STATE OF NEW HAMPSHIRE

BEFORE THE SITE EVALUATION COMMITTEE

Docket No. SEC 2015 - 02

APPLICATION OF ANTRIM WIND ENERGY, LLC
FOR A CERTIFICATE OF SITE AND FACILITY

PREFILED DIRECT TESTIMONY OF HENRY D. WEITZNER AND ERIC SHAW IN SUPPORT OF ANTRIM WIND ENERGY, LLC

September 10, 2015

Qualifications of Henry Weitzner

Q. Please state your name and business address.

A: My name is Henry Weitzner. My business address is 40 Worth Street, 10th Floor, New York, NY.

Q. Who is your current employer and what position do you hold?

A: I am the co-founder, along with Sarah Valdovinos and George Manahilov, of Walden Green Energy, LLC ("Walden"), a privately held global developer, owner and operator of renewable energy projects. Walden has significant experience in the financing of energy projects, from large utility-scale projects to smaller-scale distributed generation projects. Walden has developed, financed, constructed and either currently operates, or sold upon completion, over 10 MW of renewable generation assets in Massachusetts and Vermont, and is currently developing over 200 MW of wind, solar and hydro generation assets, including Antrim Wind, in the United States, Latin America and Central Eastern Europe.

Q. Please briefly summarize your educational background, work experience, and qualifications.

A: I have more than 25 years of experience in, and as such have a deep familiarity with, the energy and commodities business. Prior to founding Walden, I founded and was the sole proprietor of Walden Renewables LLC, a company that invested in renewable energy projects in the Northeast. From 2011 to 2013, Walden Renewables LLC developed, constructed, owned and/or sold six projects with a combined capacity of approximately 10MW and total capital expenditures of approximately $25 million. In the decade before I founded Walden Renewables LLC, from 2001 to 2011, I held various positions of increasing leadership at

Barclays Capital Commodities, a division of Barclays Bank PLC, in New York. From 1993 to 2001, I was a Vice President in JP Morgan's options business and before that I held positions of increasing responsibility in Societe Generale's foreign exchange options business.

In the course of my professional career, I have managed a team of thirty traders and structurers across a diverse range of commodity products, including power, renewable energy certificates, natural gas, coal, emissions, and forest products, with full responsibility for all related risks. I have negotiated and risk-managed numerous power purchase agreements, energy off-take agreements, and supply management contracts with wind farms, gas-fired power plants and LNG facilities. I also collaborated (with George Manahilov) in structuring and hedging the largest volumetric production payment facility to date with a premier US natural gas producer, generating valuation of over $1 billion, and have provided capital through inventory monetization of natural gas storage facilities across the US totaling over $1 billion.

I hold a Bachelor of Arts Degree from Columbia University in New York.

Q. Please describe the relevant experience of Walden.

The Walden management team has a combined 45 years of experience in structuring power purchase agreements and hedging strategies for energy clients globally, and has successfully financed more than $5 billion of power generation and oil and gas energy infrastructure assets. Its founders worked together for many years at leading financial institutions including Barclays, Goldman Sachs, and JP Morgan, and members of the Walden management team have structured, led and executed a number of prominent hedging, off-take and financing transactions for utilities, independent power generators, and energy producers. The Walden team has raised many billions of dollars in debt, equity, and inventory

monetizations, covering numerous commodity and energy related markets. Walden's founders are intimately familiar with the requirements for a successful financing of a wind project such as Antrim Wind. Examples of relevant energy-related transactions led and executed by the Walden management team are described in the Application of Antrim Wind Energy, LLC ("AWE").

Qualifications of Eric Shaw

Q. Please state your name and business address.

A: My name is Eric Shaw. My principal business address is 1095 Avenue of the Americas, Floor 32, New York, NY 10036.

