

8.1. COVER LETTER

8.2. EXECUTIVE SUMMARY

To enhance the existing value to New York State of the Linden generating facilities,



Project Overview



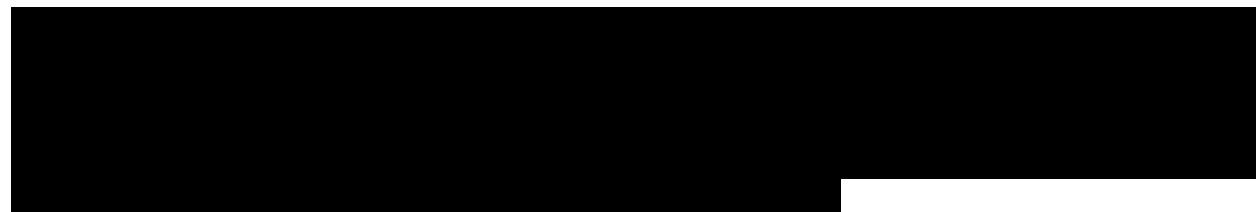
Development Overview

EFS is advancing development of the project in parallel with the NYPA contingency procurement process.



An interconnection request is pending with NY-ISO. 

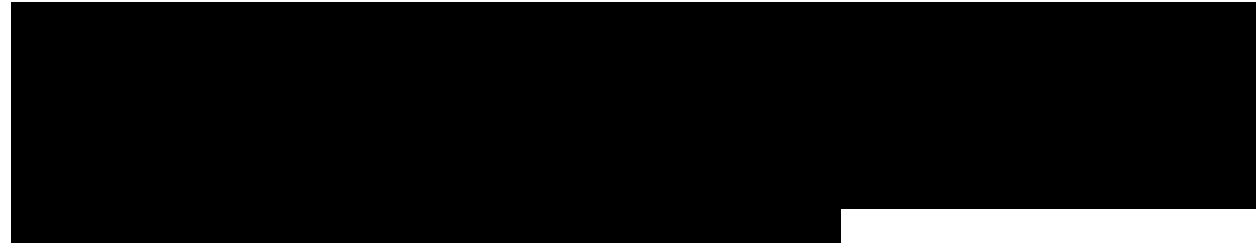





EFS will also work to finalize the necessary contracts to support realization of the project, including equipment supply, construction, fuel supply and transportation, operation and maintenance, shared services and facilities, energy management, community agreements and financing arrangements.

Pricing/PPA Overview

EFS has developed pricing for the Project that it believes is attractive relative to the cost of other new entrants in NY-ISO Zone J that can address the reliability contingency NYPA faces in case IPEC is not available starting Summer 2016. Details of the pricing proposal can be found on Attachment 6.



8.3. DESCRIPTION OF PROJECT

The proposed Project consists of the installation of 2 x LMS100 GE natural gas-fired combustion turbines as an expansion to the Linden Cogen facility.

8.3.1. LMS100 Technology

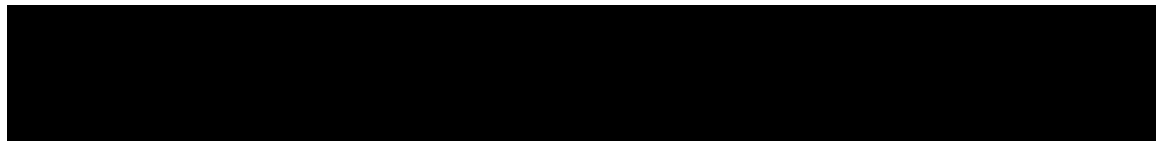
The LMS100 is among the most technologically advanced and efficient combustion turbines available, reducing environmental impacts associated with natural gas fuel consumption. The unit is a 3-spool, hybrid gas turbine in the “LM” (Land and Marine) family, consisting of a low-pressure compressor (LPC) derived from the GE Energy MS6001FA LPC (first six stages) for higher airflow capability, an aeroderivative core (consisting of a high-pressure compressor, combustor and high pressure turbine), a two stage intermediate pressure turbine (IPT) which drives the LPC, and a 5-stage free power turbine (PT), with the output shaft located aft of the free power turbine (hot end drive). Performance is nominally 100 MW with >45 % simple cycle thermal efficiency measured at the generator terminals. The distinguishing element is the intercooler, which is located between the LPC and the high-pressure compressor (HPC). Inter cooling reduces HPC work of compression for increased efficiency and increases mass flow capability in the same turbine for increased power.

In addition to the energy and capacity markets the LMS100 expansion would also be able to participate in NYISO’s regulation, the 10 minute synchronous, and non-synchronous spinning reserve programs. The LMS100 has the ability to stop and start several times a day without impacting maintenance intervals. The operating characteristics of the LMS100 make it an ideal solution for firming variable renewable power. The current LMS100 fleet availability is 94.6 percent.

8.3.2. Project Location

The location of the Project will be on a tract of land inside the Phillips 66 Bayway Refinery in Linden, NJ, adjacent to the existing Linden Cogen.

8.3.3. Fuel Supply



8.3.4. Points of Interconnection

The Project is being designed to interconnect with the New York City (Zone J) transmission system via an existing 345 kV cable and connection into Con Edson's Goethals substation on Staten Island (345 kV feeder G23 L/M). This cable connection and associated Goethals substation build-out was originally installed when the Linden Cogen plant was first commissioned in 1992.

