REQUEST FOR PROPOSALS

No.Q13-5441LW

SUBMITTED BY:

Cricket Valley Energy

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advanced power

Marubeni
POWER INTERNATIONAL, INC.

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1. EXECUTIVE SUMMARY

Cricket Valley Energy Center LLC ("Cricket Valley" or "CVEC") proposes to enter into a Master Power Purchase and Sale Agreement ("PPA") with the Power Authority of the State of New York ("NYPA") to sell capacity and energy from a nominal 1,000 MW gas fired combined cycle electric power generating facility ("Generation Facility") being developed by CVEC in Dover, New York (the "Project").

The Project has received all state, local and federal pre-construction permits for the Generation Facility. The Project is scheduled to be operational by June 2016.

Description of Project

The Project has three separate powertrains each consisting of (i) one GE 7F 5-series combustion turbine generator ("CTG"); (ii) one heat recovery steam generator ("HRSG"); (iii) one GE A14 steam turbine generator (collectively referred to as a "Power Block" or "1x1x1 configuration"); and (iv) one air-cooled steam condenser ("ACC"). The HRSGs will each include a natural gas-fired duct burner (supplemental firing system) to allow for additional electrical production during periods of high electricity demand.

The new generation GE 7F 5-Series combustion turbines will enable the Project to produce electricity at a heat rate of less than 7,000 Btu per kWh, making it one of the most efficient generating units in NYISO. The Project's configuration (three independent Power Blocks) will create strong operational flexibility for reduced start times and load-following response. Based on independent studies, the Facility is expected to have an annual availability of 93 percent or greater, while achieving summer peak availability of 98 percent or greater. These features allow the Project to serve as a dependable base-load generation alternative to the retirement of the Indian Point units and help maintain the reliable operation of the power grid.

The Project is located in Dover, NY on a 193-acre site on N.Y. Highway 22 (the "Property"), immediately adjacent to both the Consolidated Edison Company of New York ("ConEd") 345kV ConEd transmission line ("Line 398") and to the Iroquois Gas Transmission System ("IGTS") pipeline within the ConEd Line 398 right of way. The Generation Facility will be constructed on 57 acres ("Project Development Area"), limited to the previously disturbed area of the site. CVEC has a long-term option to purchase the Property. The Property is within the Town of Dover's Industrial/Manufacturing Land Use District, which permits industrial and related uses.

The Facility will utilize natural gas as the sole fuel for its combustion turbines and HRSG duct burners. There will be an ample supply for natural gas as fuel for the Project. The Project is adjacent to the actively drilled Marcellus Shale basin and several new pipeline projects are under development which will enable Marcellus gas to reach New York markets. IGTS has announced plans to add physical receipt capability to its interconnection with Dominion and via a new interconnection with the Tennessee Gas Pipeline Company at Pleasant Valley, NY. In 2015, the proposed Constitution Pipeline is expected to be completed and interconnected with IGTS. The Constitution Pipeline will supply an incremental 650,000 MMBtu/day of Marcellus gas into IGTS at Wright, NY.

An approximately 500-foot-long 12-inch-diameter natural gas pipeline will extend from a new natural gas metering station, located on the Project site to the IGTS 24" interstate high pressure pipeline

located on the northern portion of the ConEd transmission line right-of-way that abuts the Project site. The site is also located near IGTS's 18,371 hp Dover, NY compressor station.

The Facility's electrical interconnection will be to the existing ConEd 345kV Line 398 that extends along the northern boundary of the Project site. A new switchyard and substation ("Cricket Valley Substation"), incorporating gas-insulated switchgear ("GIS") will be located on-site from which approximately 700 feet of overhead transmission lines will extend to reach the existing ConEd right-of-way.

The Project has obtained all pre-construction permits for the Generation Facility, including but not limited to Air and Wetland Permits, as well as a Certificate of Public Convenience and Necessity and approval for lightened regulation.

A comprehensive review of all environmental and community impacts have been provided in both: (1) the Draft Environmental Impact Statement ("DEIS") and Final Environmental Impact Statement ("FEIS"), prepared in accordance with New York's State Environmental Quality Review Act ("SEQRA"); and (2) the Special Use Permit Application, submitted to the Town of Dover in October 2012. New York State Department of Environmental Conservation ("NYSDEC") issued a SEQRA Findings Statement for the Generation Facility on September, 26, 2012, In January 2013,Town of Dover issued its SEQRA Finding Statement, issued the Generation Facility a Special Use Permit, amended the Town's Noise Ordinance, and granted the Facility a height variance from the Town's Zoning Ordinance.

CVEC implemented an extensive Community Outreach Program during the DEIS/FEIS SEQRA and Special Use Permit processes to inform the local community of the Project and address the community's concerns. In direct response to concerns expressed by the community, CVEC completed redesigns of the Project, which now incorporate a rooftop water collection system and a Zero Liquid Discharge water system to address concerns about water quality and volume, as well as new parking plans to minimize potential traffic congestion during construction of the Project. The Generation Facility has been carefully designed to clean-up and efficiently utilize the Project Development Area and adjacent energy infrastructure interconnections, while minimizing disturbance of natural resources.

The Project is not expected to generate additional school children for the Dover – Union school district. Likewise, no additional operating or infrastructure costs are expected to be incurred to provide for public police, fire, or other municipal services; however, as part of the payment in lieu of taxes ("PILOT") agreement to be negotiated with the Town and the Dover-Union school district will receive significant additional revenue, resulting in a fiscal benefit not reduced by costs associated with additional demand for services.

Proposer Information, Experience and Financial Capacity

CVEC is a special purpose entity created to develop, own, operate, and maintain the Generation Facility proposed here. CVEC is currently owned by Advanced Power AG ("APAG") and Marubeni Corporation ("Marubeni"): (i) 80% by two special purpose holding companies, AP Cricket Valley Holdings I, Inc. and AP Cricket Valley Holdings II, Inc., which are wholly owned subsidiaries of APNA Holdings GmbH ("APNA"), a subsidiary of APAG; and (ii) 20% by a special purpose holding company,

MC CVEC Project Holdings I, LLC, which is a subsidiary of MC Cricket Valley Holdings, Inc., a subsidiary of Marubeni.

GE Energy LLC ("GE Energy"), a subsidiary of General Electric Company ("GE"), has an option to purchase a 40% interest in CVEC from APAG (the "Option"). GE Energy has exercised its Option and is in the process of becoming a formal owner of CVEC, subject to legal documentation.

GE designs and manufactures gas turbines, steam turbines and ancillary power generation equipment. GE through its wholly-owned indirect subsidiary, GE Energy Financial Services ("GE EFS") manages a $20 billion portfolio of investments in electric power generation, transmission and distribution, and oil and gas infrastructure and reserves. GE EFS also provides operation & maintenance services for more than 22,000 MW of power generation assets. GE is a publicly traded company with a market capitalization of approximately $247 billion USD, and an AA+ credit rating.

GE Energy Financial Services manages a $20 billion portfolio of investments in electric power generation, transmission and distribution, and oil and gas infrastructure and reserves.

Marubeni is a publicly traded Japanese company with a market capitalization of approximately $11 billion USD. Marubeni through its subsidiaries and joint ventures has invested in and owns approximately 8,910 MW of generating capacity (out of a total of 30,123 MW gross capacity) globally. Marubeni has a credit rating of BBB.

Marubeni Corporation and its affiliates have constructed or repowered 569 power generation projects of all types internationally, totaling 99,157 MW.

APAG is owned by its management, board members and 3i, a London based private equity company. APAG currently has 2,100 MW of projects in development. APAG's management and senior employees have developed more than 13,500 MW of power generation projects and secured US$9.0 billion of limited recourse project financing for power generation projects.

Together, GE, Marubeni and Advanced Power, form a world class team for development, financing, construction and operation of the Generation Facility. GE will supply state of the art gas turbines and steam turbines, as well as other equipment ancillary to the Generation Facility. Both GE and Marubeni have unequalled experience financing large scale power projects, with Advanced Power also having significant recent power project financing experience. GE and Marubeni also own or operate tens of thousands of MWs of power generation facilities and will bring this experience to bear in the design and development of the Generation Facility. The CVEC project team and owners, along with its internationally respected EPC Contractor, CH2M HILL, will provide NYPA with unsurpassed capabilities rarely matched in the development, financing, construction and operation of power generation facilities.

Environmental Benefits

The Project will be built on an industrially zoned site in the Town of Dover, NY currently occupied by abandoned, burned and partially collapsed buildings. The Project will also clean up substantial amounts of solid waste on the site are which have been accumulating since the 1940's and will be disposed of in an environmentally acceptable manner.

The Project will produce electricity very efficiently (with the lowest heat rate in NY State), displacing older, less efficient, and higher pollution emitting electric generators that currently serve the New York region, while ensuring maximum mitigation of environmental impacts.

A Security Constrained Economic Dispatch Analysis projects that as a result of the Project becoming operational, (i) total annual nitrogen oxides ("NO_x") production is expected to decrease by an average of 2.05% per year in New York State; (ii) total annual Sulfur Dioxide ("SO_2") production is expected to decrease by an average of 1.53% per year in New York State; and (iii) total Carbon Dioxide ("CO_2") production across the region is projected to decrease by an average of 0.1% per year.

As a result, the Project will play an important role in achieving the Energy Highway Blueprint's goals of maintaining reliability and reducing energy costs and air emissions, with consequent improvement in the state's economic competitiveness. The Project will specifically achieve the Energy Highway Blueprint's goal of alleviating transmission constraints and expanding generation diversity downstate. The Project, due to its favorable location in New York Independent System Operator ("NYISO") Zone G, will alleviate transmission congestion below the congested Up State New York-Southeast New York ("UPNY/SENY") transmission interface.

NYISO's Congestion Assessment and Relief Integration Study ("CARIS") also specifically identified the addition of 1,000 MW of generation in the area of the ConEd Pleasant Valley substation, the substation at which the Generation Facility will interconnect, as a solution to reduce congestion in New York State in the Leeds-Pleasant Valley transmission corridor. NYISO estimates a 1,000 MW generation facility adjacent to the Pleasant Valley substation would produce ten- year electricity production cost savings of $330 million.

