January 4, 2011

Mayor and Council Members
City of Hamilton
c/o Office of the City Clerk
71 Main Street West, 1st Floor
Hamilton, Ontario
L8P 4Y5

Dear Mayor Bratina and Hamilton City Councillors:

Windstream Energy is most appreciative of the City of Hamilton’s support of the Lake Ontario Offshore Network (LOON) and our proposed 300 MW off-shore wind project located near the eastern end of Lake Ontario. As one of the largest port facilities in the lake, and enjoying the advantages of well established steel and fabrication industries as well as an educated and organized work force, Hamilton is the logical place for Windstream to establish our manufacturing base. Working with local industrial concerns such as Siemens, Walters, Samuel, Son & Co., Bermingham Foundations, Mammoet and McKeil Marine we plan to make the Port of Hamilton and its surrounding area the keystone in a new industry – offshore wind power. While the turbines will be installed some hundreds of kilometers away, the manufacturing base, technical design, staging, logistics and supply chain will be very much Hamilton-centric.

An independent study by AECOM concluded that the Windstream Wolfe Island Shoals offshore project will create about 9,500 person years of employment during the manufacturing and construction phase. An additional 175 permanent jobs will be required to service and operate the project. We foresee the vast majority of manufacturing and supply jobs will come from the Hamilton area; in addition, a substantial number of the permanent jobs will be created by the original project suppliers. This means that Hamilton and area will enjoy hundreds of new positions, as well as gaining valuable insight in to how to design, build and install the first offshore wind project in Canada.

We note that offshore wind in Europe has grown at an exponential rate in the past decade and now surpasses onshore project growth. There are over 4,000 MW of offshore wind turbines operating in Europe. This shows what potential can be unlocked from our first venture of 300 MW. Both Canada and the US have asked for offshore wind proposals,
with New York, Michigan, Ohio and Wisconsin vying for projects in their adjacent waters. We feel that the proposed 2,900 MW of offshore capacity is likely to develop within the next few years, and will take advantage of whoever has the expertise to design and build them.

We are pleased and proud to be supporting our hometown with this project, and look forward to seeing it proceed as a pilot within the next few months. You are aware that we maintain a binding and valid contract with the province to sell the power produced and await only approval to allow environmental studies before moving forward.

Yours truly,

Windstream Energy Inc.

Ian D. Baines, P. Eng.
President