The LMS100 expansion integrates with the proposed ConEd project to un-bottle Staten Island generation resources and address potential Indian Point/Downstate Generation Retirement. Phase 1 of this project would mitigate a contingency within New York City by separating a common pipe double leg feeder into two separate feeders with independent positions at the Goethals and Linden Substations. Phase 2 increases transmission capacity by adding forced cooling to existing feeders between the Goethals, Gowanus and Farragut substations. For Phase 2 the length of feeders, operating voltage level (345 kv) would not change but the rating would increase by 200 MW. Environmental Impacts Please refer to Environmental Benefits of the Project, Sec. 8.8. [REDACTED]

8.3.5. Community Impacts

The Project is expected to provide substantial economic benefit to its host city of Linden, NJ with few of the issues that typically accompany new generation build in a metropolitan area. EFS anticipates negotiating a Host Community Benefit fee with the city of Linden, NJ. Similar fees paid by Linden Cogen and Linden VFT provide approximately \$1.7MM per year of revenues to the city. Because the project is located inside an existing industrial site, the Phillips 66 Bayway Refinery, construction and operations will have considerably limited community impacts.

8.3.6. Electrical Characteristics

Please refer to Generation Project Data Sheet, Sec. 8.14.

8.4. PROPOSER EXPERIENCE

8.4.1. Project Sponsor Experience

The Project Company will be indirectly owned by GE Energy Financial Services Inc. (GE EFS), a subsidiary of the General Electric Company. GE EFS's 300 experts invest globally with a long-term view, backed by the best of GE's technical know-how and financial strength, across the capital spectrum and energy industry, to help their customers and GE grow. With \$20 billion in assets and over 30 years of experience investing in power, GE EFS, based in Stamford, Connecticut, invests more than \$3 billion annually in the world's most capital-intensive industry, energy. Our power projects can produce more than 30 gigawatts of electricity, equivalent to the installed generating capacity of Norway. GE EFS has invested in more than 43,500 miles of natural gas pipelines, and has put billions of dollars into wind, solar, biomass, hydro, geothermal and other renewable power projects.

GE EFS's investments include controlling interests in the Homer City Generation project (a 1.9 Giga-watt coal-fired power plant in Indiana County, PA), Birchwood Power Partners project (a 242-megawatt coal-fired power plant in King George County, VA), as well as multiple gas-fired plants utilizing GE F-class technology such as East Coast Power / Linden Cogen (~1 Giga-watt gas-fired cogeneration power plant in Linden, NJ), CPV Sentinel (an 800 mega-watt gas fired simple-cycle power plant using GE LMS100 near Palm Springs, CA), and Shady Hills (a 517-megawatt dual-fueled simple-cycle power plant in Spring Hill, FL). Key customers include Dominion Virginia Power, Con Edison of New York, Progress Energy Florida, and Phillips 66. GE EFS also holds strategic interests along the gas value chain including gas storage, midstream and LDC properties.

8.4.2. Overall Project Management: GE Energy Financial Services, Inc.

- Homer City Upgrade Project: Installation of emissions controls, scrubbers become Mercury and Air Toxicity Standard (MATS) and turbine upgrades. GE EFS took control of this project in December 2012 and is expected to complete these upgrades by Spring 2015.
- Parlin Re-powering: 120MW merchant project located in Parlin, NJ using GE 6EA gas turbine technology. GE EFS acquired temporarily shut down project in 2007 and supervised the re-powering of the facility over a seven-month period. The project came on line Jun 1, 2008 and is currently supplying power and receiving capacity payments in accordance with PJM regulations. GE Energy Financial Services performed the re-powering.
- Linden VFT: Variable frequency transmission line between PJM and NYISO. GE EFS developed this project, which conducted its initial "open season" auction for capacity in January 2007. Construction began in February 2007 and COD occurred in December 2009.
- Tawhiri Wind: A 21MW wind project located at South Point, Hawaii utilizing 14 GE 1.5SE Wind Turbines. GE EFS was involved during development and provided development, construction and equity financing to the project. The project has a

PPA with Hawaii Electric Light Company and achieved commercial operation in 2007.

8.4.3. Project Development: GE Energy Financial Services, Inc.: In addition to the projects described above GE EFS is also engaged in the development of:

- Shady Hills: Expansion of the existing 523MW project near Tampa, FL using GE &FA gas turbine Technology.
- CPV Sentinel: 800MW near Palm Springs, CA using GE LMS100 gas turbine technology. The project was awarded two PPAs with Southern California Edison. An affiliate of GE EFS co-developed this project with Competitive Power Ventures, Inc. The project achieved commercial operation in May 2013 and will begin selling energy to SCE under the PPA in August 2013.
- Camp Grove Wind Farm: 150MW wind project located in Benton County, Indiana utilizing 87 GE 1.5SLE Wind Turbines. GE EFS was involved during development and provided development, construction and equity financing to the project during the initial 100MW build-out as well as the 30MW expansion. The project has two 20-year PPAs with Duke Energy and Vectren for 100% of the output and reached commercial operation in 2008.
- Colorado Highlands Wind: 90MW wind project located in Northeastern Colorado utilizing 42 GE 1.6-100 (Phase I) and 14 1.7-100 (Phase II) Wind Turbines. GE Energy initially developed the project, and GE EFS completed development and provided the equity financing for the project. Phase I achieved COD in December 2012 and Phase II is currently under construction.

