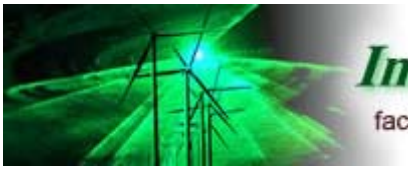

August 24, 2009

Thomas B. Getz, Chairman
New Hampshire Site Evaluation Committee
Sub-committee Chairman
c/o New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: Docket No. 2008-04 Application of Granite Reliable Power, LLC

Dear Chairman Getz:

The Industrial Wind Action Group, Inc., ("IWA") received via electronic mail, Granite Reliable Power, LLC's ("Applicant") response to issues raised in the Applicant's response to Motions for Rehearing or Amendment filed by the New Hampshire Fish and Game ("NHF&G"), Counsel for the Public, and IWA. We've read the Applicant's arguments and are compelled to respond. It is our sincere hope that our comments below are useful to the Committee as it evaluates its next steps.

New Hampshire Fish and Game

1. The Applicant asserts that the NHF&G, through its motion for a rehearing or amendment, may be in breach of the High Elevation Mitigation Settlement Agreement ("Agreement") signed by the Applicant, NHF&G and AMC. The Applicant cites Section B.2 of the Agreement which appears to prohibit NHF&G and AMC from legally challenging certification of the project "whether by rehearing, appeal, or otherwise".
2. The Applicant surely understands that the Committee applied substantial weight to the Agreement in deciding whether the project, as proposed, would produced an unreasonable adverse effect on the natural environment. (Decision Page 27 para 3) If a breach by NHF&G were declared by the Applicant, such action could have the effect of nullifying the Agreement thus challenging the Committee to reconsider its findings in the absence of the document.
3. It is not clear from a simple reading of B.2 whether the clause applies to the appeal period only or whether it will apply throughout the life of the Agreement. We are concerned that B.2 will bind the hands of NHF&G and prohibit the agency from expressing anything other than support for the project.

4. Despite the Applicant's mention of Section B.2 in its Response, it does not object to paying the requested funds provided no money changes hands until after financing has been secured and until after the work is completed. Such conditions on payment are unreasonable for several reasons:
   a) The timing for when several of the ordered studies can be conducted is limited and based on breeding and migration periods. Further, the work should be conducted prior to construction to ensure human activity at the project site does not disrupt efforts to measure the baseline status nor does the work unduly delay construction if/when the Applicant obtains project financing.
   b) The Applicant has admitted financial difficulties due to the downturn in the economy. Its payroll has been reduced, offices closed, and projects placed on hold. If the Applicant is unable to secure financing for the project, the public will have no assurance it will be reimbursed if NHF&G proceeds with the studies as soon after the appeal period as is reasonable.
   c) We remind the Committee that NHF&G's oversight work would not be necessary but for the Applicant's petition for approval to construct and operate the project. The full cost of these studies, some of which, arguably, should have been conducted prior to approval being granted, should be the burden of the Applicant and not the State of New Hampshire.
   d) The Applicant's complaining that it has already incurred expenses due to these proceedings is irrelevant and should be ignored. The statute makes no provision to protect the Applicant from the costs associated with these proceedings or related costs necessary to ensure the project meets any conditions of approval.

IWA respectfully asks that the Committee:

a) Grant NHF&G's motion as submitted.
b) If the Applicant lacks the funds to pay for the studies we ask that a bond or other financial guarantee be secured to ensure the State is reimbursed.

Industrial Wind Action Group, Inc.

1. Alternatives Analysis

a) The Applicant points to pages 26-28 of the Committee's decision as proof the Committee considered and analyzed the information in the record before it reached its conclusion relative to available alternatives. IWA does not dispute that the Committee discussed project alternatives in its deliberations. Rather, we argue that the Committee's statutory obligation goes further than a mere inquiry and recitation of the Applicant's site selection process.
b) The Applicant's attorney during cross-examination of the Mariani-Sanford panel appears to recognize that any alternatives at least consider reductions in environmental impacts (Transcript

3/17/90 P.142-146). Drs. Mariani and Sanford found that there was no evidence in the record that substantiated this claim such that an independent party, including members of the Committee, could validate proclaimed benefits. (Transcript 3/17/90 P.142-146), (Mariani prefiled testimony, Dec 2008 Pages 6-7)

c) The Applicant tries to discredit Mr. Sundstrom's preliminary analysis that looks at reduced project capacities and rates of return calling it too simplistic. The Applicant appears to misunderstand the purpose of Mr. Sunstrom's analysis which was intended to show there is opportunity to consider smaller, less impacting, projects that still achieve financial viability. Dr. Kent speculates with good reason that "one of the most critical pieces of information we're missing is an independent evaluation of the costs and benefits of eliminating Dixville and/or Kelsey from the project." (Transcript April 20, Pages 40 Ln 7-10).

d) We note there is nothing in the record to justify maintaining the project at the current 99MW as the only financially viable configuration, other than the Applicant's own largely unsupported assertions.

e) We are surprised by the Applicant's statement that "there is no other evidence in the record to support reducing the Project to a 60MW or 75MW project". We call attention to pre-filed testimony by AMC and NHF&G, as well as public comments by The Nature Conservancy (Letter dated March 10, 2009) and others, all of which reference removal of turbines from Mount Kelsey and possibly some from Dixville Peak. Removal of the eight turbines from Kelsey would drop the overall installed capacity to 75 megawatts. This option was also raised by the Committee several times during deliberative sessions.

