the mortgagee. Within thirty (30) days after receipt of a written request made from time to time by Developer, Landowner shall enter into any reasonable consent and non disturbance agreement with any mortgagee, stating that Landowner shall recognize the rights of the mortgagee and not disturb its possession of the Property so long as it is not in default under this Agreement, and stating such other things as such mortgagee may reasonably request.

8. Defaults; Termination.

8.1 Defaults. Each of the following events shall constitute an event of default by a Party and shall permit the non-defaulting Party to terminate this Agreement and/or pursue all other appropriate remedies available at law or equity: (i) the failure by either Party to pay amounts required to be paid hereunder when due, and such failure has continued for thirty (30) days after written notice from the other Party; or (ii) the failure by either Party to perform any other material agreement set forth in this Agreement, and such failure has continued for thirty (30) days (or such longer period of time as may reasonably be required to cure such failure, if such failure cannot reasonably be cured with a thirty (30) day period) after written notice from the other Party.

8.2 Termination by Developer. Developer may for any reason terminate this Agreement and the Easements or any part thereof at any time, as to all or any part of the

Property, by giving Landowner written notice thirty days (30) in advance; and, in such event, if such termination is for the entire Agreement, during the Evaluation Period, Developer shall pay Landowner a termination fee equal to the evaluation period payment, pursuant to Section 3.1 of this Agreement, then applicable to a three (3) month time period, except that payment shall continue until the removal of all facilities and improvements is completed as per Section 8.3 should such removal take longer than three (3) months. In the event Developer terminates the entire Agreement during the Operating Period, it shall pay Landowner the Payment I then applicable, as set forth in the Payment Agreement until the removal of all facilities and improvements is completed as per Section 8.3. Upon such termination, except for rights and obligations that survive termination as set forth herein, Developer shall have no further liability hereunder with respect to the terminated Easement(s) or the portion of the Property as to which this Agreement and the Easement(s) have been terminated.

8.3 Surrender of Property. Upon the expiration or earlier termination of this Agreement, Developer shall return the Property to Landowner. Developer agrees to remove all Wind Power Facilities, buildings, substations, transmission lines and other improvements owned by Developer on the Property (provided that all footings and foundations shall only be removed to a depth of two (2) feet below the surface of the ground and shall be covered with soil) within one hundred eighty (180) days after the date of such expiration or earlier termination. Developer will not be required to replace trees removed or to remove roads constructed. Landowner shall not disturb any Wind Power Facilities, buildings, substations, transmission lines or other improvements during such period.

8.4 Waiver of Indirect and Punitive Damages. Neither Party shall be liable for loss of rent, business opportunities, or profits or for any other indirect, special, or consequential damages, or for punitive damages, in either case that may result from any breach of this Agreement or, in the case of Developer, from the use and conduct of operations on the Property.

9. Condemnation. Should title to or possession of all of the Property be taken in condemnation proceedings, or should a partial taking render the remaining portion of the Property unsuitable for Developer's use (as determined by Developer), then this Agreement shall terminate upon such vesting of title or taking of possession. Landowner shall be entitled to all portions of the award, except for any portion of the award that is attributable to the Wind Power Facilities or Developer's rights and improvements made under this Agreement, which portion shall be paid to Developer. Developer shall have the right to participate in any settlement proceedings, and to consent to any settlement. In the event that title to or possession of part of the Property is taken in condemnation proceedings and this Agreement remains in effect, then there shall be an equitable reduction in the Operating Period Payments set forth in the Payment Agreement.

