

SITE EVALUATION COMMITTEE

DAY 2

In re: SITE EVALUATION COMMITTEE:
DOCKET NO. 2012-01: Application
of Antrim Wind, LLC, for a
Certificate of Site and Facility
for a 30 MW Wind Powered Renewable
Energy Facility to be Located in
Antrim, Hillsborough County,
New Hampshire.
(Hearing on the merits)

SITE EVALUATION COMMITTEE:

Public Utilities Commission

Harry T. Stewart, Dir.	DES - Water Division
Johanna Lyons, Designee	Dept. of Resources & Econ. Dev.
Craig Green, Designee	Dept. of Transportation
Brad Simpkins, Dir.	DRED - Div. of Forests & Lands
Ed Robinson, Designee	Fish & Game Department
Richard Boisvert, Designee	Division of Historic Resources
Brook Dupee, Designee	Dept. of Health & Human Services

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COUNSEL FOR THE PUBLIC: Peter C. L. Roth, Esq.
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 Reptg. Intervenor Allen/Edwards:
 Mary Allen
 Robert Edwards

 Reptg. North Branch Group of Intervenor:
 Richard Block
 Lorraine Carey Block
 Elsa Voelcker

I N D E X

PAGE NO.

WITNESS: JOHN B. KENWORTHY

Cross-examination resumed by Ms. Linowes	8
Cross-examination by Mr. Roth	36
Interrogatories by Mr. Boisvert	75
Interrogatories by Ms. Bailey	75
Interrogatories by Mr. Dupee	83
Interrogatories by Mr. Robinson	87
Interrogatories by Mr. Stewart	88
Interrogatories by Mr. Iacopino	92
Cross-examination by Ms. Longgood	114
Cross-examination by Mr. Froling	116
Cross-examination by Mr. Stearns	121
Cross-examination by Mr. Edwards	122
Redirect examination by Ms. Geiger	126

**WITNESS PANEL: SEAN McCABE
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Direct examination by Mr. Patch	131
Cross-examination by Mr. Block	137
Cross-examination by Ms. Manzelli	145
Cross-examination by Ms. Linowes	180
Cross-examination by Mr. Roth	207, 235
Interrogatories by Ms. Bailey	216
Interrogatories by Dir. Stewart	227
Interrogatories by Mr. Simpkins	230
Interrogatories by Mr. Boisvert	232
Interrogatories by Mr. Dupee	233
Interrogatories by Mr. Iacopino	237
Redirect examination by Mr. Patch	254
Recross-examination by Mr. Roth	267
Recross-examination by Ms. Manzelli	271
Recross-examination by Mr. Block	272

E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
ABUTTERS-3	Quitclaim Deed of Bret W. Longgood and Janice D. Longgood	premarked
ABUTTERS-4	Town of Antrim Zoning Ordinance Article IX - Rural Conservation District (Adopted March 14, 1989)	premarked
PC 20	Attachment PC 1-17 (12-08-11)	66

P R O C E E D I N G

MS. BAILEY: Good morning. We'll open the hearing in 2012-01, Antrim Wind Energy, Application for Certificate of Site/Facility. And, we will start with -- so, we'll start with introduction of Committee members. My name is Kate Bailey. I am substituting for the Chair, who is working on storm duty with the Governor. And, we'll start with Mr. Stewart.

DIR. STEWART: Harry Stewart, the Director of the Water Division, Department of Environmental Services.

MS. LYONS: Johanna Lyons representing the Department of Resources & Economic Development.

MR. SIMPKINS: Brad Simpkins, Department of Resources & Economic Development.

MR. ROBINSON: Ed Robinson, New Hampshire Fish & Game Department.

MR. DUPEE: Brook Dupee, here on behalf of the Department of Health & Human Services.

MR. GREEN: Craid Green, Department of Transportation.

MR. BOISVERT: Richard Boisvert, Division of Historical Resources.

MS. BAILEY: And, this is Mike Iacopino,

1 Counsel for the Site Evaluation Committee.

2 MS. GEIGER: Yes. Good morning, madam
3 Chair and Committee members. I'm Susan Geiger, from the
4 law firm of Orr & Reno, representing Antrim Wind Energy,
5 LLC. And, with me this morning at Counsels' table are
6 Attorneys Douglas Patch and Rachel Goldwasser.

7 MR. FROLING: Stephen Froling
8 representing Harris Center for Conservation Education.

9 MS. STEARNS: Good morning. Galen
10 Stearns, Town Administrator of Antrim. And, with me is
11 Mike Genest, Selectman.

12 MR. MARA: Peter Mara, Antrim Wind.

13 MR. DONOGHUE: Thomas Donoghue, Acciona
14 Windpower.

15 MS. WRIGHT: Sally Wright, GL Garrad
16 Hassan.

17 MR. McCABE: Sean McCabe, Antrim Wind
18 Energy.

19 MR. SEGURA-COTO: Ruben Segura-Coto,
20 Acciona Windpower.

21 MR. WILL: Good morning. Rick Will,
22 consulting archeologist for Antrim Wind.

23 MR. EDWARDS: Bob Edwards. I'm an
24 intervenor, along with Mary Allen.

[WITNESS: Kenworthy]

1 MS. PINELLO: Martha Pinello, Antrim
2 Planning Board. And, with me today is Charles Levesque.

3 MS. ALLEN: Mary Allen, intervenor, with
4 Bob Edwards.

5 MS. LONGGOOD: Janice Longgood,
6 intervenor and abutter.

7 MR. HOWE: David Howe, representing the
8 New Hampshire Audubon.

9 MR. ROTH: Peter Roth, Counsel for the
10 Public.

11 MS. LINOWES: Lisa Linowes representing
12 Industrial Wind Action Group.

13 MR. BLOCK: Richard Block, intervenor
14 for the North Branch Group, along with Lorraine Carey
15 Block.

16 MS. MANZELLI: Good morning, everybody.
17 Amy Manzelli, representing the New Hampshire Audubon.

18 MS. BAILEY: Good morning. Okay. We
19 will pick up where we left off last night, with Ms.
20 Linowes' cross of Mr. Kenworthy.

21 MS. LINOWES: Thank you, madam Chair.

22 **JOHN B. KENWORTHY, Previously Sworn**

23 **CROSS-EXAMINATION (resumed)**

24 BY MS. LINOWES:

[WITNESS: Kenworthy]

1 Q. Mr. Kenworthy, I just wanted to follow up on one of the
2 statements you had made at the beginning of your
3 cross-examination or the opening comments. Am I to
4 understand that you -- that AWE has been short-listed
5 for a long-term power purchase agreement with National
6 Grid?

7 A. That's correct.

8 Q. Okay. And, to your knowledge, is that negotiation or
9 the discussion for a PPA been triggered in any way by
10 the recent change to the Massachusetts Green
11 Communities Act?

12 A. No, not to my knowledge.

13 Q. And, so, this is completely independent of the Green
14 Communities Act?

15 A. Yes, as far as I'm aware.

16 Q. Has there been -- has any agreement been -- no
17 agreement has been signed?

18 A. No. As I indicated, we've been short-listed.

19 Q. Okay. And, are you aware that that law has changed as
20 of November 1, effective November 1?

21 A. Sorry, which law?

22 Q. The Green Communities Act.

23 A. I'm aware of pending changes to that law, perhaps some
24 that have occurred. It does not relate to our

[WITNESS: Kenworthy]

1 short-listing.

2 Q. Okay. And, do you have any proof beyond your own
3 statements of this, that, in fact, you have been
4 short-listed?

5 A. No, I don't believe I do. It's generally -- well, I
6 have -- I could produce an e-mail from National Grid.
7 Yes, I can provide that.

8 MS. LINOWES: Would that be possible,
9 madam Chairman, that he could provide an e-mail from
10 National Grid?

11 MS. BAILEY: Sure. Should we reserve an
12 exhibit for that?

13 MR. IACOPINO: Sure. We'll mark it when
14 it comes in. And, you'll have that for us by tomorrow?

15 WITNESS KENWORTHY: Sure. It will be
16 ease to produce.

17 MR. IACOPINO: At that time it will be
18 marked as an exhibit.

19 MS. LINOWES: Thank you.

20 MS. BAILEY: Can I just ask a clarifying
21 question? You just said "EnergyNorth", and I wrote down
22 yesterday that you said "Unitil"?

23 MS. LINOWES: No, National Grid.

24 MS. BAILEY: Which is EnergyNorth,

[WITNESS: Kenworthy]

1 right?

2 WITNESS KENWORTHY: It is National Grid.

3 MS. BAILEY: Okay.

4 WITNESS KENWORTHY: Yes.

5 MS. BAILEY: Thank you.

6 MS. GEIGER: Could you just clarify the
7 record. Which state are we talking about?

8 WITNESS KENWORTHY: Rhode Island.

9 MS. GEIGER: I think that's the --

10 MS. BAILEY: Oh.

11 MS. GEIGER: -- the disconnect there.

12 So, this a short list -- National Grid, obviously, no
13 longer operates in the State of New Hampshire. They do
14 operate in the State of Rhode Island. Ms. Linowes has
15 been asking questions about the State of Massachusetts. I
16 just want the record to be clear about which short list
17 we're talking about; the State of Rhode Island.

18 MS. BAILEY: So, the short list is, they
19 may buy -- agree to a PPA with you for energy in the State
20 of Rhode Island?

21 WITNESS KENWORTHY: Yes. There was a
22 solicitation that was initiated by National Grid in the
23 summer of this year, requesting bids from qualified
24 renewable energy generators, to which Antrim Wind

[WITNESS: Kenworthy]

1 submitted a response, a bid in response. And, of the
2 total number of bidders, we were one of a certain number
3 that were short-listed. We don't have information about
4 how many actual bidders there were or how many people have
5 been short-listed.

6 MS. BAILEY: But it's for energy in
7 Rhode Island?

8 WITNESS KENWORTHY: Correct.

9 MS. BAILEY: Thank you.

10 MS. LINOWES: Thank you.

11 BY MS. LINOWES:

12 Q. Okay. Now, I want to direct your attention to the
13 V-Bar report. This would be Appendix 21, and I don't
14 have the actual --

15 MR. IACOPINO: I'm sorry, which report,
16 ma'am?

17 MS. LINOWES: The V-Bar -- this is
18 the --

19 MR. IACOPINO: V-Bar, is that what
20 you're saying? The V-Bar report?

21 MS. LINOWES: Yes, it is. Correct.
22 From September 4th.

23 MR. IACOPINO: That would be, for the
24 Committee, that's AWE 8. And, if you're working on the --

[WITNESS: Kenworthy]

1 if you're working on the disk, it's Number 2 on that disk.
2 Appendix 21, if you're working on paper. AWE -- it would
3 be in folder "AWE 8".

4 BY MS. LINOWES:

5 Q. And, a quick question, back to the National Grid
6 discussion. Can you also provide the bid number that
7 you had submitted?

8 A. I'm sorry, can you clarify, what do you mean by "bid
9 number"?

10 Q. You had submitted a bid?

11 A. Correct.

12 Q. So, was it assigned a bid number?

13 A. No. I'm not aware of a bid number.

14 Q. All right. Okay. So, let's talk about the V-Bar.
15 And, you hired the V-Bar folks sometime -- it appears
16 in November 2011 was when they came on board. And,
17 they recommended that you put the LiDAR unit in place,
18 is that correct?

19 A. V-Bar has actually been working with Antrim Wind for a
20 longer period than that. Really, since, I'd say,
21 January of 2011. They did, in November, I believe of
22 2011, work with us to establish a campaign for a
23 meteorological study that involved the use of the
24 LiDAR.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. Okay. I thought I read somewhere, and now I can't find
2 the reference, but I thought they did say that they
3 came on board with you November 2011. That's not the
4 case?

5 A. I believe I just indicated.

6 Q. Okay. All right. So, when you installed the met
7 tower --

8 MR. IACOPINO: Actually, Lisa, can I
9 interrupt you?

10 MS. LINOWES: Sure.

11 MR. IACOPINO: In the third paragraph
12 of the first page of that exhibit, it says, "V-Bar has
13 provided meteorological services to AWE since
14 November 2010."

15 MS. LINOWES: Oh, 2010.

16 MR. IACOPINO: The first page of
17 Appendix 21.

18 MS. LINOWES: Thank you. Okay.

19 BY MS. LINOWES:

20 Q. And, then, the LiDAR unit was put in place November --
21 excuse me, January 2012?

22 A. (No verbal response).

23 Q. Okay. So, now, when you erected the met tower, how
24 many anemometers did you put on there? How many

[WITNESS: Kenworthy]

1 anemometers were on there?

2 A. Memory serves, I believe there are six anemometers on
3 the tower.

4 Q. Okay. And, what heights are they? So, there are six
5 separate anemometers at six different heights?

6 A. No. There would be six anemometers, each -- two each
7 at three distinct levels of measurement. And, those,
8 subject to check, are approximately 60 meters,
9 approximately 50 meters, and I believe approximately
10 37 meters, but I'm not entirely positive of those
11 numbers.

12 Q. Okay.

13 A. And, at each level, there's two anemometers for
14 redundancy.

15 Q. Okay. And, -- okay. So, and then based on that, you
16 have -- the V-Bar folks have done an analysis on the
17 wind data. And, why did they recommend the LiDAR?

18 A. Well, LiDAR was recommended because, I think it's
19 indicated here in the report, that it's typical in
20 performing a wind resource campaign in terrain that has
21 some complex topography, such as Antrim, or really any
22 place in New England, to have meteorological
23 measurements from more than a single location, in order
24 to be able to generate a -- to reduce uncertainty about

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 what wind speeds are expected to be at hub heights
2 across an array.

3 In Antrim, because, obviously, there was
4 some difficulty in the permitting of the initial
5 meteorological tower, there was no clear path to
6 permitting a second meteorological tower. And, so, our
7 solution to that was to be employ a LiDAR, which is
8 ground-based unit that uses laser light emissions to
9 measure wind speeds up to 200 meters. So, it's an
10 alternative method that we devised in light of the
11 issue with getting a second fixed meteorological tower
12 up on the site.

13 Q. Okay. Now, I wanted to take your attention to the --
14 this would be, the pages, unfortunately, are not
15 numbered, but I believe it's the last -- it is the last
16 page of the V-Bar study or report. And, there they do
17 a comparison between the Gamesa G87 and the Vestas
18 V-90. And, I want to make sure I understand what this
19 table is all about. They're, obviously, two different
20 turbines, and different from the unit you're going to
21 be installing. The difference in height there, you
22 could see that the Gamesa and Vestas are close in
23 height, whereas the turbine you're looking at is
24 492 feet tall, is that correct?

[WITNESS: Kenworthy]

1 A. Yes. That's the tip height. Correct.

2 Q. Okay. To the tip height, okay. So, the hub height
3 difference is about 100 feet also difference?

4 A. The hub height difference, I believe the G87s are on a
5 78-meter tower, versus a 90-meter tower for the
6 Accionas, for a 92 and a half meter hub height.

7 Q. Okay.

8 A. So, in meters, that's what it is.

9 MS. MANZELLI: Excuse me. I'm very
10 sorry to interrupt. I've just gotten a message that my
11 son is en route to the emergency room after an accident.
12 I'm leaving. I would like to reserve the right, if
13 possible, to ask Mr. Kenworthy a follow-up question at a
14 later date. I think that I will be here tomorrow. That's
15 all I know. Thank you very much.

16 BY MS. LINOWES:

17 Q. How am I -- how do we interpret these two numbers, in
18 terms of the change in energy delivered? Let's ignore
19 the Gamesa right now, because I know that was a 2.0
20 megawatt turbine. But how do I -- what is -- what is
21 the meaning of the 32 -- minus 32 percent? Are you
22 saying here that the Vestas V-90 sited at the same
23 location as the Acciona in Antrim, it would result in a
24 32 percent reduction in performance? Is that what that

1 means?

2 A. Yes. So, there's two numbers here. And, in part, this
3 is in response to Chairwoman Amy Ignatius's request of
4 us to produce additional information related to the
5 wind resource at the site, and also discuss the
6 implications of wind resource on turbine selection. It
7 was important for us in that context to be able to kind
8 of look at the differences in technology, and, again,
9 this can be spoken to in some additional detail by the
10 panel that's coming after me, on both delivered energy
11 and on net capacity factor. And, those are two
12 different things.

13 Q. Uh-huh.

14 A. Because, obviously, in the case of the Gamesa, which is
15 the top line here in this table, you're looking at both
16 the change in net capacity factor and in actual energy
17 delivered. So, --

18 Q. Yes. Let's get -- let's talk about Vestas to Acciona,
19 because they're both 3-megawatt turbines. Okay. So,
20 let's talk about the net capacity factor difference.

21 A. So, for the Vestas V-90, you're talking again about a
22 30-megawatt project. And, that 30-megawatt project,
23 using that turbine, with a 90-meter rotor, instead of a
24 116-meter rotor, would result in 32 percent less energy

[WITNESS: Kenworthy]

1 delivered from that same site.

2 Q. Okay. And, so, the difference being -- we have a
3 difference in the rotor size and we have a difference
4 in the height of the turbine, correct?

5 A. Correct.

6 Q. Okay. Now, the Granite Reliable Project used Vestas
7 V90s, 3.0 megawatt, about the size that you're talking
8 about here. It's at an elevation a thousand feet or
9 better above the Antrim site, and their net capacity
10 factor that was publicly made available was
11 30.4 percent. You're claiming a net capacity factor of
12 39 to 41 percent. What is the difference?

13 A. I'm sorry. Where -- can you point to me where we've
14 said "39 to 41"?

15 Q. Is it 38.5 to 41.5?

16 A. I believe, if I'm not mistaken --

17 Q. You're in the upper 30s --

18 (Court reporter interruption.)

19 **BY THE WITNESS:**

20 A. -- 37.5 to 40.5, I believe is what's in our
21 Application.

22 **BY MS. LINOWES:**

23 Q. That's fine. So, it's in the upper 30s to lower 40s?

24 A. That's correct.

[WITNESS: Kenworthy]

1 Q. So, we have a turbine sited a thousand feet above that
2 elevation, and it's claiming a 30.4 percent capacity
3 factor?

4 A. I cannot speak to the capacity factor at the Granite
5 Reliable Project. I don't have that information
6 available to me. I don't know what data comprised the
7 capacity factor number that you're asserting here.
8 What I can say is that we have had an experienced,
9 nationally recognized meteorological consultant in
10 V-Bar conduct a study on our site, and worked together
11 with ourselves and Acciona to develop an expected
12 capacity factor range. And, that's where we are. And,
13 I believe the panel coming after me will testify to
14 that as well.

15 Q. Okay. All right. So, then, let's talk about
16 decommissioning. No. And, actually, so, you are still
17 -- one more question. You're still looking for a
18 second met tower now?

19 A. We are --

20 Q. You said earlier --

21 WITNESS KENWORTHY: Should I answer that
22 question?

23 MS. BAILEY: Ms. Linowes, --

24 MS. LINOWES: Yes.

[WITNESS: Kenworthy]

1 MS. BAILEY: -- you need to let him
2 finish --

3 MS. LINOWES: Okay.

4 MS. BAILEY: -- the answer please, --

5 MS. LINOWES: Sure.

6 MS. BAILEY: -- because the court
7 reporter has to get everything down.

8 BY MS. LINOWES:

9 Q. Just a "yes" or "no".

10 A. Yes, we are seeking a second temporary meteorological
11 tower.

12 Q. Now, you had said, with your conversation just a moment
13 ago, that you thought there "wasn't an easy path to get
14 a second met tower sited through the Town"?

15 A. That's correct.

16 Q. How long did you know you needed a second met tower?

17 A. Well, I'd say we've always known we would need
18 additional meteorology on the site from the time we
19 installed the first tower and saw that it was a good
20 wind resource.

21 Q. How long did you know you needed a second met tower?

22 A. Again, I think we've known --

23 Q. A year ago? Two years ago?

24 A. I don't recall the exact date.

[WITNESS: Kenworthy]

1 Q. More than a year ago?

2 A. I don't recall.

3 Q. Last month?

4 MS. GEIGER: Objection.

5 BY MS. LINOWES:

6 Q. I'm trying to -- okay. Then, I'm asking why was there,
7 or perhaps you can help me understand it, is there
8 anything in the original Application that was submitted
9 to the Site Evaluation Committee that spoke of a second
10 met tower?

11 A. Not --

12 Q. Temporary met tower?

13 A. Not to my knowledge, no.

14 Q. Was there anything in any of the testimony that you
15 submitted from January through till September that
16 spoke about a second met tower, a temporary met tower?

17 MS. GEIGER: I'm going to object. I
18 think this witness has already answered that question. I
19 also don't know why this line of questioning is relevant.

20 MS. BAILEY: Can you --

21 MS. LINOWES: Madam Chair, I would like
22 to answer that. The reason I'm asking is, I think that it
23 speaks again to Mr. Kenworthy's either mismanagement of
24 the project or inability to understand how to plan for

[WITNESS: Kenworthy]

1 this project. He has said that he has had -- he, at some
2 point, decided that there was a new met tower that was
3 needed. And, he did not bring up any reference to a
4 second met tower until, if I'm not -- if he's not going to
5 answer the question, I'll answer it, until the testimony
6 was filed in October, through supplementary testimony, and
7 then argued that he needed it as part of this Application.
8 And, I want to raise to the Committee the fact that this
9 late change in the process is objectionable.

10 MS. BAILEY: Do you have a response?

11 MS. GEIGER: Yes. I mean, I -- I mean,
12 to the substantive issue, I think the met tower
13 information that we are seeking certification of was, you
14 know, was not filed with the original Application, it was
15 filed with the supplemental Application. I think we've
16 had plenty of time up to this point. If Ms. Linowes had
17 an objection, she could have filed a motion prior to this.
18 So, I don't know why we're spending a lot of time and
19 energy, you know, talking about this subject. But the
20 deadline for filing supplemental information was October
21 11th, and we filed all of the supplemental information
22 that we had up to that point.

23 MS. LINOWES: I'm sorry, madam
24 Chairman --

[WITNESS: Kenworthy]

1 MS. GEIGER: And, if Ms. Linowes has any
2 arguments about the Applicant's qualifications, based on
3 the fact that we have exercised our right to supplement
4 the Application, then I would respectfully urge her to
5 make that argument, if she has one, in post hearing
6 briefs. I just don't think we need to spend a lot of time
7 and energy here this morning talking about what was filed
8 and when it was filed.

9 (Ms. Bailey conferring with Atty.
10 Iacopino.)

11 MS. BAILEY: Mr. Roth, did you have
12 something to add?

13 MR. ROTH: Yes, just very briefly. It
14 seems the objection was to relevance. I think Ms. Linowes
15 made a fairly cogent explanation of why it was relevant.
16 And, if nothing else, it's relevant, because it's now in
17 the Application, as Attorney Geiger just described. And,
18 I think Ms. Linowes is entitled to ask questions about
19 "why it's in there now and wasn't in there at the
20 beginning?" That seems perfectly relevant to this
21 proceeding.

22 MS. BAILEY: I think the fact of when
23 they put it in the record is in the record. So, let's
24 move onto the next the question.

[WITNESS: Kenworthy]

1 BY MS. LINOWES:

2 Q. Okay. Then, I'd like to move on to decommissioning.

3 And, this was referenced to April -- the Appendix 17,
4 which would be -- I think it's 17A, which is the
5 agreement between Antrim and AWE.

6 MR. IACOPINO: That would be AWE 4.

7 MS. LINOWES: Thank you.

8 MR. IACOPINO: Do you know which section
9 you're going to be referring?

10 MS. LINOWES: Oh, yes. Section 14. --
11 it's Page 11, Section 14.1.1.

12 MR. IACOPINO: Thank you.

13 BY MS. LINOWES:

14 Q. And, at that point, it says, "The Owner shall submit",
15 the "Owner" being Antrim Wind, "shall submit a detailed
16 estimate of...costs associated with site-specific
17 decommissioning activities...[net of estimated] salvage
18 value...to the Town before construction of the wind
19 farm commences", is that correct?

20 A. Yes, it's correct.

21 Q. Do you have any information that you have provided for
22 the Site Evaluation Committee regarding the
23 decommissioning plan, other than what was in this
24 section of the agreement?

[WITNESS: Kenworthy]

1 A. I'd have to go back and look through the Application.
2 I believe that this section of the agreement with the
3 Town of Antrim is what's been referenced in the
4 Application.

5 Q. Okay. Now, in Section 14.1.3, you state that a
6 decommissioning plan will be submitted "no less than
7 [until] three months prior to the start of
8 decommissioning", is that accurate?

9 A. Yes. That's what 14.1.3 says.

10 Q. So, the agreement that you signed with the Town of
11 Antrim, you are under no obligation by this wording to
12 produce a decommissioning plan until decommissioning is
13 close to commencing, is that correct?

14 A. I don't think that's really accurate. What the
15 agreement requires of us is that we will submit an
16 estimate of the costs of very site-specific
17 decommissioning activities to the Town --

18 Q. Excuse me. Where does that say that? Where --

19 A. Yes. I'm sorry. That's in the section --

20 MS. BAILEY: Guys, you've got to wait
21 for him to finish.

22 MS. LINOWES: Okay.

23 MS. BAILEY: And then ask the next
24 question, please.

1 **BY THE WITNESS:**

2 A. This is in Section 14.1.1. "The Owner shall submit a
3 detailed estimate of both the costs associated with
4 site-specific decommissioning activities and the
5 salvage value of the decommissioned materials from the
6 site to the Town before the construction of the wind
7 farm commences. The estimates shall be prepared by a
8 qualified third party consultant, reasonably
9 satisfactory to the Town, with experience in wind farm
10 decommissioning and salvage value estimates. These
11 estimates shall be updated and submitted to the Town
12 every three years thereafter."

13 BY MS. LINOWES:

14 Q. Okay.

15 A. So, I think that describes what we are required to do
16 in advance of any construction occurring. The 14.1.3
17 requirement sets forth an additional requirement of us,
18 to provide the Town with a detailed decommissioning
19 plan in advance of that decommissioning work actually
20 commencing.

21 Q. Okay. All right. And, then, but, in the event that
22 you disappeared after five years, you abandon the
23 Project, or ten years, and the Project is -- it falls
24 into the hands of the town or some public entity to

[WITNESS: Kenworthy]

1 decommissioning -- to decommission that Project, they
2 will not necessarily have any plan in hand, is that
3 correct?

4 A. Well, we will have, initially, prior to construction,
5 and thereafter every three years, have retained an
6 engineering consultant that has been acceptable to the
7 Town, who has produced a detailed decommissioning cost
8 estimate that will be available to both Antrim Wind and
9 the Town. So, there will be an engaged consultant, who
10 knows the Project, who's evaluated decommissioning, and
11 created a decommissioning cost estimate that's been
12 provided to the Town initially and every three years
13 thereafter.

14 Q. Okay. I guess I don't -- we can move on. I'm just not
15 sure I'm understanding -- fully understanding the
16 difference between a plan and that. Okay. So, then, a
17 few quick questions about this. You had stated in the
18 section, I believe, 14.2.2 of the agreement that the
19 decommissioning funding assurance, there will be some
20 money set aside that will either be equal or greater --
21 excuse me, "the Owner shall provide decommissioning
22 funding assurance in the amount equal to [or] greater
23 of the Site-specific decommissioning estimate of
24 \$200,000", is that correct? So, either \$200,000 or

[WITNESS: Kenworthy]

1 some amount greater, based on that cost estimate, is
2 that your understanding of it? 14.2.2?

3 A. I see it. Thank you. What this sets forward is that,
4 obviously, we have to generate the estimate, and that
5 estimate is an estimate net of salvage value. And, so,
6 if, for example, that number is -- that the salvage
7 value exceeds the cost of decommissioning, in the first
8 instance, which is very likely to be the case in the
9 early years of a project, then we still need to provide
10 decommissioning funding assurance in the amount of
11 \$200,000, because there needs -- so that amount will be
12 available to the Town as kind of an extra insurance.
13 However, if the cost to decommission is greater than
14 the salvage value, there's going to be an amount of
15 money that is required to effect the decommissioning,
16 and the funding assurance will be that amount, plus
17 25 percent.

18 Q. Okay. Now, of that \$200,000 or whatever amount you
19 arrive at, do you -- can you say today that that amount
20 will be sufficient to cover the costs of renting the
21 crane to dismantle the turbines? Just a "yes" or "no".

22 A. Well, again, the site-specific decommissioning cost
23 estimate is a net cost, net of salvage value.

24 Q. I understand that.

[WITNESS: Kenworthy]

1 A. So, no. You know, our kind of rough estimate of
2 decommissioning expense for the Project as of today
3 would be somewhere in the vicinity of \$2 million to
4 decommission that facility.

5 Q. Okay.

6 A. And, you're talking about a value of, you know, some 30
7 plus million dollars that's on the site, or more.

8 Q. Okay. Well, that's useful then. Let's talk about the
9 salvage value, and then I'll be done with my questions,
10 I believe, yes. Let's talk about that. You're saying
11 that the cost to decommissioning the ten turbines would
12 be about \$2 million?

13 A. Rough numbers.

14 Q. Rough numbers. The salvage value, you're estimating
15 that there might be somewhere in the range of
16 \$180 million -- excuse me, \$1.8 million salvage value,
17 roughly, minus \$200,000?

18 A. I'm sorry, I'm not following you.

19 Q. How much do you think the salvage value -- if you're
20 saying today to decommission would be \$2 million, how
21 much are you thinking in your mind that the salvage
22 value of the turbines would be?

23 A. Honestly, I don't know. But what we have committed to
24 do is to hire an engineer acceptable to the Town to

[WITNESS: Kenworthy]

1 come up with that number.

2 Q. But you put out a number of 200,000?

3 A. The \$200,000 that is in our Section 14.2.2 is the
4 minimum amount of decommissioning funding assurance
5 that we would need to provide to the Town in order to
6 ensure that they could effect decommissioning, and that
7 number, it's either going to be that number, or the
8 actual estimate, plus 25 percent.

9 Q. Okay. And, that's -- so, the decommissioning, so to
10 effect it, that is net the salvage value? The value,
11 net the salvage value, that's the amount of money left
12 over, correct? So, you're expecting they're going to
13 make -- recoup some benefit by the -- from the salvage
14 value?

15 A. I'm sorry, I'm not understanding your question. Who is
16 "they"?

17 Q. The Town. If you have \$2 million, if you're expecting
18 a cost of \$2 million to decommissioning the turbines,
19 and you expect there's going to be salvage value
20 associated with it, what value are you putting in
21 there? You're saying you don't know yet. But you're
22 at least saying \$200,000 would cover the costs of
23 effecting the decommissioning?

24 A. No, that's not what I'm saying.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. Okay. Then, could you explain that again?

2 A. Yes. Each year -- before the Project commences
3 construction, an engineer will evaluate what it is
4 expected to cost, an engineer acceptable to the Town,
5 with experience in wind farm decommissioning, so a
6 qualified engineer, will generate a plan for what it
7 will actually cost to decommission the facility, and
8 what the salvage value of that facility is.

9 Q. Okay.

10 A. And, there will be a net number there. In the event
11 that the salvage value exceeds the cost to
12 decommission, so there's more value up there than it
13 costs to get it down, we still post \$200,000 in
14 decommissioning funding assurance. In the event that
15 there is a -- that it costs more to get the facility
16 down than the salvage value has, --

17 Q. Okay.

18 A. -- then we pay that amount, plus 25 percent.

19 Q. Oh. Okay. I understand. So, you're saying that it's
20 going to cover them, that basically it's a net/net.

21 The salvage value and the decommissioning are going to
22 pretty much net/net out for up to -- and then there's a
23 buffer of \$200,000, is that what I'm understanding?

24 A. No, I think I just explained how it works. I'm not

[WITNESS: Kenworthy]

1 saying "it's a net/net", I'm not saying "there's a
2 \$200,000 buffer." I'm saying, we will create a plan.
3 We will have a qualified engineer estimate those costs.
4 And, again, if it costs more to decommission the
5 facility than there is value in the facility, then we
6 will post that amount, plus a 25 percent buffer on that
7 amount. If there is far more value, as estimated by a
8 qualified engineer, up on the hill than it costs to get
9 it down, then we'll still post \$200,000 as a minimum.
10 And, that number will be updated every three years to
11 ensure that the correct amount of decommissioning
12 funding assurance is always available.

13 Q. Okay. I think I understand what you're saying. Then,
14 to that point, you would be anticipating that this
15 engineer, who has all of this ability, will estimate
16 the cost of the salvage, also estimate the cost of
17 breaking down the turbines into three to four foot
18 pieces so they could be hauled away? Just "yes" or
19 "no". Have you ever been through a decommissioning
20 process before?

21 A. No, I have never decommissioned a utility scale wind
22 farm. But, again, what we have committed to do is to
23 hire a qualified firm to generate the decommissioning
24 estimate that's approved by the Town, and that will

[WITNESS: Kenworthy]

1 include whatever is required to decommission that
2 facility, including hauling these components off, to be
3 able to achieve the maximum salvage value for them.

4 Q. And, the cost of disposing of materials that cannot be
5 recycled or salvaged? The real --

6 A. I'm sorry, is that a question?

7 Q. Yes, I am asking. Are these all going to be accounted
8 for? Because you did not put anything in the
9 agreement, other than saying that you will hire someone
10 -- that someone will be hired at the Town's approval
11 who will do this. So, the Site Evaluation Committee,
12 and, ultimately, the public in the State of New
13 Hampshire, not just Antrim, may be stuck with a
14 project, if it's not properly addressed.

15 MS. GEIGER: Excuse me, madam
16 Chairwoman. Is that a question or is that a statement of
17 testimony?

18 MS. LINOWES: It's not a statement of
19 testimony. I'm trying to get to this -- I'm trying to
20 understand better what he means by "decommissioning". But
21 I will hold off then, if there's no answer to that then.

22 MS. BAILEY: I think your question is,
23 basically, "what is included in the decommissioning
24 costs?"

[WITNESS: Kenworthy]

1 MS. LINOWES: Yes. That's what I'm
2 trying to get my arms around, but, apparently, and I -- as
3 part of this proceeding.

4 MS. BAILEY: Do you know what is
5 included in the decommissioning costs?

6 WITNESS KENWORTHY: Well, again, the --
7 so, what the agreement that we have with the Town of
8 Antrim states, in Section 14.1.1, is that "The plan and
9 estimate shall include the cost" -- "shall also include
10 the cost of removing the foundations down to 18 inches
11 below grade." So, it doesn't get into great detail about
12 exactly what's going to be included in decommissioning.
13 But it does include, obviously, the removal of the
14 turbines from the site and the removal of foundations down
15 to 18 inches below grade.

16 BY MS. LINOWES:

17 Q. It does include removal from the site or does it
18 include just dismantling them?

19 A. I don't believe it actually specifies that in this
20 particular agreement. We have other obligations for
21 decommissioning included in our land leases with
22 landowners.

23 Q. Have you made those available to anyone?

24 A. No, we have not.

[WITNESS: Kenworthy]

1 Q. Is that something that is considered confidential, that
2 element of the agreements?

3 A. No. I think we can make available the decommissioning
4 requirement component of those agreements.

5 MS. LINOWES: Madam Chairman, could we
6 make that an exhibit?

7 MS. BAILEY: Yes, please. Thank you.

8 MS. LINOWES: Thank you. I'm all set.

9 MS. BAILEY: Thank you. And, thank you
10 for keeping it to a half an hour. Okay. I think we're on
11 Mr. Roth. Is there anybody else who wasn't here yesterday
12 who was on the list for cross-examination?

13 MR. FROLING: Madam Chairman, I was here
14 yesterday, and waived examination, but I have about five
15 minutes of rebuttal questions, which arose from testimony
16 which was given yesterday.

17 MR. IACOPINO: And, Mr. Stearns, you
18 have the same request?

19 MS. STEARNS: I have similar questions
20 on rebuttal.

21 MR. IACOPINO: Why don't we deal with
22 that after Mr. Roth's questions, because his questions may
23 answer your questions.

24 MR. ROTH: I only have a few.

[WITNESS: Kenworthy]

1 MS. BAILEY: Thank you.

2 MR. ROTH: I only have a few questions.

3 Everybody who's gone before me has been so thorough.

4 BY MR. ROTH:

5 Q. Mr. Kenworthy, while we were talking about the
6 decommissioning, I just have two questions about that.
7 And, the first one is, when you finance this Project,
8 do you expect that a lender would want to take a
9 mortgage and a lien on all of the assets of the entity,
10 including the turbines and the equipment?