Q. Who is your current employer and what position do you hold?

A: I am currently Global Head of Principal Investments for RWE Supply & Trading ("RWEST"), as well as Chief Executive Officer of RWE Trading Americas Inc. RWEST is a wholly owned subsidiary of RWE AG, one of Europe's top electric and gas companies and Germany's second largest utility (collectively with RWEST referred to in this testimony as "RWE"). RWEST's Principal Investments group invests the capital of RWE in assets and companies where RWEST can leverage its physical and financial commodity trading capabilities to identify attractive opportunities and manage embedded commodity risks , and generate strong investment returns for RWE. RWEST is a leading European energy trading house and acts as the link between RWE's operating companies and global wholesale markets for energy and energy-related raw materials in both their physical and/or derivative forms. RWEST's traded products include power, gas, coal, freight, oil, weather derivatives, biomass, emissions certificates and output from renewable energy projects. RWEST's headquarters in Germany is

home to Europe's largest energy trading floor, complementing a network of additional trading floors and subsidiary, affiliate and branch offices in the United States, Europe, and Asia.

Q. Please briefly summarize your educational background, work experience, and qualifications.

A: I have over 25 years experience in the energy sector, with extensive experience developing, investing in, owning and selling energy projects on a global scale. Prior to joining RWEST I held positions as Head of Commodity Principal Strategies at Citigroup, leading Citigroup Commodities' principal investment efforts and structuring commodity-linked structured deals and investments in the energy sector. Prior to that, I held similar positions at Barclays Capital and a leading European based energy merchant, focusing on the origination and execution of principal investments and of long-term structured deals in power and natural gas. Early in my career I spent a number of years working for Kenetech Corporation, the parent company of US Windpower, the predecessor for GE Wind. I have an AB degree from The Johns Hopkins University and a Masters of Business Administration degree from Boston University's Questrom School of Business.

Q. Please generally describe the relevant business aspects of RWE.

A. RWE, as one of Europe's five leading electric and gas companies, has extensive experience and a proven track record in the development and financing of wind power projects, as well as successfully bringing such projects into operation. Founded in 1898 in Essen, Germany, RWE has a market capitalization of $12.9 billion, assets of $104.4 billion (as of December 31, 2014), and 2014 operating revenues of $63.3 billion. RWE and its affiliates have 49,064 MW of electric generation capacity throughout Europe, and have developed, financed,

constructed and operate 3,112 MW of renewable generation assets, including 2,530 MW of onshore and offshore wind assets.

Purpose of Testimony

Q. What is the Purpose of your testimony?

A: The purpose of our testimony is to address the financial capabilities of Antrim Wind Energy ("AWE") to assure construction and operation of the Antrim Wind Project (the "Project") in continuing compliance with the terms and conditions of a Certificate of Site and Facility issued by the New Hampshire Site Evaluation Committee ("SEC") as a result of this proceeding. Mr. Weitzner also addresses the technical and managerial capability of the AWE management team and their ability to assure the safe and reliable construction and operation of the Project in conjunction with Reed & Reed, Siemens and DNV-GL.

Financial Capability to Construct and Operate the Project

Q. Mr. Weitzner - Please describe the Ownership Structure of the Applicant, Antrim Wind Energy, LLC ("AWE") and the relationship between AWE, Walden, and RWE.

A. AWE is a Delaware limited liability company incorporated in 2009 to develop, construct, own and operate the Project. AWE is jointly owned by Walden Green Energy Northeast Wind LLC, a wholly owned subsidiary of Walden, and Eolian Antrim LLC, a wholly owned subsidiary of Eolian Renewable Energy LLC ("Eolian"). Eolian, which is headquartered in Portsmouth, New Hampshire, was formed in 2009 to manage the development, construction, and operation of utility scale wind energy facilities in New England, and is the original developer of the Project. In February 2015, Eolian and Walden entered into a Limited Liability Company

Agreement to advance the Project through development, financing, construction and operation. The two companies have been working together since 2013 and are partnered on other projects in the region.

Walden, the majority and controlling shareholder of AWE, is jointly controlled by its founding partners and RWEST. RWE's Principal Investments team ("RWE PI") resides within RWEST and manages RWEST's investment in Walden. RWE PI invests RWE's capital by providing equity to energy companies and investing in energy assets. RWE PI focuses on investments where RWE has deep knowledge of the underlying commodity and where it brings physical trading capabilities to manage commodity risk for the investment. In its investments RWE PI leverages RWE's broader organizational engineering, operations and power market expertise as well as its track record of successfully managing its large power generation portfolio. In 2014 RWE invested $4.2 billion in property, plant and equipment, of which $929 million was allocated to renewable assets. Examples of RWE's relevant energy-related transactions are described in AWE's Application.