Environmental Review and Proposed Resources, Development Plans and Schedule

All pre-construction permits for the Generation Facility have been received and the Project plans to achieve commercial operation date ("COD") by June 1, 2016.

NYISO has preliminarily determined that the following System Upgrade Facilities ("SUFs") will be required to be constructed by the interconnection transmission owners ("Transmission Projects") in order to allow the Generation Facility to connect to the NYISO grid: (1) ConEd will be required to build a 14 mile interconnecting line on the existing ConEd 345kv Line 398 right of way, as well as complete the reconductoring of 3.5 miles of Line 398 in NY; and (2) Northeast Utilities ("NU") will be required to complete the reconductoring of 5.5 miles of Line 398 in CT. CVEC is currently negotiating agreements with ConEd and NU for the design, permitting, and construction of these projects to achieve the Facility COD of June 1, 2016.

The enclosed Project development schedule ("Project Schedule") includes: (i) the remaining permitting and environmental review required for the Transmission Projects, (ii) negotiation of a firm

transportation agreement for fuel supply for the Facility; (iii) negotiation of a contract for operations and maintenance for Facility; as well as, (iv) all construction activities, including procurement, fabrication, construction, testing and commercial operation of both the Transmission Projects and Generation Facility.

Firm transportation capacity is available on the IGTS pipeline and several additional capacity resources. IGTS has continued to refine the numbers and methodology to serve the gas supply transportation needs of the project. The additional capacity from the other resources on the IGTS pipeline has also been offered to the Project. The Project has determined that sufficient firm capacity is available from IGTS and other parties to meet the full firm capacity needs of the Project. Other than a direct negotiation for firm transportation capacity with IGTS and others, options include capacity release by companies with firm capacity on IGTS. All current conversations are confidential and the Project will accept those gas supply offers that are most economically advantageous to the project.

The Project has selected CH2M HILL as its EPC Contractor. CH2M HILL has designed and constructed 30 major power generation facilities in the last ten years, including 8 projects of various sizes in NY-NJ area. CH2M Hill's 535 MW gas-fired combined cycle gas turbine ("CCGT") Empire Generating Company project in Rensselaer, NY, which became operational in August, 2010, was selected by *Power Engineering* Magazine as the 2011 "PowerGen Project of the Year."

Construction will require an estimated investment of approximately $1.3 billion, which will provide a significant benefit to the local, regional and state economies. The Project will create an average of three hundred (300) construction jobs during the three-year construction of the Facility, with up to seven hundred fifty (750) jobs during the five-month peak construction period. Operation of the Facility will create twenty eight (28) well-paying permanent jobs in Dover.

Project construction is estimated to create an additional secondary/induced 2,202 fulltime equivalent ("FTE") jobs, including 751 secondary jobs in Dutchess County in a wide variety of industries. During operation, the Project will create an additional 56 FTE jobs.

The Project will provide a long-term revenue source for the Town of Dover and the Dover Union Free School District through a PILOT agreement currently under negotiation between the Town of Dover, Dutchess County and the Dover Union Free School District. The range of PILOT payments to be made by CVEC to the Town of Dover and the Dover-Union School District are approximately $158 million over the life of the Project.

The Project will also create or maintain high paying manufacturing and engineering jobs in New York. The 3 steam turbines ("ST"), 3 steam turbine generators ("STG") and 3 Combustion Turbine Generators will be manufactured in Schenectady, New York. GE will employ or engage 150 people directly and indirectly in engineering, manufacturing and related support people in Schenectady to design and manufacture the three sets of STs and STGs. GE will also supply the Engineered Equipment Package ("EEP") to the Project which will support 40 GE personnel located in Schenectady, NY who will be directly or indirectly be involved in the engineering, planning, and logistics for the Project's EEP.

As a result, 190 GE personnel located in Schenectady, NY will be involved supplying equipment and services to the CVEC Project.

In addition to the direct GE jobs (engineering, manufacturing), the GE CTGs and STGs have a number of small and medium sized businesses in New York state that feed into the GE supply chain. For the GTGs, GE has 3 New York state suppliers that have a total of approximately 275 jobs. For STGs, GE has 9 New York state suppliers with ~ 365 employees. These suppliers provide parts and components.

Pricing (REDACTED)

Power Purchase Agreement Exceptions (REDACTED)

Halting Costs (REDACTED)

Other Requirements/Minority/Woman Owned Business Goals

CH2M HILL, as the EPC contractor and principal employer of construction personnel for the Project, has a well-established minority and women owned business ("M/WBE") policy; in the past 10 years CH2M HILL has awarded 71% of its available subcontractor dollars to small and diverse businesses. GE Energy has a similar well developed M/WBE policy.

CVEC during the operation period pledges to meet NYPA's M/WBE policy goals.

Conclusion

CVEC is proposing to enter into a PPA with NYPA to sell energy and capacity from a state of the art highly efficient, low emission CCGT power Generation Facility that will provide a reliable generation alternative to the retirement of any Indian Point unit. CVEC has proposed a very favorable contract rate for the energy and capacity purchase, with minimum PPA exceptions and reasonable halting costs.

The Project has gone through extensive SEQRA environmental review, and has obtained all federal, state and local pre-construction permits for the Generation Facility.

The Project will bring tremendous economic benefits to New York state, including the creation of hundreds of jobs in construction, operations and manufacturing in New York State. The Project meets the requirements of the New York Energy Highway Blueprint.

General Electric Company, Marubeni Corporation, Advanced Power AG together provide a world class development and financing team that will assure that CVEC will be able to complete development, obtain financing, and construct the Generation Facility in time to meet NYPA's required on-line date of June 1, 2016. GE and Marubeni are world class owners and operators of power generation projects; this experience provides the highest possible assurance that the Project will meet all NYPA requirements and operate in full and complete compliance with the terms and conditions of PPA.

2. DESCRIPTION OF PROJECT

Cricket Valley Energy Center, LLC ("CVEC") has been designing and obtaining permits and authorizations to construct and operate a nominal 1,000 megawatt (MW), highly efficient combined cycle gas turbine ("CCGT") electric generating facility (the "Generation Facility" or "Facility"), on an approximately 193-acre site (the "Property") located in Dover Plains, Dutchess County, New York (the "Project").

A description of the type of generation facility, location, fuel supply, points of interconnection, environmental impacts, community impacts, and electrical characteristics is as follows.

2.1 Type of Project

The Generation Facility, firing only natural gas in its combustion turbines, will comprise three separate powertrains, each operating in combined-cycle mode. Each powertrain will consist of (i) one GE 7F 5-series combustion turbine generator ("CTG"); (ii) one heat recovery steam generator ("HRSG"); (iii) one GE A14 steam turbine generator ("STG") (collectively, a "Power Block" or a "1x1x1 configuration"); as well as (iv) an air-cooled steam condenser ("ACC") for each Power Block. The HRSGs will each include a natural gas-fired duct burner (supplemental firing system) to allow for additional electrical production during periods of high electricity demand.

GE's F-class gas turbine technology was initially developed in the 1980s. GE's first F-class technology unit entered commercial service on June 6, 1990. As of February 2013, there are more than 750 7FA gas turbines in service with a cumulative operating experience of more than 27 million fired hours and more than 660 thousand starts. The hours-based fleet leader has logged more than 143 thousand hours while the starts-based fleet leader has logged more than 4,300 starts.

The newest addition to GE's F-class gas turbine portfolio, the 7F 5-Series, delivers greater output and efficiency while maintaining leadership in reliability, availability and the operational flexibility power generators need to meet system requirements in all operating modes.

GE's 7F 5-Series combustion turbines will enable the Facility to produce electricity at an efficient heat rate of less than 7,000 Btu per kWh, making it one of the most efficient generating units in NYISO.

The Project's configuration (three independent Power Blocks) will create strong operational flexibility including reduced start times and rapid load-following response. Based on independent studies, the Facility is expected to have an annual availability of 93 percent or greater, while achieving summer peak availability of 98 percent or greater. These features allow the Project to serve as a dependable base-load generator to help maintain the reliable operation of the power grid.

The Project General Arrangement plans are attached as Proposal Exhibit 1.

The following is an overview of water use, treatment and discharge, emissions controls, emergency diesel generators, and ancillary project equipment.

2.1.1 Water Use and Discharge

As noted above, the Generation Facility will use ACCs to minimize water demand. Process water supply is planned from new on-site bedrock wells. In addition, a zero liquid discharge ("ZLD") system will recycle and reuse water internally, reducing the need for process water and ensuring that no process wastewater will be discharged. Residual solids from the ZLD process will be collected and transported to an off-site licensed landfill in accordance with the Project's waste management plan. Sanitary waste will be discharged via an on-site septic system and associated leach field. See Proposal Section 2.5 for a more detail discussion of water use and discharge, including the ZLD process.

2.1.2 Emissions Control

Clean-burning natural gas will be the sole fuel for the combustion turbines and HRSGs' duct burners. Exhaust will be released through three co-located facility stacks (one for each Power Block), approximately 282 feet tall. The Facility will be equipped with state-of-the-art emissions control technology, including dry low nitrogen oxide ("NO_x ") burners and selective catalytic reduction ("SCR") technology to control emissions of NO_x, and an oxidation catalyst to control carbon monoxide ("CO") and volatile organic compounds ("VOC") emissions. A continuous emissions monitoring system ("CEMS") will be utilized to ensure and document facility compliance with applicable emissions standards. See Proposal Section 7.2 for a more detail discussion of air emissions. A copy of the Facility's air permit is also provided in Proposal Exhibit 2.