8.4.4. The Participants Management Team Includes:

- Cris Matteson, is Managing Director at GE Energy Financial Services, which provides broad based financial solutions to the global energy industry. Since joining the company in 1997, Cris has held various positions and currently manages the domestic thermal portfolio and all power development projects. Previously, Cris was the chief risk manager for GE Energy Financial Services' global growth group which makes equity and debt investments in developing markets. Prior to joining GE, Cris worked as an M&A consultant for Price Waterhouse in their New York office. Cris received a B.A. in Economics and an M.B.A. from Rutgers University.
- Vimal Chauhan, Senior Developer. Vimal Chauhan is currently a Senior Vice President with GE EFS and has over 12 years' experience in greenfield project development and asset acquisition. AT GE EFS, Vimal has led the development efforts for Towantic and CPV Sentinel Projects. Prior to joining GE EFS in 2006, Vimal was VP, Asset Management & General Manager at Interger. In over eight years at Interger, he managed greenfield development, project financing and operations of Interger's generation assets in Mexico and California. Vimal was general manager of the La Rosita project (1,100 MW gas-fired, combined cycle) in Mexicali, Baja California and Wildflower projects (2 simple cycle plants with total installed capacity

of 250MW) in California. Vimal was project manager for the Bajio Project (a 600MW gas-fired, combined cycle) in Mexico. Prior to that, he was with Entergy Power Group and was involved in Entergy's global acquisition of over \$3 billion of assets in generation, distribution and transmission. Vimal holds an MBA in finance from Tulane University and a B. Tech in Mechanical Engineering from the Indian Institute of Technology in Kanpur, India.

- Amy Fisher, Regulatory Support. Amy has been with GE EFS for 8 years, facilitating a number of development projects including Fox Energy Center (Wisconsin), Towantic Energy Center (Connecticut) and CPV Sentinel (California). She has a strong financial and legal background and, prior to joining GE EFS, was a partner in the Sonnenschein law firm in New York City.
- Roy Belden, Environmental Lead. Roy is a Senior Vice President at GE EFS and has been with GE EFS for over 7 years. He provides environmental support to GE EFS underwriting and portfolio teams and has worked on a number of development projects, including Parlin Re-powering (New Jersey), CPV Sentinel (California), Colorado Highlands Wind, Russell City (California), and the Shady Hills Expansion (Florida). Prior to joining GE, Roy was an environmental attorney with Chadborne & Parke LLP from 1991-2005 where he counseled clients on environmental risk management issues associated with domestic and international energy financings, equity participation, divestitures and acquisitions.
- Ankur Mathur, Senior Developer. Ankur is Senior Vice President in GE EFS' Portfolio Operations and Development Group. Ankur joined GE in 2007, having previously held business development roles with several IPP companies including Gas Energy, Inc., GPU International, Inc., Aquila, Inc., and most recently Tyr Energy, Inc., where he focused on M&A and development stage projects. Ankur has been involved in numerous project development initiatives both domestically and internationally over the last 15 years. Ankur graduated from Columbia University in 1989 and 1991 receiving a BS and MS in Mechanical Engineering and received his MBA from Cornell University in 2001.
- Tom Fogarty is currently General Manager of the 960 MW Linden Cogeneration plant. Tom joined GE EFS in 2011, prior to this he founded and led PNT Energy, an energy restructuring and investment consulting practice to early- and late-stage private equity investors, corporations, hedge funds, and developers. He has an extensive international background in the development, financing, technology, design, valuation, operations, and restructuring of gas, nuclear, wind, solar, hydro, geothermal, landfill gas, biomass, coal, and waste coal electric power assets. Prior to PNT, Tom was with Sithe Energy and Foster Wheeler. He received his MBA from New York University Stern School of Business and his BSME from Fairfield University.
- John Nutter, John has been employed by GE for a total of 9 years. John has spent significant time in the field as a startup engineer and lead technical advisor. Over the last four years as Vice President with GE EFS, John has been providing engineering support to the GE project portfolio representing GE's interest on projects currently under construction. Prior to his time with GE EFS, John worked in development with Intergen and project engineering management with Gemma Power Systems.

8.5. PROJECT INFORMATION

8.5.1. Contact Information

Note: For the purposes of this Proposal only, GE Energy Financial Services, Inc. (EFS) is serving as the Proposer. EFS will assign its interests and responsibilities under this procurement to an affiliate entity prior to the execution of definitive agreements.

Company

GE Energy Financial Services, Inc.
800 Long Ridge Road
Stamford, CT 06927
Phone: (203) 357-4391

Contact person

Mr. Ankur Mathur
GE Energy Financial Services, Inc.
800 Long Ridge Road
Stamford, CT 06927
Phone: (203) 357-4391
Email: Ankur.Mathur1@ge.com

8.5.2. Legal status

Legal status: Corporation
Date formed: December 30, 2003
Jurisdiction of organization: Delaware
Identification of any affiliates having any role in the Project: EFS will assign its interests and responsibilities under this procurement to an affiliate entity prior to the execution of definitive agreements. GE Energy is expected to supply the combustion turbines for the Project, and to provide operations and maintenance services to the Project.

8.5.3. Ownership status

EFS is a subsidiary of General Electric Capital Corporation (GECC), a subsidiary of General Electric Company, a publicly traded company.

8.5.4. Sponsor information

EFS is a subsidiary of General Electric Capital Corporation (GECC), a subsidiary of General Electric Company, a publicly traded company.

