

ATTACHMENT 1

Settlement, Release and Support Agreement

with exhibits

SETTLEMENT, RELEASE AND SUPPORT AGREEMENT

THIS SETTLEMENT, RELEASE AND SUPPORT AGREEMENT (this "Agreement") is made effective as of the 19th day of August, 2011 (the "Effective Date") by and among Bridgewater Power Company, L.P., Pinetree Power, Inc., Pinetree Power-Tamworth, Inc., Springfield Power LLC, DG Whitefield, LLC, d/b/a Whitefield Power & Light Company, and Indeck Energy - Alexandria, LLC (collectively, the "Wood IPP Generators"); Berlin Station, LLC, Laidlaw Berlin Biopower, LLC and Cate Street Capital, Inc. ("Cate Street") (collectively, "Laidlaw"); and Public Service Company of New Hampshire ("PSNH") (each referred to herein individually as a "Party" and collectively as the "Parties").

RECITALS:

WHEREAS, Berlin Station, LLC or its affiliate is the developer of a proposed wood-fueled biomass electric generation facility in Berlin, New Hampshire (the "Berlin Facility"), and has entered into an Amended Power Purchase Agreement with PSNH for the sale of the energy, capacity and renewable energy certificates produced by the Berlin Facility dated as of May 18, 2011 (the "Amended PPA"); and

WHEREAS, the Amended PPA has been filed by PSNH with the New Hampshire Public Utilities Commission (the "NHPUC") in NHPUC Docket No. DE10-195 (the "NHPUC Docket") and approved by the NHPUC; and

WHEREAS, the Wood IPP Generators are the owners and operators of existing wood-fueled biomass electric generation facilities located in New Hampshire, and they have intervened in the NHPUC Docket; and

WHEREAS, on May 17, 2011, the Wood IPP Generators filed an appeal with the New Hampshire Supreme Court with respect to certain orders issued by the NHPUC in the NHPUC Docket, and such appeal is currently pending as Supreme Court Docket No. 2011-0348 ; and

WHEREAS, on July 22, 2011, the Wood IPP Generators filed a second appeal with the New Hampshire Supreme Court with respect to certain orders issued by the NHPUC in the NHPUC Docket (also docketed in Docket No. 2011-0348), and such appeal is currently pending at the Supreme Court (both such appeals collectively referred to as the "Pending Appeals"); and

WHEREAS, PSNH has entered into power purchase agreements with certain of the Wood IPP Generators (to wit, all except for DG Whitefield, LLC d/b/a Whitefield Power & Light Company ("Whitefield")) dated as of or near even date herewith (individually, an "IPP Power Purchase Agreement", and, collectively, the "IPP Power Purchase Agreements"), and those agreements will be filed with the NHPUC for approval; and

WHEREAS, the Wood IPP Generators have agreed to withdraw from and terminate their participation in the Pending Appeals and to abstain from further appeals or opposition to the Amended PPA approval before the NHPUC or any court or to any federal, state or local governmental permitting of the Berlin Facility, and the Parties have agreed to support approval by the NHPUC of the IPP Power Purchase Agreements, all on and subject to the terms and conditions specified herein;

NOW, THEREFORE, in consideration of the foregoing premises, and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Acknowledgement of and Support for IPP Power Purchase Agreements.** The Parties hereby acknowledge that PSNH and the Wood IPP Generators have executed and delivered IPP Power Purchase Agreements on or about the date hereof, and each Party agrees, on behalf of itself and its parents, subsidiaries, affiliates, principals, officers, directors, members, managers, representatives and agents (collectively, "Related Persons"), to support, and not oppose or challenge, directly or indirectly, in any respect or in any forum, approval by the NHPUC of the IPP Power Purchase Agreements. In furtherance of and not in limitation of the foregoing, the Parties (other than Laidlaw), along with the Governor of the State of New Hampshire (or his designee) and the Staff of the New Hampshire Public Utilities Commission shall timely file with the NHPUC a petition for approval of the IPP Power Purchase Agreements and shall diligently pursue the NHPUC approval process.

