

Don Delaney

From: "Dave Spalding" <dspalding@windplusinc.com>
To: "Don Delaney" <DHDCo@att.net>
Sent: Thursday, March 05, 2009 2:25 PM
Attach: Merrill Lynch - Optim Energy - Feb. 20, 09.pdf
Subject: Dave Spalding - Wind Plus - Update...
DON DELANEY --

Important Update -

IT IS VERY IMPORTANT NOT TO DISCLOSE ANY INFORMATION ABOUT THIS POTENTIAL TRANSACTION -- THE OTHER PARTY MADE US SIGN A VERY DETAILED CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT.

DO NOT FORWARD THIS E-MAIL OR THE ATTACHED DOCUMENT, NOR CONTACT ANYONE ABOUT THIS TRANSACTION.

On Fri. Feb. 20, Wind Plus & Merrill Lynch had a very successful meeting with Optim Energy concerning our combined solar thermal / wind project -- At the end of the meeting, Optim Energy committed to purchase 100% of the project, we offered 50% plus. We have been talking with them since last summer 2008.

Fri Nite – Feb 27 - John Loyack - the President / CEO of Optim Energy and I had a "meeting of the minds" to establish a JV in the NDR Project One LP. They want to establish terms & conditions for a Letter of Intent (LOI) , attempting to complete this LOI transaction by March 21. John Loyack & I agreed to complete a Confidentiality Agreement (CA) & LOI within the timeframe discussed.

Optim Energy agreed to purchase from Wind Plus Holdings - 60% to 75% interest in NDR Project One LP (the project name may change); pay WPH for NDR Project One LP for the various rights & permits; have milestone payment schedules; requested to be the exclusive JV partner on future projects; wants to purchase a portion of the Blue Bonnet Transmission line & Roadrunner Transmission rights; agreed to provide WPH a carried interest – probably 25% in NDR Project One; have a 50% - 50% ownership in the GP to development the projects;

See attached Merrill Lynch presentation.

About Optim Energy –

In early 2007, PNM Resources and a subsidiary of Cascade Investment, L.L.C., formed EnergyCo, an unregulated generation company operating in the competitive Texas market. Today, it is known as Optim Energy and is PNM Resources' vehicle for expansion in competitive markets like the Electric Reliability Council of Texas (Ercot). Optim Energy, LLC is an energy holding company that, through its subsidiaries, owns assets totaling more than 900

10/24/2009

Energy's total portfolio to nearly 1,200 megawatts. The company, based in Irving, Texas, is equally owned by PNM Resources and a subsidiary of Cascade Investment, L.L.C. Optim Energy, formerly EnergyCo, was formed in January 2007.

Optim Energy's current generation portfolio consists of the 305-megawatt, coal-fired Twin Oaks Power facility located about 150 miles south of Dallas, and the 614-megawatt, natural gas Altura Cogen power plant near Houston. Optim Energy operates within the Electric Reliability Council of Texas (ERCOT) market.

About PNM Resources –

Based in Albuquerque, N.M., PNM Resources is an energy holding company with 2008 consolidated operating revenues from continuing and discontinued operations of \$2.5 billion, through its utilities – PNM & TNMP and energy subsidiary – First Choice. PNM Resources serves electricity to 859,000 homes and businesses in New Mexico and Texas.

For Cascade Investment, a Seattle-based, private-equity firm whose sole member is Microsoft founder Bill Gates, Optim Energy provides the opportunity to widen its investment in the energy industry, especially renewable energy. Already one of our largest shareholders, Cascade is familiar with PNM Resources' management and has supported the company's efforts to grow. Cascade invested \$100 million to help fund PNM Resources' 2005 acquisition of TNP Enterprises. Cascade Investment has a \$5B line of credit with Wells Fargo for energy related investments. In early Jan. 2009, Cascade Investments became the largest shareholder in the Minnesota utility – Otter Tail.

Main Drivers for Optim Energy –

- Predicted Long - Term Cash flow
- Significant Tax Benefits – including the 30% CapEx – “Cash Payment – Grant” back from the Gov'n.
- Limited Risk & Financial Exposure
- Unique Debt Financing Plan using Muni Debt Bond financing – Optim Energy has offered to “credit – enhance” the muni bonds, to potentially Triple A to lower the rate from 6.5% to 3% +/-
- Huge Interest to develop Renewable Energy – the “Hot Biz” in the market
- Multiple revenue and power transmission line opportunities
- Optim Energy Management is EBITDA driven & compensated
- PNM Resources has huge tax appetite, needs to develop a Green portfolio
- Absolute need to “Be Stealth” - No Publicity

I expect closing of the Letter of Intent (LOI) by March 21 and the full closing by April 18 - Hopefully.

Don't ask about money, I.E. PURCHASE PRICE -- I don't yet know the amount (BUT HAVE A GOOD IDEA) nor can I disclose the amount. It will be sufficient to repay all note holders.

Call me,

Dave

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