CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C Below
Amy Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A Howland

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access. Relay NH
1-800-735-2964

Tel (603) 271-2431

FAX No. 271-3878

Website:
www puc nh gov

G & C Date 9/23/09
Item Number 41
Approved yes

September 10, 2009

His Excellency, Governor John H. Lynch
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION #155725

Authorize the Public Utilities Commission to award grant funds in the amount of $148,927 to Stonyfield Farm, Inc., Vendor # ~~177400~~, for the purpose of lowering energy costs and reducing CO_2 emissions. The project will begin upon Governor and Council approval through June 30, 2010. Funding is 100% Greenhouse Gas Emissions Reduction fund.

02-81-81-8111010-54530000 – Public Utilities Commission–Greenhouse Gas 125-O:23

	FY 2010
010-081-54530000-073-500579 Grants to Institutions	$148,927

EXPLANATION

The Public Utilities Commission (PUC) is charged with administering the Greenhouse Gas Emissions Reduction Fund (GHGERF) created by RSA 125-O:23 to support energy efficiency, conservation and demand response programs aimed at reducing greenhouse

gas emissions generated within New Hampshire. On February 23, 2009, the PUC issued a Request for Proposals (RFP) for programs to be funded by GHGERF grants. In response to the RFP, the Commission received 84 proposals requesting a total of more than $50 million in grant funds. Attachment A provides additional information on the grant review and award process. Attachment B lists all 30 grant awards; the final six will be presented to Governor and Council for approval on October 21, 2009.

With these funds, Stonyfield Farm, Inc., will improve controls on a variety of plant utility systems to improve overall plant efficiency. Implementation of this program will result in a decrease of CO2 emissions by approximately 1,436,600 pounds per year.

In the event that GHGERF funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Thomas B. Getz
Chairman

ATTACHMENT A – GRANT REVIEW PROCESS

The PUC issued a Request for Proposals on February 23, 2009. The RFP was developed in consultation with the state's Energy Efficiency and Sustainable Energy Board, created by the legislature in 2008 "to promote and coordinate energy efficiency, demand response, and sustainable energy programs in the state."

The RFP was circulated electronically to a list of more than 300 individuals and organizations known to have an interest in energy policy and programs, including members of the Energy Efficiency and Sustainable Energy Board (EESE Board); posted on the PUC and Office of Energy and Planning websites; advertised in the Union Leader on February 28, April 1 and April 2; and announced via press release to major media outlets in the state.

The PUC formed a grant review committee to evaluate each of the 84 proposals that were submitted. The team consisted of four members of the PUC - Chairman Thomas Getz, Commissioners Clifton Below and Graham Morrison, and Jack Ruderman, Director, Sustainable Energy Division – plus Eric Steltzer of the Office of Energy and Planning, and Richard Ober of the New Hampshire Charitable Foundation. Mr. Ober also serves as the Chair of the EESE Board.

The proposals were broken down into eight separate categories[1] in order to allow for an "apples to apples" comparison. The proposals were then individually evaluated by the review committee using a list of thirteen criteria specified in the PUC administrative rules for the Greenhouse Gas Emissions Reduction Fund (Chapter 2600). The committee then met as a group on a regular basis to identify the strongest proposals within each category, and to assign an overall letter grade to each proposal based on the consensus of the group.

The committee has selected a total of thirty proposals to fund. The first nine were approved at the July 15 Governor and Council meeting. Seven awards were approved at the August 19 Governor and Council meeting, and eight, (including this proposal) are being presented at today's meeting. The final six proposals will be presented at the October 21 Governor and Council meeting. In all, the thirty grant awards will amount to more than $17 million.

[1] The eight categories are: job development, monitoring and measurement, multi-objective, outreach and education, revolving loan fund, public entity, commercial entity, and non-profit/educational entity.

ATTACHMENT B

GREENHOUSE GAS EMISSIONS REDUCTION FUND

RFP GRANT SELECTIONS – PHASE TWO

21 ADDITIONAL PROPOSALS SELECTED FOR FUNDING

Nine Phase One grant awards totaling $5.36 million were approved by Governor Lynch and the Executive Council on July 15. The Commission then selected an additional 21 proposals to fund, totaling $12.3 million. Seven grant awards were submitted to the Governor and Executive Council in August, eight in September and six will be submitted at the October 21, 2009 Governor and Council meeting.