11 A. Mr. Roth, respectfully, I think that's probably a
12 question better asked for the Cofelice and Pasqualini
13 panel.

14 Q. So, you don't know whether a lender or a financier or
15 Acciona would want to take a lien on all of the
16 equipment and assets of the entity, including the
17 turbines and the like?

18 A. Again, I believe the answer is best given by Mr.
19 Pasqualini.

20 Q. That wasn't my question. So, are you saying that you
21 don't know?

22 A. Can you repeat the question please?

23 Q. Will a lender or an equipment seller, such as Acciona,
24 expect to take a lien on the assets of the enterprise,

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 including the turbines installed?

2 A. I would not expect that the turbine vendor is going to
3 be taking a lien on the assets. I think, if there is
4 debt on the Project, then, certainly, the debt would
5 have a lien on the Project. I think, if it's tax
6 equity financed, that, in the same way, kind of a tax
7 equity acts as debt in that capacity.

8 But, again, I think, for more detail
9 about that arrangement, it's better asked to
10 Mr. Pasqualini and Cofelice.

11 Q. I'm really not looking for detail. I'm just trying to
12 --

13 A. Sure.

14 Q. -- understand, from your perspective, will there be a
15 mortgage or a lien on the equipment installed at the
16 site?

17 A. I think it's certainly likely that there will be, yes.

18 Q. Okay. Thank you. That wasn't bad. In light of that,
19 who do you think would want the salvage value of the
20 turbines, when it comes time to take them down? Do you
21 think that the lender with the lien is going to expect
22 to get the salvage value?

23 A. I understand your question. I certainly think it's
24 possible. But I think the context of your question is

[WITNESS: Kenworthy]

1 important, because if, and, again, this is probably why
2 it's a better question for Mr. Pasqualini and Mr.
3 Cofelice to be able to answer things about the tenor of
4 any debt, about the term of any financing that may
5 occur on the site. Because, generally, the site will
6 not be being decommissioned. I mean, we expect a
7 20-year life of this facility. And, financing is going
8 to be for -- likely to be for some period less than
9 that. And, again, I don't want to get into those
10 particular details. But, assuming that the interest of
11 any lien holder is to keep that asset operating for its
12 full useful life, to be able to generate those returns,
13 then, you know, that lien would no longer necessarily
14 exist at that time, because you're at the end of the
15 useful life of a project.

16 Q. Assuming the mortgage has been paid off, correct?

17 A. Correct.

18 Q. Okay. Let's -- let me give you a hypothetical. Let's
19 say, after ten years of operation, you have not paid
20 off your mortgage, and you determine that it's no
21 longer a viable project, because the wind data was
22 wrong or climate change occurs, and it's no longer
23 producing the electrons that make it worth doing.

24 A. Uh-huh.

[WITNESS: Kenworthy]

1 Q. And, the timing, that is, and I assume there's a timing
2 in your decommissioning plan that says, after some
3 number of days or years of non-operation,
4 decommissioning must occur?

5 A. Right.

6 Q. At that point, do you expect that the lender will come
7 and take down the equipment or do you think the lender
8 would just walk away and let the Town have the salvage
9 value of it?

10 A. Again, I'm not in a position to speculate about what a
11 lender may or may not do. And, the salvage value is
12 not intended to provide the Town with a source of
13 revenue. It's intended to be in place to effect
14 decommissioning obligations.

15 Q. Okay. I understand that.

16 A. So, the Project will have, in that instance, provide a
17 decommissioning funding assurance that will be
18 available to the Town to effect decommissioning, if
19 required, and updated each three years. So, if a
20 lender were to want to decommission the facility and
21 take all the salvage value, great. That accomplishes
22 the decommissioning need. If the lender were to
23 abandon the Project, then the decommissioning funding
24 assurance is there in sufficient supply to effect

[WITNESS: Kenworthy]

1 decommissioning.

2 Q. Do you expect that the engineer who will be preparing
3 these three-year analyses --

4 (Cellphone ringing.)

5 DIR. STEWART: Sorry.

6 MR. ROTH: Mr. Stewart.

7 DIR. STEWART: Sorry.

8 BY MR. ROTH:

9 Q. Do you expect that the engineer who's preparing this is
10 going to prepare the salvage value estimates net of the
11 mortgage lien?

12 A. I'm not sure I totally understand your question.

13 Q. Well, if the engineer that does this report, let's say,
14 three years from now, says, "okay, salvage value is
15 \$1 million, but the Project owes 60 million in debt,
16 and, therefore, there is zero salvage value." Do you
17 understand what I'm saying?

18 A. I'm following your hypothetical.

19 Q. Okay. Will the engineer say, "therefore,
20 decommissioning responsibility on year three is
21 2 million, minus zero for salvage value, because that
22 goes to the lender"?

23 A. Again, the thing that's confusing me about your
24 question is that the salvage value only exists if it is

[WITNESS: Kenworthy]

1 salvaged. In other words, if the actual
2 decommissioning occurs. And, so, that's the whole
3 point of the decommissioning component of the
4 agreement, is to ensure that the facility is
5 decommissioned. So, no matter what happens with any
6 net salvage value after the facility has been
7 decommissioned, it's accomplished its purpose in this
8 agreement, which is to make sure that the facility is
9 decommissioned.

10 Q. Okay. Now, let's look at what's up there. On the --
11 at the installation, you have a concrete pad that
12 you're supposed to take down, down to 18 inches below
13 ground level, correct? You have a very long steel
14 tower that has probably, you know, I don't know if
15 those can be reassembled somewhere else or whether they
16 just take them down and melt them for scrap. And,
17 then, you have a nacelle and a rotor and blades, right?
18 Is it fair to say that the most valuable part of that
19 machine is the nacelle and the rotor and the blades?

20 A. I can't necessarily say that. I think it's certainly
21 possible that machines could be decommissioned and
22 refurbished and installed elsewhere, in the case of
23 nacelles, generators, gear boxes, rotors and blades.
24 But, certainly, steel is a big component of the salvage

[WITNESS: Kenworthy]

1 value that's in these facilities, which, obviously,
2 includes tower sections and steel components that are
3 inside the generators and nacelles as well.

4 Q. Well, that's --

5 A. I can't speculate what's going to be the most valuable
6 at the time of decommissioning, no. I don't know.

7 Q. Okay. So, at, let's say, five years out, ten years
8 out, you wouldn't agree with me that the machinery on
9 the top of the tower is going to be the most valuable
10 part of the thing?

11 A. Again, I understand why it may be. At ten years out,
12 you've got ten years of useful life ostensibly left at
13 least in that turbine. But it's value is a function of
14 what it may cost to install it somewhere elsewhere,
15 what the value of the power that it may produce is.
16 And, I can't speculate, in ten years from now, what
17 exactly that value is going to be for some particular
18 place.

19 Q. Okay.

20 A. So, it may be the case. But it may also be the case
21 that the highest salvage value is scrap.

22 Q. Okay.

23 A. I don't know. But the plan will have to take that into
24 account.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. So, I guess, going back to one of my earlier questions,
2 because I'm not sure I -- either I didn't understand
3 your answer or you didn't answer it. Do you expect
4 that your engineer will account, when he does these
5 reports, for the likelihood that the bank will want to
6 take the valuable stuff, whatever it is?

7 A. I do not believe that that will be in their scope.

8 Q. Okay. That's --

9 A. Because their purpose is to estimate the cost to
10 decommission the facility, and the salvage value of
11 materials coming off of that facility, and come up with
12 a number that estimates what that net is. So, I think
13 what our agreement does is require that not only that
14 that plan and estimate be -- or, that estimate, I
15 should say, be in place, but that, to the extent that
16 it may be required, the Town has the ability to utilize
17 that decommissioning funding assurance, if it's
18 necessary to accomplish decommissioning. In which
19 case, if there is a lien holder at that time still, the
20 only thing that would be available to them would be
21 what remains after decommissioning has occurred. Does
22 that make sense? I'm trying to answer your question.

23 Q. I think so. As far as you know, would you expect that
24 the lender is bound by the decommissioning plan between

[WITNESS: Kenworthy]

1 the Applicant and the Town?

2 A. In other words, does the lender have the same
3 obligation as Antrim Wind in its agreement with the
4 Town?

5 Q. Yes. Let's go back to my hypothetical. If ten years
6 from now the Project discovers that it's no longer
7 financially a good idea, and you abandon it. It stops
8 operating. And, the lender comes in and forecloses and
9 takes down the stuff. Is it going to be required,
10 under any of your agreements with the Town, to perform
11 your obligations that you owe to the Town under the
12 decommissioning plan?

13 A. That would be my understanding.

14 Q. That the lender would be required to perform your
15 obligations to decommission the site?

16 A. I mean, if it is a -- the entity, and its successors
17 and assigns has that obligation, and, so, if the lender
18 is stepping into the shoes of the entity in a
19 foreclosure as you described, then it has those
20 obligations.

21 Q. Okay. Now, you are an experienced business person. Do
22 you expect that the lender would actually step into the
23 shoes of the entity? Or, do you think they would just
24 come and take the assets and sell what was valuable?

[WITNESS: Kenworthy]

1 A. Well, I think it depends, I suppose, on the
2 circumstances. And, I don't know the answer, given
3 different potential sets of circumstances. But I think
4 -- I guess, again, in that case, if you're raising the
5 question as to whether or not they would remove the
6 valuable stuff and leave the rest, my understanding is
7 that the entity has a legal obligation to effect
8 decommissioning, both to the Town and to the landowners
9 from which it leases property. That would not just
10 simply be escapable by a lender, who took over the
11 responsibilities and assets of that company. That's my
12 understanding.

13 Q. Okay. Thank you. Now, starting now with the questions
14 about the PPA, you submitted a bid of some kind to --
15 now I'm confused who it was, National Grid, in Rhode
16 Island?

17 A. That's correct.

18 Q. Okay. And, can you provide a copy of that bid?

19 A. There's a great deal of confidential information in
20 that bid. I think we would need to look through that,
21 in terms of which elements could be provided.
22 Certainly, I think there are elements of that bid that
23 could be provided. If it's relevant information, I
24 think the -- certainly, the pricing information, and

[WITNESS: Kenworthy]

1 probably certain other information, would be, I think,
2 on price even, my understanding, is it's not
3 discoverable.

4 Q. Well, setting aside the confidentiality, --

5 A. Yes.

6 Q. -- which we've more or less been able to work through
7 in this case, --

8 A. Uh-huh.

9 Q. -- subject to a protective order, would you provide a
10 copy of that bid?

11 A. I think there are components of it that we could
12 probably provide in a redacted form, yes.

13 MR. ROTH: Okay. And, could I ask that
14 that be included in the record please?

15 MS. BAILEY: Yes.

16 MR. IACOPINO: I would suggest that
17 counsel speak about exactly what is going to be included
18 in there.

19 MR. ROTH: Okay.

20 MS. GEIGER: And, I mean, I have not
21 seen the bid, so I don't know what it consists of. But,
22 my understanding is, typically, if there has been an RFP
23 issued for any type of solicitation, that the bids
24 typically are maintained confidential by the entity that

[WITNESS: Kenworthy]

1 is floating the RFP, until such time as an award is
2 granted. I know that's the case with state contracts, for
3 example. Bids are confidential until there's an award.
4 So, I don't even know if -- I know Mr. Kenworthy wants to
5 be cooperative, I'd like to be cooperative and provide the
6 information. I just don't know if the scope of National
7 Grid's RFP allows dissemination of bid information at this
8 point. We will check and we'll let you know what we can
9 submit.

10 MR. ROTH: Thank you.

11 MR. IACOPINO: Yes. And, when do you
12 all think you can report back to us on that?

13 WITNESS KENWORTHY: We can report back
14 shortly. It won't take us long to discuss and review it.
15 Actually being able to go through the entire -- I mean,
16 the bid itself is a substantial document. It's not a
17 short document. So, it will take some time to go through
18 and actually look for the confidential information. To be
19 able to come back to the Committee and indicate whether or
20 not we have the ability to disclose it in any form at all
21 right now will not take us long, tomorrow.

22 MS. BAILEY: Okay. Thank you.

23 BY MR. ROTH:

24 Q. Now, I'm going to ask a question based on a

[WITNESS: Kenworthy]

1 confidential document, but it's not -- I'm not looking
2 for you to disclose any confidential information. And,
3 that is, if you turn to Public Counsel Exhibit Number
4 7, the confidential paper.

5 MS. BAILEY: So, Mr. Roth, that's the
6 Deloitte report?

7 MR. ROTH: That's correct. That's the
8 Deloitte report, to Page 32.

9 MS. BAILEY: For the benefit of the
10 Committee members, the confidential information contained
11 in the confidential version of the Deloitte report, it's
12 not marked what's confidential and what is not. So, I
13 think you're going to refer to confidential information
14 without saying it on the record?

15 MR. ROTH: That's correct.

16 MS. BAILEY: Okay.

17 BY MR. ROTH:

18 Q. Now, without actually saying the number, okay, we're
19 using dog whistle testimony, looking at Page 32, is
20 your bid to --

21 MS. BAILEY: National Grid.

22 MR. ROTH: -- National Grid. Thank you,
23 madam Chairman.

24 BY MR. ROTH:

[WITNESS: Kenworthy]

1 Q. If you look at Table 14, is your bid equal to or less
2 than -- equal to or greater than the "No --

3 (Court reporter interruption.)

4 BY MR. ROTH:

5 Q. -- equal to less -- equal to or greater than the "No
6 PTC case"?

7 A. Yes. I think I would -- there's a two-part answer to
8 that from me. I think the first one is that I believe
9 answering it is potentially disclosing competitively
10 sensitive information to us, even without discussing
11 the number. The second piece of my answer is that the
12 nature of the response of the bid and the way that we
13 priced the energy and RECs and capacity in our bid
14 response, is different than this particular format that
15 you see here in the "No PTC case". And, so, I would
16 need to check, in the first instance, to be able to
17 answer that question accurately. But I also think that
18 answering it may be disclosing competitively sensitive
19 information.

20 MR. ROTH: Well, I was hoping to do this
21 without a confidential session. But I think, before I go
22 any further with it, we would need to do that. And, I'm
23 not suggesting that we do that right now. But I just want
24 to point out that I think exploring the responses to the

[WITNESS: Kenworthy]

1 question that were just offered would be more than a
2 little difficult and time-consuming to do without actually
3 talking about the information. And, so, I guess, I don't
4 know how you want to handle that, madam Chairman?

5 MR. IACOPINO: May I ask him a question?
6 Mr. Roth, would it make sense for you to submit a
7 confidential data request to them that would be answered
8 presumably confidentially, in writing, rather than having
9 Mr. Kenworthy have to go look and check and then come back
10 and, you know, worry about disclosing commercially
11 sensitive information? In other words, does it make sense
12 to deal with this part of your examination in writing?

13 MR. ROTH: What I'm concerned about, and
14 if -- that would, that may be a perfectly acceptable way
15 to approach it, except for the first part of his answer,
16 which is he doesn't think -- he's not sure he can respond
17 to it at all, which I think is maybe a question of law,
18 and would require a ruling. And, so, I'd rather get past
19 that part first. Because, if he's saying that the energy
20 price, whatever it is, and however it's configured in
21 their bid, is something that, you know, he will never tell
22 even with a gun to his head, because National Grid won't
23 let him, then we have a problem, both with respect to
24 financial capability and the use of any of this

[WITNESS: Kenworthy]

1 information in this proceeding. Because, if he refuses to
2 answer information about it, because he can't, and I'm not
3 saying he's being obstinate, but he says he can't, then
4 it's really not fair for the Committee to consider this
5 whole idea of short listing, because it has really no
6 meaning and it's illusory.

7 So, what I would ask for is, perhaps,
8 whether it goes through a briefing and a ruling or however
9 it gets down, or maybe it's an informational thing from
10 the Applicant and his counsel, for there to be some
11 clarity on whether he can even begin to discuss the
12 pricing and the energy that's provided in this PPA bid.

13 MR. IACOPINO: Do you --

14 MS. GEIGER: I guess my response to that
15 is that, clearly, the numbers that are in the Deloitte
16 report, we, obviously, would agree we could discuss. But,
17 insofar as what this Applicant is bidding, on the price
18 that it's bidding for power contracts, we would submit
19 that that's not relevant for this Committee's
20 determination.

21 This Committee has found in the past
22 that the most important thing that determines whether or
23 not an Applicant is financially capable to meet the
24 conditions of the certificate is the existence of

[WITNESS: Kenworthy]

1 financing. And, typically, applicants need a PPA to get
2 financing. So, really, what has been done in the past by
3 the Committee is to impose a condition on the Applicant
4 that they can't commence construction until they come back
5 to you and give you evidence of financing. And, this
6 Applicant is perfectly willing to accept that condition.

7 So, getting into the weeds now about
8 what it might be bidding on one power contract, and
9 whether it even has a power contract at all, I don't think
10 the Committee needs, in order to find that the Applicant
11 has financial capability, what the Committee needs is, as
12 it has done in the -- for example, the Granite Reliable
13 Power docket, is to impose a condition saying "No
14 commencement of construction until you come back and
15 demonstrate you actually have financing", because the
16 acquisition of financing is what demonstrates financial
17 capability.

18 MR. ROTH: Madam Chairman?

19 MR. IACOPINO: Can I ask a question,
20 based on her? Don't you agree, though, that your client
21 is coming in and has asserted that "I am now on a short
22 list to have a possible PPA." I'm sure that that was
23 presented to the Committee not just for informational
24 purposes, but also on the issue of whether or not your

[WITNESS: Kenworthy]

1 client has the financial, managerial, and technical
2 capabilities to operate -- construct and operate the
3 Project.

4 MS. GEIGER: I'm sorry, Mr. Iacopino.
5 I'm getting older, and I really can't hear you.

6 MR. IACOPINO: I'm sorry. Your client
7 has come in and presented to the Committee the fact that
8 they now are on a short list for a PPA with somebody who's
9 going to presumably offtake the power, the RECs, and the
10 capacity. I assume that that information was provided to
11 this Committee in order to persuade it that your client
12 does have the financial, managerial, and technical
13 capability to construct and operate this Project. What
14 Mr. Roth appears to be saying is that, "well, if we can't
15 get into that, shouldn't the Committee just disregard that
16 fact that they're on some short list on a PPA?" And, do
17 you agree that, if you do not provide the information that
18 is being asked, you know, don't you agree that the
19 Committee should consider that in determining the weight
20 of your evidence with respect to financial, managerial,
21 and technical capabilities?

22 MS. GEIGER: I think you're correct that
23 Mr. Kenworthy did provide an update to his written
24 testimony indicating that Antrim Wind has been placed on a

[WITNESS: Kenworthy]

1 short list. I agree that that's relevant to the issue of
2 financial capability. But, as I've just indicated, the
3 Committee itself has found that the dispositive fact on
4 financial capability is financing. This is just a bid, as
5 I've been given to understand. It may very well be that
6 the Applicant doesn't end up with a power purchase
7 agreement. But that in and of itself shouldn't stop this
8 Committee from making the determination that the Applicant
9 has financial capability.

10 As it did in the GRP case, the Committee
11 has imposed a condition indicating that the Applicant can
12 come in and can submit evidence of financing in order to
13 satisfy that criterion. So, right now, all we know is
14 that there's a bid. I think the fact that there is a bid
15 and that there's a short list status here is important.
16 But we're not relying totally on that piece of information
17 to make our case.

18 MR. IACOPINO: But you agree that, in
19 the absence of providing more information about that, that
20 the Committee should place whatever weight it deems
21 appropriate on that presentation, that there's now this
22 short list that --

23 MS. GEIGER: That's fine. We can
24 provide evidence that we're on the short list. But how we

[WITNESS: Kenworthy]

1 got there, in terms of the bid information, I just don't
2 know if that's going to be available.

3 MR. ROTH: I would go further than that,
4 and I would ask that the references in the record to the
5 "short list" be struck. Because, clearly, what the
6 Applicant is trying to do is have it both ways. They want
7 it to be not relevant when we ask questions about it, but,
8 of course, it's relevant when they want to make an
9 unchallenged assertion about it.

10 So, I ask that all of that information
11 be struck. And, I actually, you know, it's not simply a
12 request, this is a motion to strike that information from
13 the record.

14 MR. IACOPINO: Before we get there,
15 though, Mr. Roth, let's me ask you a question. Is it all
16 right with the Chair?

17 MS. BAILEY: Yes.

18 MR. IACOPINO: I may have jumped ahead a
19 step here. But I understood that the Applicant was going
20 to check and see if they can provide the information.
21 And, so, we're a step ahead of that. If they can provide
22 it, I assume we're back to the question of what form it
23 comes in?

24 MR. ROTH: Well, with all due respect, I

[WITNESS: Kenworthy]

1 thought I heard Attorney Geiger just describe why it
2 wasn't going to be produced and why it couldn't be
3 produced. So, we're dealing right now with her objection
4 to relevance. And, I think, if she's going to take the
5 position that the information is not relevant, then I'm
6 going to move to strike all of it from the record, because
7 I think that that particular objection goes both ways.

8 MR. IACOPINO: I'm not sure that that's
9 what I heard. But is that your position, it's irrelevant
10 and should not be?

11 MS. GEIGER: I think we all jumped
12 ahead. And, I think the most prudent thing to do would be
13 for me to take time with my client, to determine the scope
14 of the confidentiality that exists, if any, with respect
15 to the bid that we're talking about, and see what, if any,
16 information we can provide.

17 MR. IACOPINO: Why don't we do that.
18 And, then -- if it's okay with the Chair? And, then, deal
19 with, if you need to make the motion at that point in
20 time, we'll deal with it at that point in time. And,
21 then, the one issue that we will have to resolve is, does
22 Mr. Kenworthy come back and testify about this or is this
23 something that's better offered to the Committee through a
24 paper filing of some sort?

[WITNESS: Kenworthy]

1 MR. ROTH: Okay. I guess, rather, I
2 would just ask that the motion be tabled.

3 MR. IACOPINO: That's fine. However you
4 want to refer to it.

5 MR. ROTH: A motion is made, and I would
6 like it enacted upon, once we have more information from
7 the Applicant.

8 MR. IACOPINO: I would recommend to the
9 Chair that she reserve ruling on your motion until we have
10 more information.

11 MR. ROTH: Thank you. I appreciate
12 that.

13 MS. BAILEY: I will reserve ruling on
14 your motion until we have more information.

15 MR. ROTH: Thank you, madam Chairman.

16 MS. BAILEY: And, Ms. Geiger, how long
17 do you think it will be before we have the information?
18 Tomorrow? Or, you don't know?

19 MS. GEIGER: I honestly don't know. I'd
20 have to defer to Mr. Kenworthy, and perhaps others, to
21 find out.

22 WITNESS KENWORTHY: Yes. I'm sorry. I
23 thought that was my indication. I think we can have a
24 discussion internally today, and at least let the

[WITNESS: Kenworthy]

1 Committee know what our position is by tomorrow.

2 MS. BAILEY: Okay. Thank you. Ms.
3 Linowes?

4 MS. LINOWES: Yes, madam Chair. I just
5 wanted to raise again my objection to the fact that the
6 other members of other intervenors have been prohibited
7 from access to any of the confidential information in this
8 proceeding. And, by virtue of what Mr. Roth has raised, I
9 personally will be locked out of any opportunity to
10 participate in that proceeding, if this is maintained as
11 confidential. So, I'm not sure where to go with that, but
12 it is an ongoing issue. Thank you.

13 MS. BAILEY: Okay. Your objection is
14 noted. Thank you.

15 MR. ROTH: And, I guess, related to
16 that, we are still waiting for a final ruling on the
17 confidentiality of the Deloitte report. Is there -- do we
18 have some idea of when that's coming? Is that going to
19 come before the hearing is over?

20 MR. IACOPINO: Maybe.

21 MS. BAILEY: Mr. Iacopino.

22 MR. IACOPINO: Maybe. I don't think
23 you'll see any more of the report than has already been
24 released. There may be an order that explains why.

[WITNESS: Kenworthy]

1 MR. ROTH: Okay. Thank you.

2 MS. BAILEY: Okay. I think this might
3 be a good time to take a break for the reporter.

4 MR. ROTH: I do have more questions, but
5 that's a fine thing to do.

6 MS. BAILEY: Well, do you have a lot
7 more questions?

8 MR. ROTH: No, but I'm happy to take a
9 break now.

10 MS. BAILEY: Okay. All right. Let's
11 take a ten minute break, and be back here at 11:40.

12 (Recess taken at 11:29 a.m. and the
13 hearing resumed at 11:47 a.m.)

14 MS. BAILEY: Okay. We're back on the
15 record. Mr. Roth, would you like to continue your cross
16 of Mr. Kenworthy?

17 MR. ROTH: Yes. Thank you.

18 BY MR. ROTH:

19 Q. Yesterday morning, when you gave your rebuttal comments
20 about Ms. Vissering's testimony, you took issue with
21 her conclusion or her concern that the Project could
22 repower or extend, and you took issue with that as a
23 pure hypothetical, and therefore not something that
24 people should worry about. Now -- and, then, you

[WITNESS: Kenworthy]

1 immediately, or shortly thereafter, hypothesized
2 yourself about the likelihood or the evils of
3 residential subdivision and development of the
4 property. Wouldn't you agree that the hundreds of
5 houses that you hypothesized is itself a pure
6 hypothetical and not of much weight, in terms of what
7 could happen here?

8 A. I'm not entirely sure how much weight to prescribe it
9 or how much weight the Committee will give it. I think
10 the point that I'm making, in the context of
11 conservation easements, is that now that right exists
12 just *de facto*, and, after the conservation easements on
13 those acres, it no longer exists. That protection is
14 in place. And, so, I think that distinction is the
15 important distinction from my point of view.

16 And, I think, with respect to Ms.
17 Vissering's concern, there would need to be action by
18 this Committee taken, if we were to seek taller
19 turbines or wider roads, or anything other than what we
20 have applied for in this particular instance.

21 Q. Okay.

22 A. Which would require evaluation of, you know, obviously,
23 all the impacts, but including visual impacts.

24 Q. So, are you agreeing at this point that, if the Project

[WITNESS: Kenworthy]

1 decides to repower or expand in the future, it will not
2 seek an exemption from the Committee's jurisdiction and
3 will instead come back here and go through this process
4 again?

5 A. I think the Project is committed to complying with all
6 applicable laws, and, obviously, conditions that are in
7 the certificate. In the future, --

8 Q. You didn't -- you didn't answer the question, though.

9 A. Yes. I don't know what, you know, whether variations
10 of 162-H will apply to the facility in that instance.
11 I don't know if, you know, what conditions may be in a
12 certificate that we would need to comply with if there
13 was a repowering. I think there are, you know,
14 instances during which it's our understanding, if there
15 were a material kind of substantial alteration of the
16 Project, as we have applied for it and as is we hope
17 will be certificated. But that would require
18 additional review from this Committee, that's our
19 understanding.

20 Q. So, what you're saying then is, it's not entirely
21 certain that you would come back here, and, in a way,
22 isn't that also hypothetical that you would come back
23 here?

24 A. I don't see it as a hypothetical, because my

[WITNESS: Kenworthy]

1 understanding is that that's currently the law. That,
2 if we were to make a change, a material change to an
3 application that's certificated in front of this
4 Committee that would require their review and approval,
5 in other words, if we were to use much taller turbines
6 or need to substantially widen our roads, and that were
7 to affect stormwater run-off requirements, and other
8 things of that nature, that those types of changes
9 would require additional review. And, obviously, we
10 would comply with that requirement.

11 Q. Okay. So, I guess I'm -- you're still not committing
12 to coming back to the Committee for approval, if you
13 repower or expand or extend the Project, is that
14 correct?

15 A. I don't think it's reasonable to ask of Antrim Wind to
16 make a commitment about something that may occur 20
17 years in the future, and how we would do it, without a
18 knowledge of what the current -- then current laws and
19 regulations would be.

20 Q. Okay. So, all I'm trying to suggest to you then, and
21 I'm trying to understand if you agree with me or not,
22 is, isn't therefore the -- and we're basically dealing
23 with two hypotheticals: One is the possibility of
24 residential development on the site, which, in hundreds

[WITNESS: Kenworthy]

1 of years of existence, has not occurred. Versus an
2 existing wind farm that, and we're assuming again that
3 you get your certificate and you build, an existing
4 wind farm repowering or expanding. Which of those two
5 hypotheticals is more likely? And, what you're adding
6 to this is you're making the possibility of coming back
7 here yet another hypothetical. And, that's all the
8 point that I wanted to make on that. There's no
9 question.

10 Now, I understand from the testimony,
11 and your testimony and other testimony, that you're
12 going to need to raise a significant amount of capital
13 in the future to build this, correct?

14 A. Yes. Capital will need to be raised to build the
15 facility, yes.

16 Q. Okay. And, now, I understand that you, in your
17 testimony, have said that part of your responsibility
18 is going to be to raise capital, is that correct?

19 A. I'm sorry. Can you point me to where I've said that in
20 my testimony?

21 Q. On Page 1 of your prefiled testimony dated
22 January 31st, Line 10. You said, "My primary roles
23 include strategic development, capital raising,
24 investor relations", etcetera. Do you remember that?

[WITNESS: Kenworthy]

1 A. Yes. Those are primary roles of mine at Eolian
2 Renewable Energy.

3 Q. Okay. I assume you're not going to do this all by
4 yourself?

5 A. No. That's correct. Which is, obviously, why Mr.
6 Pasqualine and Mr. Cofelice are here to testify to that
7 as well.

8 Q. Okay. Thank you. And, so, are you going to rely
9 fairly heavily upon CP Energy?

10 A. If I can just back up for one second, I want to make
11 clear that in this testimony I'm describing my
12 responsibilities at Eolian Renewable Energy, and
13 raising capital for Eolian Renewable Energy Management
14 Company, versus making a distinct claim that my primary
15 responsibility at Antrim Wind is to raise capital. So,
16 again, I think the testimony of Mr. Cofelice and Mr.
17 Pasqualini are going to speak to Antrim Wind's plan for
18 raising capital to build the facility.

19 Q. I understand. But you're saying that you are not going
20 to participate in the raising of capital for Antrim
21 Wind?

22 A. No, I certainly intend to participate. But I think,
23 again, as we've put in our testimony, the -- you know,
24 most of the kind of experience in raising capital for

[WITNESS: Kenworthy]

1 these types of facilities in the past is -- belongs to
2 Mr. Cofelice and the Westerly Wind group. And,
3 obviously, Mr. Pasqualini has been engaged as a
4 consultant to Antrim Wind, who has a great deal of
5 experience in facilitating capital raises for
6 structured finance deals like this.

7 Q. Okay. I understand. Now, and my question to you was,
8 are you going to rely, and whether it's for Eolian or
9 not, I guess, will the Project rely upon CP Energy to
10 assist it to get this capital?

11 A. It's certainly possible that CP Energy could play a
12 large role in the financing of the facility.

13 Q. Is it also possible that it will play no role?

14 A. Yes, I would say that it's possible.

15 Q. Okay. I'm going to turn your attention, and,
16 unfortunately, this isn't an exhibit, but you may
17 recall that when we gave you data requests, I was
18 provided a copy of a letter agreement between CP Energy
19 and Antrim Wind Energy. Are you familiar with that?

20 A. I am generally familiar with the document, yes.

21 Q. A letter dated "December 8th, 2011"? It's "Attachment
22 PC 1-17".

23 A. I should have it here.

24 MR. ROTH: Yes. And, unfortunately, I

[WITNESS: Kenworthy]

1 have only my one attached copy, which I can bring you more
2 copies tomorrow.

3 (The document, as described, was
4 herewith marked as **Exhibit PC 20** for
5 identification.)

6 MR. IACOPINO: Madam Chair, we've had
7 that marked as "PC 20". And, we will get copies for the
8 Committee at the next break.

9 MS. BAILEY: Thank you.

10 BY MR. ROTH:

11 Q. Are you ready, Mr. Kenworthy?

12 A. I have the exhibit here, yes.

13 Q. Okay. I call your attention to the paragraph that has
14 the title above it "Scope of Services", and the second
15 sentence. Can you read that for the Committee?

16 A. The second sentence?

17 Q. Yes.

18 A. It says, "The scope of services is expected to include
19 review of the site application and provide expert
20 testimony in support thereof."

21 Q. Okay. Is there anything else described in the "Scope
22 of Services"?

23 A. There's a sentence before that sentence.

24 Q. Okay. Can you read that again -- or, read that as

[WITNESS: Kenworthy]

1 well?

2 A. It says, "Our services will be tailored to your
3 instructions and will be coordinated with you and, if
4 applicable, other third party consultants."

5 Q. Okay. So, at this point, isn't it true that the only
6 services that CP Energy has agreed to perform is look
7 at the Application and prepare testimony?

8 A. Obviously, I have now read the full description of the
9 scope of services that is in this agreement.

10 Q. Can you just answer the question? Isn't it true that
11 the only scope of services is to review the Application
12 and provide expert testimony?

13 A. But there have been other services that Mr. Pasqualini
14 has provided to Antrim Wind Energy, in association with
15 his efforts to continue to evaluate the Project's
16 financial feasibility. Obviously, as we've indicated,
17 we are actively in the marketplace for power and
18 looking at financing options. And, --

19 Q. Okay. You can stop there. Do you have another
20 agreement with Mr. Pasqualini to provide services?

21 A. My understanding is that this is the only agreement
22 that we have.

23 Q. Okay. And, in the next paragraph, doesn't it, in fact,
24 -- or, the second paragraph after that, doesn't it say

[WITNESS: Kenworthy]

1 "The term of this letter agreement shall expire on
2 September 30th, 2012"?

3 A. Yes, it does say that.

4 Q. Okay.

5 A. Thank you for the reminder.

6 Q. So, is Mr. Pasqualini working for free?

7 A. No. I don't imagine he is.

8 Q. Okay. But you don't have another agreement with him to
9 do anything else, is that true?

10 A. That is my understanding.

11 Q. Okay. That's fine. Thank you.

12 MR. ROTH: Mr. Iacopino, should I give
13 this back to the reporter at this point?

14 MR. IACOPINO: Yes, if you could provide
15 it to the court reporter, I'll make copies at our next
16 break.

17 MR. ROTH: Thank you.

18 MR. IACOPINO: And, can I just ask, any
19 parties that are going to be referring to something that
20 hasn't been marked as an exhibit today, if you could get a
21 copy of it to me at the next break, I'll make copies in
22 advance, so that they can be provided.

23 BY MR. ROTH:

24 Q. Okay. Mr. Kenworthy, I want to call your attention to

[WITNESS: Kenworthy]

1 Public Counsel Exhibit 7, the redacted version of the
2 Deloitte report.

3 MS. BAILEY: Mr. Roth, which exhibit was
4 that?

5 MR. ROTH: Seven. Public Counsel 7.

6 MS. BAILEY: Thank you.

7 BY MR. ROTH:

8 Q. And, turn your attention to Page 25 and Table 12 and
9 Table 13 on Page 26.

10 MR. ROTH: And, for the Committee, this
11 is a compilation of data provided by Deloitte with respect
12 to "Northeastern U.S. Wind Facility 2011 Data", and "New
13 England Wind Facility 2011 Annual Data".

14 BY MR. ROTH:

15 Q. Are you familiar with this chart? Have you looked at
16 it before?

17 A. I have, yes.

18 Q. Okay. Now, you understand from Mr. Pasqualini's
19 supplemental testimony that he challenges this data as
20 "incomplete and erroneous", do you remember that?

21 A. In the supplemental prefiled testimony of Mr.
22 Pasqualini and Mr. Cofelice?

23 Q. That's correct.

24 A. Yes, I'm familiar with that.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. Okay. Now, as I understand it, their complaint is that
2 some of these figures for capacity factor are not
3 correct. Is that your understanding as well?

4 A. Yes, I believe that is.

5 Q. Do you know which of these figures they believe is not
6 correct?

7 MS. GEIGER: Excuse me. I'm going to
8 object to these questions. I think these are better
9 questions asked of the panel that actually provided the
10 testimony that Mr. Roth is referring to. And, I believe
11 they will be up this afternoon.