2. **Wood IPP Generators' Withdrawal from Pending Appeals and from Opposition to Permitting of the Berlin Facility.** Each of the Wood IPP Generators hereby agrees to withdraw from and terminate its participation in the NHPUC Docket, including, but not limited to, the Pending Appeals (subject to the escrow provisions set forth below), and agrees not to participate in or otherwise support any further challenge to or appeal of any order issued in or by any other administrative agency or court with respect to the Amended PPA approval, and, until the end of the term of its IPP Power Purchase Agreement or any separate agreement it has with Cate Street, whichever is later, agrees not to otherwise oppose or challenge, directly or indirectly, the permitting of the Berlin Facility in or before any federal, state or local governmental permitting authority. Upon execution and delivery of this Agreement by all of the Parties, the Wood IPP Generators shall execute a notice of withdrawal of the Pending Appeals in the form attached as Exhibit A (the "Notice"), which Notice will be held by McLane, Graf, Raulerson & Middleton Professional Association and filed or returned in accordance with the Procedure For Withdrawal of Appeal attached as Exhibit B. The Wood IPP Generators shall also withdraw from the NHPUC Docket immediately following the filing of the Notice with and acceptance by the New Hampshire Supreme Court.

3. **Parties' Mutual Releases.** In consideration of the foregoing agreements, each Party, for itself and for its Related Persons, hereby releases, remises, discharges, holds harmless

and covenants not to sue each of the other Parties and its respective Related Persons, from or with respect to any and all claims, demands, damages, losses, suits, proceedings, actions, causes of action, injunctive relief or other equitable or legal remedies, of any kind or nature, whether at law or in equity, whether asserted or unasserted, whether known or unknown, and whether now or hereafter existing (collectively, "Claims"), that arise under or are related to the NHPUC Docket and its participation therein (including any Claims that were made therein or could have been made therein), the Pending Appeal and its participation therein, the Amended PPA (with the exception of any contractual obligations between the parties to the Amended PPA arising thereunder), the IPP Power Purchase Agreements (with the exception of any contractual obligations between the parties to any of the IPP Power Purchase Agreements arising thereunder), and their negotiation, execution and delivery, and any conduct, communications, negotiations, meetings, course of dealing or other actions related to any of the foregoing, on or before the date hereof (collectively, "Released Claims"). Each Party, on behalf of itself and its Related Persons, hereby represents and warrants to the other Parties that it is the sole owner of all such Released Claims and that it has not sold, assigned, conveyed, granted, donated, given or otherwise transferred any right or interest in or with respect to any of the Released Claims. The foregoing release, remise, discharge, hold harmless obligation and covenant not to sue shall be effective with respect to PSNH only to the extent that the same are reviewed by the NHPUC and approved in a final and non-appealable order issued by the NHPUC. PSNH hereby represents and warrants that it has no knowledge, after due inquiry, of any such claims, demands, damages, losses, suits, proceedings, actions, causes of action, injunctive relief or other equitable or legal remedies against or with respect to any other Party.

4. **Enforcement of Agreement.** The Parties acknowledge and agree that any breach of this Agreement by another Party or any of its Related Persons would cause immediate and irreparable harm for which no damages or other remedy at law would be sufficient and, therefore, each Party shall have the right to enforce this Agreement through injunctive relief, specific performance and other equitable remedies, in any such case without the posting of any bond or security in connection therewith. Notwithstanding any other term or provision of this Agreement, the obligations and liabilities of each Party shall be separate and independent in all respects from, and not joint or several with, each and all of the other Parties, and no Party shall be responsible or liable for the breach or failure of performance of any other Party.

5. **Nondisparagement.** Each Party agrees not to disparage or criticize (provided that any statements that are factual and accurate, and not opinion or belief, shall not be deemed to be disparaging or critical), orally or in writing, any of the other Parties or their Related Persons in the public media or other public forum (or to any person or in any forum such that it is reasonably foreseeable to become public) by or through any authorized employee or representative of such Party, provided that the foregoing restrictions shall be in effect with respect to disparagement or criticism by each Party only until, with respect to each Wood IPP Generator, the end of the term of its IPP Power Sales Agreement or any separate agreement it has with Cate Street, whichever is later. This non-disparagement agreement shall not in any way

prevent the Parties from disclosing any information to their attorneys or in response to a lawful subpoena or court or regulatory order requiring disclosure of information or otherwise as required by applicable law or regulation.

