everpower

Ten-Year Anniversary Report

Committed to industry excellence and the advancement of clean energy.

You have the power
We help you harvest it

Mission

To be a sustainable, world-class renewable energy company by empowering our employees, partnering with our communities and creating value for our stakeholders.

"I wish my home were up on a little hill overlooking a whole array of [wind turbines]. I would love that."

–Steve Wozniak, Co-Founder, Apple Computer

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Letter from Jim Spencer

SHORTLY AFTER THE ATTACKS of September 11, 2001, my business partner, Andrew Golembeski, and I were sitting at the kitchen table of my lower Manhattan home, about a mile from the World Trade Center site. In the wake of such tragedy and uncertainty, we brainstormed the start of a business that would contribute to the constructive, positive transformation of the US energy market.

The realities of climate change, including the destruction caused by Hurricane Katrina and Superstorm Sandy, continually underscore the reasons why the US and the world must have a dependable and reliable source of clean energy.

Wind energy is currently the only economically viable and scalable form of renewable energy. It is local and reliable, displaces air pollution and is not subject to volatile fuel markets. The continued growth of wind energy in the US will enhance energy security, improve the environment, create jobs, spur capital investment and generally improve the quality of life here.

Wind energy's flexible infrastructure and compatibility with varied land-use classifications allow it to provide a valuable source of tax revenue and economic stimulus for the states, counties and localities that host turbines. EverPower's investment in the communities where we operate generates increased employment, funding for local municipalities and schools, year-round income for farmers and landowners, and many other multiplying benefits.

In 2009, EverPower was acquired by Terra Firma — a partnership that has shaped us into a stronger, smarter and larger company. Project development remains central to our growth, and Terra Firma has helped us hone our work with the landowners, community representatives, citizens, investors, regulators and elected officials key to our vitality.

With the support of Terra Firma, EverPower now operates six wind energy projects in four states, for a total operating capacity of 512 MWs. We are working hard to expand our portfolio by constructing additional projects from our advanced development pipeline. In addition, we continue to look at acquisitions in well-established, liquid power markets as well as in select regions where we believe strong opportunities exist.

During 2012, wind energy provided some 42 percent of all new power-generating capacity in the US, making it the number one source of new capacity here. EverPower is honored to play a role in that surge, as well as the upward trend in all green business.

EverPower has grown since 2002 from three founders to 52 employees with diverse skills, backgrounds and experience. In 2012, we moved our headquarters from New York City to Pittsburgh. Located in Western Pennsylvania, Pittsburgh is home to approximately 300,000 residents and was voted the #1 Most Livable City in the US by *The Economist* in 2005, 2009 and 2011. Noted for its world-class medical facilities, wealth of cultural offerings and spirited support for its pro sports teams, the city's appeal provides EverPower with an extra recruiting incentive for attracting talented people to our company. We also benefit from the leading US universities located here, including Carnegie Mellon and the University of Pittsburgh, which provide access to the next group of young thinkers. Our internship partnerships with these schools have already proven a success and resulted in new hirings.

We are excited about these changes and are proud to be a part of creating clean, green energy for future generations. Now more than ever, I believe in the future of renewable energy and in our prospects for continued success.

James Spencer
Founder, President and CEO
EverPower

Strategy and Objectives

Strategic Growth Plan

EverPower's creative solutions to growth strategy focus on the delivery of an advanced project pipeline alongside opportunistic acquisitions. Our competitive size has ensured resilience through what has been a demanding period for the electricity sector — a period that witnessed our continued growth.

Wind power investment succeeds because its underpinnings are both beneficial and enduring: wind provides clean, secure, sustainable power and creates quality, well-paid US jobs. The recession has caused a short-term decline in wholesale power rates, but our strong fundamentals and the transition of the power markets to cleaner technologies forecast a bright future. For starters, within our core Northeast markets, approximately 25,000 MWs of new renewable energy will be required to meet existing state renewable portfolio standards by 2020.

