

WIND ENERGY OVERVIEW AND VERMONT'S ENERGY PICTURE

WIND ENERGY OVERVIEW

Wind is a form of solar energy. Wind occurs as a result of the sun heating the atmosphere, the rotation of the earth, and the earth's surface irregularities. Harnessing wind power to make electric energy has changed significantly over the last two decades with performance increasing steadily and costs declining by more than 85%. As a result of the improved economics, wind energy has become one of the fastest-growing energy sources available.

VERMONT'S ENERGY GENERATION AND CONSUMPTION PATTERNS

Consumption

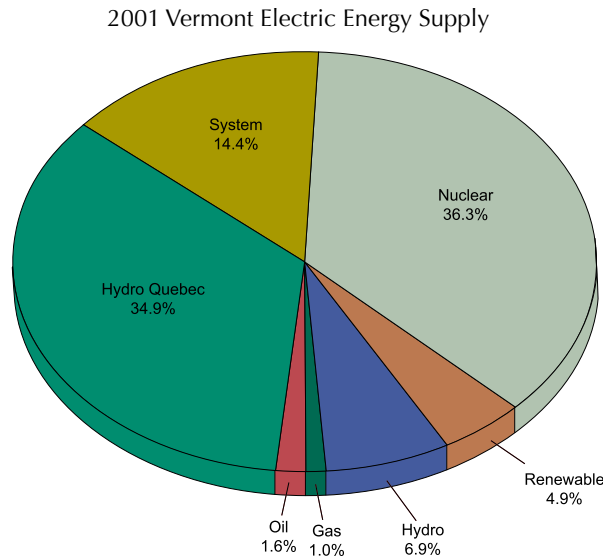
In 1999, in-state electricity sales totaled to 5,527,000 mega-Watt-hours (MWh). For the period 1990 to 1999, the annual growth rate in the retail sale of electricity was approximately 2%. Projecting this growth rate for the 2000 to 2010 period, the annual increase in electric retail sales expected will be close to 100,000 MWh. Electrical losses in delivering the power add another 10% to this total consumption.

Generation

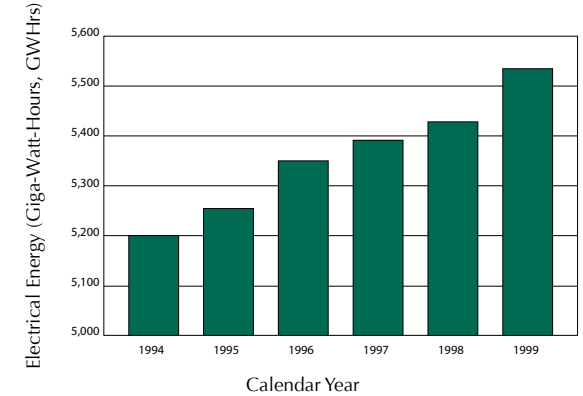
Total generation between 1990 and 1999 from resources located in Vermont (but not necessarily contracted to Vermont utilities) was 5,709,117 MWh. For the period 1990 to 1999, the electrical generation increased by a rate of 1.0% annually.

VERMONT'S CURRENT ENERGY MIX

We currently get about one-third of our energy from Vermont Yankee. Vermont's contract with Vermont Yankee expires in 2012. We get another one-third of our electricity from Hydro Quebec. Our contracts with Hydro Quebec expire at various times between 2012 and 2020, with most expiring in 2015. We currently get about 7-10% of our electricity in Vermont from renewable generating plants owned by our utilities, and between 5 and 10% of our electricity through contracts with independent power producers. These contracts with independent producers expire between 2008 and 2020. We get the remaining 20% of our energy from other sources.



Statewide Electrical Energy Consumption (GWHrs)
 By Clendar Year



WIND ENERGY IN VERMONT

State-Owned Lands

Vermont's best winds for wind energy development are found along its mountains and ridgelines between 2500' to 3500' in elevation. Approximately 20% of the potential sites for wind development in Vermont are located on state land under the jurisdiction of the Agency of Natural Resources (ANR). Much of this potentially developable land is restricted from development due to various legal restrictions on the land. These lands were acquired for conservation and recreation purposes and are a prominent part of Vermont's landscape.

Vermont Solar and Small Wind Incentive Program

The Vermont Solar and Small Wind Incentive Program was signed into law by Governor Douglas in 2003. It is designed to accelerate and increase market demand for high quality solar and small wind projects. The program utilizes funds from the petroleum violation escrow fund and is likely to support the installation of 120 to 150 new renewable energy projects.