Phase One grant awards were foundational in nature and fell within four broad categories: Job Development, Monitoring and Measurement, Outreach and Education, and Revolving Loan Fund. The Phase Two selections primarily fund energy efficiency measures for buildings in the Public, Non-Profit, and Commercial sectors, as well as a Revolving Loan Fund for municipalities, and several Multiple Objective programs including a substantial expansion of the CORE Efficiency Programs.

Commercial

1. Fraser NH **$470,000**

The Fraser paper mill in Gorham will utilize reuse of hot water, hot air and condensate to reduce usage of #6 oil by 729,000 gallons per year through 5 specific projects. Fresh water intake will be reduced by 54 million gallons per year, and greenhouse gas emissions will be reduced by 8,600 metric tons.

2. Propell Energy **$49,885**

Propell will install a high efficiency wood pellet boiler in New England College's Science Building. The pellet boiler will replace an oil-fired system and will provide heat and hot water for the facility. The new heating system will also serve as an educational tool for students.

3. Stonyfield Farm **$148,927**

Grant funds will be used to install a variety of measures that will reduce energy consumption associated with process heat, process cooling, and HVAC systems, resulting in significant reductions in electrical and natural gas use as well as greenhouse gas emissions.

Multiple Objective

1. Clean Air – Cool Planet **$400,000**

CA-CP will provide 24 to 48 NH towns with baseline energy information, specific recommendations and on-going support necessary to renovate their most inefficient municipal buildings, with a long-term goal of seeing energy use in those buildings decrease by 50%.

2. NH Electric Utilities **$7,646,020**

National Grid, NH Electric Co-op, PSNH, and Unitil will expand the CORE Efficiency Programs by increasing the budget for current programs and adding new program elements. New programs include: fuel-neutral weatherization services for multi-family housing; retro-commissioning for large businesses; no interest loans for efficiency measures through fixed monthly payments on customer bills; air conditioner and refrigerator recycling programs; and expanded job training programs.

3. North Country RC & D **$43,850**

North Country RC & D will conduct outreach to NH communities and organizations seeking to pursue district heat/power biomass systems. Communities will be provided with a "roadmap" to help them move from planning to implementation.

Non-Profit

1. Crotched Mountain Rehabilitation Facility **$176,531**

Crotched Mountain, located in Greenfield, will upgrade the heating distribution and control system of a building whose occupants are mainly low-income. An oil-fired heating system will be supplanted by connecting the building to a central biomass district heating system.

***2. Dartmouth College** **$330,936**

Dartmouth will implement a Campus Energy and Sustainability Management system to achieve reductions in greenhouse gas emissions through improved building energy performance, campus smart-grid technology, and innovative energy feedback systems.

3. Enfield Shaker Museum **$51,354**

The Great Stone Dwelling will be retrofitted with insulation, ventilation controls, a heat recovery system, compact fluorescent light bulbs, and energy star appliances. The Museum will also create an educational exhibit on saving energy and reducing greenhouse gas emissions.

***4. NH Institute of Art (Manchester)** **$146,060**

A renovated historic building and an addition will be transformed into high performance buildings through the use of innovative measures including a geothermal heating and cooling system, premium building envelope measures, and a vegetated roof.

Public

***1. Town of Fremont** **$8,000**

The Fremont Safety Complex will be retrofitted by adding insulation to ceiling areas and performing air sealing to eliminate leaks.

2. Town of Gorham **$26,000**

The town will replace the heating system in the Gorham Fire Station by installing a high-efficiency oil furnace and a wood pellet boiler.

3. Town of Hancock **$8,500**

Energy audits will be performed in each of the town's eight municipal buildings in order to identify ways to improve energy efficiency, lower heating fuel use, reduce electricity used for cooling and other uses, and improve occupant comfort.

4. Town of Jaffrey **$16,250**

Energy audits will be performed in each of the town's sixteen municipal buildings to identify opportunities for energy savings and reductions in greenhouse gas emissions.

5. LighTec, Inc. **$316,000**

LighTec, and energy services provider, will install high efficiency lighting systems in sixteen schools and town buildings across the state.

***6. City of Rochester** **$394,000**

To reduce energy demand at the city's Wastewater Treatment Facility, the City will upgrade the aeration system by replacing a constant speed blower with a single stage centrifugal type blower.

7. SAU 46/Merrimack Valley School District **$83,685**

SAU 46 will connect its office building to an existing, central biomass plant that is already providing heat to three nearby schools, and will upgrade lighting fixtures, compressors, air handlers and controls to reduce the use of electricity and natural gas.

***8. Town of Temple** **$332,100**

The town will perform comprehensive, energy-saving retrofits of the Municipal Building and the Mansfield Library, create an energy conservation outreach and education program for homeowners, offer a free home winterization program for low-income residents, implement changes to the town's land use policies to reduce energy use, and establish a pilot recycling program in an elementary school.