OPERATING AND SHOVEL-READY ACQUISITIONS

EverPower's project pipeline is the bedrock of our growth strategy. To keep it flowing, we maintain a flexible approach. Given market exigencies, there are still opportunities to acquire quality late-stage development assets or operating wind farms. To enhance our portfolio value, we can choose what acquisitions would complement our existing facilities. Our market studies include increased geographic diversity to avoid overexposure in a particular market.

SUPPORTING THE LOCAL ECONOMY

EverPower supports local economies via ongoing direct and indirect benefits. For example, via a 20-year Payment in Lieu of Taxes (PILOT) agreement, our Howard Wind Farm will outlay approximately $10 million, distributed among the Town of Howard, Steuben County and local school districts. As well, our long-term employment of local operations and management staff, along with our payments to landowners, further boosts the surrounding communities' economies.

At peak construction, the project employed nearly 60 workers, many of whom were drawn from the local labor pool. The completed Howard Project employs eight full-time workers and several part-time workers who are responsible for road maintenance, landscaping and other ongoing upkeep services.

MARKET STRATEGY REVISIONS

Although it may take additional time to find commercial solutions for our Pacific Northwest pipeline, these projects hold significant value in our overall portfolio. While the local utilities' demand there recovers, we chose to close our Portland office and consolidate its development activities in our growing Pittsburgh office.

We employ an overall lean and efficient strategy. For example, when planning to move our headquarters to Pittsburgh's Strip District, we doubled our space to 15,000 square feet, allowing us to bring outsourced functions in-house as well as to expand our staff, resulting in cost savings accompanied by increased productivity. In 2009, our Pittsburgh office had five employees; with consolidation and continued hiring, by early 2013, it had 33.

CURRENT ASSETS AND DEVELOPMENT PIPELINE

EverPower's current operating assets total more than 500 MWs. Looking ahead, we plan to maintain a strong, geographically diverse 2,000-MW pipeline.

Operations

The heart of EverPower's ongoing success is our turbines. If they don't turn and turn well, we cease to function.

Our turbines' optimal performance relies on vigilant attention to daily operations. EverPower's approach to operations corresponds with our core values and commitment to maintaining best-in-class standards in all we do. This means:

- *zero injuries* — among our employees, partners and communities alike
- *ongoing safety and technical training* — our people are the best prepared to handle their work environments' everyday events and exceptional incidents
- *community and environment stewardship* — we maintain integrity and respect for others and our environment
- *proactive management* — our site leaders anticipate and correct would-be problems before they happen; minimize downtime and maximize availability
- *a comprehensive and up-to-date technical library* — we keep meticulous maintenance records, equipment histories and user guides at the ready
- *high fleet availability and constant production* — our healthy turbines, maintained to the highest standards, work at maximum potential
- *Ultra-efficient returns to service after a fault* — speedy, safe, long-term repairs ensure minimum downtime

We achieve these principles first and foremost via our people and EverPower's staffwide pledge to collaborate on, own and live what we do. For starters, we employ a full-time manager on the premises of all our work sites. These managers are our eyes and ears in each location. They are also the face of our company in the communities where we operate, and as such, we ensure they are well qualified, trained and connected to communities and our headquarters.

In keeping with our staff pledge, we maintain rigorous safety and productivity standards by making our equipment operators' reviews and bonuses commensurate with wind farm performance, technical and safety metrics and safety records.

We monitor performance via remote systems that allow us to gauge, from our headquarters, all 219 of our turbines' health in real time. This way, we track and trend operations, which we can then match to performance metrics that determine whether or not each turbine is performing up to its design potential. This remote monitoring practice is another way we optimize assets under the philosophy that *what we want to improve, we need to measure.*

As we head into the future with an ever-expanding fleet and improving numbers, we see our methods are working, as we strive to be best in class.