6. Miscellaneous Provisions. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and assigns. This Agreement is the entire agreement among the Parties and supersedes all prior and contemporaneous negotiations, discussions, understandings, statements, promises or inducements, whether oral or written, all of which are merged herein. This Agreement may not be amended, modified or changed in any respect except by a writing executed by the Party against which enforcement of such amendment, modification or change is sought. This Agreement shall be governed by, and construed and enforced in accordance with and subject to the laws of the State of New Hampshire, without regard to the conflicts of law principles of any jurisdiction. Each party consents to the exclusive jurisdiction and venue of the New Hampshire Superior Court in Merrimack County with respect to any dispute or action arising hereunder. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed an original for all purposes once this Agreement has been fully executed by all Parties, but all of which together shall constitute one and the same agreement. Each of the Parties agrees to execute and deliver any additional documents that may be reasonably necessary to effectuate the terms and intent of this Agreement, at its sole cost and expense. The terms and conditions of this Agreement shall terminate, with respect to any Wood IPP Generator and with respect to PSNH relative to that Wood IPP Generator automatically and without any further action of any Party if and when any of the conditions to effectiveness of the IPP Power Purchase Agreement between that Wood IPP Generator and PSNH has failed to occur. The terms and conditions of this Agreement shall terminate, with respect to any Wood IPP Generator and with respect to Laidlaw relative to that Wood IPP Generator, automatically and without any further action of any Party if the Financing has not occurred on or prior to August 30, 2011. "Financing" means the construction debt financing for a proposed wood-fired power plant of approximately 67 MW to be located in Berlin, New Hampshire which is the subject of the Amended Power Purchase Agreement with PSNH approved by the New Hampshire Public Utilities Commission in Docket No. DE 10-195, such that no less than \$2.25 million of the New Markets Tax Credits in the debt financing transaction are allocated to the community loan fund and \$500,000 for use by the City of Berlin that will be the source of funding for certain community benefits and economic development resources related to the Berlin Station project, as described in the New Hampshire Site Evaluation Committee's "Decision Granting Site and Facility with Conditions" dated November 8, 2010, in its Docket No.2009-02 at page 44, and the closing of which must occur on or prior to August 30, 2011.

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their duly authorized representatives, effective as of the date first written above.

BRIDGEWATER POWER COMPANY, L.P.

By: PSEG New Hampshire Inc., General Partner

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

By: New Hampshire Cogen, Inc., General Partner

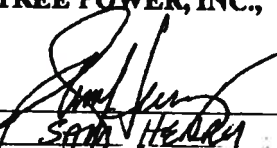
Witness

By: _____
Name: _____
Title: _____
Duly Authorized

PINETREE POWER, INC.,



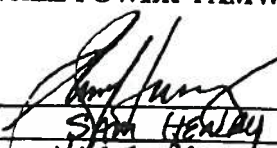
Witness

By: 
Name: SAM HENRY
Title: VICE PRESIDENT
Duly Authorized

PINETREE POWER-TAMWORTH, INC.



Witness

By: 
Name: SAM HENRY
Title: VICE PRESIDENT
Duly Authorized

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their duly authorized representatives, effective as of the date first written above.

BRIDGEWATER POWER COMPANY, L.P.

By: PSEG New Hampshire Inc., General Partner

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

Shirley L. Goldman

Witness
MY COMMISSION EXPIRES
6/14/14

By: New Hampshire Cogen, Inc., General Partner
By: *Wayne B. Nelson*
Name: *Wayne B. Nelson*
Title: *President*
Duly Authorized

PINETREE POWER, INC.,

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

PINETREE POWER-TAMWORTH, INC.

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their duly authorized representatives, effective as of the date first written above.

BRIDGEWATER POWER COMPANY, L.P.