9. TriVillage Energy Committee, Town of Walpole **$138,345**

The town will perform comprehensive, energy-saving retrofits of the Walpole Town Hall and the North Walpole Municipal Building. Measures will include air sealing, new insulation, refurbishment of windows and installation of storm windows, door replacements and retrofits, and HVAC upgrades.

***10. Town of Warner** **$11,150**

The funds will be used for energy audits of 13 town buildings. The audits are the first step in an ambitious program developed by the town energy committee. The town's goal is to maximize the efficiency of these buildings consistent with the *New Hampshire Climate Change Action Plan.*

Revolving Loan Fund

1. NH Community Development Finance Authority **$1,500,000**

CDFA will establish a revolving loan fund to finance energy improvements in municipal buildings that will reduce energy usage, energy costs, and greenhouse gas emissions. CDFA will seek additional sources of funding to capitalize the fund at $5 million.

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* Indicates those projects that will be submitted for approval on October 21, 2009.

# # #

The State of New Hampshire and the Grantee hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name Public Utilities Commission		**1.2. State Agency Address** 21 S. Fruit Street, Suite 10 Concord, NH 03301	
1.3. Grantee Name Stonyfield Farm, Inc.		**1.4. Grantee Address** 10 Burton Drive, Londonderry, NH 03053	
1.5. Effective Date G&C approval	**1.6 Completion Date** 6/30/10	**1.7. Audit Date**	**1.8. Grant Limitation** $148,927.00
1.9. Grant Officer for State Agency Jack Ruderman		**1.10. State Agency Telephone No.** 603-271-2431	
1.11. Grantee Signature Diane Carhart		**1.12. Name & Title of Grantee Signor** Diane Carhart, Chief Operating Officer	

1.13. Acknowledgment: State of New Hampshire **County of** Merrimack **, on** Sept 8, 2009 **/ /, Before the undersigned officer, personally appeared the person identified in block 1.11., known to me (or satisfactorily proven) to be the person whose name is signed in block 1.12., and acknowledged that _he_ executed this document in the capacity indicated in block 1.12.**

1.13.1 Signature of Notary Public or Justice of the Peace Mary Townsend

(Seal)

1.13.2. Name and Title of Notary Public or Justice of the Peace MARY TOWNSEND, Notary Public
My Commission Expires September 3, 2013

1.14. State Agency Signature(s) Thomas B. Getz	**1.15. Name & Title of State Agency Signor(s)** Thomas B. Getz, Chairman

1.16. Approval by Attorney General (Form, Substance and Execution)

By: [illegible] **Assistant Attorney General, On:** 9/17/09

1.17. Approval by the Governor and Council

On: / /

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project"). Except as otherwise specifically provided for herein, the Grantee shall perform the Project in the State of New Hampshire.

3. EFFECTIVE DATE; COMPLETION OF PROJECT.

3.1 This Agreement, and all obligations of the parties hereunder, shall become effective on the date in block 1.5 or on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire whichever is later (hereinafter referred to as "the effective date").

3.2. Except as otherwise specifically provided for herein, the Project, including all reports required by this Agreement, shall be completed in its entirety prior to the date in block 1.6 (hereinafter referred to as "the Completion Date").

4. GRANT AMOUNT;MANNER OF PAYMENT; LIMITATIONS.

4.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.

4.2 The manner of, and schedule of payment shall be as set forth in EXHIBIT B.

4.3 In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 4.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

4.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

4.5 Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

5. SPECIAL CONDITIONS. Modifications to these General Conditions and any additional grant conditions shall be set forth in Exhibit C attached hereto.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all applicable statutes, regulations, and orders of federal, state, county, or municipal authorities that impose any legal obligations or duty upon the Grantee, including the acquisition of any and all necessary permits.

7. RECORDS AND ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these general provisions.

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, contract for or provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9 DATA; RETENTION OF DATA; ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs or data, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State, unless otherwise specified in Exhibit C.

10. CONDITIONAL NATURE OR AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT; REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1. failure to perform the Project satisfactorily or on schedule; or

11.1.2. failure to submit any report required hereunder; or

11.1.3. failure to maintain, or permit access to, the records required hereunder; or

11.1.4. failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1. give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2. give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3. set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4. treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4 Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No representative, officer, member or employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any contractor, subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its representatives, officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, worker's compensation or emoluments provided by the State to its employees.