PROJECT SCOPES AND CO_2 OFFSETS

PROJECT	TURBINES	CAPACITY	OFFSET CO_2 (tons)	HOUSEHOLDS POWERED
Highland	25	62.5	105,000	15,000
Highland North	30	75	126,000	18,000
Patton	15	30	50,000	7,000
Twin Ridges	68	139.4	235,000	34,000
Howard	27	55.35	75,000	13,500
Mustang Hills	50	150	149,000	36,000

EverPower Commercial Group

The Commercial Group is responsible for the sale of renewable energy products produced by EverPower's portfolio of wind farms. EverPower's customers include electric utilities, independent wholesale power companies, retail aggregators, universities and large commercial consumers.

EverPower's operational wind farms are located in regions with organized energy markets that enable efficient transmission across vast areas. These regions exist within the more than 30 US states with RPS policies mandating that increasing percentages of electricity consumption be generated from renewable sources.

Organized markets and RPS policies benefit EverPower's commercial operations by enabling a wide range of potential customers to directly contract for renewable energy. Many of EverPower's projects under development are also located in these regions, providing the opportunity to continue to expand the wind farm portfolio in a price environment where renewable energy enjoys relative competitive advantages.

Though a significant portion of EverPower's renewable energy revenue has been contracted via long-term PPAs, not all our output is yet assigned to long-term contracts.

TerraFirma's investment strategy during 2011 and 2012 was designed to maximize benefits from US tax policies that provided newly constructed wind farms significant incentives via government grants. Prices for renewable energy in the short term have been under pressure from the economic downturn, abundant natural gas and a temporary surplus of renewable energy production capacity. As a result, we have not yet committed a portion of EverPower's renewable energy output to long-term PPAs. Instead, our Commercial Group has hedged some of the portfolio's near-term future output into the regional organized energy markets.

TerraFirma's support during the currently challenged renewable energy price environment allows EverPower to be more discriminating in establishing contracts for the uncommitted portion of the portfolio's energy production. Rather than selling into a weak market, we've held a portion of our output for future long-term PPAs.

Renewable energy prices are beginning to show signs of improvement, and the Commercial Group anticipates better price opportunities for new long-term contracts over the next few years. This disciplined approach to establishing new contracts is consistent with TerraFirma's strategy for future revenue growth and wind farm portfolio expansion.

Projects
Operational

HIGHLAND WIND FARM, PA

The Highland Wind Farm is located in Cambria County, Pennsylvania, primarily on reclaimed strip mines. Development of the Highland Wind Farm began in 2005 and the project commenced operation on August 12, 2009.

The project uses 25 Nordex N-90 wind turbine generators, each with a nameplate rating of 2.5 MWs. In total, the Highland Wind Farm has the capacity to generate 62.5 MWs of electric power, producing enough electricity to power more than 15,000 homes each year. Highland's electricity is connected to the Penelec Grid and sold to First Energy Services under a long-term PPA.