10. Right of First Refusal.

10.1 Grant of Right of First Refusal. If at any time during the Term Landowner receives a bona fide offer (each an "Offer") from a third party to acquire the Property and/or Easements subject to this Agreement or any interest therein from Landowner (the "Offered Interest"), as part of an acquisition of the entire Property or a portion thereof or a transaction to acquire the Easements exclusively, which Offer Landowner is prepared to accept, Landowner shall promptly transmit to Developer Landowner's written offer (each a "First Refusal Notice") to sell or otherwise transfer the Offered Interest contemplated by such Offer to Developer on the same terms and conditions specified in the Offer. The First Refusal Notice shall set forth in detail: (i) the prospective third party purchaser's name, (ii) the purchase price for the Offered Interest, (iii) the other terms and conditions of the Offer, and (iv) the proposed closing date for the transaction contemplated by the Offer. Developer shall have thirty (30) days within which to accept such Offer. If Developer accepts such Offer by written notice (the "Acceptance Notice") to Landowner within said thirty (30) day period (such Acceptance Notice shall specify a closing date which is the later of sixty (60) days from the date thereof or the closing date specified in the Offer), such offer and acceptance shall constitute a contract between them for the sale by Landowner and the purchase by Developer of the Offered Interest described in the First Refusal Notice, and shall not thereafter be subject to rejection by either party unless Developer's due diligence review of the Offered Interest described in the First Refusal Notice, which due diligence review must be conducted within the above-referenced sixty (60) day period, is unacceptable to Developer, in its reasonable discretion, whereupon Developer may terminate its Acceptance Notice and the conveyance of the Offered Interest described in the First Refusal Notice to Developer without further liability or obligation of either of the parties hereto specifically with regard to such conveyance.

10.2 Closing. At the closing of such transaction, Landowner shall convey to Developer the Property and/or the Easements, as applicable, by quitclaim deed, and the Easements, by an assignment and assumption agreement, for no consideration (other than the purchase price paid for the Offered Interest pursuant to the First Refusal Notice and the Acceptance Notice, which purchase price shall constitute the consideration for both the Easements, as applicable), and all of Landowner's rights, title, interests in and to Property and/or the Easements, as applicable, and the Agreement and all rights, privileges, easements and appurtenances thereunto belonging and attaching, and Landowner shall, at its sole expense, take all actions and make all filings that are required to so convey the Property and/or the Easements, as applicable to Developer.

10.3 Survival. If the Offer is not so accepted by Developer, Landowner may sell or otherwise transfer the Offered Interest described in the First Refusal Notice to such bona fide third party purchaser pursuant to the terms contained in the Offer. Any such sale or transfer must be consummated within one hundred eighty (180) days following the expiration of the time herein above provided for the acceptance of the Offer by Developer. If such sale or transfer to such third party purchaser is not consummated within said one hundred eighty 180day period, the terms of this Section 10 shall remain in effect and be applicable to any subsequent transfer or other disposition of this Lease to any party, including, without limitation, such third party purchaser. The parties hereto covenant and agree that notwithstanding any sale, transfer or other disposition of the

Easements to any party other than Developer, this Agreement shall continue in full force and effect, the Property, and/or Easements shall remain subject to this Agreement and Developer's rights, title, interests and remedies hereunder, and Developer's right of first refusal contained in this Section 10 shall survive any such sale, transfer or other disposition and shall remain effective with respect to any subsequent offers to purchase or otherwise acquire rights under this agreement.

11. Miscellaneous.

11.1 Assignment. Developer shall at all times have the right, to the extent rights and interests are conveyed by this Agreement, to sell, assign, encumber, transfer, or grant subordinate rights and interests (including subeasements and licenses) in the Easements and/or any or all of its other rights and interests under this Agreement, in each case without Landowner's consent; provided, however, that any and all such transfers shall be subject to all of the terms of this Agreement. Developer shall notify Landowner of any such sale, assignment, transfer or grant within thirty (30) days of the effective date. No such sale, assignment, transfer, or grant shall relieve Developer of its obligations under this Agreement unless Developer assigns its entire interest hereunder. The burdens of the Easements and other rights contained in this Agreement shall run with and against the Property and shall be a charge and burden thereon for the duration of this Agreement and shall be binding upon and against Landowner and its successors, heirs, legal representatives, assigns, permittees, licensees, lessees, employees, and agents. The Easements and the other rights of Developer hereunder shall inure to the benefit of Developer and its grantees, successors, assigns, permittees, licensees, lessees, employees and agents. The rights of Landowner hereunder shall inure to the benefit of Landowner's heirs, legal representatives and successors and assigns. To prevent termination of the Easement or any partial interest therein, Developer (or any assignee) shall have the right, but not the obligation, at any time prior to the termination, to pay any or all amounts due hereunder, and to do any other act or thing required of any assignee or Developer hereunder or necessary to prevent the termination of the Easement or any partial interest therein. If Developer or an assignee holds an interest in less than all of the Easement, the Property or the Wind Power Facilities, any default under this Agreement shall be deemed remedied, as to Developer's or such Assignee's partial interest, and Land Owner shall not disturb such partial interest, if Developer or the assignee, as the case may be, shall have cured its pro rata portion of the default by paying the fees attributable to the Wind Power Facilities in which Developer or the assignee, as the case may be, holds an interest.