2.1.3 Emergency Diesel Generator

Four diesel-fired black start generators, each with a maximum power rating of 3 MW, will be used to re-start the Facility's combustion turbines in the event of a total power loss on the local or regional transmission grid. All four generators will be required to start one of the combined cycle turbines. Once a turbine is up and operating, power from that turbine will be used to start the other turbines. The black start generators will fire ultra-low sulfur diesel ("ULSD") fuel and will only be used in case of emergency; as such their operating hours will be limited to 500 hours per year for readiness testing.

2.1.4 Auxiliary Boiler

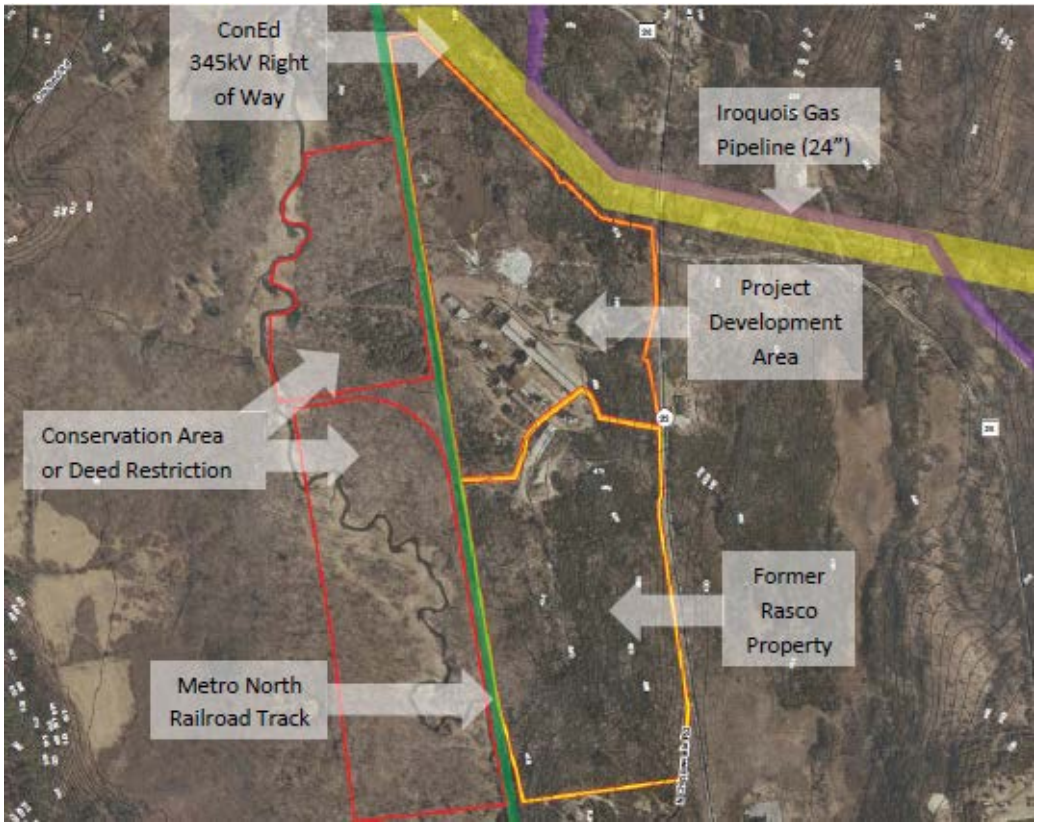
A low NO_x natural gas-fired auxiliary boiler will operate as needed to keep the HRSGs warm during periods of turbine shutdown, and provide sealing steam to the steam turbine during startups to reduce startup times and emissions. The auxiliary boiler will have a maximum input capacity of 48.6 million British thermal units per hour (MMBtu/hr) and will be limited to 4,500 hours per year of operation.

2.2 Location

The Project location has been carefully selected to make optimum use of the existing electric and natural gas infrastructure, current industrial zoning, and topography and tree cover that provide a substantial natural buffer to the surrounding community. The Property consists of five (5) parcels

totaling 193 acres and is located at 2241 Route 22, Dover, Dutchess County, New York (the "Property"). CVEC holds a long-term option to purchase the Property, discussed in further detail in Proposal Section 8.13. The Property is within the Town of Dover's Industrial/Manufacturing Land Use District ("M"), which permits industrial and related uses. A high-level site location map is provided in Figure 2.1.

Figure 2.1: Site Location Map



A more detailed site location map is attached as Proposal Exhibit 3 and a Zoning Map as Proposal Exhibit 4.

Immediately to the north of Property is an existing Consolidated Edison Company of New York ("ConEd") 345-kilovolt ("kV") electric transmission ("Line 398") right-of-way, which includes an Iroquois Gas Transmission System ("IGTS") natural gas pipeline which will provide fuel to the Facility. These interconnections are discussed in more detail in Proposal Section 2.4. In addition, the Property is bounded to the east by New York State Route 22; to the south by Rural-zoned property; and to the west generally by the Swamp River. A Metro-North railroad track transects the Property in a north-south direction.

CVEC proposes to construct the Generation Facility on a 57-acre parcel (the "Project Development Area"), shown on Figure 2.1 above, which is located to the west of Route 22, south of the ConEd Line 398 right-of-way, and east of the Metro-North rail line. The Project

Development Area is also shown in Proposal Exhibit 3, Development Area of Disturbance; an Artist's Rendering of the proposed Generation Facility is included as Proposal Exhibit 5.

The Project Development Area has history of heavy industrial use dating to the 1940s and consists of numerous dilapidated or collapsed industrial buildings and structures, some of which were destroyed by fire in 1996. The Project Development Area, which includes substantial solid waste from historical operations, has also been identified by Dutchess County as the Mica Products Critical Environmental Area ("CEA"), due to the need for clean-up associated with former uses. CVEC has conducted a Phase II Environmental Site Assessment and is working with New York State Department of Environmental Conservation ("NYSDEC") to address clean-up objectives for the site. CVEC will work closely with the Town of Dover and the NYSDEC to restore this portion of the Property and place it back into productive and tax paying use.

Approximately 79 acres of the 193-acre site lie west of a Metro-North railroad track and are currently undeveloped, labeled as Conservation Area on Figure 2.1 above. This portion of the Property has been designated as part of the Great Swamp CEA for its natural resource value. This portion of the Property is not proposed for any Project development activity, and CVEC is in discussions with local conservation groups to place this land into a permanent conservation trust.

The remaining 57 acres of the Property, labeled as Former Rasco Parcel on Figure 2.1 above and shown in Proposal Exhibit 3, was not part of the original proposed development, but has been acquired by CVEC to serve as a temporary parking and storage area during construction. The temporary use of the Former Rasco Parcel is intended to reduce the impacts and traffic associated with the originally proposed 40-acre parking area, located 2.5 miles north of the Property off Route 22 (the "Remote Laydown Site"). The Former Rasco Parcel also provides additional natural buffer to the south. The Remote Laydown Site is still expected to be used during construction, though at a reduced level. A map of the Remote Laydown Site is included as Proposal Exhibit 6.

2.3 Fuel Supply

The Facility will utilize natural gas as the sole fuel for its combustion turbines and HRSG duct burners. See Proposal Section 2.4 and 8.15 for a more detailed discussion of the gas interconnection and gas supply plans.

2.3.1 Assessment of Availability of Sufficient Gas Supplies

According to the Energy Information Administration's 2012 Annual Energy Outlook, the Marcellus Shale basin contains 141 Trillion Cubic Feet of unproved technically recoverable gas. In comparison, CVEC's annual gas requirement is projected to be approximately 0.04 Trillion Cubic Feet. Recent increases in production in the Marcellus Shale region have led to an abundance of low cost natural gas available for delivery to customers on the Iroquois Gas Transmission System ("IGTS"). A large number of natural gas producers are actively drilling and extracting gas from the Marcellus Shale basin due to its proximity to the high-demand electricity markets along the east coast of the US. Complementing this increased production, several new pipeline projects are under development that will enhance the ability of Marcellus gas to reach New York markets. The Facility expects to be a

consumer of these new gas supplies. One example of these pipeline projects is the Constitution Pipeline that is scheduled to deliver 650,000 MMBtu/day of incremental Marcellus gas into IGTS at Wright starting in 2015. (REDACTED)

2.3.2 Assessment of Availability of Sufficient Gas Transportation

IGTS has identified three alternatives for providing sufficient gas transportation to meet the Facility's needs. (REDACTED)

2.4 Point of Interconnection

2.4.1 Gas Interconnection

An approximately 500-foot-long 12-inch-diameter natural gas pipeline will extend from a new natural gas metering station, located on the northern portion of the 57-acre portion of the Property located to the east of the railroad track, Project Development Area, to the Iroquois Gas Transmission System, 24" interstate high pressure pipeline located on the northern portion of the ConEd transmission line right-of-way that abuts the site to the north. See General Arrangement-Gas Interconnection included as Exhibit 9.

Gas system interconnections and upgrades required as a result of the Project are discussed in Proposal Section 8.15.

2.4.2 Electrical Interconnection

The Facility's electrical point of interconnection ("POI") will be to the existing ConEd Line 398 that extends east and west along the northern boundary of the site. See Proposal Figure 2.1, above. A switchyard and substation, incorporating gas-insulated switchgear ("GIS") to minimize footprint requirements, will be located on-site from which approximately 700 feet of overhead transmission lines will extend to reach the existing ConEd right-of-way ("Cricket Valley Substation"). See General Arrangement plans included as Proposal Exhibit 1.

CVEC submitted its Interconnection Request with NYISO in September 2008 on the basis assuming a three 1x1x1 configuration and currently holds a queue position of # 310. The electrical interconnection and NYISO system upgrades (system upgrade facilities ("SUFs") and system deliverability upgrades ("SDUs")), required as a result of the Project, are discussed below in Proposal Sections 8.17.

2.5 Environmental Impacts

The Facility's low-impact design will preserve and protect the environmental quality of the Property and will respect the rural character of Dover and the surrounding communities. As noted above, the developed footprint of an existing industrial site will be utilized and surrounding trees and topography will be preserved to the greatest extent possible.