Q. Please describe the Project Financing Plan of Walden, Eolian, and RWE (the "Project Sponsors").

A. The Project Sponsors will use a traditional project finance approach consistent with market standards in the United States wind industry. The financing will consist of two phases: construction financing phase, comprising a construction loan and construction equity to complete the turnkey construction process; and permanent financing phase, during which the construction loan will convert to a "term loan" after the Project becomes operational. After the project is operational, the cash flow generated from electricity production and sales will be used

to amortize the term loan. This is the most commonly utilized financing structure for funding wind projects in the United States, representing over $60 billion over the past five years in completed financings. As the majority owner and controlling shareholder of the Project, Walden will provide the equity to construct and operate the Project.

Q. Mr. Weitzner, how will the construction financing be structured?

A. As noted above, Walden, backed by RWE, will provide all of the construction equity required to complete the Project. Securing the construction equity for the Project will be a requirement to close on the construction debt financing. The construction loan will be a "non-recourse" project loan secured by collateral consisting of all project assets, including the turbines, equipment and buildings, leases, PPAs, and service agreements. Lending banks typically require that several conditions precedent be met before providing a final funding commitment for a construction loan. In this case, those conditions will include:

- The issuance of a Certificate of Site and Facility;
- Execution of a long-term PPA or financial hedge with a bankable investment-grade rated counterparty;
- Execution of an acceptable turbine supply agreement ("TSA");
- Execution of an acceptable balance of plant construction ("BOP") agreement; and
- Negotiation of acceptable operations and maintenance ("O&M") agreements for the ongoing maintenance of the Project.

Based on the results of recent RFPs issued by New England utilities, as well as bilateral discussions with interested parties, AWE is confident that it will be able to secure a long-term PPA contract or a financial hedge that will support a successful financing. AWE has received a

letter of interest from Altenex, a leading energy management company that sources clean energy supply for Fortune 500 companies, demonstrating the strong interest in purchasing AWE's electricity and clean energy attributes on a long-term basis. That letter is included in Appendix 18A. Furthermore, it has entered into a binding memorandum of understanding ("MOU") with Siemens for a TSA and service and maintenance agreement ("SMA") to be executed after issuance of a Certificate of Site and Facility. AWE has also entered into a preconstruction services agreement ("PSA") with Reed and Reed, a premier wind project construction firm in New England, which will be replaced by a BOP agreement upon issuance of a Certificate.

AWE's financing plan is structured to comply with market standard underwriting criteria for project lenders, which are described more fully in AWE's application. Assuming that AWE secures a long-term PPA at current market rates, a construction cost of approximately $63-65 million, and the criteria required by lenders, the Project's construction will be funded with a $38-45 million construction loan converting to a term loan, and $20-25 million of equity. Due to the strength of the Project and the experience of the Project's Sponsors, AWE has obtained Letters of Intent ("LOIs") from two separate commercial banks with considerable experience in lending to utility scale wind projects that are interested in providing the debt financing package for the Project. To the extent that assumptions or actual conditions change with respect to PPA price or other factors, Walden's equity contribution and resulting overall financing structure will be adjusted accordingly.

Q. Mr. Weitzner, how will the construction financing phase transition into the permanent financing phase?

A. Construction financing will convert to permanent financing upon the completion of Project construction and AWE's acceptance of the turnkey facility from Reed & Reed and Siemens. As noted above, Walden, backed by RWE, will provide 100% of the construction equity, which will be deployed in full to bring the Project to commercial operation. At that stage, the construction loan will convert into a term loan, which will be repaid by the Project's cash flow from operations. AWE has received LOIs from several large commercial banks experienced in providing project construction loans to wind projects in the US, and will seek the most competitive terms.

Market standard criteria for the issuance of project debt, which require that the Project demonstrate sufficient contracted cash flow net of all project expenses to service a certain multiple of debt principal and interest payments, ensure that the Project will have sufficiently strong revenues for its continued operation in compliance with all conditions contained in a Certificate and industry best practices once financing is closed.

AWE notes that it has made the conservative assumption that there will be no Production Tax Credit ("PTC") available at the time of starting the Project's construction. In the event that the PTC is renewed and available to the Project, AWE will adjust the structure to include a tax equity provider to the Project. If utilized, the tax equity provider will act in a similar manner as project debt, which has been a very standard funding structure for U.S. wind projects that can utilize the PTC.

