

DRAFT

February 11, 2021

Lionwood Construction
Attn: Leah Fjeldstad
Honeymoon Bay, BC Canada

Re: Wave Energy Converter Project

Dear Mr. Fjeldstad,

The City of Edna Bay would like to thank you for reaching out to us regarding the prototype Wave Energy Converter Project your company, Arrowhead Consulting, is currently developing. We appreciate the opportunity to be involved with a new and emerging renewable energy technology.

As you know, Edna Bay is an isolated, remote community in Southeast Alaska too far from any road system to ever be connected to a traditional power grid. All groceries and supplies come in by floatplane or boat. Weather can delay mail service by weeks at a time.

If successful, this project would provide clean, renewable energy to the residents of Edna Bay; notably contributing to the future of our community in terms of food security and economic development.

While the preliminary funding for this prototype will be provided by the U.S. Department of Energy, we understand the entire project will proceed forward one phase of funding at a time; with the possibility it may not be fully funded.

If prototype development and testing are successful, we anticipate the City of Edna Bay and Arrowhead Consulting will negotiate each of the next phases of development; with the City reserving the right to terminate at any phase it chooses up until final construction.

We also understand there will be no requirement for the City of Edna Bay or residents to contribute financially to the project, other than transfer switches homeowners may have to purchase to connect to their property.

The City of Edna Bay, through this letter, is fully committed to working cooperatively with your company and looks forward to beginning the first steps of this exciting project.

Sincerely,

Tyler M. Poelstra, Mayor