A comprehensive environmental review of the Project has been provided in the Draft Environmental Impact Statement ("DEIS") and Final Environmental Impact Statement ("FEIS"), which has been

prepared in accordance with the State Environmental Quality Review Act ("SEQRA") and submitted to NYSDEC in April 2011 and July 2012, respectively. The DEIS and FEIS demonstrates that the Facility will have no significant adverse impact on the environment, and will improve the environment by reducing air pollutant emissions by displacing older, higher emitting generators and locally by cleaning up a very disturbed and dilapidated industrial site.

NYSDEC issued: (1) a SEQRA Findings Statement for the Facility on September, 26, 2012, certifying the completion of the NYSDEC's DEIS/FEIS SEQRA process (see Proposal Exhibit 10); as well as (2) air and wetland permits for the Facility on September 27, 2012 (see Proposal Exhibit 2 and Exhibit 11). US Army Corps of Engineers ("USACE") issued the Project a Nationwide Permit (wetlands) on November 30, 2012; see Proposal Exhibit 11. The Town of Dover issued its SEQRA Finding Statement for the Generation Facility on January 30, 2013 (see Proposal Exhibit 12).

As discussed in further detail in Proposal Section 8.11, CVEC implemented an extensive Community Outreach Program during the DESI/FESI SEQRA process to inform the local community of the Project and address the community's concerns.

In direct response to concerns expressed by the community, CVEC completed redesigns of the Project, which now incorporate a rooftop water collection system and a ZLD water system to address concerns about water quality and volume, as well as new parking plans to minimize potential traffic congestion during construction of the Project. The Generation Facility has been carefully designed to efficiently utilize the site and adjacent energy infrastructure interconnections, while minimizing disturbance of natural resources as follows.

2.5.1 Earth Resources

2.5.1.1 Site Remediation

As noted above the Property has a long history of industrial use dating to the 1940s and is currently occupied by numerous dilapidated or collapsed buildings and structures. Construction activities will include completely demolishing the collapsed buildings and clean up the Project site.

A Phase II Environmental Site Assessment was completed for the Property to determine potential contamination of soil, groundwater, and surface water at the Property due to various tenant operations that have occurred over approximately 70 years. In addition, the Phase II ESA was used to estimate the extent of waste piles deposited on the site by the various tenants that have occupied the site since 1942.

Based upon the Phase II ESA results, three soil sampling locations were identified for which contaminant levels indicate the potential need for remediation by removal of 100-370 cubic yards of contaminated soil (see *FEIS Figure 2-6, for which* a link is provided in Section 9.4).

The amount of contaminated soil at each of these locations is manageable and small in comparison to the proposed redevelopment. Excavation and off-site disposal by licensed contractors is considered the most appropriate means of remediation. Under a site specific Health & Safety Plan developed for these activities, the materials will be removed (with

appropriate protection measures), and appropriate approvals will be obtained for disposal of the material at either a solid waste landfill or treatment and recycling facility.

In addition to the contaminated material, various piles of debris material located throughout the Property will be removed and disposed of properly off-site, including the debris related to previous operations which has been tested and shown to be non-hazardous. After completing removal of the contaminated materials and debris, a report of the remediation activities will be prepared and submitted to NYSDEC. For further detail on site remediation, see *FEIS – Section 2.3.4 – Demolition and Clean-Up Strategies,* a link is provided in Section 9.4.

2.5.1.2 Demolition

CVEC has completed a pre-demolition survey, which is described in detail in *FEIS – Section 2.3.3,* a link is provided in Section 9.4. All of the materials identified in the survey, including asbestos containing material ("ACM"), lead- based paint, and other hazardous materials will be removed according to applicable federal, state, and local guidelines.

Buildings will be demolished using conventional demolition methodology to safely collapse or dismantle structures. Demolition debris will be prepared for disposal by segregating metals from brick and concrete. In general, the intent is to remove all solid waste material such as miscellaneous trash, Formica debris, and building materials, with the exception of the inert waste piles (e.g., limestone slag and fire brick) and inert building materials (e.g., concrete and brick). CVEC is proposing to beneficially reuse the inert limestone slag and clean concrete and brick as construction fill, subject to approval from the NYSDEC. See *FEIS – Section 2.3.4.2 – Demolition Activities*, a link is provided in Section 9.4.

2.5.1.3 Operational Solid Waste

During both construction and operation of the Facility, all waste materials will be collected and placed in containers prior to being disposed of off-site. Solid waste will be transported off-site by licensed haulers and will be disposed of at licensed facilities. There will be no solid or liquid waste materials discharged with stormwater.

CVEC has incorporated a ZLD system into the Project design to reduce water consumption and eliminate process wastewater discharge. A by-product of this process, after the water is recycled, is dewatered crystal solids (e.g., "salt cakes"). CVEC has identified potential options for handling these crystal solids. For instance, the Facility could transport the material to a licensed third party for a marketable by-product, such as road salt. If an agreement with a third party processing facility cannot be reached, the Facility will transport the material to a licensed off-site solid waste management facility.

2.5.2 Air Resources

The Facility will minimize its air emissions by utilizing highly efficient combined cycle generation technology and using only clean-burning natural gas to power the combustion turbines. In addition,

the Project has incorporated Lowest Achievable Emission Rates ("LAER") / Best Available Control Technology ("BACT") design features and will represent the lowest emitting power plant of its type ever constructed.

Further, as quantified in the Project's DEIS, Facility's highly efficient production of energy is expected to displace the operation of older, less efficient and higher emitting power plants, and improve regional air quality by a net reduction in regional emissions of air pollutants and greenhouse gases. These emission reductions are confirmed by the Project's Security Constrained Economic Dispatch ("SCED") Analysis, presented in the Project's *DEIS at Appendix 1-A – SCED Analysis*, a link is provided in Section 9.4.

Additional detail on the Generation Facility's air emissions can be found in Section 7.2, as well as Proposal Exhibit 2.

NYSDEC issued an Air Permit for the Project on September 26, 2012.

2.5.3 Water Resources

CVEC recognizes the importance of the Great Swamp, the Swamp River and the Harlem Valley watershed to the community. The Project has made considerable efforts to engineer the Facility to minimize water use, including (1) a ZLD system to internally recycle process wastewater, ensuring no process wastewater will be discharged; (2) a rooftop rainwater capture system to supplement the water supply; and (3) latest technology incorporated in air-cooled condensers which will minimize water use. Through these efforts, the Project will be one of the most water-efficient power plants in the region, as further described in *DEIS – Section 5 – Water Resource.*

Process water will be provided by new, on-site, deep bedrock wells. To ensure that the purity and quality of town's drinking water supply will not be affected, a long-term pump test program, as approved by the NYSDEC, was implemented (see *DEIS Section 5.4.4* for a detailed discussion of the pump test and approved protocol, a link is provided in Section 9.4). This pump test was designed to monitor neighboring wells, adjacent wetlands, and the Swamp River to ensure Facility's water consumption will have no adverse impact. The Facility's main well can be operated indefinitely at its design rate, 60 gallon per minute ("gpm"), and when tested at maximum water needs, 120gpm, it did not produce any discernible effects on any of the monitored off-site wells, nor any of the on-site wetlands. See *DEIS Section 5.4.4,* a link is provided in Section 9.4.

The Facility will employ best management practices for storm water management, which will include a system that reflects existing drainage patterns and incorporates a detention pond, bio-retention facilities, and roof top rain capture to maintain peak rates of discharge and minimize the potential for erosion and sedimentation. Additional detail on the Project's water consumption, proposed water sources, and stormwater management facilities can be found in *FEIS Section 5 – Water Resource,* a link is provided in Section 9.4.

NYSDEC issued water quality certification to the Project on May 30th 2012.

2.5.4 Natural Resources

Both NYSDEC and USACE have confirmed the presence of, jurisdictional wetlands on the Property. Table 2 below summarizes the jurisdictional wetland resources within the Project Development Area and Former Rasco Parcel. NYSDEC issued the Project a Wetland Permit on September 26, 2012, attached here as Proposal Exhibit 11; USACE authorized the Project to perform work under the Nationwide Permit, General Permit Number 39, attached here as Proposal Exhibit 11.

Table 2.1: Jurisdictional Wetland Resources

Wetland Resource	Parcel Location	State Jurisdictional?	Federally Jurisdictional?	Wetland Jurisdictional Area (Acres)
1	PDA	No	No	--
2	PDA	Yes	Yes	8.68
3A	PDA	No	No	--
3B	PDA	No	Yes	0.41
Drainage Swale	PDA	No	Yes	0.04
A (US 5)	FRP	No	No	--
B (US 6)	FRP	No	No	--
C (US 7)	FRP	No	No	--
D (US 8)	FRP	Yes	Yes	6.08
E (US 9)	FRP	No	No	--
F (US 4)	PDA & FRP	No	Yes	0.36 (0.03 acres in PDA)

PDA = Project Development Area; FRP = Former Rasco Parcel

CVEC will minimize impacts to surrounding habitat and wetlands by siting the Generation Facility east of the railroad tracks, and reducing the size of the Facility's footprint through use of a GIS substation. CVEC will also use the Remote Laydown Area, as described in Proposal Section 2.2, during construction of the Facility to reduce environmental impacts to wetlands adjacent to the main Facility site as well as to maintain a large tree buffer around the Project site.

In addition, assessments by NYSDEC and the US Fish & Wildlife Service have identified no endangered species' habitat on the Project site or the Remote Laydown Area (see *FEIS Section 3 – Natural Resources,* a link is provided in Section 9.4).

2.5.5 Land Use

The Property is an appropriate location for the Generation Facility due to the adjacent energy infrastructure, industrial zoning, and substantial natural buffer to the surrounding community.

The Project will comply with, and be consistent with, all land use districts and overlay districts, as defined by the Code of the Town of Dover ("Town Code"). In January 2013, the Town of Dover: (1) issued the Project a Special Use Permit, attached here as Proposal Exhibit 13; (2) amended the Town's Noise Ordinance, discussed in more detail below, resolution attached here as Proposal Exhibit 14; and (3) granted the Project a height variance from the Town's Zoning Ordinance, attached here as Proposal Exhibit 15. The Town's Architecture Review Board ("ARB") issued a SEQRA Findings Statement for the Project on December 2012; See Exhibit 16.

