

April 19, 2010

Rex Peterson
Assistant Town Administrator
Town of Wellfleet
300 Main Street
Wellfleet, MA 02667

Dear Mr. Peterson,

This letter and spreadsheet attachment provides Boreal Renewable Energy Development's (Boreal) review of the pro forma wind turbine spreadsheet. We have been working with Mr. Geoff Karlson to finish the pro-forma review. In the spreadsheet attached to the e-mail deliverable, we have provided extensive comments on all inputs to the pro-forma model. All the inputs appear to be conservative and/or reasonable with the following caveats:

- The model assumes zero O&M costs for the first two years. Mr. Karlson believes that those costs are included in the warranty agreement. I have my doubts. Mr. Karlson is seeking confirmation with Vestas.
- There is no sinking fund for major repairs. The warranty generally will cover manufacturer defects, but not normal wear and tear, etc. Unless, the warranty has more extensive coverage than I expect (I have not had the opportunity to review a proposed warranty), I suggest assigning \$50,000 / year (adjusted for inflation) into a major repair sinking fund starting with year five.

We understand that the project is on hold and will not come to Town Meeting, and obviously the public forum scheduled for April 10th. We will conduct no additional work without prior approval, and will provide an invoice for the work completed shortly.

Please feel free to contact me if you have any questions or concerns. I can be reached at (978) 580-6190 or tmichelman@boreal-renewable.com

Sincerely,



Thomas S. Michelman
Principal
Boreal Renewable Energy Development

