

January 23, 2010

Scandia Wind Offshore response to recent public commentary:

We at Scandia Wind Offshore want to respond to recent public commentary regarding our process. First, regarding our timeline, we have not yet entered the development process, we are simply proposing a project layout that -- based on our experience -- is optimal from a technical perspective. We met with local officials based upon the advice of members of the Michigan Great Lakes Wind Council (GLOW) at their meeting on November 10, 2009. We have done so and are now prepared to work through the local democratic processes as determined by the local officials. This will include discussions about what they consider to be an acceptable size and shape of the wind farm as well as compensation models for a Community Trust. If at any point we are asked to stop, we will honor and respect that position and will not continue.

We do not take lightly the suggestion that our process is the "wrong way", or that our timing is somehow in conflict with the excellent work done by the GLOW. Our proposal is located in areas considered both "most favorable" and "conditional" according to the GLOW. Our process is one that parallels that of the GLOW, and we believe that it will contribute to the proposed legislation while improving the economic development prospects in Michigan.

Simultaneous to our proposal, we are working towards attracting the industry to Michigan. We believe there is distinct "first mover" advantage to the state and region that is most prepared to transition the business community and become competitive in offshore wind energy. We have held discussions with various organizations and educators regarding industry-building -- how to prepare the supply chain, train for technical jobs, and attract major Original Equipment Manufacturers (OEMs). We recognize this work has been underway for some time but are connecting our network and international contacts to the Michigan "industry-builders" to enhance the state's prospects of capturing market share in a growth industry.

Finally, we have concerns about the "moratorium" proposal. We fully support the notion that the state and its natural resources should be protected. However, the industry is in its formative stages, where many business decisions are being made with respect to where best to locate operations; we simply do not understand how talk of a moratorium can serve to attract the industry. It could compromise Michigan's tremendous competitive advantages and its prospects of benefiting from being a first-mover in the industry.

Thank you and best regards,

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