As noted above, the Property totals 193 acres, and is primarily located within the Town of Dover Industrial/Manufacturing ("M") Land Use District. The Project is consistent with the "M" use district as the Property sits in relative isolation, and existing topographic and tree buffers will be maintained. A small portion of the Property extends west of the Swamp River and is located within the Resource Conservation District; however, this land is inaccessible and will not be disturbed by Project activities. As noted above, CVEC is also in discussions with local conservation groups to place this land into a permanent conservation trust.

2.5.6 Visual Resources

The visual analysis indicates that, although the Facility will be visible from certain locations, the Property possesses a number of qualities that will minimize visual impacts to the surroundings, including: the Facility's location within a valley, a substantial buffer of mature trees, and a hillside that will shield the majority of the Project structures from view. See *DEIS – Section 6.2,* a link is provided in Section 9.4 of this Proposal.

The Generation Facility has been purposefully located within a compact footprint, including co-locating the three stacks to minimize their visual impact on surroundings. As described in *DEIS – Section 6.2* and *FEIS – Section 6.2.2 (*a link is provided in Section 9.4), the visual impact was assessed by NYSDEC as minimal, given the design attributes of the Project, the Property's natural buffer which will be preserved, the context and number of viewers, the duration of the view, the degree of discernible detail, and the scenic value of the setting.

Areas of potential visibility within a 5-mile radius were determined based on computer modeling that considered both topography and vegetation (see *DEIS Figures 6.2-1 and 6.2-*2, a link is provided in Section 9.4). Within these areas, types of viewers and land uses were considered, leading to selection of vantage points from which photographic simulations were prepared. Representative simulations both under current conditions and with the proposed Project in place were included as *Figures 6.2-6 through 6.2-13 of the DEIS,* a link is provided in Section 9.4.

2.5.7 Traffic

The Generation Facility has been designed to minimize potential traffic impacts and maintain public safety. The Property is bounded to the east by New York State Route 22, a two-lane, undivided state highway which operates with a current average daily traffic of approximately 6,900 vehicles. As a state highway, there is no pedestrian traffic. The posted speed limit at the Property is fifty-five (55) miles per hour with average lane and shoulder widths of twelve (12) feet and six (6) feet respectively.

2.5.7.1 Operational Traffic

The Generation Facility will be accessed via the Property's existing driveway on the west side of NYS Route 22, which will be widened as part of the Project improvements. Once operational, the Project will result in minimal additional vehicle trips each day, estimated at 28 daily round trips, which will be an insignificant addition given the current traffic on NYS Route 22. See *DEIS – Section 6.3* and *FEIS – Section 6.2.3,* a link is provided in Section 9.4.

2.5.7.2 Construction Traffic

It is expected that an average of 300 construction jobs will be created during the three- year construction of the Project, with up to 750 jobs during the five-month peak construction period. This will generate an estimated 733 additional vehicle trips during peak construction, which includes both construction workers and construction vehicles.

As noted above, to alleviate traffic impacts, CVEC has acquired the Former Rasco Property for temporary construction worker parking, See Figure 2.1 above. CVEC expects that the Former Rasco Parcel can accommodate approximately 580 construction worker vehicles, which will be adequate to serve the entire construction crew for more than 80 percent of the construction period (approximately 30 months). During the five months of peak construction, anticipated to occur in 2015, overflow parking may be required at the Remote Laydown Site.

CVEC will work with the New York State Department of Transportation ("NYSDOT") to identify appropriate temporary measures to implement during construction to mitigate traffic impacts at the Project driveway. CVEC's recommendations for review by NYSDOT currently reflect:

- A temporary traffic signal at the Project driveway for use during construction; and
- Roadway improvements at the Project driveway, including temporary widening of NYS Route 22 (including a northbound left turn lane and southbound right turn lane into the Property). These temporary lanes will include clarification of traffic patterns through use of land and median striping to reduce potential traffic conflicts.

CVEC will work closely with the Town of Dover to determine the need for any additional measures such as providing manual traffic control during the peak morning and evening hours. In addition, while the normal daily hours of construction and material/equipment truck traffic are planned to be between 7:00 AM to 4:00 PM and typically from Monday through Friday, CVEC will work with the Town and Dover Union Free School District to adjust the construction start time to avoid school bus schedules.

2.5.8 Noise

Noise modeling analysis has demonstrated that when operational, the Generation Facility will meet the requirements of the NYSDEC and Town Code at all property lines (see *DEIS – Section 6.4*; *DEIS – Appendix 6-E*; and *FEIS – Section 6.3.4* for detailed information, a link is provided in Section 9.4).

2.5.8.1 Operational Sound Levels

The Facility will comply with the most restrictive night-time sound level limit (50 dBA) of the Town Code Noise Standards at the north, south, and east Property lines, which are the Property lines nearest to residential receptors.

The Facility's sound levels were predicted to exceed the Town Code Noise Standards at the western Property line abutting the Metro-North railroad track; however, the Metro-North railroad line is not a noise-sensitive receptor, and CVEC will own approximately 1,000 feet of additional property on the other side of the railroad line. In January 2013, the Town of Dover amended its Zoning Code to permit the anticipated noise levels at the Property boundary abutting the railroad line without negatively impacting community character and residential uses. See Proposal Exhibit 14.

Based upon the Project's *Baseline Sound Study and Environmental Sound Evaluation*, included as *Appendix 6-E* to the DEIS, sound levels produced by the operation of the proposed Project were evaluated at a number of locations, including the Middle/High School. Sound levels at the Middle/High School are expected to be below 35 dBA (as shown in Exhibit 17) at the exterior of the nearest building. Inside the buildings, Project sound levels will be reduced still further. 30 dBA is equivalent to a quiet office or library.

For more information on project sound levels please *see Section 6.4* of the DEIS *and Section 6.3.4* of the FEIS, a link is provided in Section 9.4.

2.5.8.2 Construction Sound Levels

The construction management firm chosen by CVEC will be contractually obligated to meet all Town of Dover Noise Standards pertaining to construction of the Project, and is required to include a "noise guarantee" in the construction of the plant. The noise guarantee will include baseline monitoring during commissioning and start-up of the plant. Once the Facility is fully operational, CVEC will measure the actual operational sound levels at nearby residents and Property lines. These measurements and the associated report will be conducted by a third party licensed acoustical engineer in accordance with industry practices and any applicable state and local regulatory requirements.

Construction noise is prohibited between the hours of 9 p.m. and 7 a.m. except in case of an urgent necessity in the interest of public safety. Examples of activities that will be required at night include:

- Concrete pours, which must be continuous for structural integrity, and which are not anticipated to be particularly noisy;
- Transfer of materials from the remote Laydown Site to the Property, timed to avoid the evening commuter period and no later than 9:00 p.m., which will involve trucking noise;
- Hauling of heavy loads (such as the turbines), which per NYSDOT regulation must

occur during late night hours to minimize effect on existing roadway use; and
- Construction finish work, as necessary, during later construction phases, which will predominantly occur indoors and will therefore not produce significant noise levels.

Due to some anticipated shallow bedrock within the construction area, limited blasting may be necessary during construction to reach competent bedrock suitable for foundations and support structures. A detailed geotechnical survey will be conducted to determine if, or how often, blasting will need to occur. If deemed necessary, a detailed safety plan will be developed and a comprehensive public outreach plan will be implemented, as detailed in Section 2.3.2 of the DEIS, a link is provided in Section 9.4.

Appropriate notifications will be made to adjacent landowners, the Town of Dover, New York State Police, Dutchess County Sheriff's Office, and the Town of Dover Building Inspector. Although the Town Code requires that only adjacent landowners within 300 feet of the blast site be notified within 24 hours of blasting, CVEC has committed to notify homeowners within 1,000 feet of the blasting site 5 business days prior to blasting as detailed in Section 2.3.2 of the DEIS, a link is provided in Section 9.4. CVEC will work with the Town of Dover if a more comprehensive outreach plan is required. For more specific detail on blasting plans, please see *DEIS – Section 2.3.2,* a link is provided in Section 9.4.

2.5.9 Electric Magnetic Fields

The Project's electrical interconnection will occur entirely within project and ConEd property. The Project's electrical interconnection right of way ("ROW") is restricted and buffered from public access by approximately 300 feet of trees and vegetation. Nonetheless, the maximum field strengths were calculated at edge of the outer ROW, approximate 75 feet from the centerline of the structure, and compared to the PSC interim standards.

Table 2.2: Calculated Edge-of-ROW Maximum Field Strengths

	Electric Field (kV/m)	**Magnetic Field (mG)**
New York State PSC Standard	1.6	200
Maximum Edge of ROW Levels (East / West)	0.75 / 1.31	153.0 / 59.5

The maximum electric and magnetic field strengths calculated at the edge of the ROW are well below the NYPSC standards. Thus, anticipated impacts associated with EMF relating to the Project are insignificant.

2.6 Community Impacts

In addition to environmental impacts, a comprehensive review of Project's Community impacts are provided in both: (1) the DEIS and FEIS, prepared in accordance with SEQRA, see Section 6.0 of the DEIS, a link is provided in Section 9.4; and (2) the Special Use Permit Application, submitted to the Town of Dover in October 2012.

As noted above, NYSDEC issued a SEQRA Findings Statement for the Generation Facility on September, 26, 2012, finding that consistent with social, economic and other essential considerations, to the maximum extent practicable, the Project minimized or avoided adverse environmental effects; the Town of Dover issued its SEQRA Finding Statement on January 30, 2013, accepting NYSDEC findings. On the same date, January 30, 2013, after numerous public hearings, the Town of Dover also issued the Generation Facility a Special Use Permit. See Exhibit 13.

As outlined in the DEIS and Special Use Permit, the Project is consistent with Dover's core community goal of balancing its traditions and natural resources with responsible economic growth as follows.