11.2 Tax Credits. If under applicable law Developer is ineligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government, then, at Developer's option, Landowner and Developer shall amend this Agreement or replace it with a different instrument so as to convert Developer's interest in the Property to a substantially similar interest that makes Developer eligible for such tax credit, benefit or incentive, provided that such amendment or replacement shall not materially change any of the provisions to Landowner's detriment.

11.3 Notices. All notices or other communications required or permitted hereunder, including notices to mortgagees, shall, unless otherwise provided herein, be in writing, and shall be personally delivered, delivered by reputable overnight courier, or sent by registered or certified mail, return receipt requested and postage prepaid, addressed to Landowner at Landowner's address or to Developer at Developer's address set forth below. A party may change its address at any time by giving written notice of such change to the other party in the manner provided herein. Notices sent by certified mail shall be deemed given on the date of delivery or attempted delivery as shown on the return-receipt. Notices sent by personal delivery or courier service shall be deemed given on the date of delivery or refusal to accept delivery.

Developer: Swanton Wind, LLC
1962 Sheldon Rd.
St. Albans, Vermont 05478

Landowner: Gerald A. Belisle
PO Box 1345
St. Albans, VT 05478

Travis Belisle
1962 Sheldon Rd.
St. Albans, Vermont 05478

11.4 Notification of Access to Property: Developer will endeavor to the extent reasonably practical to notify Landowner in writing of employees and contractors who will require access to the Property, including Wind Power Facilities located thereon, with emergency conditions excepted. It is understood that during the construction phase advance notice and identification of such employees and contractors is unduly burdensome to the Developer and therefore this requirement is waived at that time.

11.5 Hunting on Property: No employees or contractors of Developer will hunt on the Property without prior written permission from Landowner.

11.6 Further Assurances; Cooperation. Landowner shall fully support and cooperate with Developer in the conduct of its use, operations and the exercise of its rights hereunder (including with Developer's efforts to (i) obtain from any governmental authority or any other person or entity any environmental impact review, permit, entitlement, approval, or other right or (ii) sell any Wind Power Facilities, assign or otherwise transfer all or any part of or interest under this Agreement or obtain any financing), and Landowner shall perform all such acts as Developer may reasonably specify to fully effectuate each and all of the purposes and intent of this Agreement. Developer agrees to pay Landowner's reasonable out of pocket expenses incurred by Landowner in connection with Landowner's cooperation pursuant to the foregoing provisions of this Section.

11.7 No Waiver; No Abandonment. No waiver of any right under this Agreement shall be effective for any purpose unless it is in writing and is signed by the party hereto possessing the right, nor shall any such waiver be construed to be a waiver of any subsequent right, term or provision of this Agreement. Further, (i) no act or failure to act on the part of Developer shall be deemed to constitute an abandonment, surrender or termination of any Easement, except upon recordation by Developer of a quitclaim deed or release specifically conveying such Easement back to Landowner, (ii) nonuse of the Easements shall not prevent the future use of the entire scope thereof; and (iii) no use of or improvement to the Property, and no transfer under Section 10.1 or otherwise, shall, separately or in the aggregate, constitute an overburdening of the Easements or any thereof.