8.5.5. DUNS Number

EFS DUNS number: 162784735

8.6. DISCLOSURE STATEMENTS

As of the date of this submission, neither EFS, nor to the knowledge of any EFS officer, director, or affiliate have, in the last five years:

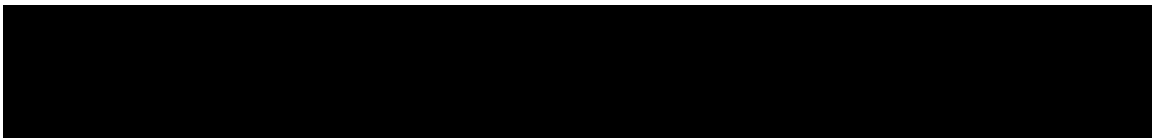
- Defaulted on, or was deemed to be in noncompliance with, any obligation related to the sale or purchase of power (capacity, energy and/or ancillary services), transmission, or natural gas, or was the subject of a civil proceeding for conversion, theft, fraud, business fraud, misrepresentation, false statements, unfair or deceptive business practices, anti-competitive acts or omissions, or collusive bidding or other procurement- or sale-related irregularities; or
- Was convicted of (i) any felony, or (ii) any crime related to the sale or purchase of electric power (capacity, energy and/or ancillary services), transmission, or natural gas, conversion, theft, fraud, business fraud, misrepresentation, false statements, unfair or deceptive business practices, anti-competitive acts or omissions, or collusive bidding or other procurement or sale-related irregularities.

For the purpose of this disclosure, EFS considers an affiliate to be any entity controlling, controlled by or under common control with EFS that has received market-based rate authority from the Federal Energy Regulatory Commission or is a market participant in the New York Independent System Operator, Inc.

8.7. FINANCIAL CAPACITY TO COMPLETE AND OPERATE THE PROPOSED PROJECT

8.7.1. Detailed Description of Proposed Construction and Permanent Financing

EFS will finance the Project on balance sheet through the development stage, which will include permitting, interconnection, engineering, procurement, and site preparation activities, along with gas turbine progress payments.



At EFS' discretion, the Project's construction and operation may be funded entirely on balance sheet or in conjunction with contributions from partner equity investors.

8.7.2. Demonstration that Financial Arrangements are Sufficient to Support the Project

EFS' financing arrangements for the Project were informed by our affiliate GE Capital Markets, Inc., which has extensive power project financing experience, based on anticipated market conditions during the timeframe of the Project.

To support its share of the Project's financing, EFS has access to the funding capacity of its parent, GECC. GECC is routinely evaluated by the major debt rating agencies. This evaluation is based on a number of factors, which include financial strength as well as transparency with rating agencies and timeliness of financial reporting. As of the date of this Proposal, GECC's long-term unsecured debt credit rating from Standard and Poor's Ratings Service (S&P) was AA+ (the second highest of 22 rating categories) with a stable outlook. The long-term unsecured debt credit rating from Moody's Investors Service (Moody's) for GECC was A1 (the fifth highest of 21 credit ratings) with a stable outlook. GECC's short-term credit rating from S&P was A-1+ (the highest rating category of six categories) and from Moody's was P-1 (the highest rating category of four categories).

8.7.3. Proposed Capital Structure

Approximately 25-35% equity, 65-75% debt.

8.7.4. Schedule of Major Projects Developed and Financed by Proposer

EFS was involved in the development and financing of the following projects:

- Homer City Upgrade Project: 1.9GW coal-fired plant in Indiana County, PA. Installation of emissions controls, scrubbers become Mercury and Air Toxicity Standard (MATS) and turbine upgrades. EFS took control of this project in December 2012 and is expected to complete these upgrades by Spring 2015.
- Parlin Re-powering: 120MW merchant project located in Parlin, NJ using GE 6EA gas turbine technology. EFS acquired this mothballed project in 2007 and supervised the re-powering of the facility over a seven-month period. The project came online Jun 1,

2008 and is currently supplying power and receiving capacity payments in accordance with PJM regulations.

- Linden VFT: Variable frequency transmission line between PJM and NYISO. EFS developed this project, which conducted its initial “open season” auction for capacity in January 2007. Construction began in February 2007 and COD occurred in December 2009.
- Colorado Highlands Wind: 67MW wind project located in Northeastern Colorado. EFS provided equity financing during the development and construction stage of the project, which reached COD in December 2012. EFS subsequently closed financing on an additional 24MW expansion of the project.

8.7.5. Details of Events of Default or Other Credit Issues

There have been no events of default or other credit issues relating to the development projects listed above.

8.7.6. Proposers Financial Condition and Evidence of Creditworthiness

Audited financial statements from General Electric Capital Corporation (GECC), the parent of EFS, are enclosed beginning on the following page.

8.7.7. Four References from Prior Projects with Similar Financing Arrangements

- Russell City Energy Company: \$844.5MM project financing for the construction of a 619MW natural gas-fired combined cycle power plant in Hayward, CA. EFS is a 25% equity sponsor.
- Sentinel Project: Approximately \$800MM project financing for the construction of a 800MW natural gas-fired power plant consisting of eight LMS100 combustion turbines. EFS is an equity sponsor.
- Nuevo Pemex: \$460MM project financing for the construction of a 300MW natural gas-fired cogeneration power plant at the Nuevo Pemex gas processing complex, owned by Pemex Gas y Petroquímica Básica, a subsidiary of Mexican state oil company Pemex. EFS is an equity sponsor.
- Colorado Highlands: EFS provided financing supporting the construction of a 67MW wind power project in Northeast Colorado. Terms were not disclosed.

8.7.8. Completed Financial Data Sheets

Enclosed beginning with the following page.

