

December 13, 2011

Debra Morrell
Department of Energy and Environmental Protection
Bureau of Energy and Technology Policy
10 Franklin Square
New Britain, CT 06051

Jonathan Schrag
Deputy Commissioner for Energy
Department of Energy and
Environmental Protection
79 Elm Street
Hartford, CT 06106

**Re: Department of Energy and Environmental Protection Notice of Acceptance of
Proposals from Private Developers DEEP Implementation of Section 127**

OBJECTION TO REQUEST FOR A TIME EXTENSION

Dear Ms. Morrell and Mr. Schrag:

BNE Energy Inc. (“BNE”) respectfully submits this objection to the Renewable Energy and Efficiency Business Association’s (“REEBA”) Request for a Time Extension submitted on December 12, 2011 (“Request”). In support of its objection, BNE states the following.

As the Department of Energy and Environmental Protection (“DEEP”) and most renewable energy project developers are aware, Section 1603 of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 (“ARRA”), provides for grants of up to thirty percent of the cost of development of certain renewable energy projects (“1603 Grant”). Time is of the essence for 1603 Grant eligibility, especially for large wind turbine project developers such as BNE. For all renewable energy technologies, projects not yet placed in service must begin construction before December 31, 2011.

After the December 31, 2011 date, the timeline is even more compressed for certain renewable energy developers. Large wind projects, for example, must complete construction by

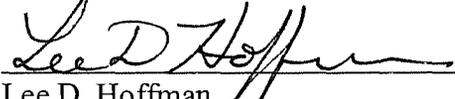
December 31, 2012 to be eligible for the 1603 Grant. By way of contrast, solar projects that have met the "beginning of construction" requirement prior to December 31, 2012 have until December 31, 2016 to be eligible for the 1603 Grant. The same aggressive commercial operations deadline of December 31, 2012 for wind projects also applies to federal production tax credits as well.

Given that one of the eligibility criteria of this Section 127 process is that all projects must be completed by July 15, 2014, some developers will have significantly more time to complete their projects and finalize their eligibility for 1603 Grants than others will. Because the Department has expressed a desire to be as "technology neutral" as possible, it must proceed as quickly as possible to ensure that all technologies may compete on the same playing field. Additionally, it should be noted that DEEP has recognized the possibility that additional rounds of procurement may be necessary in the spring of 2012 and up to July 2013, depending on the types of projects that respond to this request. In addition, it is possible that the Legislature may increase the allocation, should it decide that the procurement of additional renewable energy is desirable to meet renewable portfolio standards.

BNE gratefully acknowledges DEEP's recognition that time is of the essence for project developers to capture 1603 Grants, as evidenced by DEEP's compressed timeframe for proposal submission. It is an aggressive timeframe but one that is necessary to, as DEEP accurately describes, "maximize potential federal tax benefits to project sponsors." BNE plans to achieve the milestones necessary to secure eligibility for 1603 Grants, but any delay in the process will prejudice its ability to do so.

For the foregoing reasons, BNE objects to REEBA's Request and respectfully requests that DEEP deny the Request.

Respectfully Submitted,
BNE ENERGY INC.

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cc: All parties copied on REEBA's Dec. 12, 2011 Request for a Time Extension