2.6.1 School District

The Property is located within the Dover Union Free School District. Since the Project does not involve the construction of new residences, its operation will not be expected to generate additional school children for the district. Even in the event that the twenty eight (28) plant employees represent new households within the district, public school children from those twenty eight (28) new households could amount to an estimated additional sixteen (16) students (Rutgers, 2006). This will represent less than one percent (1%) of district enrollment. The existing surplus capacity and trend of declining enrollments will be sufficient to accommodate these additional schoolchildren. Significant worker in-migration will not be required to meet the Project's construction labor demand. The bulk of the temporary workers coming from outside of the region will stay for relatively short durations and will not relocate their entire family. As a result, it is not likely that the Project construction period will result in new households with schoolchildren within the district. CVEC does not, therefore, expect that the schools will incur increased costs, either during or after construction. However, as part of the payment in lieu of taxes ("PILOT") agreement to be negotiated with the Town, the school district will receive significant additional revenue, resulting in a fiscal benefit not reduced by costs associated with additional demand for services. The PILOT agreement is discussed in more detail in Proposal Section 13.2.6 and 8.12 below.

2.6.2 Fire/Emergency Protection

Fire protection service in the Town of Dover is provided by the J.H. Ketcham Hose Company, an all-volunteer fire department. The fire department has approximately two hundred (200) volunteers that operate three engines, one rescue/pumper, one quint (five (5) function engine and ladder truck), two utility trucks, two ambulances, and two staff automobiles. The fire department currently has a 75-foot aerial ladder truck.

The Generation Facility will include fire protection systems designed and constructed to the latest, state-of-the-art requirements, including the National Fire Protection Association ("NFPA") "Recommended Practice for Fire Protection for Electric Generating Plants and High Voltage Direct Current Converter Stations." The fire protection systems will also comply with all applicable state and local codes.

NFPA fire protection systems will be fully automated to provide alarm, detection, and suppression capability for all hazard areas. Fire water will be supplied to the fire protection system via an electric motor driven pump. A diesel-driven pump will serve as back up to the motor-driven pump. The fire pumps will take suction directly from a 1,000,000-gallon on-site water storage tank supplied by on-site wells, and supplemented by rooftop rainwater capture. The fire water distribution system will include yard hydrants and automatic and manual suppression systems serving areas requiring protection. In addition, a Comprehensive Site and Safety Plan ("CCSP") will be prepared, in coordination with the Hose Company, State Police and Sherriff's Office, detailing safety procedures, training and testing that must be completed before workers can enter the site.

With a comprehensive on-site system for fire emergencies, it is not anticipated that the project will necessitate new equipment for the Hose Company or other significant increases in operating or infrastructure costs. It is noted however, that while the project will not likely result in significant additional costs, the project is located in the fire district and will generate tax revenue for the Hose Company.

Emergency medical services in Dover are provided by Northern Dutchess Paramedics ("NDP") and the J.H. Ketcham Fire Company. NDP provides coverage during the daytime hours, while the fire company provides services during the nighttime hours. NDP offers on-call services when required during the fire company's coverage. As mentioned previously, the project will not result in a significant population increase; therefore, no significant increases in call volumes that will warrant the purchase of new equipment or changes in operations will be anticipated.

2.6.3 Police Protection

The Project will include perimeter fencing to secure the complete operations of the Generation Facility. The Project will also maintain on-site staff operation and surveillance 24 hours per day, seven days per week. All vehicle and personnel traffic will be controlled through the single main gate via the main control room building. The continuously manned operation control room will include equipment for communications with the Dutchess County Sheriff's Office and the New York State Police. The Project will also employ private security and coordinate traffic control and site access with the New York State Police during the construction phase. As a result, CVEC anticipates that any increase in demand for police services from operation of the project will be minimal and limited to traffic control assistance and the rare event of an emergency. Compensation will be provided as required for provision of traffic control by police officers during construction. Therefore, no additional operating or infrastructure costs are expected to be incurred to provide for public police services.

2.6.4 Water/Sewer/Solid Waste

The Project is proposed to include the latest commercially available water saving technologies, including use of a ZLD system used to internally recycle/reuse process water and the use of air-cooling rather than traditional water-cooling. The result is that the project is expected to have a water demand ranging from approximately 10 to 60 gpm, based upon the ambient temperatures. This will be supplied by on-site wells and supplemented by the facility's rooftop rain capture system, as available. There are no municipal sewer systems in the immediate area; therefore, an on-site septic

leach field system will be installed. The implementation of the ZLD system will result in no wastewater being discharged from the site.

The only water leaving the site will be stormwater that has flowed through the stormwater management system, water vapor from the facility's stacks, and inherent moisture in the non-hazardous waste solids from the water treatment systems. A subsurface sewage disposal system will be utilized to dispose of domestic wastewater. As the Project relies on on-site wells and a subsurface disposal system, there are no potential municipal cost implications related to water or sewer infrastructure. Similarly, a licensed private hauler will be used for the removal of solid waste during both construction and operation, so there will therefore be no related municipal costs for this item.

2.6.5 Other Municipal Services

The Town of Dover provides a variety of municipal services, ranging from general administrative and management functions (e.g., tax collection, town justice, various permits and licenses) to infrastructure (e.g., highway maintenance, recycling) to programs for citizens (e.g., recreation, youth programs). As described above, it is anticipated that the required construction labor force for the Project will be readily met with available workers within Dutchess County and the Hudson Valley region. As a result there will not be significant in-migration of construction workers. Accordingly, there will be minimal increase in demand for municipal services during construction.

Similarly, the operation of the Generation Facility is expected to require a twenty eight (28)-person staff. These employees may or may not live in the Town of Dover, but in either case will represent an insignificant population increase and will not be expected to increase municipal service costs. As part of the negotiated PILOT agreement, the Town of Dover will receive additional revenue, resulting in a fiscal benefit not reduced by additional municipal service costs. The PILOT agreement is discussed in more detail in Proposal Section 8.12 below.

Dutchess County also provides a wide range of administrative and programmatic services to its constituents (e.g., courts, land records, health and social services, etc.). As with the Town of Dover municipal services described above, the project will result in an insignificant increase in the Dutchess County population. As a result, Dutchess County will not be expected to incur increased general service costs. It will, however, receive additional revenue as part of the negotiated PILOT agreement.

2.7 Electrical Characteristics

Of the total energy production, at International Organization for Standardization ("ISO") conditions (59 degrees Fahrenheit [^{o}F] and sixty percent (60%) relative humidity), adjusted for the actual site elevation, approximately 629 has long-term MW will be produced by the combustion turbines. The exhaust heat from the combustion turbines will be sent to the HRSGs to produce steam that will drive the steam turbine generators. This process will result in an additional approximately 314 MW without duct burners operating and 443 MW with duct burners operating. Approximately 24 MW is consumed within the Facility to power necessary electric systems, resulting in a total net nominal output of 1,000 MW at ISO conditions with duct firing.

The three steam units will operate at a nominal voltage of 15.75 kV each which will be stepped up to 345 kV through individual 175 MVA transformers. The three gas turbines will operate at a nominal voltage of 16.5 kV each which will be stepped up to 345 kV through individual 250 MVA transformers. All six generator step up transformers are connected wye-grounded on the high side and delta connected on the low side. All generators have a 0.90 power factor.

See Attachment 2 for detailed electrical characteristics.

3. PROPOSER EXPERIENCE

3.1 Business History

Cricket Valley Energy Center LLC ("CVEC") was formed on April 2, 2009, to develop, finance, construct and operate the Generation Facility. CVEC is a limited liability company and its Project is being developed by subsidiaries of: (1) GE Energy, LLC, subsidiary of General Electric Company ("GE Energy,") (2) Advanced Power AG ("APAG"); and (3) Marubeni Corporation. See Proposal Sections 4.3, through 4.5, Ownership Status, for a more detailed discussion of Ownership Status.

A business history of the parent companies, with subsidiaries owning an interest in CVEC, is as follows.

3.1.1 General Electric Company

GE Energy is a subsidiary of General Electric Company ("GE"), a publically traded company, continuously traded on the New York Stock Exchange since 1892, with an AA+ credit rating. GE is headquartered in Fairfield, CT. GE operates in more than 100 countries and employees more than 300,000 people worldwide.

GE is one of the world's leading suppliers of power generation and energy delivery technologies. GE will supply to the Project its latest 7F 5-Series combustion turbine technology, highly efficient steam turbines, generators and heat recovery steam generators ("HRSGs"). The steam turbines and generators for both combustion and steam turbines will be manufactured in Schenectady, NY. See Proposal Section 13.4, Manufacturing and Job Creation in New York State.

GE, through its wholly-owned indirect subsidiary, GE Energy Financial Services ("GE EFS") manages a $20 billion portfolio of investments in electric power generation, transmission and distribution, and oil and gas infrastructure and reserves.

GE is also one of the world's largest providers of power plant operations and maintenance services, managing more than 22,000 MW of power generation assets. GE is a publicly traded company with a market capitalization of approximately $247 billion USD. GE Energy is the entity responsible for managing GE's investment in CVEC and is headquartered in Schenectady, New York.

3.1.2 Advanced Power AG

APAG is a privately held company organized in Switzerland with offices in London.

APAG was founded in 2000 with a mandate to develop, own and manage power generation and related infrastructure projects in Europe and in North America. APAG is owned by its management, board members and 3i, a London based private equity company (www.3i.com). APAG's management is guided by the company's advisory board, which consists of former CEOs of Scottish Power, InterGen and Gasunie. APAG's management and senior employees have developed more than 13,500 MW of power generation projects and secured US $9 billion of limited recourse project financing.

Advanced Power Services, Inc. ("Advanced Power" or "AP"), located in Boston, MA, was established to manage APAG's investments in North America, and is the entity responsible for managing APAG's investment in CVEC.