8.8. ENVIRONMENTAL BENEFITS OF THE PROJECT

8.8.1. General Statement of the Project's Environmental Benefits

The Linden Expansion project involves the use of two highly efficient GE LMS100 natural gas fired simple cycle combustion turbines to provide power to New York through existing electrical transmission lines associated with the adjacent Cogen Technologies Linden Venture, L.P. (Linden Cogen) cogeneration facility. The LMS100 turbines have a lower heat rate and higher thermal efficiency than other simple cycle combustion turbines. Due to a compressor intercooler and increased firing temperatures, the LMS100 turbines can achieve thermal efficiencies of 44% to 46%, about 10% higher than some of the most efficient simple cycle turbines currently in the market and compares favorably to combined cycle combustion turbine efficiency. Due to the LMS100 quick start capability, achieving full load in about ten minutes, the LMS100 has lower startup emissions. The project will utilize the most stringent emission control technology to minimize Nitrogen Oxides (NOx) and carbon monoxide (CO) emissions. Clean burning and efficient natural gas will minimize particulate matter (PM), sulfur dioxide (SO2), and carbon dioxide (CO2) emissions. Greenhouse Gas (GHG) emissions will be minimized due to the high efficiency of the turbine and the use of clean burning natural gas.

The Linden Expansion project will be constructed on an industrial site adjacent to the existing Linden Cogen facility co-located within the Phillips 66 Bayway Refinery (the "Refinery"). Being adjacent to the existing Linden Cogen facility, the developed infrastructure will allow for utilization of many of the existing systems including stormwater and wastewater management, water supply, natural gas supply and electrical transmissions systems with little impact to the surrounding community. Modifications to existing environmental permits and authorizations to incorporate activities related to the expansion project will expedite obtaining the necessary environmental approvals, allowing for construction and startup to meet the NYPA June 1, 2016 commercial operation date.

8.8.2. Project's emission profile

State-of-the-art emission control systems will be utilized for the project, including water injection and selective catalytic reduction (SCR) to reduce NOx emissions to 2.5 ppmvd @ 15% O2. A CO oxidation catalyst will reduce CO emissions to 4.5 ppmvd @ 15% O2. VOC emissions will be 4 ppmvd @ 15% O2.

In addition, clean burning natural gas will be utilized to reduce emissions of particulate matter less than 10 microns (PM-10), particulate matter less than 2.5 microns (PM-2.5) and sulfur dioxide (SO2) emissions.

Anticipated emissions are summarized below and are included in the Attachment 2 – Generation Project Data Sheet.

Gross Output (MW)	NOx (lb/MMBtu)	CO2 (lb/MMBtu)	SO2 (lb/MMBtu)

8.8.3. Greenhouse gas emissions (annual emissions)

Greenhouse gas (GHG) emissions are a by-product of the combustion of carbon-containing fuels and are inherent to any fuel combustion technology. Installation of energy efficient combustion technology will minimize GHG emissions. The high thermal efficiency of the LMS100 turbine along with the use of clean burning natural gas will result in lower GHG emissions than standard combustion technology.

Thermal efficiency is defined as gross power output divided by the rate of fuel energy input for simple cycle turbines. In comparing simple cycle combustion turbines, the LMS100 has the highest thermal efficiency in its size class. The LMS100 utilizes a spray inter-cooled turbine design that significantly increases the mass airflow by cooling the air during the compression process by injecting an atomized water spray into the compressor. The compressor intercooling results in reduced compression work (i.e., less energy required to compress the air) and increased efficiency. Power output of gas turbines is dependent on mass airflow. Since warm air is less dense than cold air, cooling the air results in greater mass airflow and, therefore, greater power output and higher efficiency.

GHG emissions for the two combustion turbines, which are based on 3,300 hours of operation per year per turbine, are summarized below:

GHG Emissions Summary (short tons) Two LMS100 Turbines

8.8.4. Air Toxics emissions Mercury and Air Toxics Standards ("MATS" Rule)

The MATS rule applies to electric generating utilities above 25 MW that burn oil or coal for production of electricity. Since the expansion project will burn only natural gas, the combustion turbines will not be subject to the MATS rule.

8.8.5. Criteria Air Pollutants

Criteria air pollutants include nitrogen oxides, carbon monoxide, sulfur dioxide, particulate matter, ozone and lead. Emissions of the criteria pollutants generated from the LMS100 turbines are summarized in the table below on an hourly and annual basis. Annual emissions are based on [REDACTED] hours of operation per year per turbine for two LMS100 combustion turbines.

Criteria Pollutant	LMS100 Hourly Emissions (lb/hr per Turbine)	LMS100 Hourly Emissions (lb/hr, two Turbines)	LMS100 Turbines Total Emissions - Two Turbines (TPY)
NOx*			
CO			
VOC*			
SO2			
TSP			
PM-10			
PM-2.5			

* NOx and VOC are precursors to ozone

8.8.6. Discussion of how the Project is Consistent with the Energy Highway Blueprint

The LMS100 expansion project entails installation of two highly efficient combustion turbines. Although this project would be considered “new generation” under the NY Energy Highway Blueprint, it will be constructed adjacent to the existing Linden Cogen cogeneration plant allowing it to be tied into existing natural gas distribution and transmission systems. The Linden Cogen plant is considered an in-state New York energy asset since it provides electricity directly to Con Ed, through a 345kV transmission cable to the Goethals Substation in Staten Island (Zone J). The LMS100 expansion project will provide electricity to New York through this existing transmission cable. The expansion project will allow for increased electrical efficiency in Zone J without increasing industrial density in New York City.

