Appeal In The Matter Of Department Permits L-24572-24-C-N, L-24572-TF-D-N, L-24572-IW-E-N, L-24572-24-F-N and L 24572-TF-G-N // Approval for Oakfield Wind Project Expansion

- Licensee Exhibit O

  Evergreen and Maine GenLead Applications, Section 3, and Appendices 3-1, 3-2 (financial capacity documentation)

Section 3
Financial Capacity

1.0 ESTIMATE PROJECT COST

The total cost of the Oakfield Wind Project (Project) as originally permitted was expected to be approximately $125 million. This project amendment for the *Revised Oakfield Wind Project* is expected to have a total cost of $363 million, broken down as follows (in millions):

Turbine cost	$203
Transportation	$16
Turbine installation cost	$17
Foundations	$14
Roads	$26
Transmission and collector lines, and upgrades	$61
Other Construction Costs	$26

The total cost of the *Revised Oakfield Wind Project*, including both this amendment and the Maine GenLead Generator Lead transmission line (the subject of a separate amendment) is $363 million. Evergreen Wind Power II, LLC (Evergreen II) remains the Project applicant and owner. Evergreen II is wholly owned by Maine Wind Holdings, LLC, which in turn is a wholly-owned subsidiary of First Wind Holdings, LLC (First Wind). Paul Gaynor is the President or Chief Executive Officer of all three companies. First Wind is providing the initial funding for the Project. As demonstrated in the letter attached in Appendix 3-1, First Wind has a demonstrated track record of successfully financing wind power projects throughout the country and in Maine. In addition, a consolidated balance sheet for First Wind and its subsidiaries is included as Appendix 3-2 and demonstrates that First Wind has in excess of $1.8 billion in assets.

2.0 FIRST WIND BACKGROUND

First Wind (formerly UPC Wind Partners, LLC; www.firstwind.com) is an independent North American wind energy company focused exclusively on the development, ownership, and operation of wind energy projects.

First Wind's strategy since inception in 2002 has been to build a company with the ability to develop, own, and operate a portfolio of wind energy projects in favorable markets. Its team of more than 220 employees has broad experience in wind project development, transmission line development, meteorology, engineering, permitting, construction, finance, law, asset management, maintenance, and operations. It has established land control, stakeholder relationships, meteorological programs, and community initiatives, and has developed transmission solutions in the markets in which it focuses.

First Wind currently operates nine wind energy projects across the country, with a generating capacity of 635 megawatts (MW), has four more projects currently under construction with a combined rated capacity of 136MW. Three projects are operational in Maine.

The Mars Hill project in Mars Hill, Maine, represents Maine's first utility-scale operating wind energy project. During construction of this 28 turbine, 42-MW facility, approximately $22 million of the approximately $95 million project cost went to Maine businesses and local spending. In addition, $10 million in tax payments will be paid to the town of Mars Hill over the next 20 years. This project became fully operational in March of 2007.

First Wind's second large scale wind power project in Maine, the Stetson Wind Project, was constructed in 2008. This 38-turbine, 57-MW facility became fully operational in January 2009. With the addition of the 25.5-MW Stetson II project in 2010, the total of 82.5 MW makes the combined project one of the largest operating utility scale wind farm in New England. Of the total project costs for the two projects,

approximately $73 million was spent with Maine businesses. In 2010, the Stetson Wind Project generated 155,723 MW hours of electricity.

In aggregate, the Mars Hill and combined Stetson projects generate approximately 377,000 MW per hour per year.

Appendix 3-1

firstwind.
CLEAN ENERGY. MADE HERE.

June 10, 2011

Jessica Damon
Bureau of Land and Water Quality
Maine Department of Environmental Protection
106 Hogan Road
Bangor, ME 04401

RE: Financial Support for the Evergreen Wind Power II, LLC Project

To the Commissioner:

This letter is to provide evidence of the commitment and ability of First Wind Holdings, LLC ("First Wind") to fund the development, construction, and operation of the approximately $356 million 150 MW Oakfield Wind Project and associated generator lead ("Project") to be located in Aroostook and Penobscot counties, Maine, proposed by Evergreen Wind Power II, LLC ("Evergreen") and Maine GenLead, LLC ("MGL").