3.1.3 Marubeni Corporation

Marubeni is a large, publicly traded Japanese company, founded in 1858 and incorporated in 1949, with its principal office in Tokyo, Japan. Marubeni is publicly traded on three (3) stock exchanges in Japan: Tokyo, Osaka, and Nagoya. Marubeni manages businesses across a wide range of industrial sectors throughout the world and employs over 4,500 people in nine (9) domestic offices in Japan as well as in 120 overseas offices in 67 countries. In the United States, Marubeni has offices in New York, Chicago, Detroit, Houston, Los Angeles, Omaha, Silicon Valley and Washington D.C.

Marubeni, through its subsidiaries and joint ventures, owns approximately 8,910 MW (net) of generating capacity (out of a total of 29,958 MW gross capacity) globally as of November 30, 2012 (excluding Japan). As the owner of numerous projects, Marubeni is committed to creating long-term value from its investments in the power sector.

Marubeni Power International, Inc. ("MPII"), a subsidiary of Marubeni, is the entity responsible for managing Marubeni's investment in CVEC. MPII, based in New York, was established for the purpose of acquiring, developing, and expanding Marubeni Corporation's interests in the North American electric power industry.

3.2 Experience in Developing, Financing, Constructing and Operating Facilities

GE Energy, APAG and Marubeni together provide a world class development, financing and operations team that will assure that CVEC meet all NYPA RFP requirements. Should the New York Power Authority ("NYPA") enter into a PPA with the Project, the team will assure operation of the Generation Facility will be in complete compliance with the terms and conditions of PPA.

The collective experience of GE Energy, APAG, and Marubeni with respect to developing, financing, owning or constructing electric power facilities follows.

3.2.1 General Electric Company

GE Energy, together with its parent, General Electric Company, is a world leader in energy project development, energy project financing and manufacture of both combustion and steam turbine/generator systems. GE Energy supports the development of power generation projects alongside its customers and has developed over 9,000 MWs of power projects globally. Over the last ten years, GE Energy has supported the development of following power generation projects as shown in Table 3.1 below:

Table 3.1: GE Energy's Past Power Project Development Experience

Project	Location	Type	MW	Experience
Arklow	Ireland	Offshore Wind	25	Development
Gunfleet Sands	UK	Offshore Wind	108	Development
Cefn Croes	UK	Wind	59	Development
Tappaghan	UK	Wind	20	Development
Griffin	UK	Wind	165	Development
Ally	France	Wind	39	Development
Cham de Cham Longe	France	Wind	18	Development
La Navica & Dehesica	Spain	Wind	59	Development
Baglan Bay	UK	CCGT	500	Development
Inland Empire	US	CCGT	775	Development
Westbrook	US	CCGT	520	Development
Dell	US	CCGT	520	Development
McAdams	US	CCGT	520	Development
Colusa	US	CCGT	640	Development
Sentinel	US	CCGT	800	Development
Samalayuca	Mexico	CCGT	700	Development
Uch	Pakistan	CCGT	560	Development

See Proposal Section 3.6 for existing electric generation owned and/or operated or managed by GE Energy.

3.2.2 Advanced Power AG

The management and senior employees of APAG, and its subsidiary Advanced Power, have a proven track record and have led the development of over 13,000 MW of power generation projects and secured US $9 billion of limited recourse project financing.

As outlined in Table 3.2, APAG and Advanced Power management have personally permitted and financed 13,000 MWs as follows:

Table 3.2
APAG and AP Management Experience

Project	Location	Type	MW	Experience
T-Power	Belgium	CCGT	420	Development Financing
Malženice Power	Slovakia	CCGT	420	Development
Knapsack	Germany	CCGT	800	Development Financing
Spalding	UK	CCGT	1,200	Development Financing
Coryton	UK	CCGT	800	Development Financing
Goose Lake	USA	CCGT	1,200	Development
Red Bud	USA	CCGT	1,100	Development
Ocean Spray Cranberry	USA	Cogen	44	Development
University of Rhode Island	USA	Cogen	55	Development
Hydro Quebec	Canada	CCGT	600	Development
Thunderbird	USA	CCGT	700	Development
Iatan IV	USA	Coal	700	Development
Philnico	Philippines	Cogen	150	Development
S. Sumatra	Indonesia	CCGT	250	Development
PT Serpong Elektrica	Indonesia	CCGT	420	Development
Bawana II	India	CCGT	300	Development
Bijapur	India	CCGT	350	Development
Genting Sanyen	India	Cogen	720	Development
Karnataka	India	CCGT	500	Development
Mountain View	USA	CCGT	1,200	Development
Lake Worth	USA	CCGT	350	Development
Czech Republic 1	Czech Republic	CCGT	150	Development / Financing
Czech Republic 2	Czech Republic	CCGT	150	Development / Financing
Potsdam Industrial Park	Germany	Cogen	50	Development / Financing
Delano Power	USA	Biomass	49	Development / Financing
Mendota	USA	Biomass	25	Development / Financing
Woodland	USA	Biomass	25	Development / Financing
Athens	USA	Biomass	16	Development / Financing
Hemphill	USA	Biomass	16	Development / Financing
Whitefield	USA	Biomass	16	Development / Financing
Dade County	USA	CCGT	30	Development / Financing
Italy biomass	Italy	Biomass	150	Development

Of the above, the following Projects were specifically developed by APAG:

- T-Power sold to International Power in December 2008 (33 % of 420 MW CCGT – Belgium)

  Advanced Power AG, in partnership with Tessenderlo Chemie NV and Siemens Project Ventures GmbH, successfully developed a 420 MW combined-cycle gas-fired power project at the Tessenderlo site in Belgium. Remarkably, the project raised €436 million of project financing in the midst of a rapidly deteriorating economic climate, reaching financial close in December 2008. The plant began commercial operations in June 2011. The T-Power project won the 2009 Energy Risk Award for its tolling deal.

- Malženice Power sold to E.ON in May 2006 (50% of 420 MW CCGT – Slovakia)

  Advanced Power AG developed the 420 MW gas-fired combined-cycle plant located in Malženice, Slovakia, which was subsequently sold to E.ON, the world's largest investor-owned power and gas company. The plant started commercial operations in December 2010.

Including CVEC, as shown in Table 3.3, APAG is currently developing 2,050 MW of power projects in the United States.

Table 3.3
APAG Projects

Project	Location	Type	MW	Experience
Cricket Valley Energy Center	New York	CCGT	1,000	Under Development
Brockton Clean Energy	Massachusetts	CCGT	350	Under Development
Carroll County Energy	Ohio	CCGT	750	Under Development

- Brockton Clean Energy – USA (350 MW CCGT)

  APAG, through its subsidiary AP, and in partnership with Siemens Financial Services, Inc., is developing a 350 MW combined-cycle natural-gas and oil-fired project to be located in Brockton, Massachusetts. The project is expected to begin commercial operations in 2016.

- Carroll County Energy – USA (750 MW CCGT)

  APAG, through its subsidiary AP, and in partnership with GE Energy is developing the Carroll County Energy Project in Carroll County, Ohio. The project is expected to begin commercial operations in 2017.

3.2.3 Marubeni Corporation

Table 3.4 and Table 3.5 provide samples of projects Marubeni has developed, financed, or constructed.

Table 3.4: Sample list of projects developed by Marubeni

Project	Location	Type	MW	Experience
Nghi Son 2	Vietnam	Coal	1,200	Development
Chilebon	Indonesia	Coal	660	Development
Shuweihat S2	UAE	CCGT	1,510	Development
Oman Sur	Oman	CCGT	2,000	Development
Invenergy Thermal	USA	GT/CCGT	1,041	Acquisition Refinancing
Electric Infrastructure Alliance of America	USA	Transmission & Distribution	N/A	Financing and Development

Table 3.5: Sample of Marubeni Power Project EPC Experience

Project	Location	Type	MW	Experience
Pyeongtaeck	Korea	CCGT	950	Construction
Dongducheo	Korea	CCGT	1,900	Construction
Ulsan #4	Korea	CCGT	950	Construction
Haripur	Bangladesh	CCGT	410	Construction
Keramasan Power Plant Extension Project	Indonesia	CCGT	80 upgrade	Construction
Patuha	Indonesia	Geothermal	55	Construction
Chana	Thailand	CCGT	782	Construction
Wang Noi	Thailand	CCGT	769	Construction
Koradi	India	Coal	1,980	Steam Generator and Turbine
Rajpura	India	Coal	1,400	Steam Generator and Turbine
Karchana	India	Coal	1,980	Steam Generator and Turbine
Dangjin 9&10	Korea	Coal	2,000	Construction
Mahawi Underground Cable	U.A.E.	Underground Transmission	N/A	Construction
Abu Dhabi - Sir Baniyas Submarine Cable	U.A.E.	Submarine Transmission	N/A	Construction
Nghi Son 1	Vietnam	Coal	600	Construction
Jaypee Nigrie	India	Coal	1,320	Steam Generator and Turbine
IRPC CHP Project	Thailand	CHP	220	Construction
Krishnapatnam	India	Coal	1,600	Steam Turbine Generator
Glow Phase 5	Thailand	CCGT	380	Construction
Muara Tawar Block5	Indonesia	CCGT	225	Construction
Gunsan	Korea	CCGT	700	Construction
Paju	Korea	CCGT	500	Construction
Abu Dhabi - Sadiyatt Underground Cable	U.A.E.	Underground Transmission	N/A	Construction
Nhon Trach	Vietnam	CCGT	450	Construction

See Proposal Section 3.6 for assets operated or managed by Marubeni.

3.3 CVEC Experience with NYISO Requirements and NYISO Membership Status

Cricket Valley Energy Center, LLC has been accepted as a member of the NYISO governance process as part of the Generator sector. CVEC can attend Operating Committee, Management Committee and Business Issues Committee meetings and vote on issues before the committees. In addition, CVEC has completed and submitted its application to become a customer of NYISO. The Project is currently awaiting comment from NYISO on the acceptance of this application.

CVEC has been involved in NYISO interconnection process since 2009. See Proposal Section 8.16, for a more detailed discussion of CVEC's involvement with NYISO in the interconnection process.