HIGHLAND NORTH WIND FARM, PA

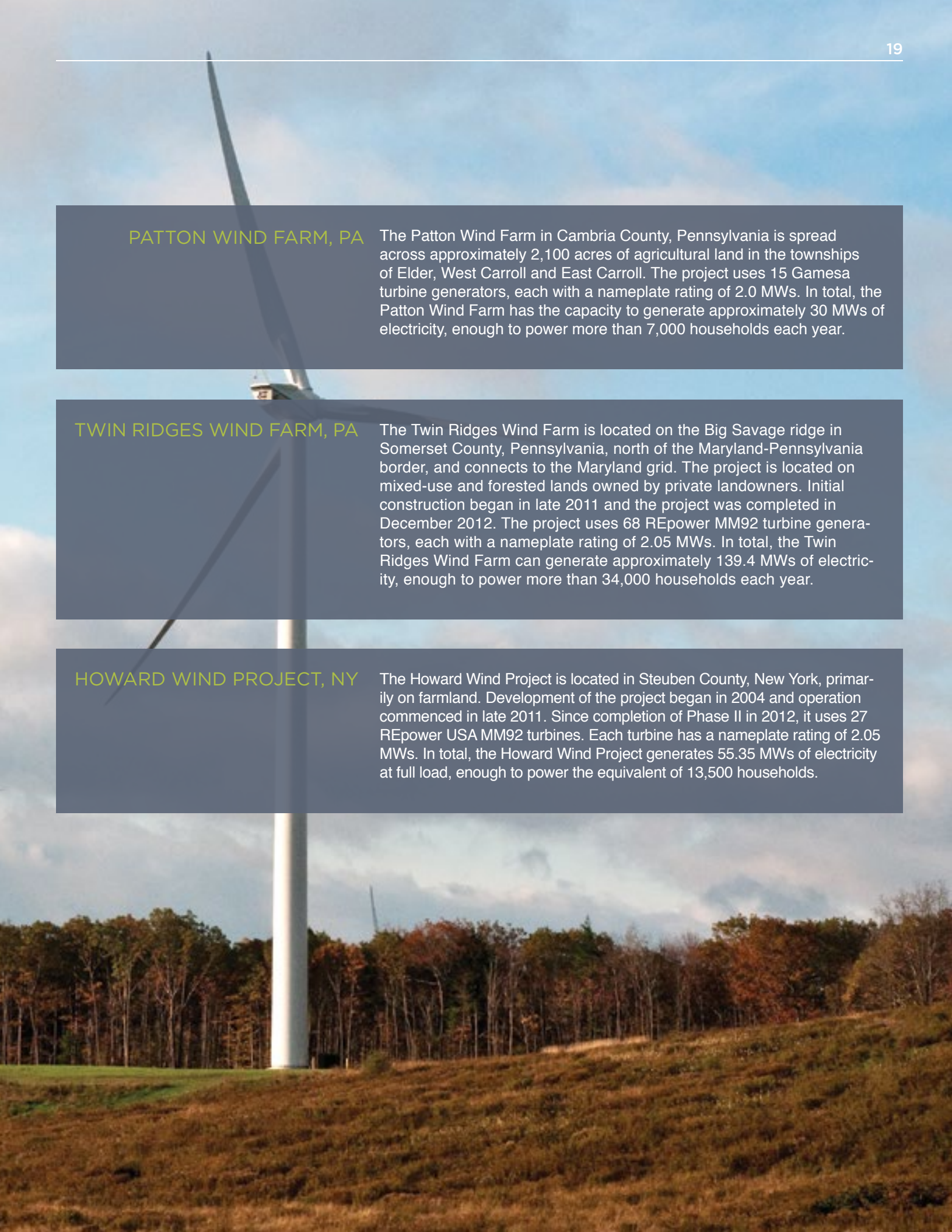
The Highland North Wind Farm is located in the townships of Adams and Summerhill, Cambria County, Pennsylvania. The project is situated on mixed-use land owned by both public and private landowners. Construction began in the spring of 2011, and the wind farm became operational in early 2012.

The project uses 30 Nordex N100 turbines, each with a nameplate rating of 2.5 MWs. In total, the Highland North Wind Farm has the capacity to generate approximately 75 MWs of electricity, enough to power more than 18,000 households each year.

MUSTANG HILLS WIND FARM, CA

Mustang Hills Wind Farm is located near Tehachapi, California and was acquired from Terra-Gen Operating Co, LLC in 2012. It is EverPower's first acquisition of an operational wind farm.

The project uses 50 V90-3.0 MW Vestas-American turbines. Mustang Hills has the capacity to generate 150 MWs of electric power, producing enough electricity to power approximately 36,000 households each year. The electricity produced is sold to Southern California Edison (SCE) and interconnects to SCE's Tehachapi Renewable Transmission Project (TRTP).



PATTON WIND FARM, PA

The Patton Wind Farm in Cambria County, Pennsylvania is spread across approximately 2,100 acres of agricultural land in the townships of Elder, West Carroll and East Carroll. The project uses 15 Gamesa turbine generators, each with a nameplate rating of 2.0 MWs. In total, the Patton Wind Farm has the capacity to generate approximately 30 MWs of electricity, enough to power more than 7,000 households each year.