11.8 Confidentiality. Landowner shall maintain in the strictest confidence (i) the terms of (including the amounts payable under) this Agreement and the Payment Agreement, (ii) any information regarding Developer's Wind Power Facility operations and (iii) any other information that is proprietary or that Developer requests be held confidential, in each such case whether disclosed by Developer or discovered by Landowner .

11.9 Entire Agreement. This Agreement, together with its attached exhibits, schedules and any Addenda, contains the entire agreement between the Parties with respect to the subject matter hereof, and any prior or contemporaneous agreements shall be of no force or effect. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by each of the Parties.

11.10 Governing Law. The provisions of this Agreement shall be interpreted in accordance with the laws of the State of Vermont without reference to choice of law principles that might direct the application of the law of another jurisdiction.

11.11 Interpretation. The Parties agree that the provisions of this Agreement embody their mutual intent and that such provisions are not to be construed more liberally in favor of, or more strictly against, either Party.

11.12 Partial Invalidity. Should any provision of this Agreement, or the application thereof to any person or circumstance, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Law.

11.13 Counterparts; Facsimiles. This Agreement may be executed and recorded in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Each Party shall be entitled to rely upon executed copies of this Agreement transmitted by facsimile to the same and full extent as the originals.

11.14 Memorandum. The Parties shall execute and record a memorandum of this Agreement in the form attached hereto as Exhibit C. The Parties shall execute an amendment to the memorandum in each instance as reasonably requested by Developer, or if this Agreement is terminated pursuant to Section 8.2. Either party may record the memorandum in the land records of the town/city where the Property is located.

11.15 No Brokers. Each party warrants that it has not engaged or dealt with any broker, finder or other person entitled to a fee in connection with any of the transactions contemplated hereby. Each party shall indemnify, defend and hold the other party harmless from any loss, cost or expense arising from the failure of such warranty to be true.

Other General Provisions. Subject to Section 7, the covenants contained herein are made solely for the benefit of the Parties, and shall not be construed as benefiting any person or entity who is not a Party to this Agreement. Neither this Agreement nor any agreements or transactions contemplated hereby shall be interpreted as creating any partnership, joint venture, association or other relationship between the Parties, other than that of Landowner and the grantee hereunder. The terms “include”, “includes” and “including”, as used herein, are without limitation. Captions and headings used herein are for convenience of reference only and do not define, limit or otherwise affect the scope, meaning or intent hereof. If Landowner consists of more than one person or entity, then (a) each reference herein to “Landowner” shall include each person and entity signing this Agreement as or on behalf of Landowner and (b) the liability of each such person and entity shall be joint and several. If this Agreement is not executed by one or more of the persons or entities comprising Landowner herein, or by one or more persons or entities holding an interest in the Property, then this Agreement shall nonetheless be effective, and shall bind all those persons and entities who have signed this Agreement. Developer’s shareholders, directors, officers, partners and members shall not have any personal liability for any damages arising out of or in connection with this Agreement.

Easement Agreement between Gerald and Travis Belisle and Swanton Wind, LLC

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

LANDOWNER:

By: Gerald Belisle Gerald Belisle
Printed Name: Gerald A. Belisle

By: Travis Belisle [Signature]
Printed Name: Travis Belisle

State of Vermont
FRANKLIN County, ss.

At ST. ALBANS, Vermont, this 27th day of FEB, ~~2014~~, ²⁰¹⁵
GERALD BEUSLE+TRAVIS BEUSLE personally appeared before me and acknowledged the foregoing instrument to be his/her free act and deed.

Janet Day
Notary Public
My Commission Expires: 2-10-2019

DEVELOPER: Swanton Wind, LLC

By: [Signature]
Printed Name: Travis Belisle
Title: Managing Partner

State of Vermont
FRANKLIN County, ss.

At ST. ALBANS, Vermont, this 27th day of FEB, ~~2014~~, ²⁰¹⁵
TRAVIS BEUSLE, duly authorized agent of Swanton Wind, LLC, personally appeared before me and acknowledged the foregoing instrument to be his/her free act and deed, and the free act and deed of Swanton Wind, LLC.