12 MR. ROTH: I thought I got to choose who
13 I asked my questions of?

14 MS. BAILEY: I'll allow Mr. Roth to ask
15 the questions. To the extent you can answer them, answer
16 them. And, if you can't, you can't.

17 **BY THE WITNESS:**

18 A. Specifically, do I know which specific numbers they're
19 referring to? No, I don't. I think that the general
20 sentiment is that a number of these --

21 BY MR. ROTH:

22 Q. That wasn't the question. I just wanted to know if you
23 knew specifically, and you answered it. Thank you. Do
24 you have any reason to doubt any of these figures? Do

[WITNESS: Kenworthy]

1 you agree with these figures?

2 A. No.

3 Q. So, --

4 A. Yes, I have reason to doubt, and, no, I don't agree.

5 Q. Okay. So, you would doubt all of them?

6 A. I think there are -- first of all, I don't have the
7 sources for all these data in front of me. And, I
8 think there are numbers here that clearly appear to be
9 well outside of the expected ranges for capacity
10 factors that we are familiar with.

11 Q. So, you doubt all of them?

12 A. I'm not saying that definitively. I don't have --

13 Q. Okay. That was the question. So, you answered "you
14 don't doubt all of them." Are you familiar with SNL
15 Financial?

16 A. Yes.

17 Q. Okay. Do you believe them to be a reliable and
18 credible source of information?

19 A. From what I know about about them, I don't think I can
20 actually provide a comment on that.

21 Q. Okay. Are you familiar with Deloitte Financial?

22 A. I am.

23 Q. Okay. And, do you believe them to be a credible and
24 reliable source of information and analysis?

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 A. I think as a general matter, yes.

2 Q. Thank you. I'm going to call your attention to AWE
3 Exhibit 9.

4 MS. BAILEY: Mr. Roth, can you give me a
5 little more information?

6 MR. ROTH: Certainly.

7 MR. IACOPINO: Is it a certain
8 supplement?

9 MR. ROTH: I was waiting for him to get
10 ready and so I only had to do it once.

11 MR. IACOPINO: Okay. But then you're
12 going to reference us to something within the Fourth
13 Supplement?

14 MR. ROTH: Yes. Yes. I want you to
15 read the whole thing, Mr. Kenworthy, and tell us what it
16 says.

17 MR. IACOPINO: But, for the Committee's
18 sake, could you tell us where you're going so we can get
19 to the right page?

20 MR. ROTH: Yes. I was going to do that,
21 when he was ready for it, but I'll do it in advance.
22 We're looking at Tab 2, the Supplemental Prefiled
23 Testimony of Joseph Cofelice and Martin Pasqualini.

24 MR. IACOPINO: Thank you. That's Number

[WITNESS: Kenworthy]

1 7 on the electronic disk.

2 BY MR. ROTH:

3 Q. Now, if you turn to Page 5 of the Cofelice/Pasqualini
4 testimony. Just to refresh your memory, since I'm sure
5 you've read this already before, can you just have a
6 look at Lines 3 through 13.

7 Okay. Now, what I understood from this
8 is Mr. Pasqualini or Mr. Cofelice, I'm not sure, those
9 gentlemen, testifying that "a power purchase agreement
10 isn't necessarily essential." Is that your
11 understanding of what they're saying?

12 A. That is my understanding of that testimony, yes.

13 Q. Okay. And, in this post modern world of, you know,
14 post financial collapse, is proposing a derivative
15 transaction involving swaps, is that your
16 understanding?

17 A. That is my understanding of his testimony, yes.

18 Q. Okay. Have you ever seen that done in an energy
19 financing?

20 A. I have certainly seen where there are swaps that occur,
21 where you have virtual PPAs or other financial
22 guarantees.

23 Q. Okay. So, you've seen this? Have you seen --

24 A. I have never done it myself.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. Okay.

2 A. But I have certainly understood it being done in the
3 industry in structured finance deals, yes.

4 Q. Okay. Do you think it would work in this case?

5 A. I think it depends on a number of factors. And, I'm
6 not an expert in this type of transaction. It's a
7 better question for Mr. Pasqualini.

8 Q. Okay. Well, so, you're saying you just won't opine on
9 whether it would work in this case?

10 A. I don't know the answer to whether or not it will work
11 in this case.

12 MR. ROTH: All right. That's all I
13 have. Thank you. Thank you, Mr. Kenworthy.

14 MS. BAILEY: Thank you, Mr. Roth. Okay.
15 I think now would be a good time for the Committee members
16 to ask questions, and then we'll see how many people who
17 haven't asked questions yet, if you still have any
18 remaining questions after the Committee asks their
19 questions.

20 MS. BAILEY: Mr. Boisvert, right?

21 MR. BOISVERT: Right.

22 MS. BAILEY: Thank you. I can't see
23 your name sign.

24 BY MR. BOISVERT:

[WITNESS: Kenworthy]

1 Q. Mr. Kenworthy, there were a couple questions regarding
2 decommissioning. Are you aware of any wind farm
3 decommissionings that have been carried out in the
4 United States?

5 A. Certainly I'm aware of instances where particular
6 turbines or portions of wind farms have been taken
7 down, often it may occur in a repowering scenario, but
8 where components have been decommissioned.

9 Q. I'm talking about the entire facility, not a given
10 turbine that might be replaced, because it has
11 maintenance problems or there's a better model
12 available. But where the Project decided "we're no
13 longer going to be a wind farm, we're going to
14 decommission and take down the towers"?

15 A. I'm not specifically familiar with any projects in the
16 U.S.

17 MR. BOISVERT: Thank you.

18 MS. BAILEY: Does anybody else have some
19 questions? I have questions. No questions? Okay. Bear
20 with me a minute please.

21 BY MS. BAILEY:

22 Q. I want to make sure I understand the chart that was on
23 AWE 8, Appendix 21, that Ms. Linowes covered with you.

24 A. Oh. I have it.

[WITNESS: Kenworthy]

1 MR. IACOPINO: It's on the V-Bar report.

2 BY MS. BAILEY:

3 Q. Do you have that?

4 A. Yes.

5 Q. Okay. So, the "Change in the Net Capacity Factor",
6 that column means that, if you installed the Gamesa
7 turbine, in the same location, it would have 14 percent
8 less net capacity?

9 A. Yes. That's correct. And, if it's useful, maybe I can
10 provide just a quick explanation of "net capacity
11 factor" for the panel, is that useful?

12 Q. Okay. Yes. Thank you.

13 A. So, I think the important distinction here, and these
14 two turbines were chosen for this analysis because
15 they're turbines that have been previously evaluated by
16 this Committee for wind facilities in the State of New
17 Hampshire. But net capacity factor is a -- expressed
18 as a percentage, it is essentially the amount of the
19 total potential energy that a facility could generate,
20 that it is actually expected to generate. So, in the
21 case of the Gamesa turbines, these are turbines that
22 are rated at 2 megawatts of capacity. So, already
23 these turbines are rated at 50 percent less capacity
24 per turbine than the Acciona turbines that we have

[WITNESS: Kenworthy]

1 proposed for this Project.

2 The NCF number does not take into
3 account what the rated capacity of the turbine is.
4 It's just, of that rated capacity, if it were producing
5 that 8,760 hours a year, that would be 100 percent net
6 capacity factor. Essentially, looking at variations in
7 output over the course of a year, if you then
8 essentially levelize that and look at it as a fraction
9 of the total possible energy, that's what gives you net
10 capacity factor. So, that first column is looking at
11 -- at that specific number, the kind of efficiency of
12 yield for the amount of installed capacity at that
13 site.

14 Q. And, the next column, "Change in Energy Delivered",
15 accounts for the difference between the nameplate power
16 ratings between the Gamesa and the Acciona?

17 A. That's exactly right. So, obviously, the number, the
18 delta is much greater in the "Change in Energy
19 Delivered" column for the G87, despite the fact that
20 its NCF reduction is far less than it is for the
21 Vestas, because of the fact that there's only
22 two-thirds as much installed capacity at that site.

23 Q. Okay. Thank you. One more minute. About the second
24 met tower, why, and this is probably in the testimony,

[WITNESS: Kenworthy]

1 but I can't put my finger on it, why did you determine
2 that there was a need for a second met tower?

3 A. I think we've -- our interest is always to have the
4 appropriate amount of meteorological data to reduce
5 uncertainty as far as can possibly be done. The
6 meteorological campaign that we have engaged in, along
7 with V-Bar, has started with an initial met tower, and
8 then gone on to include a LiDAR. And, that's the basis
9 for which they have generated this report. And, it's,
10 you know, it's our position that having the ability to
11 install a second fixed meteorological tower is a -- is
12 a benefit to the Project, in further reducing
13 uncertainty, which can impact things like, and, again,
14 this is not my particular area of expertise, but impact
15 things like how much debt you may be able to get on a
16 project.

17 It's our understanding further that
18 there are -- that there may be the ability to do
19 things, like install temporary meteorological towers
20 prior to commencement of construction under the
21 statute, if you get a certificate. So, for example, if
22 you need to do testing of a site, in order to be able
23 to determine a project's, you know, for viability,
24 there may be an interpretation that you're allowed to

[WITNESS: Kenworthy]

1 do this type of testing in any event. I think, for the
2 sake of absolute clarity, we wanted to make sure that
3 we specified for the Committee that we want to
4 certificate both the existing meteorological tower and
5 a second meteorological tower that allows us to get the
6 maximum amount of data for the site.

7 Q. So, does that mean that you think that the data that
8 you've collected from the first met tower and the LiDAR
9 don't give you an adequate amount of data or reliable
10 data?

11 A. No. I don't think there's any question about our
12 confidence in the -- in the viability and the
13 competitiveness of the Project on the basis of the data
14 that we have. You know, the process that we will go
15 through here, and, again, this is something that
16 probably the other two panelists who are coming after
17 me can speak to in greater detail, but the process of
18 going through a financing, whether it involves debt or
19 tax equity, is going to involve their meteorologists
20 evaluating the data that we have provided in these
21 reports. And, so, our meteorologist will be conferring
22 with them. And, the more data we have, the -- I think
23 that the less the uncertainty or potential disagreement
24 between those parties. So, it's really, I think, a way

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 just to further reduce, you know, any uncertainty in
2 that data. But it's not a question at all for us of
3 project viability or competitiveness.

4 Q. Okay. Okay, my next questions are going to be based on
5 PC 7, the Deloitte report. On Page 4, where you say,
6 the last sentence in the second paragraph under
7 "Overview of Westerly Wind", it says, "The newly formed
8 South Plains Wind Energy will receive initial
9 development funding from Westerly Wind." Is there,
10 since Westerly Wind is involved with this Project, is
11 there -- is it likely that Westerly Wind will provide
12 initial development funding or funding for this
13 Project?

14 A. Yes. And, to be clear, members of Westerly Wind are
15 here today.

16 Q. Uh-huh.

17 A. Who are participating on panels that will testify after
18 myself. Westerly Wind has already provided development
19 capital to the Project. And, I think they're probably
20 better able to speak to their part of the organization
21 and their role. But, certainly, just as a general
22 matter, Westerly Wind has provided development funding
23 to Antrim Wind Energy.

24 Q. And, do you expect them to provide more?

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 A. In terms of development funding? I mean, that is an
2 ongoing commitment during this development phase of the
3 Project.

4 Q. What about capital? Can they do that?

5 A. In terms of permanent equity for the Project?

6 Q. Yes.

7 A. It's generally not our expectation that Westerly Wind
8 will necessarily provide the permanent equity in the
9 Antrim Wind Project. But, again, that's a question, I
10 think, that's better suited for Mr. Cofelice and Mr.
11 Pasqualini.

12 Q. Okay. On Page 29, we're getting into some confidential
13 information, but I'm not going to -- hopefully, you can
14 answer the question without disclosing the confidential
15 information. So, in the third paragraph under Chart
16 IV, Deloitte discloses a price for a PPA that you would
17 have to get if PTC expires, in the last full sentence
18 on that third paragraph down. Do you see that?

19 A. Yes.

20 Q. Do you think this is a reasonable estimate? Is this
21 what you -- is that number a number -- a fair number of
22 what you need to get financing, if the PTC expires?

23 A. I believe that number that is contained there, the
24 first number in that last sentence, is a reasonable

[WITNESS: Kenworthy]

1 estimate of what will be required in that scenario.

2 Q. Okay. Thank you. Okay. This is on Page 32, and it's
3 a confidential table.

4 MS. BAILEY: Hang on. I just want to
5 ask counsel about how I can ask this question.

6 (Ms. Bailey and Atty. Iacopino
7 conferring.)

8 MS. BAILEY: I'm not going to ask you
9 that question, because I think it will get into
10 confidential information.

11 BY MS. BAILEY:

12 Q. How about Page 40. In the sentence under "Funding Plan
13 Assessment" that contains a lot of confidential
14 numbers, starting with "It's suggested, however, that a
15 projection scenario that requires a capital structure
16 of", did you run this projection scenario?

17 A. Did I personally run it?

18 Q. Did anybody run it at AWE? Have you looked at this
19 scenario? I guess I'll ask you my follow-up question
20 on that. And, that is, if you ran it, can the minimum
21 fixed charge coverage ratio be achieved under those
22 assumptions?

23 A. Honestly, we have run a number of scenarios here. I
24 cannot specifically answer if we've run this specific

[WITNESS: Kenworthy]

1 scenario, or, if we did, if it would meet this coverage
2 ratio charge. It may be that Mr. Pasqualini and
3 Cofelice can answer that question for you.

4 MS. BAILEY: Okay. Thank you. That's
5 all the questions I have. Do any other Committee -- okay.
6 Mr. Dupee.

7 MR. DUPEE: Thank you, madam Chair.
8 And, welcome. Thank you for coming, Mr. Kenworthy. A
9 couple of questions for one, one's very specific and one's
10 more broadly -- broad.

11 (Court reporter interruption.)

12 MR. DUPEE: I'm sorry. So, one is more
13 sort of a specific question, and the other one will be a
14 little broader.

15 BY MR. DUPEE:

16 Q. So, the more specific question is, if you're willing to
17 actually have a purchase agreement in place for your
18 power before you construct?

19 A. Yes. As a condition of a certificate?

20 Q. (Mr. Dupee nodding in the affirmative).

21 A. I think the condition that we would certainly be
22 comfortable with is a condition to "demonstrate
23 financing". As I think has been included in the
24 testimony of Mr. Pasqualini and Cofelice, you know,

[WITNESS: Kenworthy]

1 generally, a PPA is often a precursor to getting
2 financing. But, as we've also indicated, there may be
3 other arrangements for offtake or a more financial swap
4 type of structure that would enable financing to come
5 in place that wouldn't necessarily be a PPA. So, I
6 think, from Antrim Wind's view, what we feel is a
7 reasonable condition would be to demonstrate financing,
8 which would then likely require either the PPA or the
9 swap to be in place prior to that occurring.

10 MR. DUPEE: Thank you. And, a follow-up
11 question?

12 MS. BAILEY: Yes.

13 BY MR. DUPEE:

14 Q. And, the follow-up question is a little broader, as I
15 mentioned to you, back to your testimony filed on
16 January 31st, 2012, Page 15. And, we talked about the
17 "objectives of RSA 162-H". So, on top of that page,
18 you see the question: "Do you believe the objectives
19 of RSA 162-H would be best served by the issuance of a
20 certificate of site and facility for this Project?"
21 And, under your response, several lines down, you
22 mention "the Project will maintain an appropriate
23 balance" -- "appropriate balance between the
24 environment and the need for new renewable energy

[WITNESS: Kenworthy]

1 facilities."

2 So, could you expand a bit upon how you
3 came to the conclusion this would be a "appropriate
4 balance", what factors got you to the "appropriate
5 balance" belief?

6 A. Certainly. You know, just kind of running through some
7 of the Project metrics, we're looking at a site here
8 that will start with about 63 acres of direct impact
9 for the installation of a 30-megawatt facility, much of
10 which of that will be reduced down after construction.
11 And, accompanied with that is a permanent conservation
12 of these 685 acres of land, which is over ten times as
13 much as the land the Project impacts, in an area that
14 obviously has been identified as having conservation
15 value. In which the easement holder in this case has
16 recognized that these easements will have, make
17 valuable contributions to the interest of stakeholders
18 in the region.

19 I think, as we provided throughout our
20 Application, this Project will generate on that amount
21 of impact about enough power for between 13 and 14,000
22 New Hampshire equivalent homes. And, that generation,
23 as will be testified to by others later in these
24 proceedings, will lead to substantial carbon

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 reductions, to the tune of approximately 60,000 tons
2 per year. Annual water savings, fresh water savings,
3 because the generation of wind electricity does not
4 consume any water, of approximately 18 to
5 20 million gallons per year. And, so, you're talking
6 about a clean, domestic, carbon-free source of energy
7 that occurs with a very limited footprint. And, for
8 that footprint, also includes the substantial
9 conservation of open space, and in an area where, you
10 know, I think we -- in our environmental overviews,
11 it's been, I don't know exactly where it is in the
12 testimony, but even, I think, has received favorable
13 review from the U.S. Fish & Wildlife Service, from New
14 Hampshire Natural Heritage Bureau, from the Department
15 of Environmental Services, and I think also from New
16 Hampshire Fish & Game, although they have some specific
17 comments for us. But it is an area that has been
18 identified as not avoiding -- avoiding impacts to
19 exemplary communities or rare plants and threatened and
20 endangered species.

21 So, I think, on the whole, from our
22 perspective, you've got what we believe are a
23 reasonable and limited set of impacts for a material
24 benefit, in the form of the new clean energy, with the

[WITNESS: Kenworthy]

1 emissions reductions and carbon savings and water
2 savings. And, in a location that has garnered a lot of
3 public support from people in Antrim.

4 MR. DUPEE: Thank you. thank you.

5 MS. BAILEY: Mr. Robinson.

6 MR. ROBINSON: Just a general question.

7 BY MR. ROBINSON:

8 Q. The Project is up and running, everything's going well.
9 The site has been reduced down. One or two years out,
10 one of the units goes bad, and it's got to be taken
11 down and replaced. What would be the process to do
12 that? And, would the road -- the existing road systems
13 be adequate to get equipment in there to do that or
14 would they have to be reopened up?

15 A. Yeah, that's a good question. So, the roads that are
16 crawler roads for the crane would -- are 34-foot roads.
17 Those get reduced down to 16 feet post construction.
18 But that reduction essentially involves revegetation of
19 the shoulders of those roads. It does not involve the
20 removal of the road bed that is there. So, it's
21 certainly possible that, in the event that you needed
22 to bring a crawler in to dismantle a turbine, that you
23 would need to re-expose a certain amount of the
24 shoulder on that road to be able to access it. And,

[WITNESS: Kenworthy]

1 then, after that work was done, you would then need to
2 revegetate it again. And, that is set forth, I don't
3 have the exact reference in our Application, but that
4 we would, in the event that we needed to reopen it
5 again, that we would revegetate it again after that
6 work is done.

7 I'll also say that, to the extent
8 possible, depending upon the nature of the work that
9 needs to occur and the nature of the equipment that we
10 need, that we would look to deliver that equipment to
11 the actual turbine, and assemble it there, so that it
12 wouldn't require opening up substantial amounts of road
13 that had been revegetated. Because, generally,
14 delivery of these componenets can be accomplished on a
15 16-foot wide reduced road. Thank you.

16 MS. BAILEY: Mr. Stewart.

17 BY DIR. STEWART:

18 Q. And, I'm a little out of my element here, but I'm on PC
19 7, on Page 1, the "Market Assessment". And, what I
20 see, and what I'd like you to speak to, is the
21 government and the regulatory risk for a project like
22 this. It seems to me that the Production Tax Credit is
23 kind of a uncertainty going forward in 2013. It says
24 here that the renewable energy credits -- or,

[WITNESS: Kenworthy]

1 certificate, renewable energy certificate, is -- and
2 the prices for those are uncertain, because of
3 Massachusetts and Connecticut and how that might change
4 other markets. So, I'm curious as to the financial
5 viability, if these things start changing, either, you
6 know, before construction or during construction of the
7 Project. Because it seems like there's a lot of
8 uncertainty in the regulatory and the government,
9 because this is Congress's, too, arena -- Congress is
10 part of the consideration. So, can you speak to that
11 regulatory and government risk and how it affects the
12 Project?

13 A. Sure. I can speak to it generally. And, I would also
14 add again that, I think, with respect to the PTC and
15 the Project sensitivity to it, that is also a good
16 question for Mr. Cofelice and Mr. Pasqualini. But,
17 generally speaking, you know, our view is that this is
18 a marketplace that has Renewable Portfolio Standards
19 that exist with or without a PTC, and that generators
20 of renewables that are capable of providing the
21 renewable energy credits that would satisfy that
22 requirement are going to be competing in a PTC or a
23 post-PTC world on level footing. And, so, certainly,
24 if there is a situation where the PTC is not available,

[WITNESS: Kenworthy]

1 it would necessitate some adjustment in the market.

2 But that, again, it doesn't absolve utilities of the
3 requirement to provide a certain amount of their energy
4 from renewables, and, in certain cases, long-term
5 contracted renewables.

6 I think that's generally the case, in
7 terms of the PTC, is we see the market existing,
8 because there's a demand for the power with or without
9 the PTC. And, it may mean that there's a different
10 price on that power pre- or post-PTC.

11 But, I think, the -- maybe moreover this
12 kind of relates to the kind of financial viability of
13 the Project in this case, is I think the condition that
14 we're, you know, willing to have included, as Granite
15 Reliable Power had included in their certificate, is a
16 condition to demonstrate that financing is in place.
17 And, again, I think the way that Mr. Cofelice and
18 Pasqualini can describe the kind of tie between
19 construction financing and term financing on a project
20 like this, because, essentially, I think what we're
21 saying is, if the Project is competitive to get the
22 financing that is required, that will require -- that
23 will, obviously, be done in whatever tax climate
24 exists, whatever market climate exists. And, those are

[WITNESS: Kenworthy]

1 all factors that the Project has to juggle. But, if
2 it's successful in doing that and demonstrates
3 financing, then that provides the kind of certainty for
4 the Project's viability.

5 Q. Thank you for that. How does the price of other fuels
6 affect the Project? And, this is in the context, I go
7 back a ways on these, the natural gas facilities, you
8 know, were constructed, you know, 13 or 14 years ago,
9 went through a wave of being, you know, stressed
10 financially and some have changed owners two or three
11 times, and then the price of natural gas plummeted
12 relative to coal, and now the coal facilities are
13 struggling, and the natural gas facilities are doing
14 pretty well. So, it seems like your -- the viability
15 is also tied to the price of other fuel sources, or
16 maybe not. So, I would like to hear you explain that.

17 A. Sure. And, again, I want to make sure that these
18 questions also become asked of Marty and Joe, because
19 --

20 Q. I'll do that, too.

21 A. Okay. Great. But, you know, generally, I mean,
22 remember that, in the case of wind, the fuel cost is
23 zero. So, you know, once a facility is built, you
24 know, these are facilities that are providing power.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 And, unlike the situation where coal and gas are
2 changing, in terms of their competitiveness in the
3 market due to fuel costs, once a wind facility is in
4 existence, it's there producing power with zero fuel
5 costs. And, so, clearly, it is a market in which there
6 are -- there's competition between all sources of
7 energy generation. But, really, in the case of wind,
8 it's competition with other sources of renewable
9 generation, for which there are requirements that
10 utilities must fulfill. And, so, that's really where
11 we are competing, is in a space for renewable energy,
12 in the New England Power Pool, against other forms of
13 renewables. It's not to say that there is no kind of
14 impact industrywide on other forms of energy. But,
15 fundamentally, that's the competition for wind energy.
16 And, I think, again, the forms in which these things
17 are contracted and how they change over time is really,
18 I think, a better question for Marty and Joe.

19 DIR. STEWART: Okay.

20 MS. BAILEY: Okay. Mr. Iacopino.

21 MR. IACOPINO: Thank you.

22 BY MR. IACOPINO:

23 Q. Let me pick up where Mr. Stewart left off, with respect
24 to -- well, not with respect to fuel costs, but with

[WITNESS: Kenworthy]

1 respect to financing. If I understand correctly,
2 depending upon whether or not there is a PTC available
3 or not, you believe that there are different ways to
4 finance the Project and get the Project financed. Am I
5 correct in that? PTC goes away today, you still think
6 you can make the Project work financially?

7 A. Yes. I think, as a general matter, yes. I think
8 there's -- yes.

9 Q. One way that that is done is by having additional --
10 or, having a different equity structure in the Company,
11 is that correct?

12 A. That's correct.

13 Q. So, that means that there would -- may be additional or
14 new owners of the Company, correct?

15 A. Yes. If there was equity raised in the Company, that's
16 correct.

17 Q. Do you have or does your company have any objection to
18 a condition that requires you to come back and have the
19 entry of new equity owners come back and have that
20 approved or disapproved by the Committee?

21 A. I think that -- I think having a requirement that that
22 financing plan be approved, within, I think, some kind
23 of reasonable standards, is acceptable to us.

24 Q. Okay. The reason why I asked the question is because,

[WITNESS: Kenworthy]

1 you know, there's a couple of different ways, when
2 ownership changes, that the Committee sees the case
3 again. One is if there's an outright sale. But,
4 because you're formed as an LLC, what happens is, the
5 membership interest in the LLC tend to change, and they
6 can change to such a degree that, while I can envision
7 them changing to such a degree, that perhaps the
8 management isn't the same today, or in two weeks, as it
9 was today. So, that's why I ask you about that. And,
10 I will ask Mr. Cofelice and Mr. Pasqualini about that
11 as well.

12 A. Sure.

13 Q. But do you foresee that condition as posing a problem
14 to your company in pursuing either project financing or
15 some other type of financing/equity structure?

16 A. Your question is, if I'm hearing you correctly, do we
17 see a condition like that as being problematic in
18 actually raising the financing for the Project?

19 Q. Yes.

20 A. I don't necessarily think so, no. I mean, I think it
21 -- I would have a question about the timeline for
22 review. I think timing is, obviously, a consideration
23 that we're potentially sensitive to. And, being able
24 to actually have certainty about whether or not a

[WITNESS: Kenworthy]

1 particular financing plan were going to be approved by
2 the Committee in order to enable us to effect and
3 achieve certain kind of time-sensitive milestones would
4 be something we'd be sensitive to. But I don't think
5 it's in itself a condition that would be problematic in
6 raising financing.

7 Q. You understand it might require disclosure of whoever
8 the new entities are and what their relative
9 contributions may be, on whatever -- depending upon
10 whatever structure you wind up using?

11 A. Yes. And, I suppose, in that context, Mr. Cofelice and
12 Pasqualini would be better positioned to answer that
13 question.

14 Q. You indicated that you expect that the Committee will
15 probably, if they grant the certificate, impose a
16 condition similar to the one in Granite Reliable, which
17 requires that the Company -- requires that you
18 demonstrate to the Committee before construction that
19 financing is in place. What aspects of the financing
20 is it that you believe the Committee should look at and
21 either approve or disapprove, in terms of, you know,
22 determining whether that financing satisfies the
23 Committee?

24 A. My understanding of the condition in the Groton -- in

[WITNESS: Kenworthy]

1 the Granite Reliable case was that it was a
2 demonstration that construction financing was in place,
3 with the understanding that construction financing
4 would not be attainable unless long-term financing were
5 already committed to. And, so that, by demonstrating
6 construction financing, essentially, you were, in
7 effect, demonstrating that you have financing in place
8 for the project, for the life of the project. So, I
9 think a condition such as that would be acceptable. It
10 sounds as though, potentially, you're suggesting that
11 there may be some additional requirement of that
12 review, which may include approval of new equity owners
13 in the project at that time.

14 Q. Well, that's certainly one consideration. Let me ask
15 you about another one, though. Is there was some
16 discussion on your cross-examination about the nature
17 of the collateral that a lending institution may
18 require. And, I know you would prefer Mr. Cofelice
19 answer this question, and I will ask him as well. But
20 there -- you know, it seems like there are a number of
21 different ways that the financing can be
22 collateralized. For instance, there could be a
23 security interest in the equipment, which would
24 generally have, basically, a foreclosure remedy for the

[WITNESS: Kenworthy]

1 lender. They come in and they take the equipment and
2 they sell it. And, if they sell it for more than you
3 owe, you get whatever -- the Company gets whatever it
4 exceeds. But, if they sell for less, you still owe
5 them money.

6 Another type of collateral that is
7 sometimes used in commercial industries is a collateral
8 assignment of leases, rents, and profits. Where,
9 essentially, it gives the lender the ability to go in
10 and run the project. And, we've actually had some
11 experience on this Committee with that.

12 So, with respect to that type of
13 collateral, do you expect that the demonstration of
14 financing would include some review of the type of
15 collateral that would be acceptable to this Committee?

16 A. I guess my answer to that is that I would expect that
17 the Committee would require us to demonstrate what it
18 sees as necessary to make a determination that we have
19 the managerial, financial, and technical capability to
20 go forward with the Project. So, to the extent that
21 that is one of those criteria, I think it would not be
22 unreasonable for that to be the case.

23 Q. One of the criteria that is mentioned in PC 7, and has
24 been mentioned by you as well in your testimony, is the

[WITNESS: Kenworthy]

1 issue, and it's been mentioned by Mr. Stewart, is the
2 issue of governmental risk or -- and you specifically
3 have discussed the financing of the Project in the
4 absence of the Production Tax Credit. You seem to make
5 a case for the Project on the basis of the Renewable
6 Portfolio Standards that are required in each state.
7 Do you have sort of any outlook as to how long RPS will
8 be around? Or, is it going to go the same way as the
9 Production Tax Credit, if it doesn't get renewed? Is
10 there any view that your company has with respect to
11 that particular aspect of the governmental arena?

12 A. Well, I think, generally, the trend that we've seen is
13 that the RPS has gotten -- has been maintained or
14 gotten stronger, in certain instances. And, I think we
15 don't have a reason now to believe that that RPS is
16 going to -- is going to go away in the near future. I
17 think we generally see a strong demand for cleaner
18 energy and a shift towards cleaner domestic energy, for
19 a variety of reasons, that is supported by policy.

20 I think, again, that our -- we are
21 operating a company in a competitive space in the
22 context of, obviously, shifting regulatory and tax and
23 market scenarios all the time. And, I think, when we
24 are willing to submit to a requirement or a condition

[WITNESS: Kenworthy]

1 in a certificate that we demonstrate this kind of --
2 that the financing is in place, in our view, it is at
3 that point that it essentially demonstrates that,
4 whatever happens with RPSs, whatever happens with RECs,
5 whatever happens with the PTC, has been addressed by
6 the Project in a sufficient manner to enable it to get
7 financing.

8 So, I think we're recognizing that
9 there's fluctuations in these markets, and that these
10 do have impacts on this industry as a whole. I think
11 we have a generally positive outlook on Renewable
12 Portfolio Standards and their continuance in the New
13 England market. And, I think that, again, is supported
14 by our willingness to be able to come in and make this
15 demonstration to the Committee.

16 Q. And, I take it, when you "we" and "our" in our answer
17 there, you're talking about your company as a whole?

18 A. I'm speaking about Antrim Wind Energy.

19 Q. Right. And, I guess the question is, are you the
20 person who's sort of the point person for Antrim Wind
21 Energy when it comes to developing those positions and
22 doing the legislative review and things that is done in
23 order to feel comfortable about what the governmental
24 risk is? Is that in your role or is there another

[WITNESS: Kenworthy]

1 person in the Company that undertakes that role? Or,
2 is it a combination?

3 A. And, when you're talking about "governmental risk", are
4 you talking about "permitting risk"? Are you talking
5 about --

6 Q. I'm talking about the risk in the market for your
7 company. You rely, in large part, on the RPS. You did
8 today, and you did during the tech sessions. And,
9 you're sort of, as I hear you, you're saying "Well, the
10 RPS exists today. We're permitting the Project today.
11 We're looking for financing today." So, that's sort of
12 the boundaries that we're working within. Am I correct
13 about that?

14 A. I think the things that you've said are -- yes, they're
15 true. But, again, I think the point that I'm trying to
16 repeat is that, whether or not an RPS exists or a PTC
17 exists may ultimately mean that the Project can or
18 cannot get financing, independent of its
19 competitiveness as a project with other wind projects
20 in this area. But that, if it does, that the
21 demonstration of that financing essentially satisfies
22 the concern that I think you're identifying.

23 But, in terms of my willingness, no, I
24 would not state that it is my role in Antrim Wind

[WITNESS: Kenworthy]

1 Energy to evaluate, you know, the kind of market risk
2 of wind in the New England space. I would say that
3 falls more to Mr. Cofelice.

4 Q. But, if I understand your position correctly, though,
5 you're saying that this might not be a project -- I
6 mean, if your Project is financed on the basis of
7 derivative swaps or something like that, there might
8 not be a financing in the typical sense that we might
9 see. We might see it financed by virtual new equity in
10 the Company, correct? So, there won't be, for
11 instance, a bank that we can rely on that wouldn't put
12 up the -- or, it wouldn't accept the risk of the
13 company if it were too large?

14 A. Mr. Iacopino, I would really prefer that question be
15 addressed to Mr. Pasqualini and Mr. Cofelice.

16 Q. No problem. Let me move on then. You addressed some
17 questions for the Chair about the anemometer, and,
18 actually, this does have to do with financing. But I
19 got the impression from listening to you that you
20 intend to rely on this second anemometer to remove any
21 additional uncertainty about the wind resource,
22 correct?

23 A. Yes. Additional anemometry can serve to reduce
24 uncertainty about the wind resource.

[WITNESS: Kenworthy]

1 Q. And, I assume that that's -- you want to do that in
2 order to satisfy potential financiers or equity partners
3 in your company, depending how you get financed, is
4 that right?

5 A. Certainly, it would assist in that capacity.

6 Q. Are you asking, because I haven't seen it anywhere, are
7 you asking that you be permitted to construct this
8 anemometer prior to coming back, assuming that there is
9 a financing condition, prior to coming back with your
10 financing? In other words, are you trying to use this
11 as a tool to satisfy potential lenders?

12 A. Yes. We would be asking for the ability to erect the
13 meteorological tower without having made a
14 demonstration of financing for the Project as a whole.
15 And, again, I think that's a reflection of, you know,
16 the relative scope and cost of the two types of
17 activities. You know, where it's -- it's a couple tens
18 of thousands of dollars to put up a temporary
19 meteorological tower with very limited impact.

20 Q. Okay. So that, and assuming we did what you are
21 suggesting, then any certificate that we issued would
22 have to include some room for you to do that? In other
23 words, if you were conditioned, you can't begin
24 construction until you have financing in place, what

[WITNESS: Kenworthy]

1 you really mean to say is, "except for our anemometer,
2 we'd like to be able to put that up right away", the
3 second anemometer?

4 A. Yes.

5 Q. The second met tower, I'm sorry?

6 A. Yes. We would like for the ability to construct that
7 tower prior to making a demonstration that financing is
8 in place for the Project as a whole.

9 Q. Okay. Do you know if that request is in the
10 Application anywhere, just for my reference, so that --

11 A. Specifically when we want to?

12 Q. Yes.

13 A. I'm not sure that that specific language is.

14 MS. GEIGER: I can address that
15 question, if it's okay?

16 MR. IACOPINO: Sure.

17 MS. GEIGER: I don't believe that we've
18 actually parsed the Application that strictly in terms of
19 timing. I believe what we said up to this point is that
20 we would accept a condition that requires the Project to
21 come in and demonstrate financing prior to commencement of
22 construction. I believe, if you look at, and, again, it's
23 parsing the statute, but, I believe, if we got an
24 authority from the Committee for the met tower, for the

[WITNESS: Kenworthy]

1 second temporary met tower, we could put that up and it
2 technically wouldn't be commencement of construction,
3 because it would be monitoring purposes. But, to be
4 absolutely certain, and so that everybody is on the same
5 page, we would make it very clear, if not today, but in
6 our -- in our post hearing brief, that that's exactly the
7 sequencing, if you will, of construction, and then
8 financing demonstration that we would request. In other
9 words, we would want permission to put the met tower up
10 first.

11 MR. IACOPINO: That's why I -- I wasn't
12 clear from the Application, so I wanted to make sure
13 that's, in fact, what you're asking for.