TWIN RIDGES WIND FARM, PA

The Twin Ridges Wind Farm is located on the Big Savage ridge in Somerset County, Pennsylvania, north of the Maryland-Pennsylvania border, and connects to the Maryland grid. The project is located on mixed-use and forested lands owned by private landowners. Initial construction began in late 2011 and the project was completed in December 2012. The project uses 68 REpower MM92 turbine generators, each with a nameplate rating of 2.05 MWs. In total, the Twin Ridges Wind Farm can generate approximately 139.4 MWs of electricity, enough to power more than 34,000 households each year.

HOWARD WIND PROJECT, NY

The Howard Wind Project is located in Steuben County, New York, primarily on farmland. Development of the project began in 2004 and operation commenced in late 2011. Since completion of Phase II in 2012, it uses 27 REpower USA MM92 turbines. Each turbine has a nameplate rating of 2.05 MWs. In total, the Howard Wind Project generates 55.35 MWs of electricity at full load, enough to power the equivalent of 13,500 households.

Projects

Advanced Development

BUCKEYE WIND FARM (TWO PHASES), CHAMPAIGN COUNTY, OH

The Buckeye Wind Farms consist of two phases located on a glacial ridge in eastern Champaign County, Ohio. Each phase will involve the construction of up to 130 MWs of generation capacity, spread across six townships. Located primarily on farmland, less than one percent of the land will be taken out of agricultural production. Together, both Buckeye farms are expected to generate renewable energy sufficient to power nearly 50,000 households.

SCIOTO RIDGE WIND FARM, HARDIN COUNTY, OH

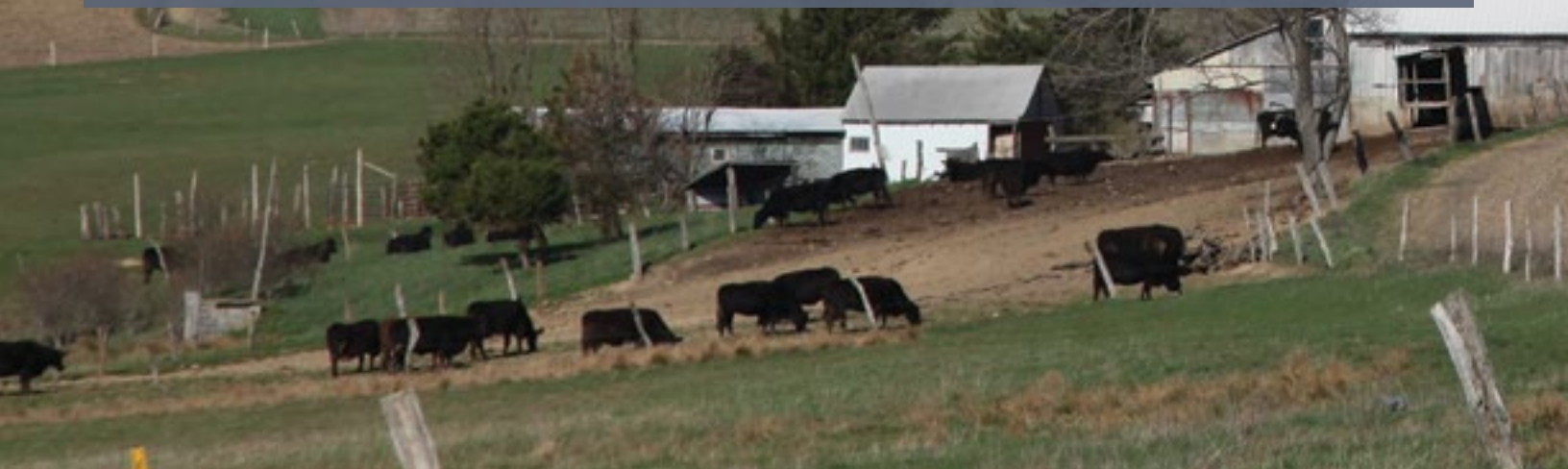
The Scioto Ridge Wind Farm is located in Hardin County, Ohio and is slated to generate 300 MWs. Situated on farmland and leased from private landowners, fewer than 180 acres will be taken out of agriculture production. Scioto Ridge is expected to generate renewable energy sufficient to power approximately 75,000 households.