Janet Day
Notary Public
My Commission Expires: 02-10-2019

Exhibit A to EASEMENT AGREEMENT and to the MEMORANDUM OF EASEMENT
AGREEMENT

**DESCRIPTION OF THE PROPERTY including the map of the Property showing
the approximate location of the Wind Power Facilities and a listing of any liens,
encumbrances or other interests on the Property**

Being all and the same land and premises conveyed to: Gerald A. Belisle and Travis
Belisle.

Also need a map that shows where the easements are to be located.

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Exhibit B to WIND FACILITY EASEMENT AGREEMENT

DESCRIPTION OF EASEMENTS ON THE PROPERTY

1.0 Landowner hereby grants and conveys to Developer Easements on, over, above, under, through and across the Property and fully described below:

2.0 Easements

2.1 An exclusive Wind Development Easement for the free and unobstructed flow of wind, wind resource evaluation, using the wind, wind energy development, energy collection, distribution and transmission, and related wind energy development uses, including the installation, alteration, removal, and replacement, and the use, maintenance, repair and operation of Wind Power Facilities. Developer shall be entitled to determine the size, type, manufacturer and location of the Wind Power Facilities within the area shown on the map attached to this Exhibit B hereto at its sole discretion.

2.2 A non-exclusive Transmission Easement for the installation, alteration, removal, and replacement, and the use, maintenance, repair and operation of, underground and aboveground Transmission Facilities, no more than one hundred twenty-five (125) feet in width for the location of power lines incidental to the Wind Power Facilities, including transmission of electric power to the electric grid, at such locations on the Property as Developer shall determine.

2.3 A non-exclusive Access Easement in common with Landowner, and Landowner shall have the right to create additional tenancies in said rights-of-way and Access Easement, for vehicular and pedestrian access 24 hours per day, seven (7) days a week to, from and over the Property, at such locations on the Property as Developer shall determine, for purposes related to or associated with Wind Power Facilities installed or to be installed on the Property, on adjacent property or elsewhere, which, without limiting the generality of the foregoing, shall entitle Developer to construct, alter, use, maintain, repair and improve any existing and future roads and access routes (a) from time to time located on or providing access to the Property, (b) across any other property owned by Landowner and (c) across any access routes over which Landowner has the right to travel. Developer shall be responsible for maintenance of such access road with the understanding that other persons currently may now use and maintain the road and in the future may continue to use the road that Developer will maintain. Any party causing damage to the road will be responsible for repair of such damage.

- 2.4 An exclusive Substation Easement of not more than one-half acre on the Property for the installation, alteration, removal and replacement and the use, maintenance, repair and operation of a substation on the Substation Easement for the purpose of voltage adjustment involved in transmitting the electric power generated by the Wind Power Facilities to the electric grid. The substation shall consist of such buildings, improvements, fixtures and equipment, foundations and footings, as the Developer may determine from time to time are necessary for the purpose of operating the substation and shall be located on the Property as the Developer shall determine.
- 2.5 An exclusive Maintenance Easement for the support of construction, operations and maintenance of the Wind Power Facilities on not more than 1 acre, including a building and lay-down/staging area for assembly, installation preparation, repair, maintenance, storage and other activities related to the Wind Power Facilities. The Maintenance Easement shall include vehicle and pedestrian access and be at such location on the Property as Developer shall determine.
- 2.6 An exclusive easement to permit the Wind Power Facilities located on the Property, on adjacent property or elsewhere to affect the Property, including without limitation electromagnetic, visual and non-visual view, light, vibration, electrical, audible and non-audible effects.
- 2.7 An easement to undertake such other activities that Developer determines are necessary in connection with, and incidental to, any of the foregoing Easements, including the right to trim cut and remove at all times, such trees and underbrush as in the judgment of Developer is reasonable and to remove any structures placed on or within the Wind Development Easement in violation of Developer's rights and privileges hereunder. All usable timber or wood products may be removed but will remain the property of the Landowner; any slash or wood left on site shall be chipped or cut.
- 2.8 An easement for the right and privilege to generate and maintain audible noise levels in excess of 49 dbA (L90) on and above the Property at any times of the day or night ("Noise Easement").
- 3.0 Landowner will designate and include on the map attached hereto in Exhibit A and B any areas from which Developer shall be excluded from locating transmission or substation facilities, operation and maintenance buildings and lay-down/staging areas, roads, trails, etc. referred to in the above Sections.
- 4.0 Developer shall advise Landowner whether it will utilize any of the Transmission, Access, Substation and Maintenance Easements prior to commencement of any site preparation for such Easements and shall consult with Landowner as to the location of each such Easement it plans to utilize so