2. Property Values and Tourism

a) The Applicant asserts there is substantial information in the record to support the finding that the project will not negatively impact property values or tourism. This assertion is simply not borne out by the facts in the record.

b) On at least two occasions during the proceedings Council for the Public and IWA raised objections to the fact that the Applicant submitted documents into the record without experts to sponsor the information (Confidential Transcript, March 9, 2009, Pages 155-156) and (Transcript March 19, 2009 Pages 5-6, 61-67).

c) In regard to documents for which no sponsoring expert was available for cross-examination, the Chairman ruled that such reports did not merit the same weight as evidence that's been provided in the hearing and subject to cross-examination. This was the ruling of the Chairman in regard to the Gittell Economic Report (Petition's Exhibit 56) and we expect the same weight to be applied to the two property value studies as well as the Applicant's comments relative to tourism. Yet as

weightless as those reports ought to be, they now appear to be the only evidence supporting the Applicant's claim that there are no impacts on property values and tourism from the project.

3. System Impact Study

a) The Applicant appears to misunderstand IWA's intent in requesting that the parties have an opportunity to comment on the findings of the System Impact Study ("SIS"). It is correct in stating the parties have no control over the information or terms of the SIS. But what the Applicant does not seem to understand is that the addition of the project to the Coos County loop, even with the necessary upgrades to increase transmission capacity, could result in output curtailment of other power plants already on the grid. Such curtailment could adversely impact anticipated revenues for existing energy projects and alter the economic opportunities for the region. Energy curtailment of any power project may be a necessary and required action by the ISO-NE to ensure grid reliability and stability but such requirements have economic impacts.

b) At a minimum, the Committee and the parties should be granted an opportunity to determine, with a final SIS in hand, whether such economic hardship might occur if the project is constructed.

4. Impacts to the Natural Environment

a) Cross-examination testimony of Mr. Lloyd-Evans clearly established the importance of having a baseline for existing bird activity at the site. Such baseline activity is essential in order to measure the effect of the built project. In deliberations, the Committee admitted there was insufficient information in the record to determine whether the project will have an unreasonable adverse effect on some species. Dr. Kent said it this way: "Clearly, what we have is a void here. None of us know what the impacts are going to be, except for the direct impact of losing forest. We need to start building that knowledge." (Transcript June 10, 2009 Page 150, Lines 21-24) We cannot reconcile the Committee's decision to conditionally approve the project with its acceptance that insufficient information exists to determine whether an adverse effect will be unreasonable.

b) The Applicant erroneously argues that IWA is seeking an unlimited ability for parties to continually challenge the project in the future as to whether there is an unreasonable adverse impact on species. In fact, the plain reading of the Committee's order establishes this point. We merely assert the Committee failed to provide any guidance as to what constitutes an unreasonable adverse impact and that its reliance on NHF&G for oversight of the project is inappropriate.

5. Conflict of Interest

a) The Chairman ruled that no conflict existed by Director Normandeau serving on the Committee since Mr. Normandeau does not have “direct, personal or pecuniary interest." However, if we look at the US Supreme Court decision (*Caperton Et Al. V. A. T. Massey Coal Co., Inc., Et Al Oct 2008*) we see the Court’s concerns go beyond the traditional common-law prohibition based on direct pecuniary interest, to cover a more general concept of interests that ”tempt adjudicators to disregard neutrality”.

b) There is at least one instance where Director Normandeau modified his actions because of his role as Director of NHF&G. i.e. in discussing conditions of approval, it appears he withheld support for fining the Applicant based on wildlife mortality. (“*I really don’t think, given the budget situation, I would really want to be tempted with the inducements that this might present. So I don’t think we could really go forward with that”.* -- Transcript June 10, 2009, Page 157)

c) As director of NHF&G, Director Normandeau is bound by the terms of the High Elevation Mitigation Agreement including B.2 referenced above.

d) The Committee chose to delegate substantial oversight responsibility to Director Normandeau’s agency. Director Normandeau will be prohibited from acting in his role as director of NHF&G as it relates to this project.

e) Should NHF&G or other parties find it necessary to petition the Committee relative to impacts of the project on the natural environment, the conflict of Director Normandeau’s sitting as both Committee member and NHF&G director automatically raises doubt about his impartiality.

Thank you for this opportunity to comment on this important matter.

Respectfully,

Lisa Linowes