Technical and Managerial Capability to Construct and Operate the Project

Q: Mr. Weitzner - How will your previous work experience help you in the managerial and technical aspects of the Project?

A: Walden's management team has extensive relevant experience that demonstrates our ability to effectively set up, manage, and fund the operation of high-value, complex energy infrastructure projects. Some examples include: (i) Walden principals have hired staff and established the necessary processes to manage the exacting requirements around transporting natural gas from a floating LNG facility; (ii) Walden principals have created the trading infrastructure to accurately price and manage natural gas storage deals with a duration of over 10 years; (iii) Walden principals have set up the infrastructure to be able to finance the physical delivery of oil and gas molecules, and the supply and offtake of refined petroleum products such as heating oil and diesel. Walden also has direct experience in developing, financing and operating diverse renewable energy projects (solar PV, solar thermal and hydro). In the case of the Antrim Project, Walden has sought out and engaged additional expertise that is specific to the wind industry with relevant regional experience to ensure that the project will be built and operated in a manner that is consistent with or exceeds industry standards for safety and reliability. Managing these types of relationships for complex energy projects is a core element of the Walden team's deep experience.

Q: Mr. Weitzner - How did AWE select the current team of partners for the Project?

A: Siemens, Reed & Reed, and DNV-GL are all recognized as industry leaders with impeccable reputations and abundant experience in their fields as evidenced in this Application and Appendices 19A, 19B and 19C. Reed & Reed has been involved in this project since 2010

and since that time their impressive wind energy experience in New England has only grown – they are the undisputed leader in wind construction in New England. The Siemens turbines are very well suited to the Project site, combining the ability to generate significant amounts of clean electricity with a smaller footprint (e.g. 3.2 MW of generation from a smaller machine than the previous 3.0 MW turbine) and their turbines have an excellent reputation for reliability. Siemens operations staff is also regarded as among the best in the industry. Finally, the depth and breadth of the experience of DNV-GL makes them an obvious choice for owner's engineer. DNV-GL has also been involved with the Antrim Project since 2012 in various capacities. As a final component of our diligence, we have confirmed the qualifications of all these parties with bank lenders who had worked with each party in the past and hold them in the highest regard.

Q: Who will be responsible for managing these contracts and any staff that AWE will hire for the Project?

A: As controlling owner in AWE, Walden will be responsible for managing these contractual relationships and AWE staff. With the assistance of DNV-GL acting as AWE's owner's engineer, Walden will negotiate and finalize the TSA and SMA with Siemens and the BOP contract with Reed & Reed after a Certificate is issued. Walden will also work with DNV-GL to hire and train the two on-site AWE staff described in the Application. Siemens, Reed & Reed and AWE staff will all report directly to the Walden management team in their capacity as Executive Officers of AWE.

Conclusions

Q. Mr. Weitzner - in your opinion, does AWE possess the requisite financial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of a Certificate?

A. Yes. As discussed above, 100% of the equity required to construct the Project and place it into commercial operation will be provided by Walden, with the backing of RWE. Moreover, AWE has lined up many of the conditions precedent to securing a construction loan, and with the issuance of a Certificate in this Docket expects to obtain a construction loan on favorable terms. Additionally, as a condition to granting the Certificate, AWE is willing to agree to provide evidence that the financing required for the construction of the Project is in place prior to commencement of construction. The appealing economics of the Project, in combination with Walden's deep experience in managing energy project financings and the backing of RWE, have already attracted interest from project lenders. The experience of the Project Sponsors, their ability to deploy the equity and secure a construction loan ensure that the Project may be constructed, owned, and operated in continuing compliance with the terms and conditions of a Certificate.

Q. Mr. Weitzner - In your opinion, does AWE possess the requisite technical and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of a Certificate?

A. Yes. The significant experience of the Walden members of AWE's ownership and management team, backed by the global experience of RWE and combined with the industry leading capabilities of AWE's selected consultants and contractors in Reed & Reed, Siemens and DNV-GL demonstrates that AWE has all of the requisite technical and managerial capability to

construct and operate the facility in continuing compliance with the terms and conditions of a Certificate.

Q. Does this conclude your testimony?

A. Yes.