The LMS100 expansion project is located in an existing industrial complex with infrastructure already in place, allowing for rapid construction and startup to meet the accelerated capacity needs outlined in the Energy Highway Blueprint. The LMS100 turbine’s innovative technology is considered state-of-the-art, with an energy efficiency of 44% or more. This efficiency is reflected in lower GHG emissions, consistent with the intent of New York’s GHG Emissions Reduction Program. Since cleaner air is one of the implied goals of the Energy Highway Blueprint, the use of the most stringent emission control systems will substantially reduce NOx and CO emissions. The emission control systems are consistent with New Jersey’s State-of-the-Art criteria for combustion turbines. The LMS100 project will comply with the most current environmental requirements. The project will be subject to New Source Review, and as part of the permitting review, we plan to demonstrate that impacts to the environment will be minimized.

The Energy Highway Blueprint encourages the replacement of inefficient power plants with new modern equipment. The LMS100 project will provide efficient power through the use of reliable modern equipment. The quick start capabilities of the LMS100 turbines will provide additional flexibility to support New York’s electrical distribution system during periods of

peak demand. An environmental benefit to the quick start feature of the LMS100 is the lower startup emissions which are less than combined cycle combustion turbines and most simple cycle turbines.

The LMS100 project will provide New York with efficient, clean and dependable energy through the use of state-of-the-art combustion turbine technology and emission control systems. The high efficiency of the LMS100 turbines will result in lower GHG emissions.

Based on the above summary, we believe that this project is consistent with the goals of New York's Energy Highway Blueprint.

8.9. PROPOSED RESOURCE(S) DEVELOPMENT PLANS AND SCHEDULE

8.9.1. Development schedule in MS Project 2010

A MS Project 2010 GANTT chart is enclosed in the accompanying CD. A print copy is enclosed beginning with the following page

8.9.2. Proposed date for execution of necessary contracts with NYPA in order to achieve the June 1, 2016 COD

Consistent with the target schedule described in Sec. 5 of the RFP, EFS proposes November 26, 2013 as the date for execution of the PPA with NYPA.

8.9.3. Proposed date(s) for any PSC or FERC orders deemed necessary to achieve the June 1, 2016 COD

[REDACTED]

8.9.4. Timeline for award of EPC Contract

[REDACTED]

8.9.5. Timelines for fabrication and procurement of equipment

[REDACTED]

8.9.6. Plans for construction and commercial operation

EFS expects that the Project would be built under a lump sum turnkey EPC contract, with liquidated damages for both schedule and performance. Commercial operations and maintenance (O&M) will be provided by an experienced provider, most likely leveraging existing staffing at the Linden Cogen.

8.9.7. Community outreach plans

Representatives of the Linden Cogen participate in the Bayway Complex Community Advisory Panel. This panel conducts monthly meetings with representatives of various local community organizations. The meetings provide a forum for dialogue between the industry groups and the community regarding environmental, health and safety issues which may impact the community. New projects are often presented at these meetings allowing for an improved understanding of the impacts and mitigation measures of interest to the community.

8.9.8. Equity and debt financing plans

Please refer to Sec. 8.7 of this Proposal for information regarding financing arrangements.

8.9.9. EPC Contractor experience (if available)

At this time, an EPC contractor has not been selected for the Project. EFS' development of the Project has been supported with technical, cost, and scheduling input from a nationally recognized EPC contractor with prior experience working at the Linden Cogen site.

8.9.10. Other contractors experience (if available)

At this time other contractors have not been selected for the Project.

8.9.11. Community benefits

Please refer to the Description of Project in Sec 8.3.

8.9.12. Taxes and/or PILOT agreements

EFS anticipates paying both property taxes and a Host Community Benefit fee to Linden, NJ, to be negotiated as development progresses.

8.9.13. Site control status and plans for obtaining site control

EFS' Linden Cogen facility has a long term lease on an adjacent tract that would allow for the siting, permitting and development of the Project. This existing lease agreement would also allow the Project access to the existing infrastructure of the Linden Cogen.

8.9.14. Operations Plan (e.g., maintenance schedule, outage timeframes)

Please refer to the Generation Project Data Sheet, Sec. 8.14.

8.9.15. Fuel supply plans for gas and liquid fuels including gas system interconnections and gas system upgrades made or required

Please refer to the Description of Project in Sec. 8.3.

8.9.16. Electric interconnection points

Please refer to the Description of Project in Sec. 8.3.

8.9.17. Status in the NYISO interconnection process

EFS submitted an Interconnection Request that was deemed valid by NYISO on March 15, 2013 and assigned queue position 400. The request is currently in the Feasibility Study stage.

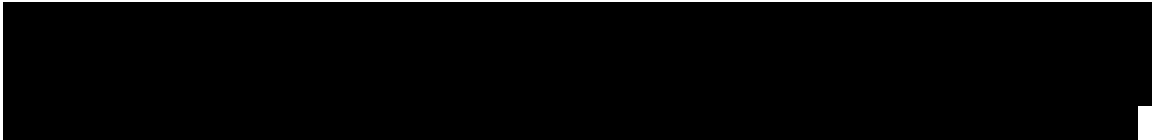
8.9.18. Environmental Justice issues

The Project is not located in an area subject to Environmental Justice considerations. The Project site is located within the Phillips 66 Bayway Refinery, an existing industrial complex that has been part of the Bayway community for over 100 years.

8.9.19. Plans for any necessary electric transmission facilities from the generation source to the interconnection point

The Project would tie into an available breaker position at the Linden Cogen gas insulated switchyard. In turn, this switchyard is connected via an existing 345kV cable to Con Edison's Goethals substation. No upgrades from the switchyard to the Goethals substation are expected to be required.