COYOTE CREST WIND ENERGY PARK, DOTY, WA

Coyote Crest Wind Energy Park is located north of Doty, Washington on lands zoned for commercial forestry. It is located on 3,755 acres within Weyerhauser's McDonald Tree Farm, located in Lewis, Pacific and Grays Harbor Counties, Washington. The project is fully permitted and construction will begin once a viable sales opportunity for it is secured. When constructed, the project will include 47 wind turbines and a capacity to generate 120 MWs of clean, renewable energy.

ALLEGANY WIND PROECT, CATTARAUGUS COUNTY, NY

When constructed, the 72.5 MW Allegany Wind Project will be located in the town of Allegany in New York's Southern Tier region. The project area encompasses approximately 9,100 acres of land used primarily for timber harvesting and oil activities.



The Benefits of Wind Power

Economic Development for Communities and Benefits to Landowners

As the wind industry grows, so do the benefits to landowners and communities. Wind farm construction increases local economic activity and employment, while maintenance and operation creates long-term jobs. And all phases of wind development involve service providers and the purchase of goods from the communities where they are located.

For farmers and landowners, wind turbines provide supplementary income, while communities benefit from the tax revenue that support schools, hospitals, road improvements and other projects.

Jack Bossard, who hosts three of EverPower's Howard Project turbines on his farm, says that curious people from neighboring areas who are considering bringing turbines to their own communities have visited his farm to "check them out."

"It's a wise move," he confirms. "The turbines are just a part of the landscape. I'm happy with them. And it's been good for the town."

Wesley Coots, another Howard Project farmer who hosts two turbines and the project's substation, says, "I can't get from corn as much as I can get from wind towers being on the property," adding that his sons were "excited about his [supporting] renewable energy … something that will benefit many and not just a few." He also said that his partnership with EverPower has "helped keep the farm in the family."

WIND POWER IS CLEAN

Wind benefits:

- **Low-impact power.** Electricity from wind is a source of clean, inexhaustible energy that produces virtually no pollution or emissions and, unlike other forms of power, does not require water in any generation stage.
- **Growth potential.** Development of ten percent of ten of the windiest states could provide more than enough energy to displace emissions from coal-fired power plants.
- **Displacement of demand for carbon-emitting energy sources.** Replacing fossil-fuel power generation with wind power reduces carbon dioxide (a greenhouse gas) and smog, and eliminates a major source of acid rain. Wind also displaces other emissions from fossil-fuel generation that have harmful impacts on the environment and human health, such as mercury, particulates, SOx and NOx.

WIND POWER IS AFFORDABLE

Wind energy is cost-effective, competitive and profitable. New wind installation outpaced natural gas installment last year and is expected to provide more lower-cost energy in upcoming years. During 2012, wind energy became the number one source of new US electricity-generating capacity for the first time, providing some 42 percent of all new capacity.[2]

Advances in turbine technology have brought improved efficiency and lower capital costs. And because the wind is free, the long-term costs of its energy do not fluctuate, protecting consumers from fuel volatility.