By: PSEG New Hampshire Inc., General Partner

Barbara McGuire
Witness

By: Peter Magaro
Name: PETER MAGARO
Title: VICE PRESIDENT
Duly Authorized

By: New Hampshire Cogen, Inc., General Partner

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

PINETREE POWER, INC.,

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

PINETREE POWER-TAMWORTH, INC.

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

[Signature]
Witness

SPRINGFIELD POWER LLC

By: [Signature]
Name: Terry Williams
Title: President/CEO
Duly Authorized

[Signature]
Witness

**DG WHITEFIELD, LLC, D/B/A WHITEFIELD
POWER & LIGHT COMPANY**

By: [Signature]
Name: Terry Williams
Title: President/CEO
Duly Authorized

Witness

INDECK ENERGY -- ALEXANDRIA, LLC

By: _____
Name: _____
Title: _____
Duly Authorized

Witness

BERLIN STATION, LLC

By: _____
Name: _____
Title: _____
Duly Authorized

SPRINGFIELD POWER LLC

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

**DG WHITEFIELD, LLC, D/B/A WHITEFIELD
POWER & LIGHT COMPANY**

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

INDECK ENERGY -- ALEXANDRIA, LLC

Mrs. Maria Smith
Witness

By: Gerald D. Denette
Name: Gerald Denette
Title: President
Duly Authorized

BERLIN STATION, LLC

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

SPRINGFIELD POWER LLC

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

**DG WHITEFIELD, LLC, D/B/A WHITEFIELD
POWER & LIGHT COMPANY**

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

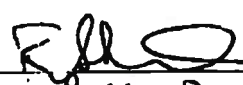
INDECK ENERGY – ALEXANDRIA, LLC

Witness

By: _____
Name: _____
Title: _____
Duly Authorized


BERLIN STATION, LLC


Witness

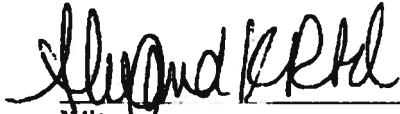
By: 
Name: Robert Degrosier
Title: Director
Duly Authorized


LIDLAW BERLIN BIOPOWER, LLC


Witness

By: 
Name: Robert Desrosiers
Title: Manager
Duly Authorized

CATE STREET CAPITAL, INC.


Witness

By: 
Name: Robert Desrosiers
Title: VP Compliance
Duly Authorized

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

LIDLAW BERLIN BIOPOWER, LLC

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

CATE STREET CAPITAL, INC.

Witness

By: _____
Name: _____
Title: _____
Duly Authorized

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE


Witness

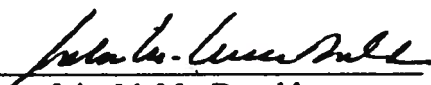
By: 
Name: John M. MacDonald
Title: Vice President, Generation
Duly Authorized

EXHIBIT A

Notice

STATE OF NEW HAMPSHIRE

SUPREME COURT

**Appeal of Bridgewater Power Company, L.P., Pinetree Power, Inc.,
Pinetree Power-Tamworth, Inc., Springfield Power LLC,
DG Whitefield, LLC d/b/a Whitefield Power & Light Company, and
Indeck Energy-Alexandria, LLC**

Case No. 2011-0348

NOTICE OF WITHDRAWAL OF APPEALS BY PETITION

Bridgewater Power Company, L.P., Pinetree Power, Inc., Pinetree Power-Tamworth, Inc., Springfield Power LLC, DG Whitefield, LLC d/b/a Whitefield Power & Light Company, and Indeck Energy-Alexandria, LLC, hereby withdraw all appeals filed with this Court in the above-referenced matter, including: (a) the Appeal by Petition Pursuant to RSA 541:6 (New Hampshire Public Utilities Commission) filed with the Court on May 17, 2011 and docketed by the Court as Case No. 2011-0348; and (b) the Appeal by Petition Pursuant to RSA 541:6 (New Hampshire Public Utilities Commission) filed on July 22, 2011, also docketed as Case No. 2011-0348.