15 ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses

suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or its contractors, subcontractor, or subgrantee or other agent of the Grantee in the performance of the Project. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. INSURANCE AND BOND

17.1. The Grantee shall, at its sole expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 statutory worker's compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 comprehensive general liability insurance for all claims of bodily injuries, death or property damage, in amounts not less than $2.000,000 for bodily injury or death any one incident, and $500,000 for property damage in any one incident; and

17.2 The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State. A certificate of insurance demonstrating compliance with subparagraphs 17.1 and 17.2 shall be attached to this Grant Agreement.

18. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.

19. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.

20. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.

22. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

23. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

EXHIBIT A

SCOPE OF SERVICES

In exchange for receiving grant funds in the amount of $148,927 from the New Hampshire Public Utilities Commission (Commission), Stonyfield Farm, Inc. (Grantee) agrees to endeavor to increase their overall plant efficiency through a combination of measures designed to improve controls on a variety of plant utility systems. The specific tasks that Stonyfield Farm, Inc. will accomplish are set forth in its proposal to the Commission dated March 23, 2009, and a revised proposal dated September 8, 2009, which are hereby incorporated by reference. Also incorporated by reference is the Commission's Request for Proposals dated February 23, 2009. Stonyfield Farm, Inc. agrees to endeavor to undertake any additional measures necessary to achieve the program goals set forth in its proposal. The following is intended as a summary of the proposal.

Task 1: Steam System Modifications
Reduce peak steam loads by installing circuit setter valves and programming flow valves to open slowly rather than quickly opening 100%.

Task 2: Refrigeration System Modifications
Install variable frequency drives (VFDs) on the Ammonia condensor fans, power conditioning units on large motors and pumps, installing a bypass loop and pressure sensors on cooling tunnel refrigerant loops, and balance glycol networks.

Task 3: Compressed Air Tuning
Tune Air Compressors so that the VFD controls pressure to ± 1.5 psi instead of on/off. Adding sensors and programming them into existing PLC.

Task 4: HVAC System Modifications
Eliminate air flow and infiltration between heated and cooled areas through modification to incubator/cooling tunnel interface.

Task 5: Verification
Use the BarExpert data collection system, weekly energy spreadsheets, and actual meter readings to verify energy savings.

DELIVERABLES

1. The grantee agrees to prepare and submit quarterly reports to the PUC, in a form and manner prescribed by the PUC, beginning 90 days from the date of Governor and Council approval of this grant agreement and continuing throughout the life of the grant. Reports shall include a detailed summary of all work completed, including an account of milestones achieved, and a description of any obstacles

Grantee Initials _____
Date 9/8/09

encountered as well as any planned milestones that were not achieved. Within thirty (30) days of the conclusion of the grant award, in lieu of a quarterly report, Grantee shall submit a final report providing a detailed summary of the results of the grant project, obstacles encountered, and any work from the Scope of Services that was not completed.

2. The grantee agrees to carefully track any and all reductions in energy use resulting from the programs and activities funded herein. Grantee will take all steps necessary to document pre-project (baseline) energy use and energy expenditures based on at least three years of data. In addition, Grantee will report on reductions in energy use on a quarterly basis to the PUC and the University of New Hampshire, Carbon Solutions New England (CSNE), for purposes of documenting reductions in energy use and greenhouse gas emission reductions. Energy reductions shall be reported, in a format provided by CSNE, for the following fuels as appropriate: electricity, natural gas, distillate fuel oil (#1, 2 & 4), residual fuel oil (#5 & 6), kerosene, and LPG (propane).

Grantee Initials
Date 9/8/09

EXHIBIT B
GRANT AMOUNT, TERMS AND METHODS OF PAYMENT

1. In consideration of the satisfactory performance of the services described in Exhibit A, as determined by the State, the State agrees to pay Stonyfield Farm, Inc. an amount not to exceed $148,927.

2. All obligations of the State, including the continuance of any payments, are contingent on the availability of funds derived from the Greenhouse Gas Emissions Reduction Fund pursuant to RSA 125-O:23.

3. Upon approval of this grant award by Governor and Council, Grantee may commence invoicing the PUC on an as needed basis, but not more frequently than once every 60 days. Ten (10) percent of the total grant funds or $14,893 will be held back until completion of the project. Payment of this final 10% will be made after Grantee provides a final grant report, no later than 30 days from completion of the project, or from the end date of this grant agreement, June 30, 2010, whichever comes first. Invoices shall be supported by a summary of activities and a detailed listing and documentation of expenses incurred.

4. Invoices will be reviewed and measured against the scope of services by the Director of the Sustainable Energy Division or his designee.