14 BY MR. IACOPINO:

15 Q. Now, I'm going to totally shift gears with you, because
16 I just have some questions that I was confused during
17 your prior examination. I'm going to start with your
18 Independent System Operator studies. My understanding
19 is you have one draft report from New England ISO right
20 now, and that is a combination of a feasibility and
21 steady state, is that -- or, I'm sorry, steady state
22 and --

23 A. Stability.

24 Q. -- stability, okay. And, how many, assuming that that

[WITNESS: Kenworthy]

1 draft report becomes a final report issued by ISO, how
2 many more studies are you expecting the ISO to require
3 of you?

4 A. Just to be clear, Attorney Iacopino, the reports that
5 we have right now are actually in two distinct reports;
6 one is the stability report, the other is the -- is the
7 steady state report. One of the decisions in front of
8 Antrim Wind right now is whether to engage in further
9 study, by entering into an agreement for a facility
10 study, or, in lieu of that, entering into negotiations
11 for a Large Generator Interconnect Agreement. That's
12 our choice that we have to make fairly shortly. And,
13 in either event, the SIS, which consists of those two
14 components, would need to be finalized before
15 proceeding down that road.

16 Q. Okay. So, it's basically finalization of -- it's
17 essentially, really, one more step, if you will,
18 depending upon what choice you make with ISO?

19 A. I guess, technically, it could be one step or two
20 steps. Because, if you go to the facility study, you
21 will then need to complete that, and then go to a Large
22 Generator Interconnect Agreement from there.

23 Q. Okay. And, do you have an estimated -- estimate of the
24 timeframe under each scenario?

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 A. A Large Generator Interconnect Agreement, if that's the
2 path that we go down, should be able to be finalized
3 within 60 to 90 days. If we add a facility study in
4 there, I hate to predict, you know, how quickly or
5 slowly ISO will respond. But, in this case, it really
6 no longer is an evaluation that has dependencies on
7 prior queued projects. In other words, a lot of the
8 things that cause delays in these system impact studies
9 are things that relate to projects ahead of you in the
10 queue that impact your study. A facility study is
11 focused around doing additional engineering on the
12 interconnection facilities for the benefit of the
13 interconnection customer. So, again, there, I would
14 expect, you know, in probably the 90 to 120 day range
15 is probably a reasonable estimate if we did the
16 facility study. But I haven't gotten that proposal yet
17 from ISO, which would include, obviously, ISO's role,
18 plus NU's.

19 Q. Okay. I'm going to switch gears on you again. I want
20 to talk about the conservation easements for a minute.
21 To me, there seemed to be some confusion about, under
22 the easements, who has the discretion to close off the
23 access road. And, it was my understanding that that
24 belonged to the Harris Center, in other words, the back

[WITNESS: Kenworthy]

1 road coming up. But there was also a suggestion
2 earlier in your testimony it belonged to Mr. Ott. So,
3 can you just clarify for me who would have the ability
4 to close off the road that -- to block the access up
5 there?

6 A. Yes. My understanding, and I apologize if I made an
7 indication that it was differently, but my
8 understanding is that that right is the easement
9 holder's right, and not the fee owner of the Project's
10 right. So, in other words, that would be the Harris
11 Center, and not Mr. Ott, --

12 Q. Okay.

13 A. -- to block that road. And, you know, we could
14 probably find that specific language.

15 Q. No, I was just unclear. I thought I heard it two
16 different ways. And, so, if that's your understanding,
17 that's fine. Also, with respect to the emergency
18 response plan, you answered some questions about, well,
19 basically, about the fact that there is no emergency
20 response plan developed with the Town as of yet. And,
21 I understand the nuance of what you were asked about,
22 the wording in the Town's agreement. But my question
23 is a little bit more basic. Is there any circumstances
24 under which your company believes that an emergency

[WITNESS: Kenworthy]

1 response plan would not be necessary?

2 A. No.

3 Q. Okay. Just bear with me for a minute and let me get to
4 my next group of questions. Okay. With respect to
5 your dealings with the Fire Department, you indicated
6 that sort of the State Fire Marshal has sort of agreed
7 to sort of oversee and intermediate between with you
8 and the Antrim Fire Department. Am I correct in that
9 understanding?

10 A. The State Fire Marshal's Office did indicate that they
11 would be willing to help coordinate with local fire
12 departments for us. And, to date, that has not really
13 borne a great deal of fruit. I think what we have done
14 is to communicate directly with the State Fire
15 Marshal's Office about questions that they have about
16 the facility. And, again, our intention is, through
17 our commitment to the Town, to carry forward those
18 conversations with the Town, including the Fire
19 Department, on emergency response, subsequent to these
20 proceedings and getting a decision from this Committee.
21 And, so, I think we're not relying necessarily on the
22 State Fire Marshal's Office to ensure that those things
23 happen. We're committed to those conversations with
24 the Town Fire Department in any event.

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 Q. Has the State Fire Marshal designated to you or told
2 you that they want you to comply with any particular
3 set of standards?

4 A. Have they submitted? I'm not -- not to my
5 recollection.

6 Q. Let me address something. Back in February, they sent
7 a letter to the Committee requesting -- well,
8 suggesting a condition that all of the towers,
9 nacelles, and maintenance buildings be constructed in
10 accordance with "International Building Code, 2009",
11 with "NEPA 1, Fire Code, 2009", and with NE -- I'm
12 sorry, not "NEPA", NFPA, "NFPA 1, Fire Code, 2009", and
13 "NFPA 101, Life Safety Code", and then "NFPA 850", the
14 "Recommended Practice for Fire Protection for Electric
15 Generating Plants".

16 A. Yes, I see that here.

17 MR. IACOPINO: Okay. And, that's been
18 marked as "Committee Exhibit Number 1".

19 BY MR. IACOPINO:

20 Q. Does your company have any problem with complying with
21 those four standards that the Fire Marshal recommends?

22 A. To the best of my knowledge, we do not have any
23 objections to complying with all applicable standards
24 that would be relevant to us. I think, specifically,

[WITNESS: Kenworthy]

1 to those four standards, I would need to just double
2 check on our end to ensure that there was nothing in
3 there that was of concern to us.

4 Q. I would ask that you and your counsel do it and raise
5 it, if there's a problem, because this is your -- this
6 is your hearing.

7 A. Sure.

8 Q. So, we need to know. Okay. The next thing about the
9 Fire Marshal I want to ask you is, have you had any
10 discussion with the Fire Marshal's Office about a
11 requirement of some kind of onboard fire suppression
12 system?

13 A. We have had those conversations, yes.

14 Q. Tell us about the conversations and what your --
15 whether you've been requested to put an onboard fire
16 suppression system in or what -- tell us the nature of
17 those conversations with the Fire Marshal.

18 A. Sure. Those conversations primarily happened between
19 Mr. Soininen, for Antrim Wind, and Ron Anstey at the
20 Fire Marshal's Office. Mr. Anstey had indicated that
21 he believed or he had an interest in seeing that there
22 was onboard active fire suppression in the nacelles of
23 the turbines. Our position was that the onboard fire
24 suppression systems were not a preferred system, for

[WITNESS: Kenworthy]

1 the reason that often operators have a concern about
2 them with accidental discharges. And, so, there's
3 concern about worker safety in the nacelle if the
4 onboard fire suppression system were to accidentally
5 discharge. So, the conversation I think centered
6 around identifying those concerns for Mr. Anstey, and
7 then also helping him to understand the equipment that
8 is -- that is included with the Acciona wind turbines,
9 that allows for the detection of scenarios that may
10 ultimately lead to fire and preventing those scenarios
11 by ceasing operations in the machine.

12 And, again, those specifics are things
13 that the McCabe, Segura-Coto and Wright panel can
14 address. But those were the nature of the
15 conversations. It was specifically, I think, his
16 initial indication that he had a preference for those
17 systems. Our expression that we were concerned about
18 those systems for operator safety due to accidental
19 discharges, and then further trying to help him
20 understand the types of systems that were onboard these
21 turbines that would prevent fires from occurring.
22 There were a number of occasions around that type of
23 information. And, we have not received any specific
24 requests from them thereafter indicating that they

[WITNESS: Kenworthy]

1 still wanted to see active onboard fire suppression in
2 the nacelles.

3 Q. Do you know if those conversations occurred before the
4 Fire Marshal issued the letter on February 21, 2012?

5 And, I know you may not have all this right at the top
6 of your head, but --

7 A. I can easily check that. I believe, certainly --
8 certainly, some of the conversations happened before
9 February 2012. But I don't know to what extent their
10 -- I would have to go back and check and see exactly
11 when the subsequent conversations occurred.

12 Q. But it's your belief that discussion of fire
13 suppression onboard occurred -- at least occurred,
14 whether there was any resolution or not, prior to
15 February -- prior to this letter?

16 A. That is my belief, yes.

17 MR. IACOPINO: Okay. I don't have any
18 other questions.

19 MS. BAILEY: Are there any other
20 questions from any Committee members?

21 (No verbal response)

22 MS. BAILEY: Okay. It's getting close
23 to breaktime for the reporter, but we had some indication
24 that a few people who didn't ask questions yesterday had a

[WITNESS: Kenworthy]

1 few questions. Have your questions been answered by the
2 questions that we've had today?

3 MR. FROLING: In part.

4 MS. BAILEY: In part. Give me a second.

5 (Ms. Bailey conferring with Atty.
6 Iacopino.)

7 MS. BAILEY: Can you give me an
8 indication on how long your questions will take?

9 MR. FROLING: Five to ten minutes at
10 most.

11 MS. BAILEY: Mr. Stearns?

12 MS. STEARNS: One to two minutes.

13 MS. BAILEY: Okay.

14 MS. STEARNS: Just one question.

15 MS. BAILEY: And, Mr. Edwards?

16 MR. EDWARDS: Three to five, maximum.

17 MS. LONGGOOD: One to two.

18 MS. BAILEY: Okay.

19 (Ms. Bailey conferring with Atty.
20 Iacopino.)

21 MS. BAILEY: Okay. Here's my concern:
22 The Chairman yesterday said that people who weren't here
23 yesterday could ask questions. So, Ms. Longgood, you get
24 questions. Mr. Edwards, you're supposed to be

[WITNESS: Kenworthy]

1 coordinating with Ms. Allen, and she did ask questions,
2 and you guys passed on the questions. So, I'm concerned
3 that, if we allow this, that everybody will defer until
4 after Public Counsel. So, I will allow some limited
5 questions this time, but, from now on, I think that you
6 need to be here when it's your turn, okay? Ms. Longgood.

7 BY MS. LONGGOOD:

8 Q. You mentioned that the Town of Antrim was
9 "overwhelmingly in support of this Project", is that --
10 and you cited the survey, is that correct?

11 A. I think our Application talks about the survey, it
12 talks about a number of polls, and it also talks about
13 several town votes.

14 Q. And, the survey did not go out to all the residents, is
15 that correct? I know I didn't get one.

16 A. It was sent out to a combined list of addresses. I
17 think there were over a thousand or so addresses. We
18 do understand that not 100 percent of the people were
19 reached, as I think is the case with every mailer that
20 attempts to reach everybody. But I think there were
21 some 600 returned, from about a thousand sent out or
22 so. So, it was an extremely high response rate to our
23 survey.

24 Q. Uh-huh. And, how many responded positively to that

[WITNESS: Kenworthy]

1 survey?

2 A. I'm sorry, I don't have those figures in front of me.
3 I can probably find them. I don't know if it's in our
4 Application or not.

5 Q. It's my understanding that about 436. And, are you
6 aware that that represents only 25 percent of the
7 voters in Antrim?

8 A. I have heard that line of argument, yes.

9 Q. So, therefore, I would question whether it was
10 "overwhelmingly in support". As well as the voting at
11 the polls, I know that there is something in your
12 Application here from the paper stating that the
13 "ordinance was turned down". But we don't know why
14 people voted against the ordinance, correct? There was
15 no exit poll, "did you vote against it because you were
16 not wanting to change the current zoning?" I'm just
17 posing some questions that --

18 A. Yes. No -- sorry to interrupt.

19 Q. Oh, that's okay. Go ahead.

20 A. I think what I referred to yesterday, in my response to
21 questions along these lines, I believe from
22 Ms. Linowes, is that one of the questions that was
23 voted on in the Town of Antrim was a ballot item that
24 asked voters, essentially, "yes" or "no", "do you want

[WITNESS: Kenworthy]

1 to prohibit wind energy in the rural conservation
2 district?" And, that ballot measure failed by a huge
3 margin, in the largest voter turnout in the history of
4 the Town of Antrim. So, that's partly the basis for
5 our conclusion.

6 And, the other, I think, basis I would
7 put forward is that it's not just, you know, our
8 opinion of events that have transpired, but a letter
9 that was submitted by the Board of Selectmen in Antrim
10 that points to their view that the vast majority of
11 citizens in Antrim support the Project. And, they also
12 cite numerous polls, surveys, and the defeat of
13 restrictive ordinances.

14 MS. LONGGOOD: Thank you.

15 MS. BAILEY: Okay. Mr. Froling.

16 MR. FROLING: Thank you, madam Chairman.

17 Mr. Kenworthy, you know that I represent the Harris Center
18 for Conservation Education, and that that organization has
19 taken a neutral proceeding -- neutral position in this
20 proceeding, that we neither support the Application nor
21 oppose it.

22 BY MR. FROLING:

23 Q. The questions that I want to ask are rebuttal questions
24 to clarify some of your testimony yesterday. And, in

[WITNESS: Kenworthy]

1 particular, the questions raised by Ms. Manzelli about
2 the possible residential development along the
3 ridgeline. I think you referred, and you referred to
4 it again when Mr. Iacopino asked you to a provision in
5 the conservation easement. And, I would ask you to
6 look at that, which is AWE Exhibit 37. And, it's
7 Page 12 of that exhibit, Page 6 of the easement itself.
8 Can you find that readily?

9 MS. BAILEY: You lost me at "AWE 37".

10 MR. FROLING: AWE 37. It's the twelfth
11 page of that composite exhibit, if you're looking at it
12 electronically. But it's also numbered as "Page 6" of the
13 easement itself.

14 BY MR. FROLING:

15 Q. And, I'm looking at Paragraph 3.A.v. Can you find
16 that?

17 A. You're on Page 6?

18 Q. Page 6 of the easement.

19 A. Yes.

20 Q. Okay. In the middle of that page, there's a Roman
21 Numeral "v", for 5?

22 A. Yes, I see it.

23 Q. Okay. Do you want to read that provision, so everybody
24 who hasn't found it can understand what we're talking

[WITNESS: Kenworthy]

1 about?

2 A. This is -- this says "At or before termination", that
3 paragraph?

4 Q. Yes.

5 A. "At or before termination of the rights reserved in
6 this Section 3A, Grantee shall ensure that the Lessee
7 has decommissioned and removed the wind power
8 facilities as provided in the Lease and in any
9 regulatory permit. In addition, the Grantee shall have
10 the right, but not the obligation, to make the access
11 road impassable within fifty feet of the Property's
12 southerly boundary."

13 Q. And, that was the provision you were referring to?

14 A. Yes. That's correct.

15 Q. And, could I ask you to look down the page, in
16 Paragraph B, the second sentence, which starts "this
17 easement shall not be construed".

18 A. "This easement shall not be construed to prohibit
19 access to the aforesaid house site by means of the Wind
20 Facilities Access Road but shall prohibit use of said
21 road as access for any other development on the
22 property, other than as provided in Section 3A."

23 Q. And, it's your understanding that that would prohibit
24 development of any other building, other than a single

[WITNESS: Kenworthy]

1 residence on the Ott property?

2 A. That is -- that is my understanding, yes.

3 Q. Okay. I'd like to draw your attention to something
4 that's two pages earlier than that. It's Page 4 of the
5 easement, or Page 10 of the document. And, in the
6 middle of that page, there's a Paragraph 2.B, upper
7 case "B"?

8 A. Uh-huh.

9 Q. Could you read that out so we know what we're talking
10 about.

11 A. That section reads: "Except as expressly hereinafter
12 provided, the Property shall not be subdivided or
13 otherwise divided in ownership and none of the
14 individual tracts which together comprise the Property
15 shall be conveyed separately from one another nor shall
16 Grantor grant to any third party a right of way across
17 the Property."

18 Q. Okay. That's enough. The final clause there, "nor
19 shall Grantor grant to any third party a right of way
20 across the Property", do you understand to mean that
21 that means that Mr. Ott cannot let anyone, either on
22 the wind farm access road or otherwise, cross his
23 property as a legal matter?

24 A. Yes, that's correct.

[WITNESS: Kenworthy]

1 Q. So, that would be a legal prohibition that would
2 reinforce the closing of the road at a later date?

3 A. Yes.

4 Q. Okay. Now, I want to also draw your attention to the
5 fact -- to another document, which is the existing
6 agreement between Antrim Wind and Mr. Ott and the
7 Harris Center, which appears on Page 4 of Exhibit 37.
8 Have you found that?

9 A. Yes, I have it.

10 Q. And, there's a paragraph there called "Protection of
11 Rights".

12 A. Yes.

13 Q. Can you read that out?

14 A. "Protection of Rights: Between the date of this
15 Agreement and the Effective Date," which is referring
16 to the effective date of the easement, "neither AWE nor
17 the Owner shall, without Harris Center's consent, (a)
18 enter into any agreement or permit -- or permit any
19 lien or encumbrance on the Premises which would
20 interfere with the rights granted to Harris Center in
21 this Agreement or to be granted in the Easement
22 provided that nothing contained herein shall be
23 construed in such a way as to prevent...AWE from
24 obtaining financing", and it goes on to talk about

{SEC 2012-01} [Day 2] {10-30-12}

[WITNESS: Kenworthy]

1 that, AWE's ability to raise financing.

2 "(b)" To "grant any third party a right
3 of way across the Premises for any purpose except
4 construction and operation of the Project", the
5 "Project", referring to Antrim Wind's Project.

6 And, "(c) Taking any other action which
7 would violate the terms of the Easement if it were in
8 force."

9 Q. With respect to the easements, we contemplate signing
10 those at some future date. So, they haven't taken
11 effect, is that your understanding?

12 A. That's correct.

13 Q. But this document that you've just read is in effect
14 today?

15 A. That's correct.

16 Q. Now, there are three other easement arrangements. Are
17 there comparable provisions in each of those other
18 arrangements?

19 A. Yes.

20 MR. FROLING: Okay. That's all I have.

21 Thank you very much, madam Chair.

22 MS. BAILEY: Thank you. Mr. Stearns.

23 BY MS. STEARNS:

24 Q. Mr. Kenworthy, yesterday you were asked why the PILOT

[WITNESS: Kenworthy]

1 Agreement did not have a provision for going beyond 20
2 years. Do you know what would happen if a new PILOT
3 Agreement is not negotiated and reached with the Town
4 at the end of that existing PILOT? In other words, do
5 you stop paying to the Town?

6 A. No. If the Project were to continue in operation
7 beyond 20 years, and there were no PILOT in place at
8 the time, the Project would be responsible for paying
9 *ad valorem* real estate taxes.

10 MS. STEARNS: Thank you.

11 MS. BAILEY: Are you all set,
12 Mr. Stearns?

13 MS. STEARNS: Yes.

14 MS. BAILEY: Okay. I'm giving you this
15 one opportunity. From now on, you guys have to ask your
16 questions together.

17 MR. EDWARDS: I understand. And, I
18 apologize to the Committee. And, I recognize fully that
19 I'm being scolded for that.

20 BY MR. EDWARDS:

21 Q. My questions really can be answered "yes" or "no", but
22 it goes -- my questions go primarily to the agreement
23 executed between the Antrim Wind Energy and the Town of
24 Antrim. And, my first question is whether the --

[WITNESS: Kenworthy]

1 whether Antrim Wind Energy and the Town of Antrim have
2 a clear -- a very clear understanding of the scope of
3 work that is defined under "complete decommissioning",
4 and this comes under 14.2 of "Decommissioning Fund
5 Assurance"? In other words, is there a document that
6 could be produced that defines clearly what the
7 "complete decommissioning" represents?

8 A. No, I believe we spoke to this earlier today, when we
9 discussed that the specific decommissioning activities
10 that would be required in a plan provided to the Town
11 prior to effecting decommissioning has not been -- has
12 not been produced yet.

13 Q. So, it's your opinion then that this "decommissioning
14 fund assurance", apparently several paragraphs, were
15 agreed to without a written clear understanding of the
16 complete decommissioning scope?

17 A. A written, complete decommissioning scope has not been
18 provided yet. That's correct.

19 Q. Thank you. When this agreement was drawn, in terms of
20 decommissioning funding assurance, was there any
21 discussion between Antrim Wind Energy and the Town of
22 Antrim in formulating this assurance, as to what lender
23 impact might have as was discussed here earlier today?
24 In other words, the salvage value/first lien position,

[WITNESS: Kenworthy]

1 *etcetera*. Were there any discussions that -- about the
2 lender's position that were incorporated or discussed
3 as part of this assurance?

4 A. No, they were not part of the discussion between Antrim
5 Wind and the Town of Antrim. I think, when Public
6 Counsel and I were discussing these matters earlier, we
7 addressed some of these concerns as they relate to
8 actually effecting the decommissioning obligations.
9 I'm not sure if you heard those responses today or --

10 Q. I may have missed it. Maybe you could, if you wouldn't
11 mind, just -- I heard the questions that were asked by
12 that. So, my question really goes to whether this
13 document, the agreement, considered the lender's
14 impact, when you developed these terms and conditions
15 with the Town?

16 A. This document --

17 Q. And, "yes" or "no", that's fine.

18 A. I believe I just answered that. And, I said "no, it
19 did not take into account lender's requirements for the
20 purposes of decommissioning."

21 Q. Thank you. And, also, if I may ask, on the
22 decommissioning fund assurance, was there any
23 discussion as to how this might function in the event
24 of a default during the term of operation, as opposed

[WITNESS: Kenworthy]

1 to at the end of the economic life of the Project?

2 And, how that might affect these assurances?

3 A. Well, I think the "decommissioning funding assurance"
4 requirement requires that Antrim Wind develop an
5 estimate, prior to construction, and then updates at
6 every three years thereafter, which takes into account
7 the estimated costs of decommissioning, net of salvage
8 value. And, so, there is a current "within three
9 years" maximum estimate at any point during the
10 operating life of the facility, up until such time as
11 that facility is, in fact, decommissioned.

12 Q. Okay. Thank you. My final question goes to an earlier
13 question regarding the financing commitment. And, is
14 it your opinion that the condition as posed presently
15 is that you need, on behalf of Antrim Wind Energy, to
16 simply provide a commitment letter of financing or, as
17 discussed earlier, that the SEC has the authority, and
18 you recognize that, to examine the integrity of that
19 financial commitment, and may ask for additional terms
20 and conditions if it sees fit?

21 A. It's our understanding that we will have to demonstrate
22 to the Committee's satisfaction that we have financing
23 in place that will allow us to proceed with the
24 facility as a condition of the Certificate of Site and

[WITNESS: Kenworthy]

1 Facility.

2 MR. EDWARDS: Thank you.

3 MS. BAILEY: Okay. Ms. Geiger, do you
4 have redirect?

5 MS. GEIGER: Yes, I will have some
6 redirect.

7 MS. BAILEY: Okay. And, how long do you
8 think? Would it be better to take a break for lunch?

9 MS. GEIGER: I think -- yes, please.

10 MS. BAILEY: Okay. All right. I think
11 the court reporter would probably agree with you. Okay.
12 It's about 1:22. Can people be back here at 2:15?

13 (No verbal response)

14 MS. BAILEY: Okay. We'll see you at
15 2:15. Thank you.

16 (Lunch recess taken at 1:22 p.m. and the
17 hearing reconvened at 2:15 p.m.)

18 MS. BAILEY: Okay. We're going to going
19 to continue the hearings with redirect from Ms. Geiger.

20 MS. GEIGER: Yes, and I'll try to be
21 brief.

22 **REDIRECT EXAMINATION**

23 BY MS. GEIGER:

24 Q. Mr. Kenworthy, do you recall questions from Ms. Linowes

[WITNESS: Kenworthy]

1 yesterday about whether you actually reviewed standards
2 from GE? And, I believe these questions were in
3 connection with provisions of the agreement with the
4 Town of Antrim that called for setbacks and other sign
5 postings?

6 A. Yes, I recall that.

7 Q. Okay. And, are you seeking -- is Antrim Wind seeking
8 certification of GE turbines in this case?

9 A. No, we're not.

10 Q. Okay. And, are you -- I believe, in response to those
11 questions from Ms. Linowes about adequate setback
12 provisions in the Town agreement, you indicated that
13 you were aware of other projects that have been
14 certificated by this Committee that had similar setback
15 and signage provisions, are you aware of that?

16 A. Yes, I am.

17 Q. And, could you tell the Committee whether you've had an
18 opportunity to review any of those agreements that have
19 been approved by this Committee, insofar as they relate
20 to sign postings and setbacks?

21 A. Yes. My testimony yesterday was that I believe that we
22 had agreed to in our agreement with the Town of Antrim
23 was consistent with what other agreements have been in
24 front of this Committee. And, since that time, I

[WITNESS: Kenworthy]

1 actually did go and look at the agreement between
2 Groton Wind and the Town of Groton, that became a
3 component of the certificate. Where the signage
4 requirement is that there will be signs posted on
5 project access roads 500 feet from the base of any
6 turbine.

7 Q. And, is that what Antrim Wind intends to do?

8 A. Antrim Wind has committed to putting signs 750 feet.
9 So, at a greater distance from each turbine on Project
10 roads. And, also included a requirement for signs on
11 informal trails in the Project area at 500 feet, which
12 is in addition to the conditions that were in the
13 Groton agreement.

14 Q. Okay. And, this morning you were -- or, maybe it was
15 afternoon, asked some questions about the letter
16 agreement between Antrim Wind and CP Energy. Do you
17 remember those questions?

18 A. Yes, I do.

19 Q. And, do you know whether Antrim Wind has or is seeking
20 to extend its relationship with CP Energy?

21 A. Yes. I have been made aware that we have, in fact,
22 renewed that agreement that expired, I believe, at the
23 end of September that you were referring to before.
24 So, that same agreement has been extended for Mr.

[WITNESS: Kenworthy]

1 Pasqualini.

2 Q. And, through what -- through what period?

3 A. My recollection is another year.

4 Q. Okay. Now, --

5 MR. ROTH: Excuse me. Could I make a
6 data request at this point? I mean, that was in a data
7 request that we had made to them back in June. And, it's
8 kind of unusual that they wouldn't have provided us that
9 agreement under the continuing nature of the data
10 requests. So, it's a bit of a surprise to hear about this
11 now.

12 MS. GEIGER: And, I agree with you, Mr.
13 Roth. And, I apologize for that. I was not aware that
14 there was a subsequent letter agreement. So, I entirely
15 agree with that. And, I'd be happy to get a copy and
16 provide it to you. I did not know about that.

17 MS. BAILEY: Thank you.

18 MS. GEIGER: And, I believe those are
19 the questions that I have for redirect. Thank you for
20 allowing me to ask them.

21 MS. BAILEY: Okay. The only other
22 person that we may need to hear from is Ms. Manzelli, but
23 she is not here right now.

24 MR. CALLEN: Excuse me. My name is Jed

[WITNESS: Kenworthy]

1 Callen. I am a partner of Ms. Manzelli's. And, I was
2 stepping in to cover while she ran to the emergency room
3 for her son. Two pieces of good news is, he seems okay,
4 ten stitches, and she will be here, she said, by 2:30 or
5 3:00. So, it would be an indulgence that I would hope
6 that you would allow her to ask that one question when she
7 arrives, if Mr. Kenworthy will still be here, even if he
8 stepped down for the moment.

9 MR. IACOPINO: Does she intend to be at
10 the rest of the hearings as well?

11 MR. CALLEN: She does, yes. I mean, it
12 was a bump on the head, and she went to be with her kid
13 while he was stitched up and observed for a concussion.
14 But she said she'll be here probably within the half hour.

15 MS. BAILEY: Okay. Mr. Kenworthy, do
16 you plan to be here most days?

17 WITNESS KENWORTHY: In fact, I do, yes.

18 MS. BAILEY: Oh, that's excellent.
19 Okay. So, we'll give her an opportunity, but we may not
20 interrupt the next panel to do that. Okay?

21 MR. CALLEN: I very much appreciate
22 that. Thank you.

23 MS. BAILEY: Okay. The witness is
24 dismissed.

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 WITNESS KENWORTHY: Thank you.

2 MS. GEIGER: Thank you.

3 (Whereupon **Sean McCabe, Ruben**
4 **Segura-Coto, and Sally D. Wright** were
5 duly sworn by the Court Reporter.)

6 MS. BAILEY: Okay.

7 **SEAN McCABE, SWORN**

8 **RUBEN SEGURA-COTO, SWORN**

9 **SALLY D. WRIGHT, SWORN**

10 **DIRECT EXAMINATION**

11 BY MR. PATCH:

12 Q. Okay. Good afternoon. Would each of you please state
13 your name and address for the Committee.

14 A. (McCabe) Sure. Sean McCabe, 1714 Pine Street, in
15 Boulder, Colorado.

16 A. (Segura-Coto) Ruben Segura-Coto, 601 Fawcett Drive,
17 that's in West Branch, Iowa.

18 A. (Wright) Sally Wright. Business address is 45 Main
19 Street, Peterborough, New Hampshire.

20 MR. PATCH: Can everyone hear okay?

21 Should they pull the microphone up?

22 MS. BAILEY: I was going to ask them to
23 do that. I couldn't hear Ms. Wright very well.

24 MR. PATCH: Okay.

{SEC 2012-01} [Day 2] {10-30-12}

1 BY THE WITNESS:

2 A. (Wright) My name is Sally Wright. My business address
3 is 45 Main Street, Peterborough, New Hampshire.

4 BY MR. PATCH:

5 Q. Okay. Mr. McCabe, starting with you. If you could
6 each please state by whom you're employed and in what
7 capacity.

8 A. (McCabe) Yes. I'm the Vice President of Development at
9 Westerly Wind, LLC.

10 Q. Mr. Segura-Coto?

11 A. (Segura-Coto) I am employed by Acciona Windpower North
12 America. I'm the Director of Post Sales Services.

13 A. (Wright) I am with GL Garrad Hassan. And, I am a
14 Senior Turbine Engineer.

15 Q. And, could you each please give the Committee a brief
16 summary of your qualifications.

17 A. (McCabe) Sure. I've worked in the wind power industry
18 since 2004. Prior to my role with Westerly Wind, I
19 held a variety of positions; at Catamount Energy, an
20 independent power producer, and also Duke Energy, which
21 is a public power utility out of North Carolina. And,
22 those roles encompassed development, financing, and
23 other commercial activities?

24 A. (Segura-Coto) I was hired by Acciona Windpower in 2010.

1 Prior to my wind power experience with Acciona, I held
2 different positions with different levels of
3 responsibility in the operations and maintenance world
4 of business jets/aerospace industry.

5 A. (Wright) I'm a Licensed Mechanical Engineer in the
6 State of New Hampshire. I've been working in clean
7 power electricity generation systems for nineteen
8 years, in wind power specifically for eleven years, and
9 with Garrad Hassan, working in turbine technology
10 assessment for five years.

11 Q. And, could you each please describe your role with
12 regard to the Antrim Wind Project.

13 A. (McCabe) Sure. As an -- I am an officer of Antrim Wind
14 Energy. And, in that role, I provide day-to-day
15 development support and management oversight of the
16 Antrim Wind Project.

17 A. (Segura-Coto) I was required to collaborate supporting
18 the Antrim certification for the siting of Antrim --
19 (Court reporter interruption.)

20 **BY THE WITNESS:**

21 A. (Segura-Coto) I was required to collaborate on the
22 certification of the Antrim/Eolian siting by the
23 Business Development Department of Acciona Windpower.

24 A. (Wright) And, I've been asked to support these hearings

1 to provide a broader perspective on the wind industry
2 standard practices in North America.

3 BY MR. PATCH:

4 Q. Now, Mr. McCabe, you submitted prefiled testimony in
5 this docket back in January, along with Ellen Crivella,
6 from Garrad Hassan, which has been marked as "Exhibit
7 AWE 1.

8 MR. PATCH: And, for the Committee, that
9 testimony is contained in Volume 1, Tab 3.

10 BY MR. PATCH:

11 Q. Is that correct, Mr. McCabe?

12 A. (McCabe) Yes, it is.

13 Q. And, then, on August 22nd, Mr. McCabe, again, you
14 submitted the first supplemental prefiled testimony
15 jointly, again, with Ms. Crivella, but then also with
16 Mr. Segura-Coto, is that correct?

17 A. (McCabe) Yes, it is.

18 Q. And, Mr. Segura-Coto, you were part of that August
19 supplemental joint prefiled testimony. And, this has
20 been marked as Exhibit AWE 7, correct?

21 A. (Segura-Coto) That is correct.

22 Q. Okay. And, Ms. Wright, you have replaced Ms. Crivella
23 on this project for Garrad Hassan, is that correct?

24 A. (Wright) That's right.

1 Q. And, are you adopting her January 31st and then also
2 her August 22nd testimony in this docket as your own?

3 A. (Wright) Yes, I do.

4 Q. And, then, the three of you together submitted
5 supplemental prefiled testimony in October, October
6 11th, in this docket, which has been marked as Exhibit
7 AWE 9, is that correct?

8 A. (McCabe) Yes, it is.

9 A. (Segura-Coto) That is correct.

10 Q. And, I would like to ask whether you have any
11 corrections or updates that you would like to make to
12 any of the three testimonies that are being adopted?

13 A. (Segura-Coto) I don't.

14 A. (Wright) No.

15 A. (McCabe) Other than just pointing out that the address
16 that I provided on my resumé has since changed, and
17 it's the current address that I just provided to you.

18 Q. And, so, with that one correction, if you were asked
19 the same questions contained in Exhibits AWE 1, 7 and 9
20 today under oath, would your answers be the same?

21 A. (McCabe) Yes, they would.

22 A. (Segura-Coto) They would be the same.

23 A. (Wright) Yes, they would.

24 MR. PATCH: Very good. Thank you. The

1 witnesses are available for cross.

2 MS. BAILEY: Mr. Harris -- I'm sorry.
3 Mr. Froling?

4 MR. FROLING: No questions.

5 MS. BAILEY: Mr. Stearns?

6 MS. STEARNS: No questions.

7 MS. BAILEY: Mr. Beblowski?

8 (No verbal response)

9 MS. BAILEY: Not here. Stoddard
10 Conservation Commission?

11 MR. BLOCK: Not here.

12 MS. BAILEY: Katharine Sullivan?

13 MR. BLOCK: Not here.

14 MS. BAILEY: Ms. Longgood?

15 MS. LONGGOOD: None at this time.

16 MS. BAILEY: Does that mean you're
17 passing on this witness?

18 MS. LONGGOOD: Yes.

19 MS. BAILEY: Okay. Mr. Stearns? Oh,
20 you said "no".

21 MS. STEARNS: No.

22 MS. BAILEY: Sorry. Antrim Planning
23 Board, Mr. Levesque or Ms. Pinello?

24 MS. PINELLO: No, not at this time.

1 MS. BAILEY: Ms. Manzelli? Where did
2 she go?

3 FROM THE FLOOR: She stepped out.

4 FROM THE FLOOR: She'll be right back.

5 MS. BAILEY: Okay. Sorry. I'll go to
6 the next person, then. Mr. Edwards and Ms. Allen?

7 MR. EDWARDS: No questions for this
8 witness panel.

9 MS. BAILEY: Mr. Block?

10 MR. BLOCK: Yes. I have just a couple
11 of questions. Bear with me for one second.

12 **CROSS-EXAMINATION**

13 BY MR. BLOCK:

14 Q. I guess this is a question for Mr. McCabe. Doesn't the
15 number of lawsuits which have arisen around Eolian's
16 projects in New Hampshire, Maine and Vermont give you
17 cause for concern?

18 MR. PATCH: I'd like to object to that
19 question. I think that, basically, the same question was
20 asked of Mr. Kenworthy yesterday. And, so, I don't know
21 why it would be appropriate to ask this panel in addition
22 to that, and Mr. McCabe specifically.

23 MR. BLOCK: Can I ask for a
24 clarification? I do not -- I don't recall who asked that

1 question.

2 MR. PATCH: I believe Ms. Linowes asked
3 a few questions related to that. I think there were a
4 number of questions, as I recollect.