8.9.20. Cancellation provisions intended for major contracts to minimize cancellation costs



8.10. ENVIRONMENTAL REVIEW

8.10.1. Permitting Plan:

- Federal, State and Local Permits Needed to Develop and Operate the Project: As an existing facility, Cogen Technologies Linden Venture, L.P. (Linden Cogen) has obtained the permits and approvals necessary to operate its existing 800 MW cogeneration facility. The additional authorizations needed to construct and operate the two GE LMS100 combustion turbines are discussed below.
- Air Permitting: The Linden Cogen facility currently operates under a combined PSD and Title V Operating Permit. This permit was renewed in June 2012. The renewed permit authorizes emissions from the six existing combined cycle combustion turbines, five heat recovery steam generators and ancillary equipment. The permit incorporates recent state and federal regulatory requirements. Modification of this permit to include the two proposed LMS100 combustion turbines will be necessary. State-of-the art emission controls will be utilized to reduce emissions of nitrogen oxide (NOx) emissions and carbon monoxide (CO). These control technologies will include water injection and selective catalytic reduction to minimize NOx emissions. An oxidation catalyst will be installed to minimize CO and volatile organic carbon (VOC) emissions. In addition, clean burning natural gas will be utilized to reduce emissions of particulate matter less than 10 microns (PM-10), particulate matter less than 2.5 microns (PM-2.5) and sulfur dioxide (SO2) emissions. Due to the use of these control technologies, offsite air impacts from the project will be below National Ambient Air Quality Standards (NAAQS.) As such, permit authorization for the addition of these new combustion turbines with their state-of-the-art emission controls is reasonable and anticipated to be obtained in the normal course. The permit modification will be subject to Prevention of Significant Deterioration (PSD) review for PM-10 and PM-2.5 and Greenhouse Gas (GHG) emissions. Note that EPA is in the final stages of reclassifying northern New Jersey to attainment for PM-2.5. This process is expected to be completed during the summer of 2013. Therefore the project is not expected to trigger a nonattainment review for PM-2.5.
- Wastewater Discharge: The Linden Cogen industrial wastewater discharge permit allows for discharge of utility wastewater from the demineralizer plant and other process wastewater streams to the local publically owned treatment works (POTW). The additional utility wastewater from the LMS100 project will be handled through Linden Cogen's existing wastewater treatment system. The wastewater permit will be amended to allow for the increased flow, as necessary. A general stormwater permit authorizes the discharge of non-contaminated stormwater within the facility. The stormwater from the LMS100 project site will be routed to Linden Cogen's existing stormwater retention basin and discharged through the existing permitted outfall. No additional permitting is necessary. The Linden Cogen Stormwater Pollution Prevention Plan (SPPP) will be updated to reflect management of stormwater from the LMS100 project.

- Spill Response: Discharge Prevention, Containment and Countermeasure (DPCC), Discharge Cleanup and Removal (DCR) and Spill Prevention, Control and Countermeasure (SPCC) plans are in place for the Linden Cogen facility. The plans will be modified to include additional equipment for the LMS100 project, as necessary.
- Risk Management Program (RMP): The Linden Cogen facility utilizes aqueous ammonia as part of its NOx emission control system. The state of New Jersey requires facilities that store over a certain quantity and concentration of aqueous ammonia to comply with both the federal RMP program and the more stringent New Jersey Toxic Catastrophe Prevention Act (TCPA) Program 3 requirements. These programs are in place at the Linden Cogen facility and will be expanded to include additional ammonia storage for the aqueous ammonia used in the SCR emission control system for the LMS100 project.
- Construction Permits: The location of the new combustion turbines will be within an existing industrial facility. The facility has developed infrastructure that will support the new combustion turbines with little impact to the surrounding community. Planning Board Site Plan approval as well as approval by the Union County Bureau of Land Facilities Planning will be obtained for the project. A Soil Erosion and Sedimentation Control Plan will be submitted to the NJ Soil Conservation District for approval prior to start of construction.

FAA notification of construction of the combustion turbine stacks will be provided to allow for aeronautical study to identify potential lighting and marking requirements. Note that past aeronautical studies for Linden Cogen's three existing 200 foot stacks, have concluded that lighting or marking was not necessary due to the plant's location within a larger industrial facility.

8.10.2. Listing of all Federal, State and Local Environmental, Regulatory and Other Permits and Approvals

Title V Operating Permit/Prevention of Significant Deterioration (PSD) Permit:

- Agency - New Jersey Department of Environmental Protection
- Existing permit - will require modification to add two LMS100 turbines and an air cooled condenser
- Required prior to start of construction
- Schedule – agency approval is anticipated 12 to 15 months after receiving the modification application. This schedule includes agency technical review, atmospheric dispersion modeling, 30 day public comment period and 45 day EPA comment period.

- Status - Application is scheduled to be submitted in early September 2013 with issuance expected in late summer to fall of 2014. The Title V Operating Permit incorporates the PSD permit. PSD review will be included as part of the modification of the Operating Permit.

Linden City Planning Board Approval:

- Agencies – City of Linden, Union County Bureau of Land and Facilities Planning, New Jersey Soil Conservation District
- New approval – obtain Planning Board approval of site plan and variance for stack height
- Required prior to start of construction
- Schedule – approval expected within six months of submittal of application package.
- Status – Site Plan application and Soil Erosion and Sedimentation plan will be submitted fall of 2013 with approval expected by spring 2014

Notice of Proposed Construction or Alteration (Stack Construction):

- Agency – Federal Aviation Administration (FAA)
- New notification – requests and FAA aeronautical study to confirm that the stacks are not a hazard to air navigation and to outline lighting and marking requirements, if any.
- Required prior to start of construction of combustion turbine stack
- Schedule – submittal to be filed at least 30 days prior to start of construction
- Status – Application will be submitted in early 2014 with FAA determination expected by spring 2014

(Note that similar studies were undertaken for the three 200-ft tall Linden Cogen stacks. No lighting or marking was required.)

