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VIA FEDERAL EXPRESS
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October 2, 2006

David Unger
Director of Renewable Energy
Waste Management Inc.
1001 Fannin
Suite 4000
Houston, TX 77002

Dear David:

Q17 NORTHBROOK 12kV FEASIBILITY / IMPACT STUDY REPORT (6.6 MW)

Attached is a report documenting the results of the Q17 Northbrook 12kV Feasibility / Impact Study.

The intent of the Study is to determine a plan, with preliminary cost estimates and approximated construction times, to connect the subject generation to the PJM network at a location specified by the Interconnection Customer. The results of this Study are predicated on a year 2011 transmission system based upon PJM's best assumptions at the present time for load growth and connection of proposed new generation additions. The project was evaluated for system normal conditions and single contingency outage conditions. Short circuit and stability analysis were not required due to the small size of the interconnection request.

Feasibility / Impact studies are performed to define the reinforcement cost and timing for both direct connection facilities and transmission network upgrades required for reliable interconnection of a generation project to the transmission system.

The Feasibility / Impact Study network evaluation has identified that there are **no** network reinforcements required for the Q17 Northbrook 12kV project.

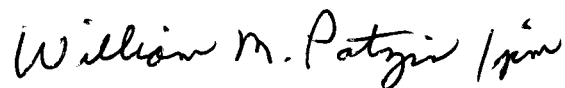
The Q17 Northbrook 12kV project is interconnected to a ComEd "local distribution" facility. As such, ComEd maintains jurisdiction over the direct connection of this generator, and thus the Q17 project must meet the ComEd Interconnection Guidelines. It is recommended that since this generator is already interconnected to the ComEd distribution system, WM Illinois Renewable Energy, LLC review any additional interconnection requirements with ComEd. Pursuant to a recent FERC Order, FERC does not maintain jurisdiction over this distribution system at this time. Therefore jurisdiction may apply only over any wholesale sales WM Illinois

Renewable Energy, LLC will make into the PJM market from the Q17 project, but not to the interconnection itself. Therefore, a Wholesale Market Participation Agreement (“WMPA”) defining the project's cost responsibility for the construction of required facilities pertaining to wholesale sales or upgrades to the transmission system, if any, and specifying the project's Capacity Interconnection Rights, and obligating the Interconnection Customer to abide by the rules and procedures pertaining to wholesale sales of energy in the PJM control area, is being developed for this project, and will be sent to you shortly. This is necessary if you wish to participate in the wholesale sale of energy from the Q17 project. The WMPA is not intended to be an Interconnection Service Agreement. ComEd will tender a two-party interconnection agreement to you defining the cost responsibility for the direct connection portion and any local upgrades required by this interconnection request. This two-party interconnection agreement must be executed prior to the WMPA becoming effective.

The costs associated with the Feasibility / Impact Study are being tabulated and you will receive a statement / invoice electronically from PJM identifying your balance.

If you wish to discuss the results of the Study, please let me know. My office telephone number is 610-666-4698 and my e-mail address is patziw@pjm.com.

Sincerely,



William M. Patzin, P.E.
Sr. Engineer
PJM
Transmission and Interconnection Planning Department

WMP\dml #388981
Attachments

cc: Via U.S. Mail (w/attachment):
Robert Koszyk, Commonwealth Edison Company

PJM (w/attachment):
David Schweizer
File

PJM Generator Interconnection Request

Feasibility / Impact Study Report

**Queue #Q17
Northbrook 12kV
6.6 MW**

September 2006

DOCS#: 388979

Q17 Northbrook 12kV Feasibility / Impact Study Report

General

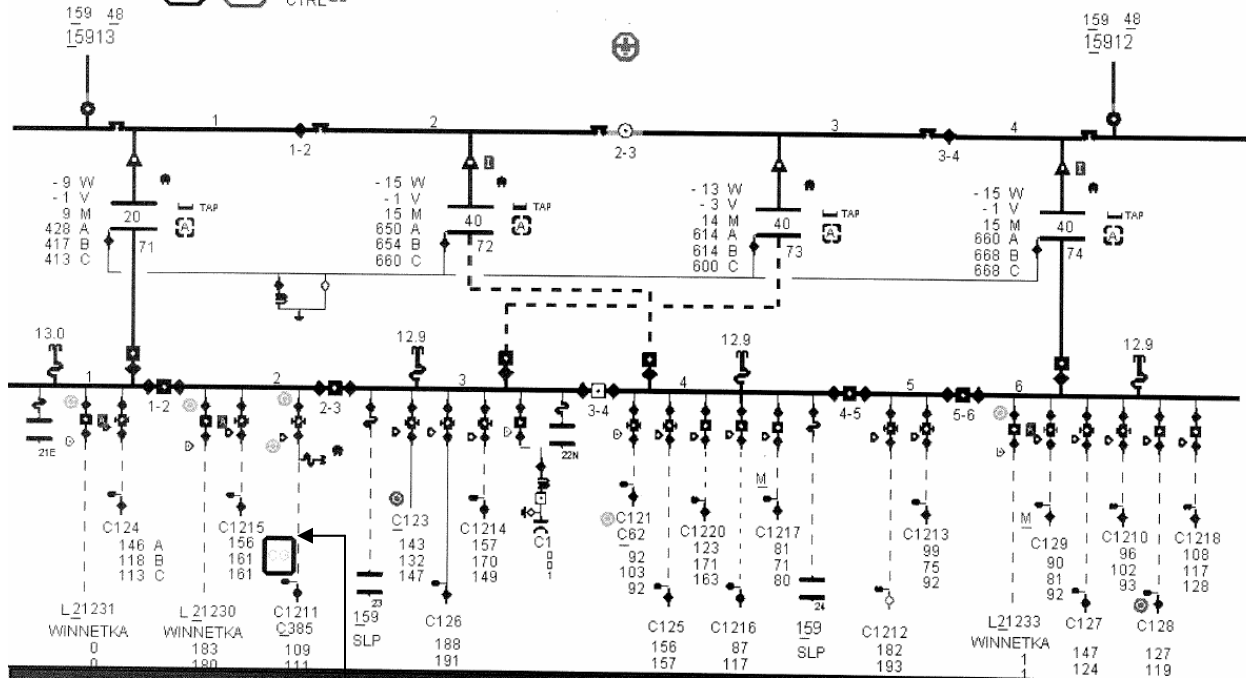
Q17 Northbrook 12kV is a WM Illinois Renewable Energy LLC 6.6 MW request for Capacity Interconnection Rights for existing generation located at 1300 Willow Road in Northbrook, Cook County, IL. Q17 is presently connected to the ComEd distribution system and operating as a QF under the name of Lake Gas Recovery. Q17 consists of two 3.3 MW, simple cycle, engine - generators fueled by landfill gas (methane). The facility has been in operation for more than 15 years.