5 MS. BAILEY: Mr. Block, do you have a
6 response?

7 MR. BLOCK: Can I ask Ms. Linowes a
8 question for one second?

9 (Short pause.)

10 MR. BLOCK: I don't believe that her
11 question involved anything about your concern.

12 BY MR. BLOCK:

13 Q. I'm referring to the fact that, on your prefiled direct
14 testimony, you essentially assure at the closure that
15 you feel confident that Antrim Wind has the capability,
16 the managerial capability to conduct this. And, I'm
17 just -- I'm asking about, you know, does the fact that
18 there are a number of lawsuits that are coming up here,
19 is that -- is that an issue of concern, in terms of
20 their managerial capabilities?

21 MR. PATCH: I guess, if I could also
22 ask, "a number of lawsuits", I'm not sure which ones Mr.
23 Block is referring to specifically. And, it seems to me
24 the question is pretty overly broad and vague.

1 MS. BAILEY: Can you narrow that down a
2 little bit?

3 MR. BLOCK: Well, I don't know specific
4 details on the lawsuits. I know there have been lawsuits
5 around the project in Vermont, on -- the project in
6 Vermont. And, I know there are lawsuits involved in the
7 Frankfort Wind issue in Maine. I'm specifically asking
8 about -- the ones I know specifically about are the
9 lawsuits here concerning the Antrim Project. And, I guess
10 part of -- the second part of this question for you, "are
11 you aware that, in spite of Mr. Kenworthy yesterday saying
12 that "the court cases seem to find them", that Antrim Wind
13 indeed initiated the very first lawsuit in the Antrim
14 Project? Are you aware of that?"

15 MS. BAILEY: Okay, that's a lot of
16 questions. So, --

17 MR. BLOCK: Oh. Well,

18 MR. PATCH: And, could I just point one
19 thing out. I think there's a false premise to the
20 question, because I think Mr. Kenworthy was clear
21 yesterday that AWE is not a party to lawsuits in either
22 Maine or Vermont.

23 MS. BAILEY: Okay. So, I think -- I
24 think I heard you narrow it down to the lawsuits in New

1 Hampshire that have to do with Antrim Wind, correct?

2 MR. BLOCK: That's the ones that I have
3 specific information on, correct.

4 MS. BAILEY: Okay. And, then, your
5 question is --

6 MR. BLOCK: I guess --

7 MS. BAILEY: -- is he aware of them and
8 is he worried about --

9 MR. BLOCK: Right.

10 BY MR. BLOCK:

11 Q. Are you aware of them and are you aware that it was
12 Antrim Wind that initiated the first of those lawsuits?

13 A. (McCabe) I am aware, I am -- if you're referring to the
14 met tower lawsuits?

15 Q. Correct.

16 A. (McCabe) I am aware of those. I'm also aware of the
17 fact that, you know, we exercised, in one particular
18 instance, we exercised our legal right to pursue
19 remedies based on, you know, our position. And, we
20 prevailed in an appeal process.

21 Q. Okay. Are you -- but, my question was, are you aware
22 that the first lawsuit was, in the Antrim situation,
23 was filed by Antrim Wind? And, --

24 A. (McCabe) I don't --

1 Q. Okay.

2 A. (McCabe) I do not know the order in which those
3 lawsuits were filed.

4 Q. Okay. I just wanted to clarify that, because Mr.
5 Kenworthy seemed to imply that -- that the lawsuits
6 came to them afterwards, that they were not the
7 initiators. I had one more -- oh, I know. I think,
8 yes, actually, this, I'm not sure who on the panel
9 would be appropriate to ask this. But, in terms of
10 safety issues, with the Town of Antrim, I understand
11 that the Antrim Wind has already met with the State
12 Fire Marshal, I heard that earlier this morning. Does
13 anybody know if Antrim Wind has held talks directly yet
14 with the Antrim Fire Department?

15 A. (Wright) I believe --

16 MR. PATCH: I would just like to object
17 again. I think Mr. Kenworthy answered that this morning.
18 I think there was extensive questioning about that. And,
19 I think he was the appropriate person, because he was more
20 directly involved.

21 MR. BLOCK: Well, --

22 MS. BAILEY: I think he did answer those
23 questions.

24 MR. BLOCK: No, he did not, which is why

1 -- and, I was hoping for an opportunity to do a follow-up
2 question to him. And, I have not heard whether or not
3 they have actually met with the Antrim Fire Department,
4 and, if so, with whom and when that happened? My last --

5 MS. BAILEY: Okay.

6 MR. BLOCK: Okay.

7 MS. BAILEY: I'll allow him to answer,
8 to the extent he knows.

9 MR. BLOCK: Okay.

10 MR. ROTH: Madam Chairman, if I might
11 just, what I've seen here is a little bit heavy handed in
12 the objections from the Applicant. You know, you're
13 dealing with a *pro se* litigant asking questions, which are
14 clearly fair within the scope of the hearing, and we're
15 getting objection after objection over points like "well,
16 they already asked somebody else that question." I think
17 it's a totally fair thing to do to ask multiple witnesses
18 the same questions and see if they come up with the same
19 answer.

20 So, I think I would ask that the
21 Applicant be cautioned to be more judicious about
22 objectioning to questions being asked by *pro se* litigants
23 in this proceeding.

24 (Ms. Bailey conferring with Atty.

1 Iacopino.)

2 MS. BAILEY: Okay. We're going to
3 proceed. Mr. Block, you may ask the question of this
4 witness, and he will answer it to the extent he knows.

5 MR. BLOCK: Thank you.

6 BY MR. BLOCK:

7 Q. So, to make it simple, do you know if there's been any
8 direct meetings with -- between Antrim Wind or anybody
9 at Antrim Wind and the Antrim Fire Department?

10 A. (McCabe) I have not met with or had any communication
11 with the Antrim Fire Department. I am aware of
12 communications that have taken place --

13 Q. Do you know if any --

14 A. (McCabe) -- on the Project and the Fire Department.
15 And, I don't know what form those communications took.

16 Q. Okay. So, you don't know if anybody else, any other
17 parties in Antrim Wind have actually met with the Fire
18 Department yet?

19 A. (McCabe) I do not know if face-to-face meetings have
20 occurred. I know there has been correspondence between
21 the two parties.

22 Q. Okay. All right. I guess this is -- just one last
23 question, I think, for Mr. McCabe. You are part of
24 Antrim Wind, is that correct?

1 A. (McCabe) Yes.

2 Q. Part of Antrim Wind, okay. I believe it was Mr.
3 Kenworthy yesterday who described something like "50
4 meetings" that have held in Antrim over the last few
5 years. And, I just wanted to know, I think I've been
6 to almost every one of those meetings. But I was
7 curious, I don't recall, were you at any of those
8 meetings or ever spoke in front of any of the Antrim
9 boards?

10 A. (McCabe) I have attended one meeting in Antrim. And, I
11 did not speak at that meeting.

12 MR. BLOCK: Okay. Thank you. I think
13 that's all my questions at this point.

14 MS. BAILEY: Okay. Thank you. Ms.
15 Manzelli? And, we're glad to hear that your child is
16 okay.

17 MS. MANZELLI: Thank you. And, I really
18 appreciate everybody's patience with that. Obviously,
19 that was an unexpected accident that occurred this
20 morning. But he is as fine as you can be with a
21 concussion and ten stitches, and two popsicles.

22 All right. Let me take a step back for
23 a minute. My name is Amy Manzelli, here representing New
24 Hampshire Audubon, one of the intervenors in this case.

1 BY MS. MANZELLI:

2 Q. Let me draw your attention first to the McCabe and
3 Crivella Prefiled Direct Testimony of January 31st,
4 2012. The information that I'm seeking is not in that
5 testimony, but that's where the questions came from.
6 On Page 8 of that testimony, specifically Lines 4
7 through 9, there is an indication that "on-call
8 supervisor" will be responsible for responding to
9 emergencies, *etcetera*. Can you tell us, I have a
10 series of questions, and I think it might make sense,
11 I'll just ask them all right now: Where the on-call
12 supervisor will be located? Howhow this individual
13 will be -- excuse me -- and, how this individual --
14 individual will be made aware of any situations that do
15 require immediate attention?

16 A. (Segura-Coto) Yes. Although I didn't answer the
17 question directly in that testimony, typically, we have
18 a combination of on-site personnel, plus remote control
19 of the wind farms. Where, after hours or when
20 personnel is not present at the wind farm, the remote
21 control center will be directed to access those
22 personnel after hours. So, that way we have a 24/7
23 operation and control of the wind farm, in case that an
24 event calls for immediate assistance at the site.

1 Q. Can you please describe the extent over the course of
2 an average week to which the facility will be
3 unstaffed?

4 A. (Segura-Coto) Typically, it will be staffed between
5 Monday and Friday, typically, at normal operational
6 hours, 7:00 or 8:00 in the morning, until maybe 4:00 or
7 5:00 p.m. And, then, after hours and weekends with the
8 on-call personnel.

9 Q. When would the Monday through Friday day typically end?
10 If it started, I think you said --

11 A. (Segura-Coto) If it started at 8:00 in the morning, it
12 would be eight business hours, plus a lunch break. So,
13 it would be at around 5:00 p.m.

14 Q. Okay. And, so, during Saturday and Sunday, and from
15 approximately 5:00 p.m. to approximately 8:00 a.m., the
16 facility would be unstaffed, but monitored remotely?

17 A. (Segura-Coto) Yes. Unless there are scheduled
18 maintenances --

19 Q. Okay.

20 A. (Segura-Coto) -- that require personnel to be on-site.
21 On a normal operation day, there would not be anybody
22 present at the site.

23 Q. Please describe the sequence of steps from
24 identification of the problem to the arrival of

1 emergency personnel in response to a transformer fire.
2 And, indicate the anticipated elapsed time from the
3 onset of the emergency, to the on-site arrival of
4 emergency personnel. Of course, this question assumes
5 this occurs during that -- one of the unstaffed times.

6 A. (Segura-Coto) Well, I don't know if I have the
7 specifics, since we are lacking right now a safety plan
8 for the wind farm yet. I can speak of generics of
9 these type of events. And, also to add, for
10 everybody's knowledge, that we haven't suffered a
11 transformer fire in our fleet in North America.

12 (Court reporter interruption.)

13 **BY THE WITNESS:**

14 A. (Segura-Coto) We haven't. But I can give you what's
15 the typical response, because we respond -- we respond
16 to events in the same manner. Unless, once we address
17 the issue, we determine there's a safety issue, and
18 then we direct to safety crews or emergency crews.

19 Typically, the SCADA system reports
20 alarms and events. Typically, our Remote Operation
21 Center establishes and categorizes them, and, based on
22 their criticality, they are able to either operate a
23 machine remotely or to dispatch technicians.

24 Technicians are typically, business hours, they are on

1 site. The access to the wind farm, the actual tower
2 that is affected, should be rather quick. Normally,
3 they gather tooling or parts that they believe that are
4 required to intervene. So, our expectation is that,
5 within an hour, those technicians will access the
6 tower.

7 Again, if part of the alarms or part of
8 the recordings at our Remote Operation Center indicate
9 there is an emergency or safety issue, obviously, the
10 reaction time is faster, and deployment of assets to
11 the turbine is different. So, it could include calling
12 up emergency services or whatever is required. If
13 there's no indication initially that there is an
14 emergency or a safety issue, typically, the technicians
15 access the tower, they look into the SCADA system on
16 the panel in the tower, and they assess any further
17 information they might have, and they proceed into
18 troubleshooting.

19 BY MS. MANZELLI:

20 Q. I think you mentioned that the remote system -- or, the
21 "Remote Center", I think is the phrase you used,
22 categorizes the level of the event, sort of like a
23 "triage" is what I understood you were saying. How
24 Could you describe that process please.

1 A. (Segura-Coto) The SCADA system of the turbine monitors
2 and reports a number of variables on the turbine.
3 Depending on what systems triggered the alarms and the
4 severity of those triggers, there is a hierarchy of
5 actions to be taken into the turbine. So, as you
6 mentioned, you're looking at a triage comparison, they
7 would be able to advise on what resources they need to
8 be deployed and the severity of the issue. Also, that
9 level of severity also triggers some automated
10 reactions of the turbine, which would allow a better
11 response to the issue.

12 Q. Is -- what I'm wondering is, is this process
13 exclusively an automated process? Meaning, is it, for
14 lack of more accurate words, a computer program? Or,
15 is it something that human personnel have a role in
16 assessing the categorization of the event? Or, is it
17 exclusively human personnel?

18 A. (Segura-Coto) The Remote Operation Center is manned
19 24/7, and it requires human interventions to dispatch
20 on affected turbines. So, the turbine has got an
21 automated protocol, when, in normal operations, when
22 alarms surface, then human intervention is required.

23 Q. And, why isn't there a safety plan yet?

24 A. (Segura-Coto) Typically, it's developed between the

1 owner, the local authorities, and the service
2 providers, once the plan has been -- once the site has
3 been firmed up, and all the specifics of the
4 technologies have been put in place.

5 Q. What do you mean by "firmed up"?

6 A. (Segura-Coto) At this point, I mean, typically, you
7 need to have the turbine model -- go ahead.

8 A. (McCabe) Yes. I mean, customarily, I think as was
9 discussed yesterday, we don't have a turbine supply
10 agreement in place with Acciona. At the point at which
11 we have executed a turbine supply agreement, sitting
12 down with Acciona and establishing such a plan, you
13 know, would be part of the O&M services agreement and
14 that whole process, between the time of executing the
15 turbine supply and, you know, commercial operations.

16 Q. And, when is it anticipated that the turbine supply
17 agreement would be executed?

18 A. (McCabe) Well, I think, again, as we've described in
19 our supplemental testimony, and perhaps on other
20 panels, that is contingent upon, you know, receipt of
21 an SEC permit, and also securing the other commercial
22 agreements, predominantly the power purchase
23 agreements. And, having those in place enable you to
24 move forward with the financing and securing turbines.

1 Q. So, assuming everything else were in place, can you
2 quantify how many months from that point the turbine
3 supply agreement would be executed or you would expect
4 that it would be executed?

5 A. (McCabe) Generally, it can be anywhere from, you know,
6 backing up from a commercial -- a targeted commercial
7 operation date, it can be anywhere from, you know,
8 twelve months or eighteen months before that time.

9 Q. And, going back to emergency response time, I
10 understand this personally, this is a little ironic for
11 me today, I understand that emergencies can have
12 different levels. Can you quantify the response time
13 for the whole range of emergencies? So, the least
14 urgent emergency to the most urgent emergency, what
15 would those response times be expected to be?

16 A. (Segura-Coto) Hypothetically, if there is a
17 catastrophic event, that, obviously, will trigger an
18 array of alarms in our Remote Operation Center. It
19 will be immediate. Because the protocol will be to
20 immediately engage emergency response teams, as well
21 as, you know, site personnel and management personnel.
22 So, it will be whatever the time, and I'm not a -- I
23 mean, I'm not knowledgeable enough about our responses
24 time of emergency teams from the City of Antrim or

1 otherwise. But, as far as our responses of the
2 organization from the management of the alarms will be
3 immediate.

4 Q. I understand the safety plan is not complete. Is that
5 why you are not familiar with the response time of the
6 emergency responder personnel in the Antrim area?

7 A. (Segura-Coto) Correct.

8 Q. And, so, would you gain that knowledge and incorporate
9 that into your safety plan?

10 A. (Segura-Coto) Absolutely. It will be part of the site
11 safety plan that includes all the relationships and
12 interactions with all the resources locally.

13 Q. Drawing your attention to the McCabe and Crivella First
14 Supplemental Prefiled Testimony and Segura-Coto
15 Prefiled Direct Testimony of August 22nd, 2012, which I
16 believe is AWE Exhibit 7. Someone correct me if I'm
17 mistaken. In there, I don't have it before me, but,
18 when I reviewed it, I saw there's testimony that
19 Acciona provides "24/7 remote monitoring based in
20 Chicago, Illinois". What provisions does Acciona have
21 for maintaining monitoring operations of a facility in
22 Antrim, New Hampshire, in the event of a widespread
23 power outage involving the Chicago area?

24 A. (Segura-Coto) Acciona's group of monitoring teams, they

1 have redundancies built in. Where, not only do we have
2 the Chicago Center, but, also, all the wind farms in
3 North America, they have this ability throughout the
4 world. We have operations centers based in Spain, we
5 have operations centers based in Australia. A "worst
6 case" scenario, in the case of a global catastrophe
7 that prevents Remote Operations Center to have
8 visibility over a specific project, the sequence of
9 events will call for actually engaging the local
10 personnel to gain control locally. Because all the
11 functionalities and capabilities that our Remote
12 Operations Center possess, you also possess them
13 locally at the actual wind farm operations and
14 maintenance building.

15 Q. Does that mean that, in the event of such a
16 catastrophic event, the Antrim facility would become
17 staffed 24/7?

18 A. (Segura-Coto) It will mean that the on-call personnel
19 will man the wind farm while we regain the stability of
20 the Operations Centers, yes.

21 Q. And, do the redundancy systems in, for example, you
22 mentioned Spain and Australia, do they have all of the
23 access and the ability to control and respond to the
24 Antrim facility that the Chicago facility has?

1 A. (Segura-Coto) That is correct.

2 Q. Further down on that testimony, there's a statement
3 that "loss of communication" is one of the conditions
4 that will trigger "the SCADA system to put a turbine
5 into pause mode", which I understand means to stop the
6 turbine from spinning. Can you please explain how this
7 is accomplished if communication with the turbine has
8 been lost?

9 A. (Segura-Coto) Could you refer to a specific section of
10 the testimony?

11 Q. Sure. I'm sorry. I apologize. I do have that noted.
12 So, if I forget again, let me know. I'm looking at
13 Page 12. And, on Page 12, it's Lines 1 through 5.
14 And, there's a list of several items that will trigger
15 the system to "put the turbine into pause". And, one
16 of the things on that list is "loss of communication".
17 So, I just would like some more detail about, if
18 communication is lost, how there would be communication
19 to stop the turbine?

20 MR. IACOPINO: Ms. Manzelli, which
21 exhibit is that that you're --

22 MS. MANZELLI: Sure. I believe that
23 it's AWE 7. The title of the document is the McCabe and
24 Crivella First Supplemental Prefiled Testimony and

1 Segura-Coto Prefiled Direct Testimony of 22 August 2012.

2 MR. IACOPINO: Thank you.

3 BY MS. MANZELLI:

4 Q. Answer, if you may.

5 A. (Segura-Coto) Absolutely. Once the turbine loses
6 communication, it loses the ability to communicate any
7 faults or any statuses to the Remote Centers, and also
8 to the operation station at the operation and
9 maintenance building. So, in an autonomous reaction,
10 the turbine puts itself in a pause mode. So, it is not
11 -- I think that your question is pointing out to the
12 fact, if you don't have communication, how somebody
13 remotely can pause the turbine?

14 Q. Uh-huh.

15 A. (Segura-Coto) Actually, the turbine puts itself in
16 pause mode as a self-protected mode.

17 Q. Same document, AWE 7, same page, further down, Lines 5
18 through 7. The team is described as "an extremely
19 knowledgeable and experienced" one. Could you please
20 describe --

21 A. (Segura-Coto) Uh-huh.

22 Q. -- a couple of things I'm going to list I'd like
23 descriptions of. The specific training and
24 qualification of the team members, their work schedule,

1 and include in there the number of team members on duty
2 during day, night, weekend, and holiday hours?

3 A. (Segura-Coto) I am not aware of those details. That
4 control center is not under my responsibility. But I
5 guess we can further comment with some information.

6 Q. Do you know who, in the Applicant's team, would be best
7 suited to have that knowledge?

8 A. (Segura-Coto) I mean, that would be me, but it would
9 require me pursuing that information for you.

10 MR. PATCH: I think he's suggesting that
11 we could provide that in response to a written data
12 request -- or, to a record request today, we could provide
13 it in writing.

14 MS. MANZELLI: Okay. Thank you.

15 MR. PATCH: Is that something you're
16 requesting?

17 MS. MANZELLI: I'm sorry. I'm here
18 without my client. If I can get back to you by the end of
19 the day? Thank you.

20 MS. BAILEY: I think it would be helpful
21 to have it. So, why don't we make that a written record
22 request -- I mean, a record request.

23 MS. MANZELLI: Thank you.

24 MR. PATCH: Is there a particular number

1 for the exhibit that we should use?

2 MR. IACOPINO: When you get it in, we'll
3 straighten that out.

4 MR. PATCH: Okay.

5 MR. IACOPINO: Thank you.

6 MS. MANZELLI: So, just for the record,
7 since it sounds like a homework assignment for tonight:
8 Specific training and qualification of team members; their
9 work schedule, and, including in the work schedule, the
10 number of team members on duty during day, --

11 MR. PATCH: Could you go a little bit
12 slower?

13 MS. MANZELLI: Yes. So, number one is
14 specific training and qualifications of the team members.
15 Number two is the work schedule. And, included in the
16 work schedule, the number of team members on duty at the
17 following times: Day, night, weekend, and holidays. And,
18 I understand we're talking about an international
19 operation, so let me be clear. We're talking about
20 holidays that would be recognized in New Hampshire, and in
21 Chicago.

22 MS. BAILEY: And, are you asking for the
23 team members assigned in New Hampshire or at the Remote
24 Operations Centers?

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 MS. MANZELLI: At the Remote Operation
2 Center in Chicago, Illinois only.

3 MS. BAILEY: Okay. Thank you.

4 MS. MANZELLI: Thank you.

5 WITNESS SEGURA-COTO: Thank you.

6 BY MS. MANZELLI:

7 Q. New document. This is -- I believe it's AWE 9. What
8 I'm after is the Second Supplemental Prefiled Testimony
9 of Sean McCabe, First Supplemental Prefiled Testimony
10 of Ruben Segura-Coto, and Prefiled Direct Testimony of
11 Sally Wright, on October 11th, 2012.

12 MS. MANZELLI: And, please, by all
13 means, I don't have a perfect record of all the exhibits.
14 So, if it's not "AWE 9", someone please let us know.

15 MR. IACOPINO: What was the date of the
16 supplemental testimony?

17 MS. MANZELLI: October 11th, 2012, the
18 most recent batch.

19 MR. IACOPINO: That is, that is AWE 9.
20 And, just for the Committee who's using electronic, it
21 would be number 32 in AWE 9, Document 32.

22 BY MS. MANZELLI:

23 Q. So, there's a statement in there. We're looking at
24 Page 4 of 6, and Lines 6 to 9. So, Page 4, Lines 6 to

1 9. That the AW-3000 series turbines do not yet meet
2 the installation numbers required for "proven status".
3 When does that -- when is it anticipated that that
4 status -- let me step back. What does that status mean
5 and how is it determined?

6 A. (McCabe) Can I just -- I think I'll start with an
7 answer.

8 Q. Sure.

9 A. (McCabe) And, I think, to provide some more specifics,
10 given her background on turbine certification, you
11 know, I'll turn it to Sally. But, in general, turbines
12 get -- new turbine models go through a process of
13 certification. In the case of the AW-3000/116, the
14 turbine in question, it was part of a design
15 certification process done by a third party that was
16 completed last year, which covered the platform of
17 turbines, including, you know, this machine. That's a
18 general design certification, okay, and it covers the
19 sort of engineering for a particular turbine group.
20 And, then, more specifically, a turbine model will go
21 through what they call a "type certification", again,
22 done by a third party. And, in this instance, the type
23 certification for the AW-3000 machine is underway in
24 two places. For the 50 hertz machine, which is a

1 European model, it's ongoing right now in Spain, and
2 will be completed the first quarter of 2013. In Iowa,
3 the type certification is kicking off, as far as I
4 understand from Acciona, in the next few weeks, and
5 will be completed in the second quarter of 2013.

6 From AWE's standpoint, the type
7 certification is important for a new turbine model,
8 because it essentially is a third party validation that
9 the turbine is commercial and that it is, you know,
10 going to be safe, reliable, and that that's going to
11 perform to the expectations that we have of it and that
12 Acciona has of it.

13 I'm probably not the person to talk
14 about how Garrad Hassan would perceive of what they
15 call "proven technology", and I'll let Sally handle
16 that.

17 A. (Wright) Okay. So, maybe I can give you an overview of
18 how turbines come into the market. A turbine is
19 designed by a turbine manufacturer. It's very common
20 right now that a turbine manufacturer expands an
21 evolutionary process from an existing design, and
22 that's the case in this case. So, Acciona has a
23 1.5-megawatt turbine, which we do consider a "proven"
24 design. There are many of them around the world. They

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 have designed a 3-megawatt machine, on basically the
2 same design. The components are from the same
3 sub-supplier, the basic structural and concept design
4 are the same. Because it's larger, and the structural
5 design is new, it goes through the certification
6 process.

7 The certification process has a number
8 of steps. The first main one that we're interested in
9 is the design certification. That's a paper -- it's on
10 paper. The entire structural design and controls
11 design is handed over to a certifying agency. In this
12 case, it was done by Germanischer Lloyd. And, this
13 turbine was issued a statement of compliance. Yes?

14 MR. IACOPINO: I missed the name of the
15 standard --

16 WITNESS WRIGHT: Germanischer Lloyd is
17 the agency that is certifying the Acciona 116/3-megawatt
18 turbine to a standard of the IEC 61400-1. That is the
19 "International Electrotechnical Commission". That's the
20 standard that modern wind turbines are designed to.

21 So, --

22 BY MS. MANZELLI:

23 Q. Can you repeat the standard again?

24 A. (Wright) Sure. It's the IEC, which stands for

1 "International Electrotechnical Commission", 61400, so,
2 6-1-4-0-0, -1. And, in this case, it's second edition.
3 So, that's the first step that we're interested in.
4 This turbine has passed that step.

5 Q. Could you complete the description of the certification
6 that AWE is interested in. Are there other
7 certifications that AWE is interested in?

8 A. (Wright) Not necessarily, no. So, the first step is
9 the design certification. And, that says that the
10 design complies with International standards. And,
11 what that tells you, the standard is for -- primarily
12 about safety. It says, "Will the turbine meet its
13 design life?" "Has it been designed satisfactorily to
14 last the 20-year life?" And, it has met that. That's
15 the one we are primarily interested in.

16 There's an additional step called "type
17 certification". That is not required or necessarily
18 common in North America. In some places in Europe, in
19 India, type cert. is required to install a turbine, it
20 is not required by regulation in the U.S. There is no
21 certification that's required in the U.S. We don't
22 have any requirements. The requirements come from (a)
23 financing, and (b) insurance, and, actually, primarily
24 financing. Financing in North America is contingent on

1 design certification, which this turbine has.

2 Now, they are going through the type
3 certification process, and that requires -- it is no
4 longer paper, but it requires putting up a prototype,
5 doing tests, lots of physical tests. We like to see
6 that, but it is not required in North America.

7 Q. Do you anticipate that type certification will be
8 required in North America sometime soon?

9 A. (Wright) No. No. I mean, we don't -- we don't use
10 standards in this country. We don't have a standard
11 system, for turbines and for many other things. When
12 you buy -- when you buy a lamp, it's -- the
13 certification is required by your insurance company.
14 There is no -- the UL, that's Underwriters Limited.
15 That's because the insurance wanted there to be a
16 standard. We don't -- we don't, in many cases, require
17 certification. So, we don't require design
18 certification, much less type certification.

19 Q. Now, how does the design certification and type
20 certification that the two of you have discussed relate
21 to "proven status"?

22 A. (Wright) Okay. So, that's the next step. "Proven
23 status" is a term that we use, Garrad Hassan uses, and
24 has used for over a decade, to characterize a turbine

1 that has sufficient experience to understand what the
2 performance of the turbine will be. It's not related
3 to the life of the turbine. That's dealt with in the
4 design certificate.

5 Q. So, first, is the design certificate, then the type
6 certificate, and then it's gotten "proven status"?

7 A. (Wright) Correct. Not necessarily. The design -- the
8 "proven status" is not dependent on type certificate.

9 Q. Well, I thought you said that was next, after type
10 certificate?

11 A. (Wright) You can get -- you could get a type
12 certificate before reaching proven, but it's not
13 required to reach a proven.

14 Q. So, are there -- if you have proven -- earlier in your
15 testimony, I think you used the phrase "we consider it
16 proven"?

17 A. (Wright) We consider the 1.5-megawatt turbine proven.

18 Q. Okay. In that statement, who is "we"?

19 A. (Wright) GL Garrad Hassan.

20 Q. And, are you saying that there is two different types
21 of "proven status". There's proven status that is a
22 status gotten after only a design certification?

23 A. (Wright) No. We don't look at the type certification
24 in North America, because type certificates are not

1 required in North America. There are many turbines
2 installed in North America that do not have and never
3 will have a type certificate.

4 Q. So, you're --

5 A. (Wright) So, we could not -- we could not require a
6 type certificate for proven status, --

7 MS. BAILEY: Ms. Wright.

8 **CONTINUED BY THE WITNESS:**

9 A. (Wright) -- because it's just not common. Sorry.

10 MS. BAILEY: I did what I was going to
11 ask you not to do. Can you wait until she finishes, so
12 that the court reporter can get everything down?

13 WITNESS WRIGHT: Sure.

14 MS. BAILEY: Thanks.

15 WITNESS WRIGHT: Sorry.

16 MS. MANZELLI: Thank you.

17 BY MS. MANZELLI:

18 Q. So, am I understanding correctly what you're saying,
19 that the wind turbines proposed to be used in this
20 Project have, in your opinion, "proven status", because
21 they have obtained design certification, even though
22 they have not received type certification?

23 A. (Wright) To reach -- we've got four criteria for a
24 turbine to become proven. So, 1.5-megawatt Acciona

1 turbine is proven; the 3-megawatt turbine is not.

2 Q. Okay.

3 A. (Wright) Because the turbine does not have the
4 installed experience in North America yet.

5 Q. Okay. Can you describe the -- can you quantify the
6 time anticipated before that status is gotten?

7 A. (Wright) What we look for, one of the criteria to reach
8 a proven status, is 100 turbine years of experience.
9 After that's reached, then we do an analysis of the
10 fleetwide -- North American fleetwide availability,
11 which is a measurement of reliability.

12 Q. So, can you quantify when -- I'm sorry, I forgot the
13 magnitude, did you say "a thousand hours"?

14 A. (Wright) A hundred turbine years.

15 Q. A hundred turbine years.

16 A. (Wright) So, typically, we want to see at least a
17 year's worth of operation. Usually, once a turbine
18 design has been introduced, it's usually a couple of
19 years before it reaches that, because it takes a little
20 while to get the turbines installed and running and --

21 Q. So, it's a couple of years -- I'm sorry, were you done?

22 A. (Wright) Sure. Yes.

23 Q. It's a couple years to -- from the time that the
24 turbine is in use, to the time that you've reached

1 100,000 turbine years?

2 A. (Wright) One hundred turbine years.

3 Q. I'm so sorry. I'm having trouble with this number.

4 So, it's --

5 A. (Wright) It's 100 turbines operating for year.

6 Q. Right. Right. I get the concept. So, it's a couple
7 years till you reach that. And, then, you described a
8 period of analysis looking at that data, how long is
9 that period?

10 A. (Wright) It usually takes us a month or so to do that
11 analysis. I'd like to mention that it's very common
12 for turbines to be installed before they're proven.
13 It's not as if turbines have to be proven to be
14 installed. Obviously, because we do this all the time,
15 many turbines are brought into the North American
16 market. They are not yet proven. They make their
17 mark, they go through and reach these criteria.

18 Q. Same document. Where are we? AWE 9, which is the
19 prefiled testimony from October 11th. Looking at I
20 believe it's Page 4, Line 21. Actually, we might have
21 just discussed this question. Give me a moment. We've
22 covered this question. I apologize. Are any of you on
23 the panel familiar with the draft Avian and Bat
24 Protection Plan that's been developed for this Project?

1 A. (McCabe) Yes. Yes, I'm familiar with it.

2 Q. How does it compare with similar plans for other
3 facilities that Acciona operates?

4 A. (McCabe) Yes, I think that's a question better asked by
5 another panel. I'm not prepared to ask -- answer
6 specific questions about the Avian and Bat Protection
7 Plan, as it relates to others with Acciona turbines.

8 Q. Who amongst the Applicant proponents would be the
9 correct person or panel to address comparing the Avian
10 and Bat Protection Plan proposed for this Project, with
11 other avian and bat protection plans that are
12 implemented for other Acciona projects?

13 A. (McCabe) I think avian/bat protection plans tend to be
14 agnostic as it relates to turbine models. They're put
15 in place sort of independent of what the turbine is at
16 a particular site. So, if you have questions about the
17 Avian and Bat Protection Plan, I think they're best
18 addressed by the biological panel that will be, I
19 think, tomorrow, but --

20 MR. IACOPINO: Is that Mr. Valteau and
21 Mr. Gravel?

22 WITNESS McCABE: Yes, it is.

23 BY MS. MANZELLI:

24 Q. Noted. Thank you. What happens if either AWE or

1 Acciona does not comply with the agreement between the
2 two organizations?

3 A. (McCabe) Well, let me start by saying, the O&M, the
4 services agreement, you know, will be, you know, a
5 negotiated document, in which the responsibilities and
6 the rights of the two parties will be clearly
7 articulated. And, obviously, there will be instances
8 you cannot foresee and put in a document. And, I
9 expect there will be, you know, customary procedures to
10 deal with disputes that arise, you know, in terms of
11 responsibilities for AWE versus responsibilities for
12 Acciona under their services contract. So, that's my
13 general answer.

14 You might have more specific examples to
15 provide.

16 A. (Segura-Coto) So, I mean, noted that, obviously, in
17 those agreements, there is a clear definition of the
18 scope of services and responsibilities, and provisions
19 for incidences and faults and whatnot. So, it would be
20 a standard contract between two organizations for the
21 services rendered.

22 Q. I'm not quite sure I understand my question to have
23 been answered. What I'm trying to get at is, let's
24 say, just for the purposes of this question, AWA has

1 breached -- AWE has breached its obligations under the
2 contract. So, you know, what does Acciona do? How
3 long does it keep, for example, maintaining the safety
4 precautions that we've discussed earlier?

5 MR. PATCH: I'd like to object to that
6 question. I think it's really calling for speculation on
7 the part of the witnesses. And, I mean, as they have
8 testified, they haven't yet reached agreement. So, I just
9 think it's very speculative.

10 MS. MANZELLI: I'll withdraw the
11 question.

12 BY MS. MANZELLI:

13 Q. In facilities that you managed, where you've reached an
14 operating and management agreement, like the one that
15 you anticipate reaching with AWE, what happens if the
16 owner of the facility has breached its agreement with
17 you?

18 A. (Segura-Coto) I think I'm not at liberty to discuss the
19 content of those agreements with other customers of
20 Acciona.

21 Q. You can't offer any information as to what Acciona's
22 obligations would be to maintain public safety
23 provisions?

24 A. (Segura-Coto) As a general statement, we can say that

1 it's not an immediate action against the defaulting
2 party. It's a progressive sequence of events. So, it
3 is true that we definitely understand and we care for
4 the asset that is on the ground, and we understand the
5 importance and the safety of the teams involved into
6 the operating and maintaining the assets. So, yes, we
7 require a number of steps before we proceed into more
8 severe actions, if you will. And, they are typically
9 articulated in the contracts.

10 Q. And, assuming that there is an agreement consummated
11 between Acciona and AWE, are the provisions of that
12 agreement that describe Acciona's obligations, in the
13 event of a breach by AWE, similarly going to be secret?

14 A. (Segura-Coto) Well, that will be a discussion between
15 the commercial team and Antrim --

16 (Court reporter interruption.)

17 **BY THE WITNESS:**

18 A. (Segura-Coto) Antrim and Acciona. And, I cannot tell
19 you from now what will be the nature of the contractual
20 language in the contract.

21 **BY MS. MANZELLI:**

22 Q. My question is not the nature of the contractual
23 language. My question is about the public right to
24 know what Acciona's obligations would be in the case of

1 a breach by AWE?

2 A. (McCabe) I guess I would say, as a general response, I
3 don't think there would be a public right to know what
4 is a private document between two parties.

5 Q. Even though Acciona is the organization that's going to
6 be responsible, in large part, for making sure safety
7 is maintained?