5. The State agrees to make payments to the Grantee within 30 days from the receipt of approved invoices.

6. Invoices will be submitted to: Business Office, New Hampshire Public Utilities Commission, 21 South Fruit Street, Suite 10, Concord, New Hampshire, 03301-2429.

Grantee Initials (dw)
Date 9/8/09

EXHIBIT C

SPECIAL PROVISIONS

"No other Provisions Necessary"

Grantee Initials _____

Date 9/8/09

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that STONYFIELD FARM, INC., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on February 1, 1991. I further certify that all fees and annual reports required by the Secretary of State's office have been received.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 9th day of September, A.D. 2009

William M. Gardner
Secretary of State

Stonyfield Organic

10 Burton Drive, Londonderry, NH 03053 603.437.4040 Fax 603.437.7594 Stonyfield.com

Healthy Planet

Awesome Yogurt

Our Children

Customer Bliss

Healthy Food

Vision

Family Farmers

Contented Cows

A Fun Workplace

Healthy Bodies

Social Responsibility

Healthy Business

Education

Organic Farming

Local Culture

Uncompromising Quality

Employee Happiness

Scrumptious Flavors

Sustainable Living

Conscious Consumption

Environmental Responsibility

Company Pride

Participation

Hope

CERTIFICATE OF VOTES

I, Diane Carhart, Secretary of Stonyfield Farm, Inc. (hereinafter the "Corporation"), a Delaware corporation, hereby certify that: (1) I am the duly elected and acting Secretary of the Corporation; (2) I maintain and have custody and am familiar with the minute books of the Corporation; (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) that the Board of Directors of the Corporation have authorized, on July 7, 2006, such authority to be in force and effect until JUNE 30, 2010.

The person(s) holding the below listed position(s) are authorized to execute and deliver on behalf of the Corporation any contract or other instrument for the sale of products and services:

Gary Hirshberg	CEO, President
Diane Carhart	CFO, COO, Secretary, Treasurer

(5) the meeting of the Board of Directors was held in accordance with Delaware law and the by-laws of the Corporation; and (6) said authorization has not been modified, amended or rescinded and continues in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the corporation this 8th day September, 2009.

Diane Carhart

STATE OF NEW HAMPSHIRE
COUNTY OF Merrimack

On this 8 day of September, 2009, before me, Diane Carhart the undersigned Officer, personally appearedwho acknowledged herself to be the Secretary of Stonyfield Farm, Inc., a corporation and that she as such Secretary being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mary Townsend

Notary Public/Justice of the Peace

Commission Expiration Date:

MARY TOWNSEND, Notary Public
My Commission Expires September 3, 2013

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 09/08/2009

PRODUCER
Aon Risk Services Northeast, Inc.
Stamford CT Office
1600 Summer Street
Stamford CT 06907-4907 USA

PHONE (866) 283-7122 FAX (847) 953-5390

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Zurich American Ins Co	16535
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED
Stonyfield Farm, Inc.
10 Burton Drive
Londonderry NH 03053 USA

Holder Identifier :

Certificate No : 570036032354

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LIMITS SHOWN ARE AS REQUESTED

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM\DD\YY)	POLICY EXPIRATION DATE(MM\DD\YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR [X] Per Loc. Agg $2,000,000 [ ] GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC	GL0298411908	01/01/09	01/01/10	EACH OCCURRENCE	$2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$2,000,000
						MED EXP (Any one person)	$10,000
						PERSONAL & ADV INJURY	$2,000,000
						GENERAL AGGREGATE	$5,000,000
						PRODUCTS - COMP/OP AGG	$4,000,000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON OWNED AUTOS [ ] [ ]				COMBINED SINGLE LIMIT (Ea accident)	
						BODILY INJURY (Per person)	
						BODILY INJURY (Per accident)	
						PROPERTY DAMAGE (Per accident)	
		GARAGE LIABILITY [ ] ANY AUTO [ ]				AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY : EA ACC	
						AGG	
		EXCESS /UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION				EACH OCCURRENCE	
						AGGREGATE	
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC303659505	01/01/09	01/01/10	[X] WC STATU-TORY LIMITS [ ] OTH-ER	
						E.L. EACH ACCIDENT	$1,000,000
						E.L. DISEASE-EA EMPLOYEE	$1,000,000
						E.L. DISEASE-POLICY LIMIT	$1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

New Hampshire Public
Utilities Commission
21 South Fruit Street
Concord NH 03301-2429 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Aon Risk Services Northeast Inc.*