Direct Connection

The Q17 existing generation is interconnected to 12kV circuit #C1211, which originates in TDC 212 Northbrook substation, and 12kV circuit #C586, which originates in TDC 258 Elmwood substation, as shown on the next page:

TDC 212 NORTHBROOK 138/12KV

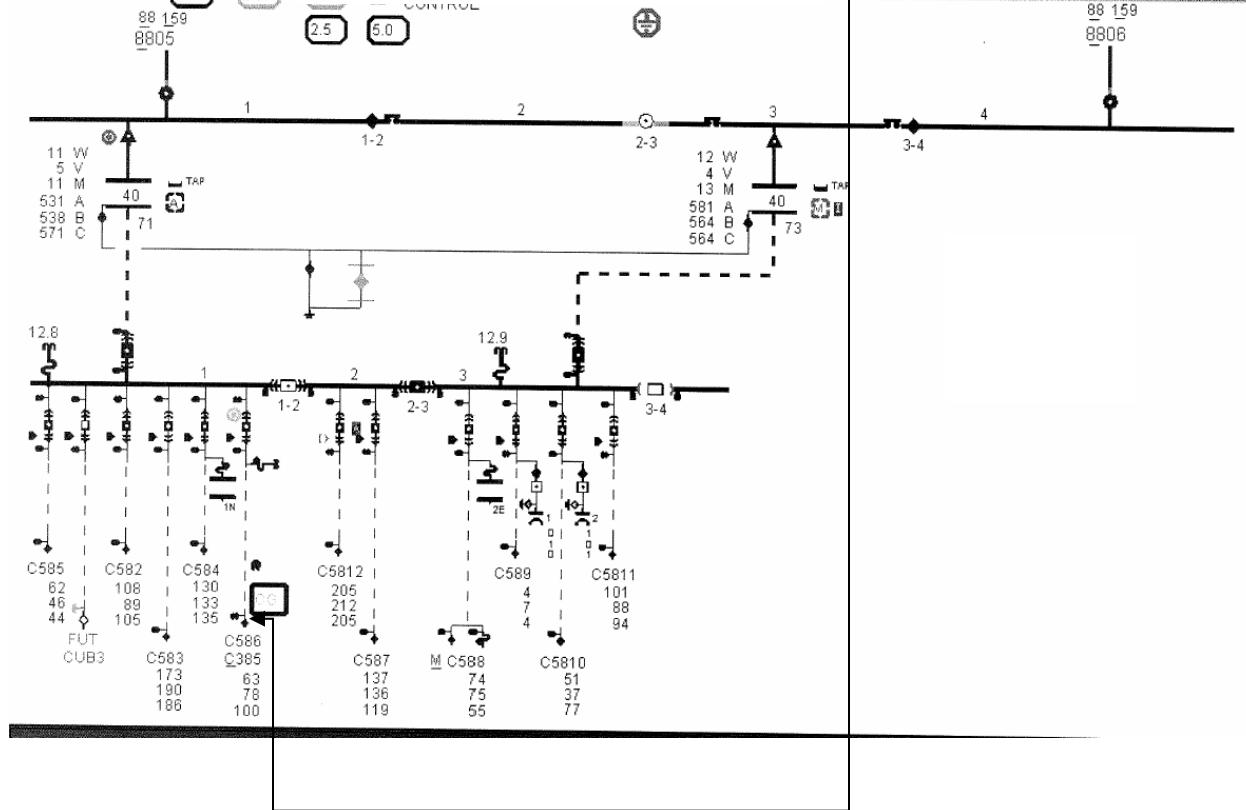
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Q17 Northbrook 12kV
6.6 MW

TDC 258 ELMWOOD 138/12 kV

CONTROL 2.5 5.0



PJM has studied this project for impacts to the transmission system (see below).

PJM has the following metering requirements for a Capacity Resource:

Revenue Metering and SCADA Requirements

For PJM: Interconnection Customer will be required to install equipment necessary to provide Revenue Metering (KWH, KVARH) and real time telemetry data (KW, KVAR) for IC's generating Resource. See PJM Manuals M-01 and M-14D, and PJM Tariff Section 58.1 through 58.5.

Network Impacts

The #Q17 project was studied as an injection of 6.6 MW (Capacity) into the Northbrook TDC 212 distribution substation and the TDC 258 Elmwood distribution substation. Project #Q17 was evaluated for compliance with PJM reliability criteria for summer peak conditions in 2011. Potential network impacts were as follows:

Generator Deliverability

No problems were identified.

Multiple Facility Contingency

No problems were identified.

Contribution to Previously Identified Overloads

None

Short Circuit

No problem identified.

New System Reinforcements

None identified.