8 A. (McCabe) I think as -- I think the document will
9 reflect that, that reality, that they are assuming, you
10 know, public safety responsibilities, you know, within
11 the context of the agreement.

12 Q. You can tell me if you're not the right panel for the
13 question, please do. How does Acciona implement
14 adaptive management at facilities that it's in charge
15 of?

16 A. (McCabe) I believe that's, again, another question that
17 falls under the -- squarely under the Avian and Bat
18 Protection Plan.

19 Q. And, I just want to preface these next few questions.
20 It's possible that all of these might be for the other
21 panel. But I just want to make sure that, --

22 A. (McCabe) Okay.

23 Q. -- to the extent that they would be directed at you,
24 I've gotcha while you're here. Have there been

1 fatalities of threatened or endangered species at other
2 facilities operated by Acciona in North America?

3 A. (Segura-Coto) Not to my knowledge. I'm speaking about
4 U.S. and Canada.

5 Q. Okay. And, let me rephrase the question. Have there
6 been fatalities of species that are listed as
7 "threatened" or "endangered" under American federal law
8 or under an American state's laws?

9 A. (Segura-Coto) Not to my knowledge.

10 Q. Are Acciona's O&M personnel trained to look for avian
11 and bat fatalities during their routine activities?

12 A. (Segura-Coto) That will be the responsibility of the
13 owner of the facility, unless it's been subcontracted
14 to Acciona.

15 Q. So, if that particular responsibility were
16 subcontracted, what would happen?

17 A. (Segura-Coto) It is not typical for Acciona to perform
18 those services. It would have to be articulated in the
19 contract.

20 A. (McCabe) Yes. I guess I would just add that, you know,
21 AWE would expect that, if there are post construction
22 mortality surveys that need to be performed, that they
23 would be done by a third party biological firm that
24 specializes in that activity.

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 MR. IACOPINO: But, Mr. McCabe, I think
2 the question is, who on-site is responsible for --

3 WITNESS McCABE: Yes.

4 MR. IACOPINO: -- for finding, not
5 necessarily doing a study, but, if there is a kill of some
6 sort, who's going to be on-site to see it and report it?

7 WITNESS SEGURA-COTO: I mean, I am
8 knowledgeable about the protocol that typically takes
9 place. Now, it's not typically the responsibility of
10 Acciona Wind Power. Balance of plant activities typically
11 are the responsibility of the owner. Unless it is present
12 on the path of the technicians going to tower
13 investigating an event in a tower, what you do is periodic
14 scans of the areas that are affected on the turbine-swept
15 area, okay?

16 (Court reporter interruption.)

17 **BY THE WITNESS:**

18 A. (Segura-Coto) Typically, do inspections of the areas
19 affected by the turbine-swept area, the rotor, okay?
20 So, it will be a periodic inspection. Typically, you
21 need to walk the areas where the turbine potentially
22 could affect any of the population there, avian
23 population.

24 BY MS. MANZELLI:

1 Q. And, that would be an Acciona employee or a
2 subcontractor walking the area?

3 A. (Segura-Coto) It is not typically the case that Acciona
4 performs those services. Those services typically are
5 either performed by the owners' own employees or
6 subcontracted out by the owner to some other third
7 party.

8 Q. Okay. And, by "those services", do I understand
9 correctly that you're saying the "periodic scans of the
10 turbine-swept area"?

11 A. (Segura-Coto) Correct. Not only that, obviously, any
12 personnel under the Acciona supervision, they need to
13 notify of any kind of event, including any findings of
14 a natural wildlife impact that they see around.

15
16 Q. How would they know that there was a "wildlife impact"?
17 For example, you know, a dead dragon fly? Would that
18 be a wildlife impact that required notification?

19 A. (Segura-Coto) Typically, there is some language on the
20 O&M plan that it gets put in place on the specific wind
21 farms, of different geographic areas in the U.S.,
22 different conditions and regulations, just for general
23 awareness of the personnel on-site, with the purpose of
24 to serve a report.

1 Q. Uh-huh.

2 A. (Segura-Coto) By no means, I'm claiming that they would
3 be experts in such a moment. And, that's what I
4 believe it is required to happen, periodic
5 investigations.

6 Q. So, in the O&M agreement, there might be provisions
7 about this, is that what you just said?

8 A. (McCabe) Yes. I would expect there would be language
9 which addresses, you know, the wind technician's
10 responsibility should they find, you know, an injured
11 bird, a dead bird, or some other, you know, wildlife.

12 Q. So, what I'm concerned about is the "lost in
13 translation" issue. So, it's one thing to have
14 language in an agreement, it's another thing to have
15 the wind technician on the ground (1) know that that
16 language is in the agreement, and (2) be trained in
17 what it means. So, I thought that you said there was
18 no training?

19 A. (McCabe) Well, I'll speak from my experience that,
20 whether it's a construction personnel or a permanent
21 employee who enters a wind farm facility, they are
22 trained in what to do if they find something on the
23 ground, an animal that's, you know, that needs to be --
24 there's a reporting mechanism. Depend on the species,

1 there is a reporting mechanism that gets escalated to,
2 you know, to the appropriate state or federal agency.

3 Q. But there's not a regular search for a fatality or it's
4 not typical that a regular search for a fatality would
5 be in your scope of services?

6 A. (McCabe) Is that question for me?

7 Q. Anyone on the panel that can answer.

8 A. (Segura-Coto) I think the next panel would be better
9 suited to answer these type of questions.

10 A. (McCabe) No, let me be clear with it, because I'm not
11 -- I don't know if you're asking me that or who you're
12 asking that. But I think there's going to be --
13 there's going to be training and a specific instruction
14 of what to do for any personnel on a site, you know,
15 when you find, you know, and animal that's been injured
16 or has been killed. Okay? And, that's -- whether or
17 not they're regular searches, I think is dependent upon
18 the requirements put in place related to state and
19 federal agencies and post construction monitoring.
20 That's an entirely different undertaking than, you
21 know, what would be contemplated in an O&M agreement.
22 Does that --

23 Q. I think we'll have further discussion on it at a
24 subsequent point in the hearing. Does Acciona practice

1 curtailment for wildlife mitigation -- excuse me,
2 migration at any North American facilities?

3 A. (Segura-Coto) I think that trying to understand the
4 nature of the question, it would be better, can you ask
5 the question or elaborate a little bit better?

6 Q. Sure. If a facility were located in a winter flyover
7 route of wildlife, you know, here we're talking about
8 birds, --

9 A. (Segura-Coto) Uh-huh.

10 Q. -- does, in that circumstance, or a similar wildlife
11 migration circumstance, we're talking about an annual
12 pattern of movement of multiple individuals in a
13 species, does, in that circumstance, does Acciona
14 practice curtailment?

15 A. (Segura-Coto) I am not aware of any of the wind farms
16 that we have in the U.S. and Canada that they're in the
17 migratory path. Yet, said that, Acciona will implement
18 any sporadic curtailment required or needed by the
19 owner, for that or any other reason.

20 Q. Are any of Acciona's facilities located near major bat
21 nursery colonies?

22 A. (Segura-Coto) I do not know that. I don't know the
23 answer to that question.

24 Q. How would the increased cut-in speeds recommended to

1 minimize bat fatalities' effective performance of the
2 AW-3000/116?

3 A. (Segura-Coto) I do not know that.

4 A. (McCabe) I believe we've responded to that in a
5 supplementary filing, as it related to our proposal for
6 curtailment under the Avian and Bat Protection Plan.

7 MS. MANZELLI: If your attorney could
8 point me to what document that was, I would appreciate it.
9 Or, excuse me, AWE's attorney. Is it IWAG-7?

10 MR. PATCH: We can't find it at this
11 time.

12 MS. MANZELLI: Without asking the legal
13 team to testify, does that seem accurate to your
14 recollection that this answer has -- that this question
15 has been answered in a data request?

16 MR. IACOPINO: I think it was the
17 response to the Committee's order on the confidentiality.
18 And, I'm looking for it as well. I know it's in the
19 record. I'll find it.

20 MS. MANZELLI: Well, that's my last
21 question. I don't want to hold up the proceedings. But,
22 if AWE counsel and I can agree to get together sometime so
23 that you can point me in the right direction, I would
24 appreciate it.

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 Thank you, members of the panel. I
2 appreciate your time. No further questions at this time.

3 WITNESS SEGURA-COTO: Thank you.

4 MS. BAILEY: Okay. Thank you. Steve,
5 you okay?

6 MR. PATNAUDE: Yeah, keep going.

7 MS. BAILEY: Okay. Appalachian Mountain
8 Club here?

9 (No verbal response)

10 MS. BAILEY: Okay. Then, Ms. Linowes.

11 MS. LINOWES: Thank you, madam Chair.
12 Okay. I have several questions. And, I'm going to, with
13 regard to references, I'm going to be referring to the
14 testimony that was submitted on January 31st and
15 August 22nd by Sean McCabe and Ellen Crivella, and also
16 testimony that was submitted on August 22nd and October
17 11th by Mr. Segura-Coto and Sally Wright, as well as Mr.
18 McCabe. And, I'm also going to be referring to data
19 request responses that I submitted as part of IWAG-7, that
20 exhibit.

21 BY MS. LINOWES:

22 Q. Ms. Wright, starting with you. On Page 3 of your
23 testimony, from October 11th, on Line 16, you make a
24 statement that you've "performed due diligence

1 assessments of Acciona turbines since 2008. In support
2 of this work, I've inspected the assembly facility in
3 West Branch, Iowa, and climbed an AW-1500 model
4 turbine" to hub height? Is scaling an Acciona wind
5 turbine a type of initiation?

6 A. (Wright) Climbing wind turbines is part of my job.

7 Q. Okay. Is that --

8 A. (Wright) I've climbed many, many wind turbines.

9 Q. Okay. But it doesn't really speak to the reliability
10 of the turbine, correct? Other than the fact that you
11 can get to the top?

12 A. (Wright) I was doing a standard inspection.

13 Q. Okay. On Line -- on Page 4, Line 8, and this, I am
14 going to -- this is going to sound like overlap, but
15 it's not. You state that "The newer model does not yet
16 meet the installation numbers required for proven
17 status."

18 A. (Wright) Uh-huh.

19 Q. Right? And, in response to a data request from June,
20 Mr. Kenworthy stated that "the first 116M meter rotor
21 will be installed on a machine in Spain in the coming
22 weeks." Has that installation actually happened? Did
23 it happen in September?

24 A. (Segura-Coto) I do believe it did happen, yes.

1 Q. And, is that a prototype system?

2 A. (Segura-Coto) No, it is not.

3 Q. Okay. And, then, otherwise, where else do you have
4 operating AW-3000/116s commercially operating?

5 A. (Segura-Coto) I think it was part of a data request, if
6 you allow me to find it real quick.

7 A. (McCabe) It's Public Counsel 2-3 and the response to
8 that.

9 Q. Yes. I understand. I'm asking, do you have any
10 commercially operating AW-3000/116 turbines,
11 commercially operating?

12 A. (Segura-Coto) I know of the existence of the turbines.
13 I don't know the commercial terms of those. I can tell
14 you that, of the two turbines that we will have in the
15 U.S., in Pioneer Grove, in Iowa, will be commercially
16 available at the end of the month of November.

17 Q. Okay. Do you have any commercially operating
18 AW-3000/116s today?

19 A. (Segura-Coto) In the U.S. and Canada, no.

20 Q. And, I believe, I'm not sure whose testimony it is, I
21 believe it is Ms. Wright's. It says "New turbine
22 models from reputable", this is in response to that --
23 lower down in that response on Page 4. It says that,
24 on Line 8, it says "This newer model does not yet meet

1 the installation numbers"...however, new turbine
2 models from reputable manufacturers such as Acciona are
3 routinely introduced into the marketplace and evaluated
4 and certified in a manner that [it] undertaken". So,
5 -- "and such turbines are successfully placed into
6 service across the globe." Do you remember writing
7 that?

8 A. (Wright) Uh-huh.

9 Q. Okay. Do you consider Vestas a reputable manufacturer?

10 A. (Wright) Yes, I do.

11 Q. Okay. Are you aware of the problem Vestas reported
12 with 376 of its V-90 3.0 megawatt turbines, the
13 gearboxes have proven problematic?

14 A. (Wright) Yes, I am.

15 Q. Okay. And, are you -- do you consider GE a reputable
16 manufacturer?

17 A. (Wright) Yes.

18 Q. Are you familiar with the problems at the Grand Meadow
19 wind facility in Minnesota where 46 of the 67 GE 1.5
20 megawatt turbines are now experiencing problems and
21 require ongoing review to see if more problems arise?

22 A. (Wright) I'm not familiar with Grand Meadow, no.

23 Q. It appears with that facility that the steel -- there
24 are steel quality issues in the gearboxes resulting in

1 the gearboxes not holding up as long as expected. You
2 make several references to --

3 MR. PATCH: Excuse me. I'd just like to
4 object. It appears that Ms. Linowes is offering
5 testimony, instead of asking questions, when she provides
6 information like that. And, I would just request that, if
7 she has a question for the Committee, that's fine. But
8 she'll have an opportunity to testify later in this
9 proceeding. But it just doesn't seem appropriate that she
10 offer testimony, you know, as part of her questions or in
11 response to something that a witness has said.

12 MS. LINOWES: Madam Chair, I was
13 surprised that the witness, who has spent eleven years in
14 the wind industry, did not know about this issue. So, I
15 thought perhaps it would be worth mentioning.

16 MS. BAILEY: Well, --

17 MS. LINOWES: And, if there is a
18 follow-up question --

19 MR. PATCH: That's even more testimony
20 right there.

21 MS. LINOWES: Excuse me. Excuse me.
22 There is follow-up question to the point, and --

23 MS. BAILEY: Ms. Linowes.

24 MS. LINOWES: Yes.

1 MS. BAILEY: Wait a minute please.

2 MS. LINOWES: Okay.

3 MS. BAILEY: I agree, you should not be
4 introducing facts while you're questioning. You will have
5 an opportunity to testify, and you can add that to your
6 testimony.

7 MS. LINOWES: Okay.

8 MS. BAILEY: Please keep it to
9 questions.

10 MR. ROTH: If I may, for a moment. I
11 think it's in the very nature of cross-examination for the
12 cross-examiner to introduce facts and get the witness to
13 either agree or disagree with them. And, so, for
14 Ms. Linowes to do that, or for any of us to do that, is
15 perfectly appropriate.

16 MS. BAILEY: She did, she did that, and
17 the witness said she wasn't aware, and then she added more
18 information, without a question. That's what I think
19 wasn't okay.

20 MR. ROTH: Make sure you add a question
21 to it.

22 MS. LINOWES: Okay. Madam Chair, I do
23 have a question that I wanted to ask about that.

24 BY MS. LINOWES:

1 Q. And, that is, the gearboxes for the turbines are
2 supplied by third parties typically, is that true?

3 A. (Wright) That's correct.

4 Q. Does Acciona use a third party to supply its gearboxes?

5 A. (Wright) Yes, it does.

6 Q. Okay. And, you anticipate those gearboxes -- those
7 third parties that will -- are also reliable suppliers
8 or reputable manufacturers, is that true?

9 A. (Wright) What's your question?

10 Q. Are you anticipating that those gearbox suppliers are
11 also reputable manufacturers? Those used by GE,
12 Vestas, and perhaps Acciona?

13 A. (Wright) You appear to be --

14 Q. I'm asking a question. Do you expect that --

15 A. (Wright) -- trying to link Acciona's gearboxes with
16 past failures of other gearboxes.

17 Q. No, I'm not. I'm asking about, isn't there an
18 expectation, if you have a reputable manufacturer, a
19 reputable manufacturer, such as Vestas, which you've
20 stated, such as GE, and now I assume you -- you assume
21 Acciona is a reputable manufacturer. Is there an
22 expectation that their third party suppliers are also
23 "reputable manufacturers"?

24 A. (Wright) We review of the models that are supplied for

1 a given turbine. And, yes, we believe these are
2 appropriate gearboxes for this turbine.

3 Q. So, you won't speak generally?

4 A. (Wright) Generally, what? We're talking about the
5 AW-3000/116, right?

6 Q. Turbine suppliers -- no, I'm asking about suppliers to
7 reputable turbine manufacturers. Are you -- is it your
8 expectation, if you have -- if you've stated "turbine
9 manufacturers are reputable", Vestas, GE, Acciona, is
10 it your expectation that the suppliers are also
11 reputable manufacturers?

12 A. (Wright) Can I object? We deal with -- we deal with
13 issues on all manufacturers, all gearbox manufacturers.
14 And, I don't think I'm here to discuss gearbox issues
15 in general, in broad --

16 MS. BAILEY: I think her question is
17 simply, if you think that the manufacturer is reputable,
18 does that mean can you rely on that reputable manufacturer
19 to acquire reputable parts? And, so, like --

20 WITNESS WRIGHT: No, it doesn't. We do
21 a specific evaluation in every case.

22 MS. BAILEY: Okay. Does that answer
23 your question?

24 MS. LINOWES: Yes. Thank you.

1 WITNESS WRIGHT: And, --

2 MS. LINOWES: No, that's okay. You
3 answered my question. Thank you.

4 BY MS. LINOWES:

5 Q. With regard to reliability and safety of the turbines,
6 would you agree that some of the questions arising out
7 of a new turbine model, as what we have here with the
8 Acciona 3000/116, may extend beyond performance issues?
9 And, let me give you an example, so you know what I'm
10 getting at. Since you do not have an operating
11 AW-3000/116 turbine commercially available, here in the
12 United States, is it possible for you to actually have
13 sound data collected from that unit?

14 A. (Wright) "Sound data". Do you mean "noise
15 measurements"?

16 Q. Correct.

17 A. (Wright) The noise measurements would have to be
18 measured on this model, but it could be done in Spain.
19 It wouldn't be different here.

20 Q. Have you conducted noise studies on a 3000/116?

21 A. (Wright) I'm not here -- I'm not prepared to answer
22 questions about sound. I think there will be a sound
23 discussion later.

24 Q. Mr. Segura-Coto, do you know the answer to that

1 question?

2 A. (Segura-Coto) No. I'm not familiar with the
3 certification process on this turbine, so...

4 Q. Of this particular turbine or any turbine?

5 A. (Segura-Coto) Of any turbines. They are not part of my
6 responsibility.

7 Q. But that's not actually answering my question. My
8 question is, do you know if there have -- if any noise
9 surveys have been done or any information that has been
10 based on live noise data produced or emitted from this
11 turbine? Do you know of any that Acciona has in hand?

12 A. (Segura-Coto) Are you asking me?

13 Q. Yes.

14 A. (Segura-Coto) No, I don't.

15 Q. Okay. Thank you. On Page 9 of Mr. McCabe's and Ms.
16 Crivella's testimony, this would be from January 31st.
17 So, it would be the last page of his testimony.
18 There's a question asked, "In your opinion, does AWE
19 possess the technical and managerial capabilities to
20 construct and operate the proposed Project in
21 continuing compliance of the terms and conditions of
22 the certificate?" Do you see that? Mr. McCabe, since
23 you are -- you work for Westerly Wind. Are you part of
24 the AWE management team or are you independent of it

1 and working on other projects? You are part of the
2 AWE --

3 A. (McCabe) I'm part of the AWE management team. And, I'm
4 also working on other projects with Westerly Wind.

5 Q. Okay. So, can I assume that the answer here is not
6 your answer? Or, is it your answer, and it's just
7 stating your own abilities?

8 A. (McCabe) Well, --

9 Q. The answer is --

10 A. (McCabe) It is my answer, but it's a panel answer.

11 Q. The other person on the panel answer being Sean --

12 A. (McCabe) Right.

13 Q. -- Sean McCabe and Ellen Crivella?

14 A. (McCabe) Exactly, yes.

15 Q. When this -- okay. When this was written in January
16 31st?

17 A. (McCabe) Right.

18 Q. So, was Ellen Crivella working under -- as a paid
19 consultant for Westerly Wind when this was written?

20 A. (McCabe) Yes. This was after the time in which we had
21 engaged Ellen to participate in these proceedings.

22 Q. Okay. So, well, let's go on then. I'm not sure what
23 weight to give to that response. So, I'll go to Mr.
24 Segura-Coto's testimony. This would be on Page 11 of

1 his -- I believe it was his August 22nd testimony,
2 Page 11. The question for it actually is on the prior
3 page, the bottom of the prior Page 10, and then the
4 answer is on Page 11. And, we have essentially the
5 same question being asked.

6 So, Mr. Segura-Coto, I will ask you.
7 You state that, "Based on our knowledge of and
8 experience in the wind power industry, Acciona's
9 capabilities, and AWE's plans for construction,
10 operation and maintenance of the Project, it is our
11 opinion that AWE has the technical and managerial
12 capabilities to assure [operation]...in compliance with
13 the terms and conditions...that may be issued." What
14 "terms and conditions", since there is no certificate
15 today? What are you referring to by "terms and
16 conditions"?

17 A. (Segura-Coto) So, the question was, in regards to the
18 actual capability of AWE via the relationship with
19 Acciona. And, since we will be performing those
20 services, if we get to have a certificate of a site,
21 and the terms and conditions of the contractual
22 agreement that we supposedly will enter with AWE, yes,
23 they will -- they will be equipped to perform those
24 functions.

1 Q. There will be a what? A what?

2 MR. IACOPINO: Equipped.

3 **BY THE WITNESS:**

4 A. (Segura-Coto) Agreement. Oh, they will be equipped.

5 I'm sorry.

6 BY MS. LINOWES:

7 Q. "They will be equipped"?

8 A. (Segura-Coto) Uh-huh.

9 Q. Okay. So, if the term and condition came forward on
10 the certificate that stated that "the noise levels
11 cannot exceed 5 decibels above ambient", with ambient
12 being 35 decibels, would you meet that?

13 A. (Segura-Coto) I think that question related to the
14 technical and managerial capabilities to assure the
15 operation of the wind turbines. That will be a design
16 feature of the turbine. Not regarding to this specific
17 question.

18 Q. Okay. So, you have -- what are you -- okay. There's a
19 question as to what the conditions are that you're
20 referring to. And, there is a question as to -- that
21 what you're referring to by their technical and
22 managerial abilities. So, if anything comes up that's
23 problematic in the operation of the turbines, you are
24 very confident that AWE will be able to handle it. Is

1 that what you're saying?

2 A. (Segura-Coto) Yes.

3 Q. Okay. How long have you known the members of Westerly
4 Wind? Mr. Kenworthy, let me start with him. How long
5 have you known Mr. Kenworthy?

6 A. (Segura-Coto) "Known", as in "knowing of him" or
7 "meeting him"?

8 Q. Meeting him.

9 A. (Segura-Coto) I met him on Monday.

10 Q. The first time you've met him?

11 A. (Segura-Coto) Yeah.

12 Q. And, how about other members of the Westerly Wind
13 facility?

14 A. (Segura-Coto) Between yesterday and today, all of them.

15 Q. Okay. Have you investigated their abilities?

16 A. (Segura-Coto) No, I have not.

17 Q. So, you've never worked with them?

18 A. (Segura-Coto) I have not.

19 Q. So, you really don't know anything about their
20 technical and managerial abilities?

21 A. (Segura-Coto) I do, in the sense that I've been
22 requested to present testimony to this panel, because
23 AWE -- Acciona Windpower, allegedly, if process
24 continue, will be in charge of performing those

1 functions for Antrim/Eolian. So, knowing our
2 capabilities, I'll be confident that we will be able to
3 perform those functions.

4 Q. Okay. So, what you're really saying is that you're
5 confident Acciona can perform?

6 A. (Segura-Coto) Uh-huh.

7 Q. Based on the terms and conditions that are set. But
8 you're not really saying anything about AWE's
9 abilities?

10 A. (Segura-Coto) Well, I'm answering directly the
11 question. Let me read the question and see if I
12 misconstrue the purpose of the question: "In your
13 opinion, does AWE, through its relationship with
14 Acciona, possess the technical and managerial
15 capabilities to assure that the operation of the wind
16 turbines will be in continuing compliance the terms and
17 conditions of a certificate of site and facility that
18 may be issued by the Committee?" And, my answer is
19 "yes".

20 Q. Are we talking about the phrase "through its
21 relationship with Acciona", is that what we're talking
22 about?

23 A. (Witness Segura-Coto nodding in the affirmative).

24 Q. And, what does that mean?

1 A. (Segura-Coto) That they will -- they will delegate
2 functions into Acciona Windpower.

3 Q. Okay. So, your contract, let's say that everything
4 goes forward, --

5 A. (Segura-Coto) Uh-huh.

6 Q. -- the Project is built, and everything is running
7 fine. And, I believe you stated that there will be a
8 five year warranty or maintenance agreement. I think
9 that I saw that in one of the testimonies. Is that
10 correct?

11 A. (Segura-Coto) Yes. I do believe that the commercial
12 team has discussed with Antrim/Eolian the five year
13 term, yes.

14 Q. Okay. And, five years is up.

15 A. (Segura-Coto) Uh-huh.

16 Q. AWE decides the cost is too high or they shop around
17 for a competitive bid or another warranty. Then, you
18 can't be certain anymore, can you? If you're taken out
19 of the picture, can you be sure that AWE, through its
20 relationship with another party, can meet the
21 conditions?

22 A. (Segura-Coto) I can only make an estimate about my
23 opinion based on the relationship between Antrim and
24 Acciona Windpower.

1 Q. Okay. That is fair. I had one technical question, and
2 it's a minor discrepancy, but I wanted to get it
3 cleared up, just so it was cleared up for the record.
4 And, this would be -- I'm sorry, I'm going to be
5 looking at the -- there's one exhibit that I forgot to
6 mention. It's actually the Application itself. This
7 would be Page 21 of the Application, Section E.6. My
8 apologies. I had forgotten that was there. And, on
9 that page, there is a table that shows the oils and
10 lubricants associated with the Acciona AW-116/3000. Do
11 you see that?

12 A. (Segura-Coto) Uh-huh.

13 Q. Okay. And, I wanted to compare that with a data
14 request, which is part of IWAG-7, that exhibit, and the
15 data request number was TS 3-2. When I added the
16 numbers up, there -- the numbers that you show added up
17 from the Application are "1,313", when I added the --
18 liters. And, when I added up the numbers on the data
19 request, it was 1,525 liters. And, I just wanted to
20 get that clarified. I know it doesn't seem like a big
21 difference, but it is, times ten turbines, it is a
22 larger amount. And, I wanted to find out what --
23 exactly which was right and which one was not right?

24 A. (Segura-Coto) Well, I do believe that, on Table E.6.b,

1 only talks about oils and lubricants.

2 Q. Uh-huh.

3 A. (Segura-Coto) I think that the answer that we provided
4 to you, subject to verification, it was "all fluids"
5 included. So, there's a factor, based on coolant in
6 the converter of the unit that is on it. But,
7 potentially, I mean, we'll have to get back to you
8 about the numbers just to confirm your curiosity.

9 Q. Okay. And, I appreciate, because it was -- was not
10 clear how to map those items on the -- in the first
11 table in the Application to the items that you had.

12 A. (Segura-Coto) Uh-huh.

13 Q. So, I just think, to correct the record, that would be
14 helpful. But, okay. Also, going back also to IWAG-7,
15 there was another data request that I submitted as part
16 of the record. And, this was TS 3-1. I asked you for
17 a "breakdown of the direct employees and number of
18 contractors employed by Acciona for the purpose of
19 servicing its warranty contracts."

20 A. (Segura-Coto) Uh-huh.

21 Q. How many warranty contracts do you have today?

22 A. (Segura-Coto) I'll have to get back with you as far as
23 the number of contracts that we have in place.

24 Q. Can you give me -- okay. You say "16 direct

1 employees", by the way, and "39 contract employees".

2 A. (Segura-Coto) Yes.

3 Q. Can you give me a rough number? Is it over a hundred?

4 A. (Segura-Coto) A hundred what?

5 Q. Warranties.

6 A. (Segura-Coto) Oh, no, no, no. Not at all. The number
7 of wind farms that are under my responsibility are
8 listed in another data request that was submitted about
9 the same time. So, there I can tell you how many
10 active warranty agreements we have in place.

11 Q. Yes, that's what I was looking for.

12 A. (Segura-Coto) Yes. So, if you go to PC 2-6, we can go
13 through the number of wind farms that we have under
14 warranty, if you wish?

15 Q. I don't have -- hold on one second.

16 MS. BAILEY: Has that document been
17 marked?

18 MR. ROTH: No.

19 **BY THE WITNESS:**

20 A. (Segura-Coto) I can respond. We have four wind farms
21 that will be under warranty by the end of 2012.

22 BY MS. LINOWES:

23 Q. I'm sorry. How many?

24 A. (Segura-Coto) Four wind farms.

1 Q. Four.

2 A. (Segura-Coto) Uh-huh.

3 Q. So, these 16 employees, direct employees, and 39
4 contract employees, those are not full-time
5 equivalents, those are actual people?

6 A. (Segura-Coto) They are actual people.

7 Q. Are they full-time people?

8 A. (Segura-Coto) They are full-time people.

9 Q. And, they're servicing four turbines -- four wind
10 facilities?

11 A. (Segura-Coto) They are servicing a combination of wind
12 farms under warranty --

13 Q. Uh-huh.

14 A. (Segura-Coto) -- and wind farms outside the warranty
15 period.

16 Q. So, if a turbine fails, and it's out of warranty, they
17 would service it? They would just not be covered under
18 the warranty?

19 A. (Segura-Coto) Correct. So, the functions of the Post
20 Sale Services that are responsible for --

21 (Court reporter interruption.)

22 WITNESS SEGURA-COTO: I apologize. The
23 functions of the Post Sales Department. Post Sales
24 Department.

1 MS. LINOWES: Wholesale?

2 WITNESS SEGURA-COTO: Post.

3 MS. LINOWES: Post. Post Sale. Post
4 Sale Department. Okay.

5 **CONTINUED BY THE WITNESS:**

6 A. (Segura-Coto) The function of the After Sales
7 Department is that it's not only to provide a warranty
8 while the wind farms are under the warranty period, but
9 also to provide technical services and technical
10 support, as well as material support for the turbines
11 that are outside of the warranty period.

12 So, on my second data request that we
13 produced, that we produced, I list all the wind farms
14 that are under my responsibility and different
15 functions and fashions. Some of them are under
16 warranty, some of them are not.

17 BY MS. LINOWES:

18 Q. Okay.

19 A. (Segura-Coto) So, to your question, I just wanted to
20 clarify this. To your question of those 16, plus 30
21 some employees, do they just -- are they dedicated
22 solely to the wind farms under warranty? The answer is
23 "no". They service all of them.

24 Q. Okay. And, are any of them sited at the turbine

1 facilities? So, they actually are employees and
2 they're full-time at the site?

3 A. (Segura-Coto) Correct.

4 Q. As opposed to traveling? How many travel? Or, do any
5 of them travel?

6 A. (Segura-Coto) Yes. Typically, the contracted employees
7 that you see on the data request, if I can find it, the
8 39 contract employees, they are sited at the wind farm.
9 Out of the 16 employees, any of them are traveling to
10 support any of the wind farms.

11 Q. Okay. So, the -- and, is that -- is that going to be a
12 typical scenario, where those that are sited -- those
13 employees that are sited at a wind project are
14 contracted by Acciona?

15 A. (Segura-Coto) Uh-huh.

16 Q. Those that are -- okay. And, so, in an AWE scenario,
17 if that project goes forward, you will have -- and you
18 have a contract with them, --

19 A. (Segura-Coto) Uh-huh.

20 Q. -- you will have contracted employees. Now, are these
21 contracted employees, are these employees that you will
22 train or are they people that work for a contract
23 company that you already have a relationship with and
24 you will ship them there? Or, how does that work?

1 A. (Segura-Coto) Typically, the contracted technicians,
2 they need to go through the training process of their
3 own companies. Plus, we have a minimum requirement of
4 training under our supervision. So, any turbine -- any
5 employee that comes in contact with Acciona turbines,
6 they are required to take the specific training on the
7 specific technology.

8 Q. In your cross-examination just prior with the attorney
9 from New Hampshire Audubon, when she -- when you were
10 talking about -- when she was asking questions about
11 identifying or finding bat kills or, you know, if they
12 come across it, --

13 A. (Segura-Coto) Uh-huh.

14 Q. -- are those the contractors that you were talking
15 about? Those are the employees she might have been
16 referring to, but wasn't specific?

17 A. (Segura-Coto) Correct. That will be the site
18 personnel.

19 Q. Okay. And, how many Acciona employees or contractors
20 are located in New England today?

21 A. (Segura-Coto) None.

22 Q. Okay. How many are located in the Northeast? So, it's
23 Pennsylvania and New York?

24 A. (Segura-Coto) None.

1 Q. Okay. So, you don't have any Acciona turbines located
2 anywhere in the Northeast? Not including Canada?

3 A. (Segura-Coto) Exactly. So, we have a project in
4 Canada, but not in the Northeast of the U.S.

5 Q. Okay. And, at a wind energy facility, an Acciona wind
6 energy facility, is there a typical standard for number
7 of employees per megawatt that you go by or is there
8 anything like that? So, if your 39 contracted
9 employees, and I believe that that came out to about
10 600 turbines in total, I don't know -- I don't have the
11 numbers for the megawatts. I mean, is there something
12 for number of employees per megawatt? Number of
13 employees per wind turbine? Is there some standard?

14 A. (Segura-Coto) There is some rule of thumb to
15 accommodate for the number of maintenance hours that
16 are required to take care of the turbines.

17 Q. Okay. And, what would that be?

18 A. (Segura-Coto) Depends on if they are traveling
19 employees or they are permanent employees of the wind
20 farms. You can probably think on the range of between
21 five and seven technicians per every 30 turbines or so.

22 Q. I'm sorry, for every 30?

23 A. (Segura-Coto) Thirty.

24 Q. For every 30? So, it's not based on megawatts, it's

1 based on turbine?

2 A. (Segura-Coto) Correct. Because it's based on the
3 maintenance requirements, not necessarily on the output
4 of the turbine.

5 Q. Okay. And, so, if I were to go back -- if you were to
6 make a list, I'm not asking you to, but if you were to
7 go back and look at your 600 turbines that are
8 installed, and then I guess you can come up with that.
9 If I were to divide 600 by -- oh, I have it right here.
10 We have 643 turbines divided by 39 contracted
11 employees, it comes out to about six.

12 MR. ROTH: Sixteen.

13 BY MS. LINOWES:

14 Q. Sixteen. So, it's not quite. Am I missing it? It
15 doesn't quite match? Okay. Well, I'll use your rule
16 of thumb. And, then, one last question. Then, how
17 many employees then are you expecting, contract
18 employees are you expecting at Antrim Wind?

19 A. (Segura-Coto) Probably, site employees, three contract
20 employees.

21 Q. I'm sorry. How many?

22 A. (Segura-Coto) Three contract employees sited
23 permanently at Antrim, plus the supporting structure
24 that we have in Iowa.

1 Q. That is only a 10-turbine facility?

2 A. (Segura-Coto) Correct.

3 Q. Did I hear you say "five to seven technicians per 30
4 turbines"?

5 A. (Segura-Coto) That's a rule of thumb.

6 Q. But, in New England, you put in more?

7 A. (Segura-Coto) Considerations about the technology,
8 considerations about the minimum required number of
9 employees for safety considerations. There is
10 definitely a minimum number of crew members that they
11 can access the tower. There's a number of -- minimum
12 number of technicians that can be on-site by themselves
13 in a single point of time.

14 Q. So, at this point, given the newness of the Acciona
15 turbine, and would envision over time that you would
16 come to know the technology a little bit better and
17 what to expect, and there will be fewer employees? Or,
18 are you thinking that you're always going to have that
19 many employees for the 116s?

20 A. (Segura-Coto) No. For this type of project, this size
21 of project, I think that three employees is a number
22 that we're comfortable with right now. Again, I'm
23 citing safety and practical matters, more than the
24 actual number of hours that are required to tend to the

1 turbines.

2 Q. So, are any of these employees -- are they security
3 people? So, when you say "safety", what are you
4 referring to? That you don't want two people -- one
5 person going up on the turbine by himself?