WIND POWER IS AMERICAN MADE

US wind energy is produced by Americans for Americans. More than 550 US manufacturing plants build components for wind turbines, towers and blades, and 67 percent of a US-installed turbine's value is now produced in America. This is up from less than 25 percent prior to 2005.[3]

2 *American Wind Energy Association (AWEA) US Wind Industry Annual Market Report Year Ending 2012*

3 American Wind Energy Association (AWEA) website: "Get the Facts: U.S. Wind Energy Industry Manufacturing & Supply Chain"

ECONOMIC IMPACTS OF EVERPOWER PROJECTS ON COMMUNITIES

PROJECT	Local Goods and Services (Over Operating Life)	O&M Jobs	Construction Jobs (At Height of Construction)
HIGHLAND	$4.0 M	4.5	Not Available
HIGHLAND NORTH	$3.3 M	4.5	98
PATTON	$2.3 M	4	82
TWIN RIDGES	$5.3 M	11	188
HOWARD	$3.5 M	8	57
MUSTANG HILLS	$2.0 M	11	Not Available

Corporate Social Responsibility

As a pioneering business in the clean-energy industry, EverPower values the importance of leading by example.

That's why the commitment to promoting green energy and its benefits starts with our own offices and employees. We incorporate responsible green policy and practices into every level of our daily operations. Our company culture is one of general conservation, green thinking and green living.

As an overarching principle, EverPower and our affiliates are dedicated to doing carbon-neutral business. To maintain zero-emissions status, we use green energy and buy green certificates that offset the carbon emissions our offices do generate. As well, we outfit our offices with lightly used furnishings whenever possible, for significant savings in costs and resources.

In every way, EverPower intends to be both an innovator and standard-bearer in the creation of a cleaner, healthier future.

CORPORATE SPONSORSHIP POLICY AND COMMUNITY DEVELOPMENT

Earning consensus among the residents of tight-knit communities is central to a wind project's acceptance. EverPower believes it is crucial to invest in and improve the places where our offices and wind projects are located.

We direct our contributions to initiatives that are consistent with our mission and values. Beyond employee volunteer and community outreach efforts, we support education and

youth activities, first responders, environmental improvements, community events and more.

WIND FARM PICNIC AREAS AND INFORMATIONAL KIOSKS

EverPower enhances the land that surrounds our turbines for the enjoyment of residents and visitors. We build picnic areas and informational kiosks, as well. EverPower encourages residents and visitors to learn about wind energy and our projects. The sheltered picnic area at our Howard Wind Farm, for example, provides both a resting spot for hikers and a repository where visitors can witness wind energy up close. It has proven a popular destination for Boy and Girl Scout troops as well as for elementary school field trips.

In 2013, EverPower partnered with the Allegheny Trail Alliance to build a memorial to mark the historic Mason-Dixon Line, which once divided the country into North and South, and crosses through our Twin Ridges Project. The memorial is designed to provide information, education and a rest stop for the many bikers and hikers who traverse the area, honoring its historical significance and describing its recent evolution from a coal mine site to a wind farm haven.

COMMUNITY SPECIAL PROJECTS

EverPower operates three wind farms in Cambria County, Pennsylvania: Highland Wind Farm, Highland North Wind Farm and Patton Wind Farm. The county is typical of rural America: the population is just above 140,000, unemployment is nearly eight percent and the median household income is around $41,000.[4]

Here, as in many American communities, autumn Friday night football games are a major component of the area's social structure. Before a gift from EverPower, the students at Cambria Heights High School played on a field with a dilapidated 40-year-old scoreboard that often malfunctioned and caused game delays. "It literally was held together with duct tape," said Tom Boyle, Cambria Heights Athletic Director. EverPower's gift enabled the school district to purchase a new scoreboard. "We are extremely grateful to EverPower," continued Boyle. "Their donation means so much for the community and school."

EverPower also helped establish an annual "Wind Bowl" — a varsity football competition between Cambria Heights and Forest Hills high schools that replaces the now-defunct Coal Bowl, which was sponsored in the past by a mining company. An "EverPower Challenge" to recognize all varsity-level sports is also under way. To support academics in the high schools, EverPower is looking to launch a scholarship competition for students interested in engineering or sustainable energy, to be awarded annually and applied toward students' university or technical training costs.

For complete details about our philanthropic sponsorship, visit www.everpower.com/philanthropy.shtml.

4 U.S. Census Bureau

Our People

Our people are our greatest resource. In return for their service, and to ensure that we retain our top talent, we carefully provide for their health, safety and development needs.