Evergreen and MGL are wholly-owned project subsidiaries of First Wind and were formed to develop, finance, construct, own and operate their respective elements of the Project. First Wind is funding the development of the Project through its subsidiaries. First Wind is dedicated to the business of financing, constructing and operating wind power projects in Maine. First Wind currently operates nine wind energy projects across the country, with a generating capacity of 635 megawatts (MW), has four more projects currently under construction with a combined rated capacity of 136MW and has assets in excess of $1.8 billion. Since 2004, First Wind has raised over $4.5 billion including project debt financings, tax equity, corporate financings and government grants. Although First Wind intends to secure construction financing to combine with its own equity to construct the Project, the ultimate capital structure will depend on a number of factors, including market conditions at the time of financing. Some of the factors affecting the final project financing include the size of the project, the total project costs, projected power generation, and the terms of a power purchase agreement for the project output. Based on First Wind's experience in successfully financing projects and an analysis of market conditions for purchase of the power, project costs, and anticipated average annual output, we have concluded that favorable construction financing can be secured.

In 2006, a member of D.E. Shaw group and an affiliate of Madison Dearborn Partners each made a significant investment in First Wind. The D.E. Shaw group is a specialized investment and technology development firm and Madison Dearborn Partners is a private equity management firm focusing on investments in basic industries, energy and power, communications, consumer, financial services and health care.

In 2006, First Wind, through an affiliate company, financed and constructed the Mars Hill wind energy project located in Mars Hill, Maine. Approximately $22 million of the construction costs went to Maine firms and local spending. The Mars Hill wind energy project is a 42 MW facility consisting of 28 wind turbines and commenced commercial operations in March 2007.

In 2008, First Wind, through an affiliate company, financed and began construction of the first phase of the Stetson wind energy project located in Washington County, Maine ("Stetson"). An estimated $50 million of the construction costs was spent on Maine firms and local spending. Stetson is a 57 MW facility consisting of 38 wind turbines and became fully operational in January, 2009.

In 2009, First Wind, through an affiliate company, financed and began construction of the Stetson II wind energy project located in Washington County, Maine ("Stetson II"). An estimated $23 million of the construction costs was spent on Maine firms and local spending. Stetson II is a 25 MW facility consisting of 17 wind turbines and became fully operational in March, 2010.

In December 2010, First Wind, through an affiliate company, financed and began construction of the Rollins wind energy project located in Penobscot County, Maine ("Rollins"). Rollins is a 60 MW facility consisting of 40 wind turbines and is scheduled to be fully operational in 2011. Upon completion, we will be happy to provide estimates of the amount of construction costs spent on Maine firms and local spending.

In December, 2010, First Wind, through an affiliate company, closed a $71.3 million construction loan and a $4.5 million letter of credit facility for the Sheffield Wind project located in Sheffield, Vermont ("Sheffield"). Sheffield is a 40 MW facility consisting of 16 wind turbines and is scheduled to be fully operational in 2011.

The foregoing should provide sufficient information about First Wind's experience and activities in wind energy and about First Wind's ability to finance the Project. However, please let me know if you require any additional information about First Wind, the Project or our plans for wind energy development in the State of Maine.

Sincerely,

Michael U. Alvarez
President and Chief Financial Officer

Appendix 3-2

First Wind Holdings, LLC and Subsidiaries

Condensed Consolidated Balance Sheets

(Unaudited)

(in thousands)

	December 31, 2010	March 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 32,732	$ 36,245
Restricted cash	54,663	48,721
Accounts receivable	5,441	9,680
Prepaid expenses and other current assets	7,288	7,795
Derivative assets	9,769	9,534
Total current assets	109,893	111,975
Property, plant and equipment, net	821,318	939,875
Construction in progress	661,309	598,616
Turbine deposits	73,569	74,895
Long-term derivative assets	45,339	33,861
Other non-current assets	21,044	23,126
Deferred financing costs, net of accumulated amortization of $11,148 and $16,927, respectively	40,397	36,884
Total assets	$1,772,869	$1,819,232
Liabilities and Capital		
Current Liabilities:		
Accrued capital expenditures and turbine deposits	$ 50,400	$ 39,441
Accounts payable and accrued expenses	18,561	26,820
Current portion of derivative liabilities	6,027	6,903
Current portion of deferred revenue	11,340	11,340
Current portion of long-term debt	239,900	315,416
Total current liabilities	326,228	394,920
Long-term debt, net of current portion	444,109	439,327
Long-term derivative liabilities	10,552	11,031
Deferred income tax liability	3,944	5,299
Deferred revenue	204,602	201,302
Other liabilities	7,352	13,134
Asset retirement obligations	14,885	15,103
Total liabilities	1,011,672	1,085,116
Commitments and contingencies		
Capital:		
First Wind Holdings, LLC		
Members' capital	850,933	852,189
Accumulated deficit	(267,940)	(286,699)
Total First Wind Holdings, LLC members' capital	582,993	565,490
Noncontrolling interests in subsidiaries	178,204	168,626
Total capital	761,197	734,116
Total liabilities and capital	$1,772,869	$1,819,232

See accompanying notes to condensed consolidated financial statements.