6 A. (Segura-Coto) Exactly.

7 Q. So, are they -- but these are not necessarily full-time
8 people?

9 A. (Segura-Coto) Yes, they are.

10 MS. LINOWES: Okay. All right. Thank
11 you very much. I'm all set.

12 WITNESS SEGURA-COTO: Thank you.

13 MS. BAILEY: Okay. Great. We're going
14 to take a break for about ten minutes, and return at 10
15 after 4:00.

16 MR. IACOPINO: Before we break,
17 Ms. Manzelli, the document you were looking for is marked
18 as IWAG-5. And, it is the first data response contained
19 in that exhibit. And, that's the "Applicant's Response to
20 the Net Capacity Factor Impacts Under Curtailment
21 Mitigation Scenarios".

22 MS. MANZELLI: Thank you.

23 MS. BAILEY: Okay. Thanks.

24 (Recess was taken at 3:59 p.m. and the

1 hearing reconvened at 4:15 p.m.)

2 MS. BAILEY: Okay. I believe we are on
3 Mr. Roth's cross-examination.

4 MR. ROTH: Good afternoon, lady and
5 gentlemen. I just want to ask a few quick questions.

6 BY MR. ROTH:

7 Q. First of all, is it, just so we know for clarity, there
8 is no balance of plant agreement at this point?

9 A. (McCabe) No, there's not.

10 Q. Okay. There is no operation and maintenance agreement
11 at this point?

12 A. (McCabe) No, there is not.

13 Q. There is no turbine supply agreement at this point?

14 A. (McCabe) No, there is not.

15 Q. And, there is no power purchase agreement at this
16 point?

17 A. (McCabe) No, there is not.

18 Q. Okay. Now, Ms. Wright, based on your testimony, is it
19 fair to say that, in your organization's opinion, the
20 Acciona 3000 is unproven?

21 A. (Wright) That's correct.

22 Q. Okay. Is "proven" a necessary characteristic for
23 financing?

24 A. (Wright) It improves the financing terms. Many

1 projects are financed without for a proven turbine.

2 Q. Okay. Do you know what sort of improvement is
3 experienced by a "proven" versus an "unproven"
4 technology?

5 A. (Wright) It gets involved in many aspects of the
6 financing.

7 Q. So, you don't know?

8 A. (Wright) I'm not sure if it makes sense to go into
9 generalities. But, I mean, it's going to be -- I know
10 some of it, but I'm not a financing person. I'm an
11 engineer.

12 Q. Does it affect the rate of interest that a borrower
13 would be pay?

14 A. (Wright) It could.

15 Q. Okay. So, a proven technology gets a better rate of
16 interest?

17 A. (Wright) It could.

18 Q. Okay. And, an unproven one would get a less
19 advantageous rate of interest?

20 A. (Wright) It could affect the interest rate.

21 Q. Okay. Now, this question, I suppose, is for Mr.
22 McCabe, but it could be for Mr. Segura-Coto. If
23 Acciona is going to be the operator of this facility,
24 who has the responsibility to comply with the terms and

1 conditions of the Certificate?

2 A. (McCabe) Antrim Wind Energy does. And, I think it's
3 been described in our operating plan that, you know,
4 the ultimate management responsibility for the Project
5 lies with AWE. And, so, AWE, through its relationships
6 and contracts with, say, Acciona as the O&M provider,
7 is still responsible for provisions of the Certificate.

8 Q. So, what if something -- what if there's a violation of
9 the Certificate by something Acciona did, not Antrim
10 Wind?

11 A. (McCabe) Well, again, I think we would, when we
12 negotiate an O&M agreement, we would try to, you know,
13 incorporate, you know, instances where that -- those,
14 you know, those potential situations might arise, and
15 try to address them. And, ultimately, you know, the
16 responsibility, it lies with AWE.

17 Q. Who has the authority to shut down a project?

18 A. (McCabe) I guess I'm not clear on your question. Could
19 you be --

20 Q. Well, the Project runs.

21 A. (McCabe) Right.

22 Q. It's under the operation and maintenance of Acciona,
23 and there's a necessity, for whatever reason, to shut
24 it down.

1 A. (McCabe) Yes.

2 A. (Wright) To pause the turbine?

3 Q. Who gets to do that?

4 A. (McCabe) Yeah. I guess I'd go back to, you know, the
5 way we have described the operating staffing, okay, at
6 the project is, as Ruben has indicated, three
7 technicians, who are Acciona employees or Acciona
8 contract employees. And, they're going to be overseen
9 by an Antrim Wind Energy representative, who is the
10 Site Manager. And, we expect there's probably going to
11 be an additional Antrim Wind Energy employee at the
12 site. And, certainly, the responsibility for, you
13 know, for making that call to shut down a project,
14 obviously, there's going to be emergency situations
15 where, you know, the monitoring comes into play that
16 Acciona is performing. But AWE's Site Manager again
17 would have, you know, sort of the on-site kind of
18 management control of the situation then.

19 Q. So, if Acciona says "shut it down", and the AWE manager
20 doesn't agree, because he's got a loan to pay, who wins
21 that argument?

22 A. (McCabe) I guess I'm a little unclear on an instance
23 where Acciona would be shutting down a turbine in the
24 absence of an emergency situation.

1 Q. Well, you're arguing with my question and not answering
2 it. I guess that the question is, if Acciona says
3 "shut it down", and Antrim's manager says "No, keep it
4 running, we have a mortgage to pay." Who wins that
5 argument?

6 A. (McCabe) I would expect there to be, you know, certain
7 situations described in our operating arrangement that
8 address, you know, when Acciona has the ability to, you
9 know, unilaterally shut a turbine down.

10 Q. Okay.

11 A. (McCabe) Whether it's for a grid response or a response
12 to an emergency situation or some other event.

13 Q. So, the answer is, you don't know who wins that
14 argument?

15 A. (McCabe) Given the cause of it, I can't provide, you
16 know, a specific answer, no.

17 Q. Okay. Now, this may -- some of this may seem a little
18 bit repetitious. But, Mr. Segura-Coto, in your answer
19 to my data requests, you identified three locations
20 where there were 3-megawatt machines installed. The
21 first one is Pamplona, and that's a single project.
22 And, you describe that as a "prototype unit"?

23 A. (Segura-Coto) Correct.

24 Q. And, is that installed at a Acciona facility or is that

1 owned by somebody?

2 A. (Segura-Coto) That is an Acciona Windpower turbine.

3 Q. But is it owned by the Company?

4 A. (Segura-Coto) Yes, sir.

5 Q. Okay. So, it's operating at an Acciona factory or
6 proving ground or something like that?

7 A. (Segura-Coto) Yes.

8 Q. Okay. And, the second one was a place called "CENER".
9 Is that "Cenero", in Spain?

10 A. (Segura-Coto) I believe it's an acronym. I'm not sure
11 what it stands for.

12 Q. Okay. And, where is it located?

13 A. (Segura-Coto) I don't know exactly where in Spain it's
14 located. Obviously, it's nearby, in the vicinity of
15 Pamplona, the headquarters for Acciona Windpower.

16 Q. Okay. And, is it also on an Acciona facility?

17 A. (Segura-Coto) I am not sure the facility. I believe
18 it's just that one tower that is owned by Acciona
19 Windpower. But I don't know if it's part of a larger
20 facility, with other companies or --

21 MR. PATCH: I'd just like to point out
22 to the Committee that the questions now are being asked
23 about an exhibit that Antrim marked "AWE 14". So, it just
24 might be helpful if you had that in front of you.

1 MR. ROTH: I wasn't aware that you
2 submitted it. Thank you.

3 **BY THE WITNESS:**

4 A. (Segura-Coto) So, I don't know if the facility only has
5 one turbine or has got many other turbines with many
6 other technologies. But the turbine is owned and
7 operated by Acciona.

8 BY MR. ROTH:

9 Q. Okay. And, it's located at an Acciona facility?

10 A. (Segura-Coto) The actual ground where the turbine is
11 sitting, I am not aware who owns it.

12 Q. Okay. Now, in Pioneer Grove, Iowa, there are two
13 3-megawatt machines, is that correct?

14 A. (McCabe) Yes, sir.

15 Q. And, is that, again, an Acciona factory or facility?

16 A. (Segura-Coto) That's an Acciona wind farm, yes, sir.

17 Q. Okay. And, are any of these three locations located
18 within, say, 2 kilometers of anybody's residence?

19 A. (Segura-Coto) I am not aware of the distances.

20 Q. Okay. Are they located inside communities or are they
21 out in the countryside?

22 A. (Segura-Coto) For the ones in Pioneer Grove, they are
23 in the countryside.

24 Q. And, what about the two in Spain?

1 A. (Segura-Coto) The one in Pamplona, that I visited
2 personally, the Peña Blanca, that one is in the
3 countryside as well.

4 Q. Okay. And, so, you're not even sure where the other
5 one is?

6 A. (Segura-Coto) No, I'm not.

7 Q. Is it near the coast?

8 A. (Segura-Coto) I don't know.

9 Q. Okay. And, I'm looking again at this exhibit. And,
10 the one in -- at CENER, you indicated that "The final
11 rotor installation was completed in September 2012."
12 That's basically last month, correct?

13 A. (Segura-Coto) Correct.

14 Q. So, is it operating?

15 A. (Segura-Coto) It is currently operating, yes.

16 Q. Okay. And, has it operated consistently since the
17 rotor was installed?

18 A. (Segura-Coto) My understanding it has, yes.

19 Q. Okay. And, the two turbines located in Pioneer Grove,
20 you estimated completion "October/November 2012", is
21 that --

22 A. (Segura-Coto) Correct. That is correct.

23 Q. Okay. And, has that been completed?

24 A. (Segura-Coto) They are under construction right now.

1 Q. Okay. Now, the question was asked of Ms. Wright, which
2 was sort of an interesting question, have you ever
3 climbed a wind turbine?

4 A. (Segura-Coto) Yes, I have.

5 Q. Okay. Thank you.

6 A. (Segura-Coto) Thank you.

7 Q. Now, when Ms. Linowes asked you, Mr. Segura-Coto, if
8 you had ever met any of these, the folks from Antrim
9 Wind before, they reminded me that I had asked you if
10 you had ever been to New Hampshire before, and you said
11 "no".

12 A. (Segura-Coto) Uh-huh.

13 Q. And, is this your first time in New Hampshire?

14 A. (Segura-Coto) It is.

15 Q. And, have you been out to the location of the site?

16 A. (Segura-Coto) The weather didn't permit it yesterday.

17 Q. So, you have not been out there?

18 A. (Segura-Coto) I never been out there.

19 Q. Okay. So, your -- and, so, your testimony is based on
20 telephone conversations with some of these folks?

21 A. (Segura-Coto) Well, it is not customarily for me to get
22 involved that early in the Project. Have been -- the
23 communications have been with Acciona Windpower and
24 Antrim's wind tower commercial team. I guess, you

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 know, for the purpose of supporting this testimony,
2 I've been involved. But it's not typical that I even
3 visit the site or the grounds where the wind farm is
4 going to be installed.

5 Q. Okay. So, it was based on telephone conversations?

6 A. (Segura-Coto) Yes.

7 Q. And, you reviewed the Application?

8 A. (Segura-Coto) No, I have not.

9 MR. ROTH: Okay. Thank you. That's all
10 I have.

11 MS. BAILEY: Okay. I believe we are on
12 Committee questions. Anybody want to go first?

13 (No verbal response)

14 MS. BAILEY: Okay. I will.

15 BY MS. BAILEY:

16 Q. Mr. McCabe, I earlier asked Mr. Kenworthy about
17 Westerly's -- about the possibility of Westerly
18 investing more money in this Project for the
19 construction phase.

20 A. (McCabe) Right.

21 Q. Do you know if Westerly is going to invest more money
22 in this?

23 A. (McCabe) You know, I think it's best answered by the
24 next panel. I will say, I think our goal is to bring

{SEC 2012-01} [Day 2] {10-30-12}

1 in the lowest cost of capital to provide the permanent
2 financing for the Project. And, in our view, that
3 makes the Project most competitive and, you know,
4 better able to sell the power for, you know, the lowest
5 cost. And, so, that's been our plan all long. And, I
6 don't expect Westerly to be providing that lowest cost
7 capital, no.

8 Q. Okay. Mr. Segura-Coto, I believe I understand this,
9 but, when you were discussing "loss of communication"
10 and the "turbine automatically shutting down". Does
11 "loss of communication" mean the connection to the
12 Operation Center in Chicago?

13 A. (Segura-Coto) Yes. The turbine is connected via fiber
14 optics. And, basically, the projects transmit out data
15 and receives commands. So, through the communication
16 structure, if any of the communication lines gets
17 opened to the point that a turbine cannot receive
18 commands, goes into pause mode.

19 Q. And, is --

20 A. (Segura-Coto) So, it would be -- I apologize. It will
21 be to the -- any event that cuts communication from
22 anybody being able to control the turbine. That could
23 be the O&M building where they're stationed, that could
24 be Chicago SOC.

1 Q. And, is there a fully redundant fiber ring planned to
2 be installed between the two places?

3 A. (Segura-Coto) There is redundancy. I do not know if
4 the communication structure is actually two rings.
5 But, yes, there is redundancy built into the system.

6 Q. One ring, two paths?

7 A. (Segura-Coto) Yes.

8 Q. And, you don't know?

9 A. (Segura-Coto) I don't know how it is as far as the
10 layout, how it's going to be done. But, yes, there is
11 redundancy built in.

12 Q. Okay. Ms. Wright, this is sort of a follow-up to one
13 of, I think, Ms. Linowes' questions. Can you tell me,
14 does the certification process include noise
15 measurement, any part of the certification process?

16 A. (Wright) The design certification process doesn't. The
17 type certification process -- so, the design
18 certification that it's already been through is on
19 paper. The type certification has a type, which means
20 an example, a prototype. And, the tests are done on
21 that. And, that's the one currently being done at
22 CENER. And, so, yes, there will be noise measurements
23 on that as part of the type certification.

24 Q. And, do you know when that will be complete? Does

1 anybody know?

2 A. (Wright) I don't know.

3 A. (McCabe) Yes. My understanding is that the type
4 certification that would be applicable to a North
5 American version of the turbine will be finished in Q2
6 2013.

7 Q. Oh, that's right. Sorry. You said that. Okay.
8 Ms. Wright, do you know who manufactures the gearbox
9 for the Acciona 3000 turbine that we're talking about?

10 A. (Wright) I have to look that up. If you give me just a
11 minute, I've got that right here. The certified
12 gearbox models come from Moventas and Winergy.

13 Q. And, do you know who manufactures the gearboxes which
14 Ms. Linowes said were possibly defective or had
15 problems in the GE turbines and the -- I forget what
16 the other manufacturer --

17 A. (Wright) Vestas.

18 Q. Vestas, yes.

19 A. (Wright) We do lots of review of gearbox failures.
20 And, I've seen some about the Vestas ones. I don't
21 know what was at this particular GE one. But these
22 manufacturers have been used on GE turbines as well.

23 Q. I'm sorry. Could you repeat that last part.

24 A. (Wright) These turbine manufacturers -- excuse me,

1 these gearbox manufacturers have been used on GE
2 turbines, in general.

3 Q. The ones that are going to be installed in the 3000 --
4 in the Acciona turbines?

5 A. (Wright) I don't know what they're installing, but I
6 know what they have certified.

7 Q. You don't know what Acciona is installing?

8 A. (Wright) I don't -- they may just use one of these, and
9 I don't know which one. In other words, they have
10 installed two -- they have certified two options.

11 Q. Okay.

12 A. (Wright) And, which one they will install, if not both,
13 I don't know.

14 Q. And, one of them is the same as --

15 A. (Wright) Both of them have been. These are very common
16 manufacturers, gearbox manufacturers.

17 Q. So, both of the options that are going into these new
18 turbines --

19 A. (Wright) Almost all -- wind turbine gearboxes have a
20 history of difficulties over the years. Many of them
21 the issues have been addressed. There's been an
22 understanding that's gained about most of the issues
23 that have caused gearbox failures over the years.
24 Almost all of the gearbox manufacturers have had

1 failures. And, Ms. Linowes picked two particular
2 cases, which she may have found out in the public
3 record. Almost all of them have. So, no need to pick
4 out those two particular manufacturers.

5 Q. Are they recent failures?

6 A. (Wright) It's difficult for me to talk about other --
7 other manufacturers, because we see so many and deal
8 with a lot of confidential information. I don't know
9 about the GE one, as I mentioned. I'm not familiar
10 with that. I think it was a while ago, I don't know.
11 The Vestas was a number of years ago.

12 Q. Okay. So, to your knowledge, has the Vestas gearbox
13 problem been corrected?

14 A. (Wright) That design has been hashed through
15 extensively, yes.

16 Q. So, it's not likely that that same gear -- faulty
17 gearbox would be installed in this new turbine?

18 A. (Wright) Is it --

19 A. (Segura-Coto) Madam Chairman, if I may?

20 A. (Wright) The design is very different.

21 A. (Segura-Coto) Just to clarify. Manufacturer is the
22 same, and the gearbox is a proprietary design between
23 Acciona Windpower and the gearbox manufacturer. They
24 are not commercial off-the-shelf units that you can

1 install in any other turbines. So, I mean, to the
2 extent that some of the typical problems of gearboxes
3 might be addressed, being commented here, the actual
4 failure modes of the gearboxes, they don't necessarily
5 cross-feed into the designs.

6 So, again, I mean, the two turbine
7 gearbox models that we have right now, the Winergy and
8 the Moventas, they are not the same ones that Vestas
9 use or the same ones that GE uses.

10 Q. Okay.

11 A. (Segura-Coto) They have similar designs. But they are
12 not the same part number. They are not a form, fit,
13 and functional replacement on those turbines.

14 Q. Okay. Thank you. So, if this particular model hasn't
15 been proven, are you, Ms. Wright, at all concerned as
16 an engineer about any risks associated with a brand-new
17 model?

18 A. (Wright) When we evaluate a new turbine model that's
19 coming on the market, we estimate the long-term
20 availability. A new unproven model will have a little
21 bit of a deduct on its availability. Now, am I
22 concerned about the life of the turbine? No. You
23 expect that gearboxes need to be replaced, some number
24 of gearbox, on a larger project, you would project a

1 certain number of gearboxes that needed to be replaced.
2 And, that's part of the maintenance, the long-term
3 maintenance of a project. That's not considered a
4 downfall of the project plan. That's just normal
5 maintenance. And, that is reflected in the
6 availability, which goes into the long-term financial
7 projections of the project.

8 So, when you say "am I concerned?" That
9 is reflected in our availability projections. I'm not
10 concerned about the life of the -- the life of the
11 turbine. So, it depends what you mean by "concerned".

12 A. (McCabe) And, I would just add to that, that a turbine
13 supply agreement would have an equipment warranty for a
14 length of time, and that often depends on how long the
15 O&M services agreement is. And, they're oftentimes the
16 same length of time. As well as an availability
17 guarantee and a sound curve guarantee. And, to the
18 extent that the turbine didn't meet those threshold
19 levels, then the turbine manufacturer would be required
20 to compensate the owner for those shortfalls. And, so,
21 that, you know, in this instance, you know, that's a
22 situation -- that's an assurance to, you know, AWE
23 that, if Acciona is offering this turbine for
24 commercial sale, that it's willing to stand by it and

1 its performance.

2 Q. Mr. Segura-Coto, do you agree with that? And, I know
3 that you don't have any contract in place, but would
4 you expect the warranty to be at least as long as the
5 five years that you're expected to do the initial O&M?

6 A. (Segura-Coto) Yeah. I mean, it's typical a negotiated
7 agreement falls between two years and up to fifteen.
8 And, I'll take the liberty to say that we have a
9 project that is identical to Antrim's being developed
10 in Nova Scotia. And, we have a 15-year agreement.
11 And, yes, it is true that their warranties included on
12 the terms of the TSA that includes power, that includes
13 availability, that includes mechanical warranty. So,
14 yes, it is true that the burden of the reliability of
15 the turbine is more on Acciona than is on Antrim in
16 this case. But, yes, we do believe on the reliability
17 and the performance of the technology.

18 Q. Okay. I'm going to turn to Public Counsel Exhibit 7,
19 which is the Deloitte report. Do you have copies of
20 that? I only have two questions. I might have more
21 than two. Can you look at the table on Page 25,
22 Table XII. This is probably for Ms. Wright.

23 A. (McCabe) Okay.

24 MR. IACOPINO: And, that's in the

1 redacted version as well. Okay.

2 BY MS. BAILEY:

3 Q. So, this table shows the capacity factors of some
4 turbines that are currently operating. And, I was
5 wondering, Ms. Wright, if you have any knowledge of any
6 of these, and whether the capacity factors are
7 reasonable?

8 A. (Wright) I've reviewed quite a number of these, yes,
9 these projects.

10 Q. Okay. And, are any of these turbines -- do any of
11 these turbines have a similar height and blade width as
12 the Acciona 3000?

13 A. (Wright) To give a real picture, this table should show
14 the hub height and the diameter, and that would paint a
15 much more reasonable picture that would tell the story
16 that I think would be better understandable. And, you
17 would see a relationship between the rotor diameter and
18 the hub height and the capacity factor.

19 Q. That's where I was going.

20 A. (Wright) You don't -- yes, you don't see that in this
21 picture exactly. Yes.

22 Q. Do you know, though, if any of -- any of the turbines
23 on this table have a similar hub height?

24 A. (Wright) I've been to probably more than half of these

1 projects. And, it's difficult for me to talk about
2 other projects, but, yes.

3 Q. Can you pick out a few or would that violate some kind
4 of confidentiality?

5 A. (Wright) I believe the Highland Wind Project has public
6 -- public domain information about the hub height.
7 And, that's in the -- that's 90 something, 90ish. I
8 think that's a 90-meter hub height.

9 Q. And, they really achieved a 58.75 percent capacity
10 factor?

11 A. (Wright) I haven't reviewed their capacity factor. But
12 I believe it's probably in the neighborhood.

13 Q. Okay. Are you familiar with the projections that AWE
14 has made on the capacity factor?

15 A. (Wright) I think I was told it's -- we just heard
16 earlier, it was 37.5 to 45 -- 40.5.

17 Q. I think that's right, yes.

18 A. (Wright) Uh-huh.

19 Q. Do you think that that's a reasonable estimate of the
20 capacity factor for this type of turbine?

21 A. (Wright) That doesn't surprise me at all.

22 Q. Have you seen other turbines that achieve that kind of
23 the capacity?

24 A. (Wright) Oh, absolutely. That's very typical in modern

1 projects.

2 MS. BAILEY: Okay. I think all the
3 other questions I had have been answered. Anybody else on
4 the Committee? Mr. Stewart.

5 DIR. STEWART: Yes. Back to the
6 gearboxes.

7 WITNESS WRIGHT: Gearboxes.

8 BY DIR. STEWART:

9 Q. I have, I think, some simple questions. If a gearbox
10 fails, what is the risk? Is there a safety risk, such
11 as fire, or environmental risk, such as oil spill? So,
12 what -- or, is it just simply a production issue with
13 -- well, what happens when a gear gearbox fails?

14 A. (Wright) In most cases, the turbine is monitored during
15 its semiannual maintenance period, annual or
16 semiannual, depending on the turbine. And, the gearbox
17 health is monitored. You look at the quality of the
18 oil at least once a year. And, when you start to see
19 particles, that means those particles came from the
20 gears, and you have advance warning. And, you get more
21 friction, you're running a little bit hotter. And,
22 when I say "hotter", you know, in the 90s. I'm not
23 talking about fire temperatures, I'm talking about
24 hotter oil. And, eventually, you replace the gearbox

1 or you overhaul it. Hopefully, you can overhaul it and
2 not replace it entirely.

3 Is there a risk of spill? Conceivably,
4 that wouldn't be necessarily a gearbox, I mean, that's
5 not necessarily a function of gearbox failure.

6 Q. So, if --

7 A. (Wright) It wouldn't be the prime symptom or the most
8 common outcome of a gearbox failure.

9 Q. So, if it fails, if a gearbox fails, what happens?

10 A. (Wright) Usually, in almost all cases, you catch it
11 ahead of time. It's running hotter, and you find out
12 that you have to overhaul it and replace it. If it
13 really goes, you've got -- you've got a major
14 mechanical failure, and you're going to hear a loud
15 bang conceivably. You can have broken -- we see broken
16 gear teeth. So, when you've got a drivetrain with
17 broken gear teeth, that's going to grind to a pretty
18 quick halt.

19 Q. So, the failure is all internal to the gearbox?

20 A. (Wright) Almost always, yes.

21 Q. What do you mean "almost always"?

22 A. (Segura-Coto) If I may elaborate, I'm a little bit more
23 familiar about the failure modes of gearboxes.

24 Q. Sure.

1 A. (Segura-Coto) So, a gearbox is a self-contained unit,
2 okay? So, yes, it is true that most of the majority of
3 the failures are internal, except if there is some
4 external sensor or an external pump and your
5 accessories fail, okay? In the case of our technology,
6 both for the 1500 and the 3000, the SCADA system is
7 able to monitor the gearbox, to the point that it can
8 detect temperatures or malfunctions on the lubrication
9 system. And, in a self-preservation mode, the turbine
10 will issue alarms. And, then, somebody, or
11 automatically, the machine will shut itself down.
12 Okay?

13 So, I don't want anybody to think about
14 this catastrophic event where all of a sudden a
15 explodes, and then you have a big hole in the nacelle.
16 That's not -- that's not the case.

17 As far as the gearbox oil spills,
18 they're not typical at all. Because that has a
19 self-contained lubrication system, so you actually have
20 to drain out the oil, in case that you need to service
21 the machine.

22 Most of the failures that we see in the
23 gearboxes, they are all up-tower repairs. You don't
24 see -- some of them they require the gearbox to be

1 removed and be replaced. But most of them are up-tower
2 repairs. Again, depending on the failure mode.
3 Bearings fail because lack of lubrication, sometimes
4 they need to get replaced. Sometimes you have some
5 latent defects that, you know, you lose a tooth inside
6 one of the helical gearings, different aspects. But
7 it's never catastrophic to the point that the gearbox
8 explodes or the machine catches fire.

9 DIR. STEWART: Thank you.

10 MS. BAILEY: Mr. Simpkins.

11 BY MR. SIMPKINS:

12 Q. Mr. Segura-Coto, you had mentioned earlier, and I
13 believe it was in a response to a question posed by
14 Attorney Manzelli, that you haven't had any turbine
15 fires on any of the 633 Acciona wind turbines in North
16 America, is that correct?

17 A. (Segura-Coto) That is correct.

18 Q. Have you had other types of emergencies with any of
19 those units, other than turbine fires, and could you
20 describe the nature of them and how frequently they
21 occur? And, I'm not talking routine maintenance, but
22 something that you would consider an emergency.

23 A. (Segura-Coto) We consider emergencies up to and
24 including major component failures or symptoms to

1 failure. And, yes, we have suffered some of those.
2 Typically, generators or gearboxes are typically the
3 typical candidates for those events. Where the machine
4 produces what we call a "latching alarm", meaning that
5 we would not allow a remote reset until somebody
6 physically goes to the machine, evaluates,
7 troubleshoots, and is able to either repair or release
8 the machine for operation.

9 But the benefit of our technology is
10 that there is many capture points of data for
11 temperature, vibration, operational considerations, to
12 make sure that a turbine doesn't, if you will, kill
13 itself while operating. So, there is a great deal of
14 strategy built into the programming of the machine, to
15 make sure that you do not degrade the technology to the
16 point that you get a fire, or that you get some burning
17 element somewhere because of the lack of attention of
18 operation of the machine.

19 Q. Have you had any incidents that have required the
20 assistance by local emergency services?

21 A. (Segura-Coto) Not due to the technology. Yes, I am
22 aware that emergency services have been dispatched, but
23 it was because of due to health reasons, not because of
24 technology issues.

1 MR. SIMPKINS: Thank you.

2 MS. BAILEY: Dr. Boisvert.

3 MR. BOISVERT: From the end table.

4 BY MR. BOISVERT:

5 Q. I asked a question earlier about decommissioning. From
6 my perspective, 20 years or even 40 years is not a
7 terribly long time.

8 (Court reporter interruption.)

9 BY MR. BOISVERT:

10 Q. I asked a question earlier about decommissioning. From
11 my perspective, 20 or even 40 years is not especially
12 long. And, at some point, it's reasonable to expect a
13 project to be decommissioned. Have any of you been
14 involved in the decommissioning of a wind power project
15 in North America?

16 A. (Segura-Coto) No, I haven't.

17 A. (McCabe) No, I haven't.

18 A. (Wright) We've reviewed decommissioning plans, and
19 overseen removal of single turbines, but never a whole
20 farm.

21 Q. Okay. My interest is in, there are plans, how do they
22 match up against real-world circumstances of
23 decommissioning? And, are any of you aware of
24 decommissioning programs in Europe or other places

1 outside the United States, recognizing that these wind
2 farms are more common outside the U.S.?

3 A. (Wright) The modern wind industry is still less than 20
4 years old. So, most of the modern turbines, of the
5 class that we're looking at here, have never reached
6 their end of life.

7 Q. Okay. So, the decommissioning plans are based against
8 realistic expectations of problems, but not based on
9 specific problems?

10 A. (Wright) Well, single turbines have been removed. So,
11 we do know something about the removing of foundations.
12 That's relatively straightforward. You know, any
13 demolition crew knows how to remove concrete.

14 MR. BOISVERT: Thank you. That's all I
15 have.

16 MS. BAILEY: Mr. Dupee.

17 MR. DUPEE: Just one more quick question
18 on gearboxes.

19 BY MR. DUPEE:

20 Q. I think, Mr. Segura-Coto, you mentioned they use
21 helical-cut gears in these transmissions?

22 A. (Segura-Coto) Uh-huh.

23 Q. And, have you ever tried straight-cut?

24 A. (Segura-Coto) Most of what we do is just remove and

1 replace components.

2 Q. You know, a straight-cut gear versus --

3 A. (Segura-Coto) I know. I know. And, it's based on the
4 design considerations of the gearbox. So, that will be
5 a question for the design.

6 A. (Wright) Spur gears or straight, as opposed to helical,
7 have some issues with wind turbines, with noise and
8 with torque transmission. And, so, all major geared
9 wind turbines of this type have helical stages.

10 Q. So, you're sort of trying to make a balance --

11 (Court reporter interruption.)

12 BY MR. DUPEE:

13 Q. I guess you're trying to make the compromise between a
14 straight-cut gear, which has, of course, more torque
15 strength, versus helical, which will be quieter?

16 A. (Wright) Fair enough.

17 MR. DUPEE: Okay. Thank you. That was
18 my question.

19 MS. BAILEY: Anybody else? Okay.

20 MR. ROTH: Madam Chairman, I'm sorry to
21 interrupt you, but there was a question and answer between
22 I believe it was you and Ms. Wright that provokes me to
23 want to ask a quick follow-up question, if I may?

24 MS. BAILEY: Okay. Just a sec.

1 (Ms. Bailey conferring with Atty.
2 Iacopino.)

3 MS. BAILEY: Can you tell me what it's
4 about?

5 MR. ROTH: It's with respect to her
6 testimony that you would expect a certain number of
7 gearboxes to be discovered as compromised and replaced in
8 normal maintenance, and the recent experience at the
9 Granite Reliable Project.

10 MS. BAILEY: Okay. Go ahead.

11 MR. ROTH: Okay.

12 BY MR. ROTH:

13 Q. Ms. Wright, are you familiar with the Granite Reliable
14 Project?

15 A. (Wright) I know that it's in. I know that it's in, I
16 don't know that much about it. I haven't worked on it.

17 Q. Okay. So, are you aware that those are Vestas turbines
18 installed there?

19 A. (Wright) They're V-90s, aren't they?

20 Q. I believe so. And, are you aware that that project
21 began commercial operation in March of this year?

22 A. (Wright) I didn't know when it started, no.

23 Q. Okay. Are you aware that, just in the last month or
24 two, the project has had to essentially take the

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 gearboxes out of some six turbines and replace them,
2 and, in the process, remove the rotor hub assembly?

3 A. (Wright) No, I didn't know that.

4 Q. Okay. So, would you suggest that that occurrence is,
5 as you've said, --

6 WITNESS WRIGHT: Maybe somebody can --
7 somebody's getting feedback. Maybe somebody can turn
8 their mike off.

9 MR. ROTH: I'll just move further --
10 I'll move further away, maybe that helps.

11 BY MR. ROTH:

12 Q. You had said in your testimony that "the Vestas
13 problems were long in the past." Are you willing to
14 reconsider that?

15 A. (Wright) No. That particular case that Ms. Linowes
16 mentioned. If I understood correctly, she was
17 referring to a specific offshore project.

18 Q. I'm not sure she actually did specify. But, in light
19 of the fact that Granite Reliable has Vestas gearboxes
20 -- Vestas turbines with defective gearboxes just a
21 month or two ago, are you willing to reconsider that
22 this is actually happening now?

23 A. (Wright) Wind turbine gearboxes are failing now, yes.

24 Q. Okay. In New Hampshire?

{SEC 2012-01} [Day 2] {10-30-12}

1 A. (Wright) If you say so. As I say, I haven't worked on
2 Granite.

3 Q. And, you also testified that this was generally a
4 "normal maintenance". Would you consider a replacement
5 some six or eight months after going commercial to be
6 "normal maintenance" or is that something
7 extraordinary?

8 A. (Wright) No, I wouldn't consider that normal
9 maintenance.

10 MR. ROTH: Okay. Thank you. That's all
11 I have.

12 MS. BAILEY: Mr. Iacopino.

13 MR. IACOPINO: I have only one question
14 on gearboxes. And, then, I'll move on to some other
15 things then.

16 WITNESS SEGURA-COTO: We know a lot
17 about generators, too.

18 (Laughter.)

19 BY MR. IACOPINO:

20 Q. My question is a very -- my question is a very basic
21 layman's question. When a gearbox fails, will the
22 rotor of the wind turbine spin uncontrollably?

23 A. (Wright) No.

24 A. (Segura-Coto) No, it would not.

1 Q. Okay.

2 A. (Wright) No.

3 Q. Thank you. Will it stop?

4 A. (Wright) Yes.

5 A. (Segura-Coto) Yes, it would.

6 Q. Now the engineer is asking me to ask the question.

7 Okay. All right. My next question is for Ms. Wright.

8 Your company seems to be involved with a lot of wind
9 turbine projects?

10 A. (Wright) Yes.

11 Q. I take it you are hired by Antrim Wind, is that
12 correct?

13 A. (Wright) That's correct.

14 Q. Okay. Antrim Wind had -- apparently had communications
15 with the folks at Deloitte Financial Advisory during
16 the preparation of the Deloitte report, which is
17 Exhibit 7 -- I'm sorry, PC 7. And, in that report, I'm
18 not going to -- I'm just going to paraphrase it, but
19 there's a suggestion that Deloitte relied upon
20 statements from people at Antrim Wind to sort of
21 comfort them with regard to the net capacity factor.
22 And, they found that, by looking at wind turbine --
23 wind turbines that, doing their own research, that they
24 found that the proposed net capacity factor to be a

1 little bit optimistic, I guess is probably the best way
2 to put it. But they say that they were comforted by
3 the fact that Antrim Wind had provided them with
4 information about the Acciona wind turbine that
5 supports a higher net capacity factor. And, I guess my
6 question for you, as the engineers, what is it about
7 these particular turbines that would support a
8 conclusion that they will yield these greater net
9 capacity factors than at least Deloitte has said has
10 been typically seen in the Northeast and in New
11 England?

12 A. (Wright) I'd like to back up and just mention that
13 capacity factor is a ratio to the rating of the
14 turbine. And, so, you can't really compare across a
15 wind turbine model capacity factor. It has a different
16 meaning from one wind turbine to another. And, so,
17 many of these are GE 1.5 turbines, relatively small
18 rotor for the rating of the turbine, and, hence, it has
19 a lower capacity factor. Does that matter? Not
20 really.

21 Q. Well, apparently --

22 A. (Wright) Obviously, you always want a higher capacity
23 factor for a given wind turbine. But what you're
24 really interested in is cost per megawatt-hour.

1 Q. Okay.

2 A. (Wright) So, --

3 Q. Go ahead.

4 A. (Wright) -- for a given rotor diameter and a given
5 rating of that generator, then you could more
6 reasonably compare what the extraction is. And, if one
7 were very different from another, then you might be
8 surprised. But, to compare a turbine that has a
9 116 meters across, versus many of these are 77 meters
10 across, quite smaller.