as to reasonably minimize materially adverse impacts on Landowner as a result of this Agreement.

- 5.0 The Easements granted by Landowner in this Agreement are easements in gross, and not appurtenant to any particular lands or estates or interests in lands. As between the Property and other tracts of property on which Developer may locate Wind Turbines, no tract is considered dominate or servient to the other, and the Easements and other rights granted to Developer herein are personal to Developer for the benefit of Developer, as Landowner of the Easements.
- 6.0 Developer may install for reasonable safety and security purposes, signs limiting or prohibiting trespassing, hunting, “off-roading,” snowmobiling, and/or other recreational activities within areas immediately around existing or planned Wind Power Facilities and/or to designate them as a “Danger Zone.”

Exhibit C MEMORANDUM OF EASEMENT AGREEMENT

THIS MEMORANDUM OF EASEMENT AGREEMENT is made and entered into as of 27 February, 2014, by and between Gerald A. Belisle and Travis Belisle, jointly and severally (“Landowner”) and Swanton Wind, LLC, a limited liability company formed under the laws of Vermont (“Developer”).

WHEREAS:

A. The parties hereto have entered into a Wind Facility Easement Agreement (the “Agreement”), dated as of the date hereof, which by its terms grants and conveys to Developer certain Easements, including Easements for wind and weather monitoring and access and certain other Easements, as defined in the Agreement, related to the construction, operation and maintenance of a wind-powered electric generating facility, including wind turbine generators, buildings, roads, substations, transmission lines and equipment. The land which is subject to the Easements is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “Property”).

B. The term of the Agreement commences on the date hereof and may continue in accordance with the terms of the Agreement, unless earlier terminated as provided in the Agreement.

C. The Parties desire to enter into this Memorandum of Easement Agreement, which is to be recorded in order that third parties may have notice of the interests of Developer in the Property and of the existence of the Agreement and of certain easements and rights granted to Developer in the Property as part of the Agreement.

NOW, THEREFORE, in consideration of the payments and covenants provided in the Agreement to be paid and performed by Developer, Landowner hereby grants to Developer the Easements (as that term is defined in the Agreement) on, over, under and across the Property, all on the terms and conditions set forth in the Agreement. All of the terms, conditions, provisions and covenants of the Agreement are hereby incorporated into this Memorandum by reference as though fully set forth herein, and the Agreement and this Memorandum shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Memorandum and the Agreement, the terms of the Agreement shall prevail. The Agreement and that certain Payment Agreement dated _____ between the Parties contains the entire agreement of the Parties with respect to the subject matter thereof, and any prior or contemporaneous agreements, discussions or understandings, written or oral (including without limitation any options or agreements for easements previously entered into by the Parties with respect to the Property), are superseded by the Agreement and shall be and hereby are released, revoked and terminated.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Easement Agreement as of the date set forth above.