Industrial Wastewater Discharge Permit:

- Agency - Linden Roselle Sewerage Authority (LRSA)
- Existing permit – will require modification to incorporate utility water (increase in current permit flow rate is not anticipated)

- Required prior to discharge
- Schedule – permit amendment is expected to take six months from submittal of application
- Status - application will be submitted in early 2014 with issuance expected by early summer 2014

DPCC/DCR/SPCC Plan:

- Agency - New Jersey Department of Environmental Protection (NJDEP)
- Existing plan – will require modification and agency approval to incorporate new equipment and regulated chemicals
- Required prior to bring new chemicals on site
- Schedule – modification review and approval is expected to take six months from submittal of application package
- Status – plan revisions will be submitted in early 2014 with approval anticipated by fall 2014

RMP/TCPA Modification:

- Agency – Environmental Protection Agency (EPA), New Jersey Department of Environmental Protection (NJDEP)
- Existing plan – will require modification to the plan and updates to RMP report to reflect the use and additional storage of aqueous ammonia for the NOx emission control system (SCR)
- Required prior to storing aqueous ammonia in new tank
- Schedule - modification of the RMP/TCPA plan and notification/updates to RMP report will be prepared at least six months prior to start of operation. No agency approval is required.

8.10.3. List of all studies that are required with respect to consents (agency permits/approvals)

- The PSD review will include an additional impacts analysis to assess the impacts of the new project on vegetation, air, soil, water and visibility due to air emissions. The analysis will also address impacts to the area due to industrial, commercial or residential growth that would result due to the project.

- An air quality impacts analysis will be performed to demonstrate that emissions from the project along with emissions from other existing sources will not contribute to a violation of NAAQS or PSD increment.
- A biological assessment will be conducted to confirm that emissions from the project will not jeopardize endangered species or critical habitats and will be included with the PSD application.
- The PSD application will also include a review and certification of compliance with the Coastal Zone Management Act (CZMA.)
- As required by the National Historic Preservation Act, the effect of a project on historic places that are either included in, or eligible for inclusion in the National Register of Historic Places maintained by the Department of the Interior, is to be addressed by PSD permit applicants. As part of the PSD application, an assessment will be performed to determine whether historic properties exist within the LMS100 project area of potential impact. If an adverse impact is anticipated, the assessment will present options to avoid or mitigate these effects.
- An Environmental Justice analysis will be conducted to identify areas in the vicinity of the facility which would be considered "Communities of Concern" (minority or low-income communities). Environmental impacts from the LMS100 project on any communities identified in the study will be evaluated to confirm that the project will not adversely impact these communities.
- The FAA aeronautical study will be undertaken to ensure that the new stacks for the combustion turbine will not be a hazard to air traffic. The stacks will be located within an existing industrial facility with several stacks well above 200 feet.

8.10.4. A link to a Web site or electronic repository where we may find copies of all SEQRA/environmental review documents and studies, including public and involved agency comments

Not required. The project is located in New Jersey, and will supply power into Staten Island via an existing cable that crosses the Arthur Kill.

8.11. PRICING

Please find enclosed the Pricing Data Sheet – Generation.

8.12. CONTRACT EXCEPTIONS

8.13. HALTING COSTS

8.13.1. Halting Cost Caps

[REDACTED]

8.13.2. Cancellation Clauses in Contracts for Implementation of Halting Mechanism

[REDACTED]

8.14. OTHER REQUIREMENTS

8.14.1. Required Easements & Right-of-Way Requirements

The Project will be sited on a tract of land with existing access to infrastructure including stormwater and wastewater management, water supply, natural gas supply, and electrical transmission systems. Should future engineering or construction requirements prompt the need for additional easements or right-of-ways, such requirements should largely be within the scope of the Phillips 66 Bayway Refinery.

8.14.2. Economic Development Benefits

Direct benefits of the Project include an anticipated Host Community Benefit fee to the city of Linden, NJ (described in Project Description, Sec. 8.3) and job creation. In addition to a large labor force needed for construction, the Project is expected to create five full time positions during commercial operations. At the present time Linden Cogen has a full time staff of over 50 people.

8.14.3. Large Generating Facility Data (Attachment 9)

Please find this data enclosed at the end of this section.

8.14.4. Generation Data Sheet (Attachments 2 & 3)

Please find this data enclosed at the end of this section.

8.14.5. NYPA Appendices

- Appendix B: EFS acknowledges the prompt payment policy.
- Appendices C, E, G: EFS acknowledges New York State's encouragement to employ a diverse set of suppliers, including New York State Business Enterprises, Certified Minority Business Enterprises, and Women Business Enterprises as suppliers and contractors for the Project. At this time, we are unable to submit fully completed forms as relevant sub-contractors have not been selected for the Project. The Project will endeavor to work with its contractors on supplier diversity and affirm compliance with all applicable equal employment opportunity requirements, subject to the constraints of New Jersey laws and regulations and the requirements of union labor arrangements.
- Appendix H: EFS will assign its interests and responsibilities under this procurement to an affiliate entity prior to the execution of definitive agreements. We expect this new entity will register, as required, in time for contract award.
- Appendix J: Please find enclosed at the end of this section.

8.15. COMPLIANCE STATEMENT

All products or services provided by its Project will be in compliance with all applicable legal and regulatory requirements.