11 Q. So, I guess what I'm hearing you say as a layman is
12 that it's the size of the rotor that makes -- that
13 suggests that there will be a larger -- a greater
14 capacity factor, net capacity factor?

15 A. (Wright) For a given rotor size. And, then, the other
16 thing is that, as you go up, there's more wind. And,
17 that's why wind turbines have to be tall and we can't
18 put them on the ground. So, the higher the hub height,
19 the more energy there is to extract, and, so, the
20 higher capacity factor you're going to have.

21 Q. And, is it fair to say, and I don't know if you were
22 involved in these discussions with Deloitte or not?

23 A. (Wright) No, I wasn't.

24 Q. But have you read that portion of the report?

1 A. (Wright) No, I haven't.

2 Q. Okay. I won't ask you the question. Then, maybe I can
3 ask Mr. McCabe.

4 A. (McCabe) Sure.

5 Q. Does that -- Mr. McCabe, you, I take it, were involved
6 with the Deloitte people, correct?

7 A. (McCabe) Yes. And, I've read the report, yes.

8 Q. Okay. And, I'll make it real simple. I'll just do it
9 from I think it's Page 2, in the Executive Summary.

10 A. (McCabe) Okay. Yes.

11 Q. And, let me make sure this is Page 2. I'm working on
12 the electronic version, so -- yes, it is Page 2 of the
13 report. In the paragraph -- second paragraph of
14 "Project Business Plan Assessment".

15 A. (McCabe) Okay.

16 Q. There's a sentence, I'm going to read it to you. It
17 says, "By way of explanation, the Applicant has
18 indicated that the large turbines that it plans to use
19 are capable of achieving higher capacity factors at a
20 given site than the more commonly used small turbines
21 and has provided a wind study supporting the
22 assumption." Is the basis for that statement -- well,
23 first of all, do you agree that you and other folks
24 from Antrim Wind have made that representation to the

1 Deloitte people, that it's the "large turbines...are
2 capable of achieving a higher capacity factor"?

3 A. (McCabe) Yes. We did. And, we did it not just on the
4 basis of what we think, but we actually, I think as
5 Jack mentioned this morning, we engage a third party
6 meteorologist that has a lot of experience in
7 evaluating these type of projects. And, that's what
8 their conclusion was, and that's what was in that V-Bar
9 summary report. In particular, how it looked at, okay,
10 if you were to look at the V-90 or the G87 at this
11 site, what would be the resulting decrease in net
12 capacity factor? And, I think I'd just follow up on
13 that is, I believe that the decrease in net capacity
14 factor, using the V-90 turbine, the Granite Reliable
15 turbine, was on the order of a 35 percent decrease.
16 And, someone made the point that their reported NCF is
17 in the low 30 percent. And, that's consistent with
18 what V-Bar found, which is the V-90 at our project
19 would probably have, if you take the midpoint of that
20 37 and a half to 40 and a half, and you apply -- you
21 discount it by 34 percent, you're going to end up in
22 the high 20s on an NCF basis.

23 Q. So, in addition to the information provided by --
24 understanding that the Deloitte people are accountants

1 and economists, in addition to providing the
2 information about the mechanics of the turbine, it was
3 also the wind data that was provided to them that led
4 to your representation to them about what you expected?

5 A. (McCabe) Exactly. I mean, we don't --

6 MR. ROTH: Excuse me. I don't think
7 that that's the case. I don't think wind data was
8 provided to Deloitte.

9 WITNESS WRIGHT: It was provided to
10 V-Bar, and V-Bar data was a provided --

11 MR. ROTH: Okay. Just so we're clear.

12 WITNESS McCABE: And, our representation
13 is based on V-Bar's report.

14 MR. IACOPINO: And, I'm sorry. When I
15 said "wind data", I didn't mean the "raw wind data", I
16 meant the "V-Bar report". I'm sorry.

17 MR. ROTH: Okay. And, Mr. Iacopino,
18 just so we're clear, I think the Deloitte report makes
19 fairly clear that they did not do any independent analysis
20 of the V-Bar report, and simply accepted it as true. They
21 did not have the expertise in which to critique or analyze
22 the information and the assertions provided by V-Bar.

23 MR. IACOPINO: Thank you. And, that's
24 part of the reason why I asked about what they represented

1 to your consultant. That was the point, what they
2 represented.

3 BY MR. IACOPINO:

4 Q. Mr. Segura-Coto, you were questioned about safety
5 plans, and there's no safety plan yet -- yet formed for
6 this particular project, because you don't have an
7 operation and maintenance agreement so far, correct?

8 A. (Segura-Coto) That's correct.

9 Q. Does Acciona have sort of a template that they use for
10 safety plans or a checklist or something that is used
11 in every -- every site, regardless of what might be
12 negotiated in the O&M?

13 A. (Segura-Coto) Yes. We have a minimum set of safety
14 requirements. There's a safety document that applies
15 to each specific wind model. And, based on that one,
16 we overlay the requirements from the owner for the
17 balance of plant and any operation that they have. So,
18 that will be part of the requirement for the safety
19 plan.

20 Q. And, is that something that's in the public domain as
21 we speak right now?

22 A. (Segura-Coto) I do not know. I don't know if I have
23 the liberty to share that document at this point.

24 Q. I'm sorry. These aren't in any particular order, but I

1 need to go back to Ms. Wright.

2 A. (Wright) That's fine.

3 Q. I had mentioned before Committee Exhibit Number 1,
4 which is a letter from February 1st, I believe, 2012,
5 from the Fire Marshal for the State of New Hampshire.
6 And, --

7 MR. PATCH: Could we just make sure she
8 has that in front of her.

9 (Atty. Geiger handing document to
10 Witness Wright.)

11 BY MR. IACOPINO:

12 Q. In that letter, the Fire Marshal has asked that this
13 facility -- or, that the Certificate of Site and
14 Facility contain conditions that require the towers,
15 nacelle, operation and maintenance buildings be subject
16 to certain codes and standards. And, the codes and
17 standards are listed at the top of Page 2 of the
18 letter. Do you have that there?

19 A. (Wright) I see it, yes.

20 Q. And, there are four of them, essentially. Are you
21 familiar with these codes?

22 A. (Wright) I'm not, no.

23 Q. Okay. So, you don't know if the -- if this particular
24 turbine does, in fact, meet these fire and life safety

1 codes?

2 A. (Wright) That would be a question for Acciona.

3 Q. Mr. Segura-Coto, do you know the answer to the
4 question?

5 A. (Segura-Coto) I just was made aware of the letter. But
6 I do know that Antrim and Acciona, they have been
7 discussing in the past the supplier requirements to
8 meet these fire codes. And, I do know for a fact that
9 the AW-3000 turbines got a detection/prevention/
10 suppression systems, that they meet UL/CSA or they meet
11 some NFPA codes, and that they meet the basic
12 requirements that I believe are requested here in this
13 letter.

14 Q. Mr. McCabe, does AWE intend to comply with those four
15 codes?

16 A. (McCabe) Yes, I think, subject to check, we would. I
17 think, as Ruben has mentioned, we've been in an ongoing
18 dialogue with Acciona about their machine's ability to
19 meet all those. I don't personally know what's in all
20 those codes. I understand they're very comprehensive
21 documents. And, so, we're still in a position of
22 evaluating what's really applicable to this machine.
23 So, I cannot -- I cannot commit, for AWE at this point,
24 based on what we know, to fulfill all of those codes.

1 Q. Well, let me ask it a different way. If it's a
2 condition, which the Fire Marshal is requesting, if
3 it's a condition, and you can't, what are you going to
4 do?

5 A. (McCabe) Well, we have two choices. We either get
6 Acciona to meet the code or we accept the condition.
7 But, either way, I guess the SEC gets what it
8 conditions upon us.

9 Q. Thank you. I have a question, and, again, it's a
10 layman's question about this process of --

11 A. (McCabe) Yes. I'm sorry.

12 Q. Ms. Wright, I have a question, from a layman's point of
13 view, about this sort of -- this process of proven --
14 proving the turbine that you go through. Will the
15 turbines that, if a certificate is granted in this case
16 and they construct these turbines, will the --

17 A. (Wright) Okay.

18 Q. I mean, and assume that they will eventually be proven,
19 will it be within this amount of time that we have? I
20 mean, construction is supposed to end by the end of
21 next year, I believe. Is that enough time for the
22 turbine to be proven?

23 A. (Wright) No.

24 Q. Okay. And, do you base that answer based upon what you

1 know about where these turbines exist elsewhere as
2 well?

3 A. (Wright) Well, we'd need 100 turbines to be installed
4 and running for one year in North America. And, I
5 don't see that happening --

6 Q. Oh. Okay. You don't count Europe or other countries?

7 A. (Wright) We evaluate proven in North America
8 specifically. Europe does it separately. Because it's
9 used to evaluate availability, which is different here
10 than there.

11 Q. Are you aware of any turbines that were manufactured
12 but never proven? In other words, in the industry,
13 they're considered to be basically unproven. Are there
14 any that have not been proven?

15 A. (Wright) There are many turbines that have not reached
16 proven status. And, I don't know whether they will or
17 not.

18 Q. Are there any that never will?

19 A. (Wright) Possibly.

20 Q. I'm just trying to get an idea of what -- what does
21 this actually mean for a regulatory body. Because it's
22 -- I know you're thinking of it as an engineer. But,
23 from a regulatory body standard, I mean, let's face it,
24 nobody wants to be stuck with a turbine that's never

1 going to prove itself.

2 A. (Wright) It seems to me, and please tell me otherwise,
3 that you're most interested in the life of the turbine.
4 That you want to make sure that this turbine is
5 productive for its life. The proven status is -- we
6 use that to understand fractions of a percentage point
7 on the availability projection. And, I'm not so sure
8 that it's really interesting to you.

9 Q. Well, other things that are interesting to us is, of
10 course, whether it's safe?

11 A. (Wright) Safety is, certainly. And, that's the
12 certification process.

13 Q. Okay. So, I should make a distinction between "proven"
14 and "certified"?

15 A. (Wright) So, the design -- Yes. With the design
16 certification process and the type certification
17 process.

18 Q. Mr. Segura-Coto and Mr. McCabe, I think you both can
19 give me an answer to this question. There was a
20 discussion previously about "what happens if there's a
21 dispute between your two companies?" And, I guess my
22 first question about that is, is there sort of any kind
23 of industry standard as to how disputes are dealt with
24 between the manufacturer or operations contractor and

1 the owner?

2 A. (Segura-Coto) Yes, let me answer this first, if you
3 don't mind. So, there is two facets to it. One is a
4 contractual responsibility to stop or start a turbine
5 or the wind farm, and then there is the operational
6 responsibility. So, if Acciona gets awarded an
7 operation and maintenance contract, who will be
8 responsible to stop the wind farm only if there is a
9 safety issue, safety-related issue that affects the
10 wind farm. Or, if we're going to produce a preventive
11 or corrective schedule in accordance to an agreement
12 with the owner of the wind farm. We will not curtail
13 the wind farm. We will not stop the wind farm
14 operation for any other reasons, unless it is indicated
15 by the owner.

16 Q. Okay. But the question that was specifically put to
17 you was, you know, you say "it's an emergency, we need
18 to stop."

19 A. (Segura-Coto) Uh-huh.

20 Q. And, the owner says "no". Is there any industry
21 standard that governs for that type of situation?

22 A. (Segura-Coto) If it's a safety issue, the owner doesn't
23 have anything to say. We stop the turbine and we
24 evaluate. I think that the question, and I apologize,

1 to try to clarify, and the question was related about
2 the wind farm itself as a power plant, "will we stop
3 the wind farm as a power plant?" I mean, there needs
4 to be a catastrophic event of a big magnitude for us,
5 as the operators, to be able to stop one.

6 To me, the more plausible the scenario
7 is one turbine, there is something that's happening in
8 that turbine, we have the right and the control. Then,
9 they can come behind us and ask us to justify the
10 reasons and the thought process for that stoppage.

11 Not trying to digress too much into it,
12 but that walks into the availability world. When we
13 guarantee to the owner availability of the turbine, we
14 also take responsibility for the times that we stop the
15 turbines and we didn't have the right to stop it. So,
16 there will be benefits associated with that. So, it is
17 not like an immediate negotiation of who is in charge
18 or not. We took the responsibility, it was our initial
19 responsibility, and then we justify our actions in
20 front of the owner.

21 Q. Mr. McCabe.

22 A. (McCabe) Yes. I guess I would just say that, while
23 this industry hasn't been around for 20 years, in terms
24 of sort of the modern wind industry, it's been around

1 long enough that O&M services agreements that are
2 negotiated between parties, and are often reviewed by
3 debt providers, have now 10 to 15 years of operating
4 history and issues that have come up in other projects
5 that, you know, as each subsequent O&M agreement gets
6 negotiated between parties, those instances get
7 incorporated, such that, you know, to your question,
8 "is there a template that's applicable to the
9 industry?" I don't have one in my possession. But I
10 do know that as, you know, project sponsors and turbine
11 manufacturers negotiate these agreements, they're
12 taking into consideration the history and the evolution
13 of this industry. Because, ultimately, the debt
14 providers or the financial, you know, sponsors of these
15 projects insist on it. They review these documents and
16 they make sure that, you know, the responsibilities are
17 assigned to the appropriate parties. And, that there's
18 a mechanism in place that deals with instances which
19 aren't explicitly covered.

20 Q. How many employees, you mentioned that AWE or Antrim
21 Wind Energy will have one full-time on-site person --

22 A. (McCabe) Yes. Actually, yes, two; a site manager, and
23 then foresee having sort of a site administrator, and
24 that will also be a AWE employee.

1 Q. And, they will be on-site basically the same hours as
2 the Acciona employees?

3 A. (McCabe) Normal working hours.

4 Q. Now, Mr. McCabe, I'm going to ask you a question that
5 actually nobody has asked you about yet, but it goes to
6 the substation. Where you've got sort of the same
7 situation. You've got, if you're certified, you'll
8 have a substation that's owned and operated by another
9 entity, Public Service of New Hampshire. And, is there
10 a similar type of agreement with Public Service? I
11 mean, what do you -- I mean, we've talked a lot about
12 whether we can subdivide something or not. But, I
13 guess my question is, what type of arrangement will
14 there be between the owner and operator of the
15 substation and Antrim Wind?

16 A. (McCabe) Right. And, that ownership and
17 responsibilities is all covered in the Large Generator
18 Interconnection Agreement that we would have to sign
19 with New England ISO, and I believe it's a third party
20 agreement with Public Service of New Hampshire. And,
21 that's a FERC-regulated document, that, you know, has
22 been heavily vetted over, you know, and it's applicable
23 not only to the wind industry, but any power producer
24 that is interconnecting at the high voltage level as we

1 are. So, there's really no -- there's no negotiation
2 on an LGIA. They present it to you, you agree on a
3 schedule, and it addresses, you know, all of those
4 issues related to, you know, right down to where the
5 change of ownership is in that facility, what they call
6 the "busbar". And, I think it's pretty clear what the
7 responsibilities are of the two parties, and, also, you
8 know, what to do in the event there's a disagreement.

9 Q. Which is whatever the ISO tells you to do?

10 A. (McCabe) Exactly.

11 MR. IACOPINO: I don't have any further
12 questions.

13 MS. BAILEY: Okay. Ms. Geiger,
14 redirect?

15 MR. PATCH: Yes.

16 MS. BAILEY: Oh, sorry, Mr. Patch.

17 MR. PATCH: That's okay.

18 **REDIRECT EXAMINATION**

19 BY MR. PATCH:

20 Q. I'm going start, Mr. McCabe, with, do you remember you
21 were asked a few questions with regard to how personnel
22 on-site would handle fatalities of birds or wildlife.
23 Do you recall that?

24 A. (McCabe) Yes.

1 MS. LINOWES: Excuse me, madam Chair.
2 I'm sorry to interrupt. I had a follow-up before the
3 redirect, and I'm wondering if I should do it before
4 redirect or after? Pertaining to the questions that the
5 panel asked.

6 MR. IACOPINO: We normally don't do
7 that. What's your question about? What specific area?

8 MS. LINOWES: You -- the comment about
9 the difference in the turbine size, the blades and the
10 rotor size. And, the point was made that the Granite
11 Reliable Project was operating at 30.5 percent capacity
12 factor. But I wanted to make sure that the Committee was
13 aware that the Granite Reliable Project is at elevation
14 3,000 feet, whereas this project --

15 MS. BAILEY: Could you do that in your
16 rebuttal? Are you going to testify?

17 MS. LINOWES: Oh, yes, I am going to
18 testify.

19 MS. BAILEY: Yes. Why don't you do it
20 then, okay?

21 MS. LINOWES: Fine. Thank you.

22 BY MR. PATCH:

23 Q. Okay. Mr. McCabe, I'm going to show you, I think it's
24 been marked as "AWE 3", which is Volume 3 of the

1 Application. And, it would be Appendix 12F. And, this
2 is the Avian and Bat Protection Plan. And, it's
3 Page 58. I'll give it to you, so you don't have to
4 find it.

5 (Atty. Patch handing document to Witness
6 McCabe.)

7 WITNESS McCABE: It's 9.1.1?

8 MR. PATCH: Yes.

9 BY MR. PATCH:

10 Q. And, I believe this is a section in that plan that
11 pertains to training of employees. I wonder if you
12 would read that in the record.

13 A. (McCabe) "Under the Wildlife Mortality Monitoring
14 Program, all appropriate personnel, including managers,
15 supervisors, inspection and maintenance crews,
16 *etcetera*, will be trained in the identification,
17 handling and reporting of dead or injured avian and bat
18 species. This training will encompass the reasons,
19 need, and method by which employees should report an
20 injury or mortality, and dispose of carcasses and
21 comply with applicable regulations, including the
22 consequences of non-compliance."

23 Q. And, so, that's the plan, basically, that AWE intends
24 to abide by, is that correct?

1 A. (McCabe) Yes, it is.

2 Q. Mr. McCabe, I note from your testimony that you were,
3 prior to joining Westerly, and this on Page 2 of your
4 January 31st testimony, you were the Managing Director
5 of Wind Development for Duke Energy, is that correct?

6 A. (McCabe) Yes.

7 Q. And, then, prior to that, I think you actually worked
8 at Catamount Energy?

9 A. (McCabe) Yes.

10 Q. So, you have a fair amount of experience with wind
11 power projects?

12 A. (McCabe) Yes, I do.

13 Q. Do you know, you know, approximately total megawatts,
14 in terms of wind power projects that you have dealt
15 with?

16 MR. ROTH: Madam Chairman, I object to
17 this question. This is not redirect. This was their
18 introductory testimony. And, I object to it being done
19 now. He had an opportunity to present this kind of
20 evidence either in the direct prefiled testimony or
21 earlier this afternoon when these witnesses were
22 introduced, and to replot this ground I think is not
23 necessary and out of order.

24 MS. BAILEY: Mr. Patch, can you explain

1 why this is redirect?

2 MR. PATCH: It's really just foundation.

3 I'm ready to ask the next question.

4 MS. BAILEY: Okay.

5 BY MR. PATCH:

6 Q. So, with regard, for example, to the questions that you
7 were asked and answered about the number of employees
8 that would be on-site, between both Acciona and AWE, --

9 A. (McCabe) Right.

10 Q. -- is it typical for the size of this Project the
11 number of employees?

12 A. (McCabe) Yes, it is. It's been my experience that, you
13 know, there's a minimum threshold that you need to, you
14 know, adequately and safely service a facility of this
15 kind. And, you know, five total people for a
16 ten-turbine installation seems normal and reasonable to
17 me. And, it's also what's been proposed by other
18 turbine proposals we've gotten from other turbine
19 manufacturers.

20 Q. Mr. Roth had asked you I think it was a series of four
21 questions about whether, at this point in time at
22 least, there is a BOP agreement, an O&M agreement, a
23 turbine supply agreement, and a PPA.

24 A. (McCabe) Uh-huh.

1 Q. And, given the status of this Project, which has not
2 yet obtained its permits, is it typical to have those
3 agreements in place?

4 A. (McCabe) Yes. Those would typically be agreements that
5 you would put in place after receiving a permit, and
6 after securing an offtake agreement, whether it be a
7 power purchase agreement or a hedge agreement. It's
8 only then, when you have those major development pieces
9 in place, would you actually move forward, you know,
10 and execute the other commercial agreements, like the
11 balance of plant or the turbine supply agreement, and
12 the corresponding O&M agreement.

13 Q. Ms. Wright, do you have any comment on that? Is that
14 typical for the industry, from your experience?

15 A. (Wright) Most of the projects we deal with go in that
16 order.

17 Q. Mr. Segura-Coto, in response to a question from
18 Ms. Bailey, I heard you reference a project in Nova
19 Scotia, is that correct?

20 A. (Segura-Coto) Correct.

21 Q. And, could you tell us a little bit about that project
22 and how that compares to the size of this Project, in
23 terms of employees, megawatts, and so forth?

24 A. (Segura-Coto) It will be an almost identical project.

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 Same number of turbines, 92-meter steel tower, with
2 116-meter rotor, ten turbines. And, we plan to staff
3 it -- the contract has been awarded very recently.
4 And, we planning to staff it the same way that we were
5 planning on staffing Antrim/Eolian.

6 Q. And, in terms of responses to safety issues or
7 availability of personnel or redundancy of lines, you
8 know, in terms of the operation in Chicago?

9 MR. ROTH: I'm going to object to this
10 question. Attorney Patch is leading the witness, and he's
11 now testifying. And, I think that's inappropriate.

12 MS. BAILEY: Can you try to rephrase it?

13 MR. PATCH: I guess I can.

14 BY MR. PATCH:

15 Q. I'm just asking whether the project in Nova Scotia, in
16 terms of other issues that have been brought up today,
17 are there any differences really with what Antrim --

18 A. (Segura-Coto) No, there are not.

19 Q. And, your title, just to make it clear in the record, I
20 think we had some problems with the word "post", but
21 you're the Director of Post Sales, is that right?

22 A. (Segura-Coto) Director of Post Sales Services.

23 Q. Okay. Which is after, after sales, you know, which
24 deals with warranties and ongoing maintenance, is that

1 correct?

2 A. (Segura-Coto) Correct. As I testified, typically, my
3 involvement is close to the commercial operations date
4 on the project. I'm just intervening here just because
5 I'm contributing because I've been asked to.
6 Particularly, our commercial team, which they have been
7 in discussion with Antrim for some time already, are
8 the ones leading all these type of issues. So, I
9 should not, typically, in any other project or my
10 experience has been not to get involved until really
11 the construction of the project is well into its way,
12 and then we need to get ready for operations and
13 maintenance.

14 Q. So, when you were asked a question by Ms. Linowes about
15 when you had first met Mr. Kenworthy, and you said, I
16 think, "yesterday".

17 A. (Segura-Coto) Uh-huh.

18 Q. I mean, you had actually had contact with AWE before
19 that, obviously?

20 A. (Segura-Coto) Right. Via our commercial team and via
21 the data requests and the responses to the testimonies
22 that we were given.

23 Q. And, Mr. McCabe, this is really a question for you. Do
24 you know when the contact with Acciona on AWE's part

1 began?

2 A. (McCabe) Well, I joined -- I joined AWE in January of
3 2011, almost two years ago, and discussions with
4 Acciona about this project have been going on since
5 then. And, it's typically -- or, it's always been
6 through their sales representative, in terms of getting
7 turbine information, turbine pricing proposals, which
8 include, you know, equipment, actual equipment
9 proposals, and O&M service proposals, from, you know,
10 their sales rep. And, that's typical for the industry.
11 We would not normally be -- I would not be talking to a
12 post sales representative at this point.

13 Q. And, I guess this is a question that any panel can
14 member [sic], but I'll start with you, Mr. Segura-Coto,
15 since you discussed the five-year warranty period.
16 And, could you tell me whether or not what is being
17 suggested here, with regard to potential agreement with
18 AWE, is typical in the industry?

19 A. (Segura-Coto) It is, indeed. And, that will be the
20 initial warranty term. As I mentioned, my testimony
21 goes between two and maybe fifteen years. The Prince
22 Edward Island project that I just mentioned is a
23 15-year warranty project. And, traditionally and
24 customarily, there is a transition after the warranty

1 period into other O&M providers. And, traditionally,
2 it's not rare at all, actually, it's very common that
3 the O&M service provider is subcontracted out to a
4 specialty company that provides these type of services.

5 A. (McCabe) And, that's consistent with what our
6 operations plan has been. For the first five years of
7 the Project, Acciona will be the service provider.
8 And, after those initial five years, you know, we'll
9 either extend the agreement with Acciona or we'll elect
10 to, you know, sign an agreement with another third
11 party provider of O&M services.

12 Q. Ms. Wright, I have a question for you. With regard to
13 the gearboxes, and the questions that Mr. Roth asked
14 you about the gearboxes that are being -- apparently
15 there's a problem at the GRP project up north, here in
16 New Hampshire, with I think he said "six turbines". I
17 don't know if that's the case, and you didn't know
18 either. But do you know whether the gearboxes that are
19 in use there are the same that would be used here for
20 Acciona? In other words, are they the same kind? Are
21 they manufactured by the same company?

22 A. (Wright) I don't know what brand, what manufacturer
23 gearbox is at Granite. No, I don't.

24 Q. Or Vestas, the Vestas 90, is there any particular --

1 or, V-90, is there any particular one they typically
2 use?

3 A. (Wright) They have a few. And, I don't remember.

4 Q. And, do you know what the process is, I think Mr. Roth
5 said something about how they would have "to take off a
6 rotor". Do you know what the process is typically for
7 that, in terms of replacing the gearbox?

8 A. (Wright) Some gearboxes, depending on the main bearing
9 design, some gearboxes -- rather, some turbines, you
10 can remove the gearbox without removing the rotor, and
11 some of them you have to take the rotor off. If
12 there's some way of clamping the rotor down and picking
13 up the gearbox, then that's possible. But, if the
14 gearbox is one of the main supports of the rotor, then
15 the rotor has to be taken down to take the gearbox out.

16 Q. Mr. Segura-Coto, is there anything that you'd like to
17 say, you know, on that particular issue, in terms of
18 the gearboxes?

19 A. (Segura-Coto) Yes. Our technology includes on the
20 drivetrain two main bearings, for the -- for the
21 low-speed shaft. So, it is not required to take the
22 blades and drop the rotor down when you need to do a
23 replacement of a gearbox. So, I know that other
24 technologies don't incorporate, they have a single main

1 bearing, that requires to actually have to dismantle
2 half the turbine to be able to do a change on the
3 drivetrain.

4 Q. So, that's, for the turbines that will be used in this
5 Project, for that particular model, it would not be
6 required to take the rotors off?

7 A. (Segura-Coto) No.

8 Q. Okay.

9 A. (Segura-Coto) I would like also to emphasize, I
10 mentioned before in my testimony, that the gearbox
11 design is proprietary design of -- common design
12 between Acciona Windpower and Winergy and Moventas, and
13 is not a form, fit and functional replacement of any
14 other manufacturers' gearboxes.

15 MR. PATCH: That's all the questions I
16 have. Thank you.

17 MS. BAILEY: Okay.

18 MR. ROTH: Madam Chairman, I'm sorry to
19 interrupt. I have two questions for recross.

20 MS. BAILEY: Do we usually do recross?
21 We don't usually do recross.

22 MR. ROTH: They're fairly
23 straightforward, really, only two questions.

24 MS. BAILEY: I know, but there's people

1 behind you that also have recross, and it's 5:30. What
2 does the Applicant have to say?

3 MR. PATCH: I mean, I think you've said
4 it already. It's not typical to allow that. And, it
5 seems as though they have already been given so much
6 leeway with regard to asking questions as follow-up to
7 what the Committee, which they don't typically get either,
8 so...

9 MR. ROTH: We have done it in the past.

10 MS. BAILEY: What area are your
11 questions on?

12 MR. ROTH: With respect to the "usual
13 practice" that was testified to by two of the witnesses
14 regarding the various contracts that are necessary. I
15 wanted to ask about their knowledge and about an
16 experience in this state. And, then, with respect to Mr.
17 Segura-Coto's testimony, with respect to the managerial
18 capability of the Applicant, and the contact with the
19 sales people.

20 MS. BAILEY: Ms. Manzelli, what are your
21 questions about?

22 MR. PATCH: Those are all questions, I'd
23 just like to note, that Mr. Roth could have asked earlier,
24 if he wanted to.

1 MS. MANZELLI: With respect to the Avian
2 Bat and Protection Plan that Attorney Patch referenced,
3 I'd like to confirm my understanding that it will be AWE
4 implementing that plan. And, if so, I'd like to know the
5 frequency with which AWE staff employees or contractors
6 will be on-site at all, and will be walking the entire
7 site.

8 MS. BAILEY: Can't you ask that of the
9 panel that's going to testify about the Avian and Bat
10 Protection Plan?

11 MS. MANZELLI: I can and will and plan
12 to, but I don't know if there's any aspect of operations
13 or maintenance or management that that panel will not
14 know.

15 (Ms. Bailey conferring with Atty.
16 Iacopino.)

17 MS. BAILEY: Okay. I'm going to give
18 you a total of five minutes between the two of you. So,
19 ask your questions quickly please.

20 MR. ROTH: Thank you.

21 **RECROSS-EXAMINATION**

22 BY MR. ROTH:

23 Q. Mr. McCabe and Ms. Wright, this question is directed to
24 you, because I think you are the ones who answered the

[WITNESS PANEL: McCabe|Segura-Coto|Wright]

1 questions about the fact that it's typical to put the
2 contracts after the certificate. Are you familiar with
3 the Laidlaw case here in New Hampshire?

4 A. (Wright) No.

5 A. (McCabe) No, I'm not.

6 Q. So, you would be -- would you be surprised to know
7 that, in that case, this Committee reviewed things like
8 the balance of plant, the turbine purchase agreement,
9 the O&M agreement, and the PPA, --

10 A. (Wright) This is --

11 Q. -- prior to the grant of a certificate?

12 MR. PATCH: I would just like to object.
13 First of all, they don't know anything about it. But I
14 think it would be good if they knew that this is not a
15 wind power project he's talking about. And, so, he's
16 going to ask them questions related to something they
17 don't know anything about.

18 MR. ROTH: That's the only question I
19 was going to ask.

20 MS. BAILEY: Do you know anything about
21 it?

22 WITNESS McCABE: I don't know it. And,
23 I don't have any experience in anything other than wind
24 power projects, and the sequencing of --

1 (Court reporter interruption.)

2 WITNESS McCABE: My only experience is
3 in the wind power business. If it's not a wind power
4 project, then, you know, I don't think I'd be qualified to
5 talk about what's germane to another fuel source project.

6 MR. ROTH: Okay. Thank you.

7 BY MR. ROTH:

8 Q. Now, Mr. Segura-Coto, you were asked --

9 MS. BAILEY: Didn't you say that was
10 your last question?

11 MR. ROTH: No, I said I had two. That
12 was the only question I had about that topic.

13 MS. BAILEY: Oh. Okay.

14 BY MR. ROTH:

15 Q. On redirect, there was some discussion about, and maybe
16 this was Mr. McCabe, but sales representatives being in
17 contact with Acciona sometime before you showed up on
18 the scene more recently. In making your conclusion in
19 your testimony that "the Applicant has sufficient
20 managerial and technical capability", did you rely on
21 any information provided to you by a sales
22 representative that had previous contact with the
23 Applicant?

24 A. (Segura-Coto) No. If you allow me to go back to the --

1 Q. Can you answer that question please?

2 A. (Segura-Coto) Yes. But I would like to go back to the
3 actual question I was asked about, the managerial
4 capabilities of AWE.

5 Q. It's on your August 22nd testimony.

6 A. (Segura-Coto) Do you recall the page? Okay. I think
7 it's on Page 10, Line 17.

8 Q. Page 11.

9 A. (Segura-Coto) Yes. The actual answer is on Page 11.
10 So, up on the question of, "In my opinion was -- does
11 AWE, through its relationship with Acciona, possess the
12 technical and managerial capabilities to assure that
13 operation of the wind turbine". So, from my commercial
14 team, I understood the relationship between AWE and AWP
15 at this point of time. So, trusting that, we are
16 lining up the application with the technology, and that
17 allegedly we'll be awarded an O&M contract for the
18 initial warranty of the Project, which will enable us
19 to do O&M, I do believe that they will be able to
20 manage tasks to successfully complete operation and
21 maintenance of the wind turbines, yes.

22 Q. Okay. Can you identify the salesperson, that sales
23 representative that --

24 A. (Segura-Coto) Yes. It was Mr. Thomas Donoghue, sitting

1 in the back. He's the Director of Business Development
2 with Acciona Windpower.

3 MR. ROTH: Thank you. That's all.

4 MS. BAILEY: Ms. Manzelli.

5 MS. MANZELLI: Thank you.

6 BY MS. MANZELLI:

7 Q. Mr. McCabe, did you know about the Avian and Bat
8 Protection Plan before today?

9 A. (McCabe) Yes, I did.

10 Q. And, is my understanding correct that AWE will be
11 implementing that plan?

12 A. (McCabe) Yes, it is. It was attached to the SEC
13 Application.

14 Q. And, how often will AWE employees or contractors be
15 on-site to implement that plan?

16 A. (McCabe) Well, I think the plan will govern operations.
17 I think we've addressed the hour -- the normal working
18 hours, which the site manager and the technicians will
19 be on the site. And, you know, when they're on the
20 site, any training they receive routed to the Avian and
21 Bat Protection Plan will be applicable.

22 Q. Will an AWE employee be on-site every day of the year?

23 A. (McCabe) No. I don't believe that would be the case.
24 I believe they will take -- they will take holidays,

1 and that's why they have on-call provisions.

2 Q. So, will an AWE employee be on-site Monday through
3 Friday, during regular business hours, say, something
4 like 8:00 to 5:00, most business weekdays?

5 A. (McCabe) Yes, that sounds -- that sounds reasonable.

6 Q. And, how many AWE employees during that time period?

7 A. (McCabe) We've said in the Application there will be
8 two.

9 Q. And, both of those will be trained to implement the
10 APBP? AB -- Avian and Bat Protection Plan?

11 A. (McCabe) Yes. They would fall under all appropriate
12 personnel under 9.1.1 training of the ABPP.

13 MS. MANZELLI: Thank you.

14 MS. BAILEY: Mr. Patch, anything
15 further?

16 MR. PATCH: Nothing. Thank you.

17 MS. BAILEY: Okay. We're done. Sorry.

18 No.

19 MR. BLOCK: I just had -- could I get an
20 answer repeated that I didn't hear?

21 MS. BAILEY: Sure.

22 MR. BLOCK: Just very simple.

23 BY MR. BLOCK:

24 Q. Mr. McCabe, could you repeat when it was that you said

1 the Acciona 116 noise certification will be completed?

2 MS. BAILEY: That was --

3 **BY THE WITNESS:**

4 A. (McCabe) The noise -- oh, the type certification, yes.

5 BY MR. BLOCK:

6 Q. Yes.

7 A. (McCabe) The second quarter of 2013.

8 MR. BLOCK: Okay. Thank you.

9 MS. BAILEY: Okay. Thank you, everyone,
10 for your patience.

11 MR. ROTH: Thank you for yours.

12 MS. BAILEY: I think we're finished with
13 this panel. We're going to start at 9:00 tomorrow
14 morning. And, the first thing I'd like to do is get Mr.
15 Kenworthy back on the stand for one or two questions from
16 Ms. Manzelli. And, then, we will proceed with our next
17 panel, which is --

18 MR. IACOPINO: Cofelice and Pasqualini.

19 MS. BAILEY: -- Cofelice and Pasqualini,
20 on the financial part of it.

21 MR. ROTH: Madam Chairman and
22 Mr. Iacopino, I did invite Mr. Lloyd-Evans to be here
23 tomorrow. And, I hope that was the right thing to do at
24 this point.

1 MR. IACOPINO: Did he respond?

2 MR. ROTH: He did respond that he could
3 be here.

4 MR. IACOPINO: Yes, I think, if we're
5 going to go late, we might as well try to get him on, too.

6 MS. BAILEY: Okay.

7 MR. ROTH: Okay. Thank you.

8 MS. BAILEY: Thank you.

9 (Whereupon the hearing adjourned at
10 5:41 p.m., and the hearing to reconvene
11 on October 31, 2012, commencing at
12 9:00 a.m.)
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