Respectfully submitted,

BRIDGEWATER POWER COMPANY, L.P., PINETREE
POWER, INC., PINETREE POWER-TAMWORTH, INC.,
SPRINGFIELD POWER LLC, DG WHITEFIELD, LLC
D/B/A WHITEFIELD POWER & LIGHT COMPANY,
AND INDECK ENERGY-ALEXANDRIA, LLC

By their attorneys,

OLSON & GOULD, P.C.

Date: August __, 2011

By: _____
David J. Shulock, NH Bar No. 105597
Robert A. Olson, NH Bar No. 1933
David K. Wiesner, NH Bar No. 6919
2 Delta Drive, Suite 301
Concord, NH 03301
(603) 225-9716

Certificate

Pursuant to the escrow provisions of certain agreements between appellants, which are clients of Olson & Gould, P.C., and a client of McLane, Graf, Raulerson & Middleton, P.A., said agreements dated as of August __, 2011, the filing and service of this Notice of Withdrawal is to be completed by the attorneys of McLane, Graf, Raulerson & Middleton, P.A.

David J. Shulock

Certificate of Service

I hereby certify that on August __, 2011, copies of this Notice of Withdrawal of Appeals by Petition have this day been forwarded by U.S. Mail, postage prepaid, to David J. Shulock, Olson & Gould, 2 Delta Drive, Suite 301, Concord, NH, 03301-7426; Debra Howland, Executive Director & Secretary, NH Public Utilities Commission, 21 S. Fruit Street, Suite 10, Concord, NH 03301-2429; Office of the Attorney General, 33 Capitol Street, Concord, NH 03301-6397; Robert Bersak, Esquire, Public Service Company of New Hampshire, 780 North Commercial Street, PO Box 330, Manchester, NH 03105; Suzanne Amidon, Esquire and Edward N. Damon, Esquire, NH Public Utilities Commission, 21 S. Fruit Street, Suite 10, Concord, NH 03301-2429; Meredith A. Hatfield, Esquire, Office of Consumer Advocate, 21 S. Fruit Street, Suite 18, Concord, NH 03301; James Rodier, Esquire, Clean Power Development, 1500A Lafayette Rd. No. 112, Portsmouth, NH 03801-5918; Keriann Roman, Esquire, City of Berlin, Donahue, Tucker & Ciandella PLLC, 225 Water Street, Exeter, NH 03833, Christopher Boldt, Esquire, City of Berlin, Donahue, Tucker & Ciandella PLLC, 104 Congress Street, Suite 304, Portsmouth, NH 03801; Jonathan Edwards, *pro se*, Edrest Properties LLC, PO Box 202, Berlin, NH 03570, and to Angela O'Connor, New England Power Generators Association, 141 Tremont Street, 6th Floor, Boston, MA 02111.

Wilbur A. Glahn, III, NH Bar No. 937

EXHIBIT B

Procedure For Withdrawal of Appeal

EXHIBIT B
Settlement, Release, and Support Agreement (the "Agreement")

PROCEDURE FOR WITHDRAWAL OF APPEAL

(Terms used in this Exhibit and not otherwise defined have the meanings given to them in the Agreement of which this Exhibit B is a part.)

This Exhibit sets forth the process and procedures by which New Hampshire Supreme Court Case No. 2011-0348, arising from the appeal of certain orders in NHPUC docket DE 10-195, will be withdrawn by the appellants. The purpose of this procedure is to provide for the filing of the Wood IPP Generator appellants' Notice of Withdrawal of New Hampshire Supreme Court Case No. 2011-0348 ("Notice") when all conditions to the Closing of the Financing (the "Closing") and all conditions to disbursement of the proceeds of the Closing have occurred, except for the filing of the Notice of Withdrawal and the New Hampshire Supreme Court's acceptance of that withdrawal. Upon the acceptance of the withdrawal, the Closing proceeds are to be disbursed, which shall include the disbursements required to [REDACTED]. Nothing in this procedure shall preclude any person from taking actions necessary to prosecute, defend, or intervene in Case No. 2011-0348, pending the issuance of the Order described in paragraph 10.