We currently employ 52 people, 33 of whom work in our Pittsburgh headquarters.

EverPower follows a top-down, bottom-up approach, and is governed by a Board of Directors that has adopted principles of governance to guide company operations (see EverPower Corporate Governance Statement on page 30). Because our organizational structure is relatively flat, there are few layers between top management and the lowest-ranking employees. Management keeps an open-door policy to encourage communication, collaboration and cross exposure. Likewise, we offer fair compensation, including a stock option program to enable employees to have an ownership stake in the company.

EverPower starts with specific job descriptions, annual goal setting and annual performance evaluations to make certain that each employee understands his or her role and has the skills necessary to do a job successfully. The evaluations are a useful tool to identify developmental needs and provide a framework for two-way discussion.

EverPower's robust recruitment process ensures that prospective employees have not just the necessary technical expertise but also the temperament to suit our company's culture. We like to promote from within, challenging every employee to excel and advance. All employees have access to senior people, including the CEO, and we believe that this access is a key motivator. When a personnel change occurs, we assess our existing staff and develop our own people to take on vacated positions whenever possible.

Job Shadowing Program: EverPower is pleased to offer high school students the opportunity to learn about wind energy and other positions in the company. See the EverPower website for more information.

The health and safety of our employees, contractors, landowners and wind farm residents is EverPower's first concern. We hold weekly tailgate health and safety talks at each wind farm, and strictly follow OSHA laws and best practices in order to ensure the safety of our construction contractors, our staff and all site visitors during planning, construction and operation.

EverPower is committed to creating the right workplace environment for all employees — an environment where

every individual feels comfortable and confident that they can do their best work and reach their full potential. There is zero tolerance for any type of harassment or for retaliation against anyone who comes forward to make a good-faith complaint under the Code of Business Conduct and Ethics.

Professional Development and Continuing Education policies guarantee that EverPower offers and pays for outside courses to fill in knowledge gaps identified during performance reviews to keep our staff up to date.

Each year, every employee participates in compulsory ethics training and instruction on discrimination in the workplace. This is not a mere review of the legal requirements and language of EverPower's Code of Business Conduct & Ethics, but a hands-on interactive session conducted by outside experts. Online tools offer additional training and instruction resources that accommodate the diverse schedules of our growing workforce. To view the complete EverPower ethics policy, visit www.everpower.com/pdfs/trireme-coc.pdf.

EverPower holds an annual All–Employee Meeting where everyone's concerns are heard. It provides another reliable outlet for EverPower to foster open dialogue between management and employees.

Recruiting extends to the "next generation" and to that end, the EverPower Internship and Co-op Programs were founded in 2009. EverPower is an active partner with several Pittsburgh universities, including an alliance with the University of Pittsburgh's Swanson School of Engineering. Through these partnerships, we have hired interns from Carnegie Mellon and other universities, drawing on the best local talent, some of whom have become full-time employees.

EverPower's community involvement engenders pride and kinship.

- We participate in community service days in cities and towns where we have a major workforce. We have partnered with New York Cares in New York City, to refurbish a public school library and playground, and clean up a park on the Lower East Side of Manhattan.
- We also have partnered with the Pittsburgh Downtown Partnership for Downtown Partnership Day, an annual day of service. To celebrate the opening of our new headquarters, our team cleaned up trash along the Three Rivers Heritage Trail, located near our office.
- EverPower employees volunteer their time to educate students about renewable energy. Employees from our Operations Department have served as volunteers with a Pittsburgh after-school program to teach children about energy, renewable energy and technology.

The results of our employee survey show that the creative atmosphere at EverPower provides a rewarding work experience. Our employees are a close group who have a genuine interest in learning how respective areas of the company interconnect. They offer resourceful suggestions to improve communication and collaboration, and value our community outreach efforts. Our employees have also indicated that they value hearing our CEO's views about the economy and its impact on renewables in general and on EverPower in particular.