

Update on the Fox Islands Wind Project

July 7, 2010

For more information on any of these topics, please join us for the **35th Annual Meeting of the Fox Islands Electric Coop on Monday, July 26 at 7pm in the Smith Hokanson Memorial Hall Auditorium on Vinalhaven**. A brief presentation on the wind project will be given at that time.

Survey Results

Many thanks to all of you that completed the survey we sent out with the May bills. We're pleased to announce that of the 1,447 surveys that were distributed, 515 (35%) were returned. The Board has read through the results and the hundreds of comments. We are very appreciative of the feedback that has been provided. Please see the back side of this letter for a summary of the results or visit the wind project's website (www.foxislandswind.com) for more detailed responses.

Production

The wind project continues to meet projections for power output, generating more than 8,000 MWh to date. This is in spite of significant downtime in February and increased requirements from the Maine DEP for Noise Reduced Operations. While GE continues to work to develop software that would enable its customers to easily share information on the output and wind speeds, we have gone ahead and begun posting daily production numbers on the project website: www.foxislandswind.com/proddata.html.

If you do visit the website, you may notice that with calmer summer winds, power output from the turbines will often be significantly lower during the next few months than they were over the winter. As production declines, you may notice a small increase in your rates during the summer months. This is directly tied to the fact that the Coop is selling less from the project and buying more from the mainland in order to meet the summer peak in electricity consumption. With stronger winds in the fall and winter however, the annual average rate for the energy portion of your bill is still expected to be in the range of 5-6 cents/kWh.

Sound

Some neighbors have questioned whether the project is in compliance with DEP sound regulations. We are operating in compliance with our permit, which uses a model to predict sound levels at protected locations around the site. Our permit requires that we operate under Noise Reduced Operation at night to meet the State's sound limits, as predicted by the model; we have been doing so since the turbines came online. Our permit also requires that we collect data on sound, production levels, and surface-level wind speeds to determine if our pre-construction sound modeling was accurate when it predicted that we would meet regulations. We have been collecting data (with a few technical issues) since the project came online, and are currently working with DEP to establish that the pre-construction model is accurate. If the actual data should show that this model was not accurate, we will adjust operations to ensure that we are meeting the State's requirements. We will keep you informed as we gather and process this information.

In addition to establishing the accuracy of the sound model, we continue to work on a number of initiatives to address the concerns raised by some of the project's neighbors. A team convened by the National Renewable Energy Lab (NREL) visited the island for two days in May and their plan of next steps is currently awaiting approval from the U.S. Department of Energy. We will share info on this project as it becomes available. Also in May, we were fortunate to be awarded a seed grant from the Maine Technology Institute to study how active noise cancellation technology could reduce the impacts of turbine noise in neighboring homes. We continue to work on grant proposals to fund this work. In the meantime, more detailed information on these efforts – including the final report on February's sound experiment – can be found on the wind power website: www.foxislandswind.com.

May 2010 Fox Islands Electric Coop Survey Results

Surveys distributed: 1,447 Surveys returned: 515 Response rate: 35%

Question	A	B	C	D
#1 How many months a year do you live on the island? (A. Zero to Three) (B. Three to Six) (C. Six to Nine) (D. Nine or More)	147 29%	72 14%	20 4%	275 54%
#2 Did you notice a change in your electric bill since December 2009? (A. No change) (B. Yes, gone up) (C. Yes, gone down) (D. Not sure)	138 27%	17 3%	257 50%	103 20%
#3 How close is your home to the turbines? (A. < ½ mile) (B. ½ – 1 mile) (C. 1 -3 miles) (D. > 3 miles)	6 1%	19 4%	119 24%	359 71%
#4 Can you hear the turbines from your home? (A. No) (B. Yes) (C. I have not been to the island since operation began)	423 82%	13 3%	79 15%	
#5 If you answered Yes to #4, how often can you hear the turbines? (A. Occasionally) (B. Often) (C. All the time)	5 43%	7 50%	1 7%	
#6 Have you been to the site or to a neighbor's house to listen to the turbines? (A. Yes) (B. No)	279 56%	217 44%		
#7 If you answered Yes to #6, did you find the sound of the turbines annoying? (A. Yes) (B. No)	29 11%	244 89%		
#8 How do you feel about the idea of curtailment to reduce sound? (A. No more than states regulations) (B. Favor curtailment if impact to rate is slight) (C. Favor significant curtailment regardless of impact on rate)	309 64%	150 31%	24 5%	
#9 Do you support wind power technology in general? (A. Yes) (B. No)	510 99%	5 1%		
#10 Did you originally support the Fox Islands Wind Power project? (A. Yes) (B. No)	495 97%	14 3%		
#11 If your support of the project has changed since operation, how has it changed? (A. More supportive) (B. Less supportive) (C. No change)	211 42%	26 5%	262 53%	
#12 How would you rate the efforts in keeping you informed about the wind project? (A. Good level of information) (B. Too much information) (C. Not enough information)	497 98%	4 1%	8 2%	

*Percentages may not sum to 100% due to rounding

Survey comments are available at www.foxislandswind.com