Attachment C
Qualifying Facility Certification

From: efiling@ferc.gov
To: Leslie Cadwell; efilingacceptance@ferc.gov
Subject: FERC Acceptance for Filing in QF15-965-000
Date: Friday, August 07, 2015 3:19:16 PM
Acceptance for Filing

The FERC Office of the Secretary has accepted the following electronic submission for filing (Acceptance for filing does not constitute approval of any application or self-certifying notice):

-Accession No.: 201508075159
-Docket(s) No.: QF15-965-000
-Filed By: Swanton Wind, LLC
-Signed By: Leslie Cadwell
-Filing Type: Qualifying Facility Application or PURPA Energy Utility Filing
-Filing Desc: Form 556 of Swanton Wind LLC under QF15-965.
-Submission Date/Time: 8/7/2015 12:19:46 PM
-Filed Date: 8/7/2015 12:19:46 PM

Your submission is now part of the record for the above Docket(s) and available in FERC's eLibrary system at:
http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20150807-5159

If you would like to receive e-mail notification when additional documents are added to the above docket(s), you can eSubscribe by docket at:

<https://ferconline.ferc.gov/eSubscription.aspx>

There may be a 10 minute delay before the document appears in eLibrary.

Thank you again for using the FERC Electronic Filing System. If you need to contact us for any reason:

E-Mail: ferconlinesupport@ferc.gov <mailto:ferconlinesupport@ferc.gov> (do not send filings to this address)

Voice Mail: 866-208-3676.

Attachment D
Interconnection Agreement

(The Interconnection Agreement with the Interconnecting Utility must be filed within five business days of its execution.)

**Attachment E (ALTERNATIVE 1)
Rate Schedule and Term**

Swanton Wind, LLC

Governing Order:

Electricity and Other Products Related to Electric Generation delivered pursuant to this Agreement shall be priced at the rate listed below in accordance with the provisions of this Agreement Paragraph 9, “Rates and Terms,” Paragraph 3, “Purchase and Sale of Electricity” and the provisions of the Vermont Public Service Board Order in Docket No. 8010 dated February 9, 2015. Terms defined in the Agreement are used herein with their defined meanings.

Rate Schedule:

VEPP Inc. will purchase the Producer’s Electricity and Other Products Related to Electric Generation from the Facility described in Attachment A at the following time differentiated rates:

10 YEAR CONTRACT LEVELIZED - FIRM	PEAK \$/kWh	OFF-PEAK \$/kWh	CAPACITY \$/kW
JANUARY	\$0.093	\$0.068	\$8.426
FEBRUARY	\$0.088	\$0.067	\$8.426
MARCH	\$0.065	\$0.049	\$8.426
APRIL	\$0.053	\$0.039	\$8.426
MAY	\$0.054	\$0.038	\$8.426
JUNE	\$0.062	\$0.044	\$9.517
JULY	\$0.078	\$0.049	\$9.517
AUGUST	\$0.065	\$0.045	\$9.517
SEPTEMBER	\$0.053	\$0.039	\$9.517
OCTOBER	\$0.052	\$0.039	\$9.517
NOVEMBER	\$0.059	\$0.045	\$9.517
DECEMBER	\$0.076	\$0.056	\$9.517

On-Peak Hours are defined as all non-holiday weekdays beginning at 7:00 AM and ending at 10:59 PM. All other hours are Off-Peak Hours. Holidays are specified as: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Payment for Capacity will be the above monthly capacity rates multiplied by the appropriate qualified Capacity rating as recognized in the ISO-NE Forward Capacity Market.

Term of Agreement:

This Agreement shall remain in effect for a period ending ten (10) years after the date “Electricity” is first “Delivered” to the “Distribution System.”

**Attachment E(ALTERNATIVE 2)
Rate Schedule and Term**

Swanton Wind, LLC

Governing Order:

Electricity and Other Products Related to Electric Generation delivered pursuant to this Agreement shall be priced at the rate listed below in accordance with the provisions of this Agreement Paragraph 9, “Rates and Terms,” Paragraph 3, “Purchase and Sale of Electricity” and the provisions of the Vermont Public Service Board Order in Docket No. 8010 dated February 9, 2015. Terms defined in the Agreement are used herein with their defined meanings.