1. Prior to the Closing, counsel to the lenders in the Financing (the "Lenders") and Old Republic National Title Insurance Co. ("Old Republic") shall have delivered [REDACTED], an executable version of the [REDACTED] (the "Instructions"), and others, which shall be executed [REDACTED] related to authorization of the filing of the Notice, delivery of copies of the Supreme court Order granting or accepting the Notice, and the disbursement of funds to [REDACTED] described in paragraph 5 below.

2. All parties to the August 19, 2011 Settlement, Release and Support Agreement (the Wood IPP Generators, as defined in that agreement, Cate Street Capital, Inc., Berlin Station LLC, and Laidlaw Berlin Bio Power LLC (collectively, "Cate Street"), and Public Service Company of New Hampshire ("PSNH")) (the "Settlement Agreement"), shall have executed and delivered the Settlement Agreement and all other related agreements, including five Power Purchase Agreement Transaction Confirmations, [REDACTED] to which any of them are parties (collectively, the "Settlement Documents").

3. Contemporaneously with the execution of the Settlement Documents, the Notice, fully executed by Olson on behalf of all of the Wood IPP Generator appellants in New Hampshire Supreme Court Case No. 2011-0348, shall be delivered to McLane, Graf, Raulerson & Middleton Professional Association ("McLane") (which delivery shall not constitute authorization to file the Notice), and McLane shall hold the Notice until it is authorized to file it as provided below or return it to Olson without filing if the Financing does not occur or if the transactions described in this Exhibit are not completed in full.

4. All documents required for the Closing shall be executed by all required parties and delivered in accordance with the Instructions. All Closing documents shall be delivered to and held by Old Republic in escrow.

5. The Flow of Funds Schedule attached to and made a part of the Instructions and any Settlement Statement or Closing Statement prepared pursuant to and consistent with the Instructions shall be provided to Olson and shall reflect that, at the disbursement of Financing proceeds from the Closing, [REDACTED]

6. Representatives of the Lenders shall telephonically confirm to Old Republic that all conditions of Closing other than the filing of the Notice and issuance by the New Hampshire Supreme Court of its Order, described below, have been satisfied or waived.

7. Old Republic shall telephonically notify McLane that all such conditions of Closing have been satisfied or waived, and McLane shall confirm to Olson, by e-mail or by telephone, followed by e-mail that Old Republic has provided such notification. Prior to or at that time, Cate Street shall also confirm to Olson, in writing, that the Closing satisfies the definition of Financing.

8. Prior to or at that time, Cate Street shall have confirmed in writing to PSNH that (i) the closing of the New Markets Tax Credit ("NMTC") financing transaction (the "NMTC Closing") will occur or is occurring substantially simultaneously with the Closing and (ii) the disbursement of funds instructions for the NMTC Closing provides for the funding of \$2.75 million of community benefits as necessary to satisfy the definition of "Financing" and as detailed in the Berlin Station Community Benefits Agreement among Berlin Station, LLC, certain allocates of NMTCs, and others dated as of the date of the NMTC Closing. PSNH shall have confirmed to Olson, by e-mail, that it accepts Cate Street's paragraph 7 confirmation that the Closing satisfies the definition of Financing for the purposes of fully satisfying the condition in each of the five Transaction Confirmations, the Settlement Agreement, and any other related documents, subject only to issuance of the Order described in paragraph 10.

9. McLane shall be authorized to file the Notice with the New Hampshire Supreme Court only upon the complete fulfillment of all of the foregoing conditions.

10. Promptly following receipt of the Order of the New Hampshire Supreme Court accepting the withdrawal of the Wood IPP Generators' petition referred to above in response to the Notice, McLane shall cause the Order to be sent by fax or as a PDF to Old Republic, PSNH, and Olson. Pursuant to and in accordance with the Instructions, Old Republic shall promptly fund the [REDACTED], and McLane shall provide Olson with Old Republic's [REDACTED] wire notification as soon as McLane receives such notification. PSNH shall notify Olson by e-mail that it has received the Order and that occurrence of the financing condition as set forth in each of the Transaction Confirmations has been fulfilled.