Rate Schedule:

VEPP Inc. will purchase the Producer’s Electricity and Other Products Related to Electric Generation from the Facility described in Attachment A at the following time differentiated rates:

30 YEAR CONTRACT LEVELIZED - FIRM	PEAK \$/kWh	OFF-PEAK \$/kWh	CAPACITY \$/kW
JANUARY	\$0.108	\$0.081	\$11.542
FEBRUARY	\$0.104	\$0.078	\$11.542
MARCH	\$0.080	\$0.060	\$11.542
APRIL	\$0.067	\$0.050	\$11.542
MAY	\$0.069	\$0.050	\$11.542
JUNE	\$0.080	\$0.058	\$12.278
JULY	\$0.099	\$0.063	\$12.278
AUGUST	\$0.081	\$0.058	\$12.278
SEPTEMBER	\$0.068	\$0.051	\$12.278
OCTOBER	\$0.066	\$0.050	\$12.278
NOVEMBER	\$0.073	\$0.057	\$12.278
DECEMBER	\$0.091	\$0.068	\$12.278

On-Peak Hours are defined as all non-holiday weekdays beginning at 7:00 AM and ending at 10:59 PM. All other hours are Off-Peak Hours. Holidays are specified as: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Payment for Capacity will be the above monthly capacity rates multiplied by the appropriate qualified Capacity rating as recognized in the ISO-NE Forward Capacity Market.

Term of Agreement:

This Agreement shall remain in effect for a period ending thirty (30) years after the date “Electricity” is first “Delivered” to the “Distribution System.”

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No.

Petition of Swanton Wind LLC for)
approval of purchase power agreement)
pursuant to Public Service Board Rule)
4.100)

Order Entered:

I. INTRODUCTION

This case involves an petition filed by Swanton Wind LLC (“Swanton Wind” or “Petitioner”) requesting approval of purchase power agreement between Petitioner and Vermont Electric Power Producers, Inc. (“VEPPI”) in its capacity as Purchasing Agent under Board Rule 4.100. In today's Order, we conclude that the proposed agreements should be approved as consistent with our February 9, 2015 Order establishing rates for purchases from qualifying small power production facilities under state and federal law.

II. PROCEDURAL HISTORY

On August 10, 2015, Swanton Wind filed a Petition with the Board requesting approval of a purchase power agreement with VEPPI for the purchase and sale of power from a wind electric generation facility presently under development. Notice of the Petition and a request for comments was served on VEPPI, the Department of Public Service, Vermont's electric distribution utilities, and the Vermont Public Power Supply Authority.

III. FINDINGS

1. Swanton Wind LLC is a Vermont limited liability company with a principal place of business at 1962 Sheldon Road, St. Albans, Vermont.

2. Swanton Wind is a self-certified qualifying small power production facility as defined by 30 V.S.A. § 209(a)(8) and 18 C.F.R. §§ 292.201 – 207.

3. VEPPPI is the designated Purchasing Agent for the state's electric distribution utilities' mandatory power purchases from qualifying small power production facilities or "QFs."

4. VEPPPI and Swanton Wind have negotiated a contract for the purchase of power from an up to 20 MW wind electric generation project currently under development in Swanton, Vermont.

5. On February 9, 2015, we issued an order approving rate schedules for mandatory power purchases under the Public Utility Regulatory Policies Act of 1978 as implemented in Vermont through 30 V.S.A. § 209(a)(8) and Board Rule 4.100.

6. The agreement requires Swanton Wind to achieve commissioning of the proposed wind electric generation facility within four years of the date of execution.

7. Swanton Wind is considering a ten or thirty year term for firm, levelized rates set forth in the February 9, 2015 rate schedule.

8. Swanton Wind will elect either a ten or thirty year term within 120 days of the Board's approval of the agreement.

9. The terms and conditions of the proposed purchase power agreement are commercially reasonable.

10. Swanton Wind must obtain a certificate of public good pursuant to 30 V.S.A. § 248 before it may begin selling power at long-term levelized rates under the proposed purchase power agreement.

IV. CONCLUSION

Based upon the evidence in the record, we conclude that the proposed purchase power agreement should be approved because it is consistent with our February 9, 2015 establishing rates for the purchase and sale of power from Vermont QFs and its general terms and conditions are commercially reasonable.

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board