GE Energy's affiliate, GE Energy Financial Services, and consultants are active participants in the NYISO market and have significant knowledge of, and experience working with, NYISO tariffs and regulations.

3.4 Environmental Permitting Experience

The management and senior employees of APAG, and its subsidiary Advanced Power, have a proven track record and have successfully led the environmental permitting process on over 16,000 MW of power generation projects. For a list of projects permitted and developed by the project sponsors see tables for GE, AP and MC section 3.2. As lead developer on the CVEC project AP undertook permitting through the New York State SEQR process. The CVEC team successfully completed the permitting for the Project as of January 30, 2013

3.5 Project Management Team

CVEC has a very experienced project team with an extensive track record in all aspects of project management, project development, commercial structuring, financing, construction, operation and asset management of power plant projects.

The Project development team will consist of the following key members:

Project Manager:	Robert De Meyere
General Counsel:	Arnold R. Wallenstein
Project Engineer:	Peter Ramm
Manager, Environmental Permitting:	Amy Frazier
Manager, Development:	Ozgur Sherlock
Executive Project Advisor:	Tom Spang
Commercial Consultant:	Mark Leaman
Financial Consultant:	Martin Rees

Biographies of the team members are summarized below.

3.5.1 Robert De Meyere – Project Manager

Mr. De Meyere is the Vice President of Development for Advanced Power responsible for project feasibility and development. Mr. De Meyere has over 32 years of experience in the international power industry with expertise in project management, business development and strategic planning.

Prior to Advanced Power, Mr. De Meyere was integral in establishing a private equity fund of $290 million and the acquisition team of BTU Ventures where he successfully lead its efforts to establish the first regional O&M joint venture with a German power utility. Prior to joining BTU, he was the Manager of Project Development at PG&E National Energy Group the unregulated subsidiary of PG&E Corp., one of the largest utilities in the US. At PG&E, he had primary responsibility for leading a multi-disciplinary team in the development of a 1,200 MW gas-fired combined-cycle plant. His earlier experience includes positions as Business Development Manager, Asia Pacific for Kansas-based KLT Power responsible for developing a strategy to enter Asian markets, identify investment opportunities and negotiate exclusive rights to projects. His green-field development and project acquisition experience includes over 4,700 MW of operating plants totaling over $4.0 billion. Mr. De Meyere's responsibilities range from initiating independent power and cogeneration projects to the acquisition and divestment of projects in Asia, Africa, North America and the Middle East. He has materially participated in both coal- and gas- fired projects throughout these regions. Robert lived both in the Middle East and Southeast Asia.

He holds a Bachelor of Science in Civil Engineering with honors from Northeastern University and a Bachelor of Science in Biology from the State University of New York at Stony Brook, as well as courses toward a Master of Business Administration at Northeastern University.

3.5.2 Arnold Wallenstein– General Counsel

Arnold Wallenstein is Senior Vice President and General Counsel for Advanced Power. Mr. Wallenstein brings over 30 years of experience in development, construction, financing, operational issues as well as acquisition and disposition of electric power generation facilities in the US and Europe. He led the legal and regulatory effort in the development, construction and financing of over 3,500 MW of power generation projects and approximately $1 billion dollars in power facility and infrastructure project financings. In private practice Mr. Wallenstein has represented independent power companies, municipal utilities, turbine manufacturers and renewable energy companies. Mr. Wallenstein was for 16 years Assistant General Counsel of Thermo Electron Corporation (Fortune 500/NYSE) and General Counsel of Thermo Ecotek Corporation (AMEX), an independent power company with a portfolio of over 20 power infrastructure projects. Mr. Wallenstein is currently on the American Arbitration Association's national roster of neutral arbitrators arbitrating major disputes between Independent Power Producers ("IPP"), utilities, power purchasers, EPC contractors or equipment suppliers.

Mr. Wallenstein has a J.D. from Harvard Law School, an M.S. in Environmental Health Sciences from the Harvard School of Public Health and a B.A. in Political Science from the University of Massachusetts, Amherst, Magna cum Laude.

3.5.3 Peter Ramm – Project Engineer

Peter Ramm is Technical Director, Board Member and a Founding Shareholder of Advanced Power AG. Mr. Ramm is responsible for all technical and engineering aspects of the Project. Mr Ramm led the development of all the technical aspects of the T-Power project and secured all the construction contracts for the €400 million T-Power project such that the project could achieve the requirements of project financing in December 2008. Once Notice-to-Proceed had been issued Mr Ramm undertook the role of Owners Representative managing the initial phase of the EPC execution phase. Prior to joining Advanced Power, Mr. Ramm worked for InterGen where he led the technical aspects of the development of the 800 MW Knapsack project, the technical support for the 860 MW Spalding and 800 MW Rijnmond projects. Mr. Ramm has also led the technical due diligence into various coal-fired and CCGT plants using a variety of combustion turbine technologies. Between 1992 and 2001, Mr. Ramm worked at PB Power representing many leading financial institutions and heading up technical due diligence teams for the review of various international power plant projects worldwide. Between 1984 and 1992, Mr. Ramm worked for GEC Large Steam Turbine in all aspects of power plant development, design, manufacturing and construction.

Mr. Ramm is on the advisory board of PowerGen Europe, a Fellow of the IMechE and has a MA and a BA (Hons) in Engineering from Cambridge University.

3.5.4 Tom Spang – Executive Project Advisor

Mr. Spang is CEO of Advanced Power and is an Executive Board Member of Advanced Power AG. As CEO, Mr. Spang is responsible for all of Advanced Power's activities in North America. Prior to setting up the US business for Advanced Power, Mr. Spang was responsible for setting up its business in Spain. Between 1994 and 2004, among other responsibilities, Mr. Spang was Vice President and Head of UK Development for InterGen in Edinburgh and London. Mr. Spang was also Vice President, Asset Management, for InterGen in Boston. Prior to joining InterGen, Mr. Spang was a developer for J. Makowski Company where he was involved in the development of projects in the US, Canada, the Netherlands, Germany, Portugal and Spain.

Mr. Spang has a Bachelor of Arts in Economics and a minor degree in Political Science from Hobart College.

3.5.5 Amy Frazier – Manager, Environmental Permitting

Ms. Frazier is Associate General Counsel & Manager, Environmental Permitting for Advanced Power. Combined, she has over 15 years of management consulting and legal experience in regulatory and administrative agency matters. She brings 7 years of experience as a management consultant for Deloitte Consulting in Boston, MA, with a focus on financial services and government agency clients. Before joining Advanced Power, she was an associate in the Environmental and Administrative Law Department at Foley Hoag, LLP in Boston, MA, assisting energy and industrial clients with a range of environmental legal matters, including permitting, regulatory compliance, and litigation.

She has a Bachelor of Science in Computer Information Systems from Bentley University and a J.D. from Northeastern University School of Law.

3.5.6 Ozgur Sherlock – Manager, Development

Ms. Sherlock is Manager of Development for Advanced Power. Prior to joining Advanced Power, she managed US investment interests of Limak, an international holding company. She worked at the headquarters of Limak in Turkey, within the Strategic Development and Project Finance Departments, where she arranged the construction and equipment financing of company's hydroelectric power plants developed as Public Private Partnerships. There, she also coordinated the development of a 200 MW Kargi Hydroelectric Power Plant project, signed as BOT under Turkish-American protocol by the Bush administration in 1999. Prior to Limak, she worked as Financial Analyst and Project Developer at a Massachusetts-based power development company, GenPower - one of the portfolio companies of First Reserve, energy focused private equity fund.

Ms.Sherlock holds Bachelor of Science Degree in Civil Engineering from the Middle East Technical University and Master of Business Administration from University of Massachusetts, Boston.

3.5.7 Martin Rees – Financial Consultant

Mr. Rees is an executive with over 25 years' experience in finance, treasury, business development and M&A in the global energy and infrastructure sectors. He is the senior financial consultant. He was responsible for closing $10bn+ in project, corporate and acquisition financings. His most recent full time position was CFO of InterGen, a global power project developer and operator.

He has a BA in Accounting from the University of Kent at Canterbury (U.K.) and has professional accounting and treasury qualifications.

3.5.8 Mark Leaman – Commercial Consultant

Mark Leaman has over 20 years of experience in the electric power industry. His core area of expertise is in long-term power purchase agreements, tolling agreements and similar transactions, although he has experience in all aspects of power project development. Mr. Leaman has personally negotiated over 5,000 MW of long-term power transactions totaling over $5 Billion in revenue.

Prior to forming Leaman Energy, where he is currently the President, Mr. Leaman was Senior Vice President of Invenergy LLC. Mr. Leaman was a member of Invenergy's founding group, launched the company's wind energy business, and headed the energy marketing and transmission group. Prior to Invenergy, Mr. Leaman held various power marketing and development positions with Calpine Corporation, SkyGen Energy LLC, Commonwealth Edison Company and Louisville Gas & Electric.

Mr. Leaman holds an M.S. in Industrial Administration from the Krannert Graduate School of Management at Purdue University and a B.S. in Mechanical Engineering from Purdue University.

3.6 Existing Electric Generating Plants Owned and/or Operated

3.6.1 General Electric Company

GE Energy Financial Services ("GE EFS"), an affiliate of GE Energy and subsidiary of GE, is an active investor in power generation.

GE Power & Water ("GE P&W"), also an affiliate of GE Energy and subsidiary of GE, has extensive experience in power plant operations.

The experience of GE EFS and GE P&W is as follows:

3.6.1.1 GE Energy Financial Services

GE EFS is a wholly-owned indirect subsidiary of GE. GE EFS products and services span all levels of the capital structure, including senior and subordinated debt, leases, and structured and private equity. With approximately 300 professionals located in major financial centers around the world, GE EFS manages a $20 billion portfolio of investments in electric power generation, transmission and distribution, and oil and gas infrastructure and reserves issued by clients ranging from household names to financial sponsors to promising, early-stage ventures.

GE EFS is an active investor in power generation. In addition to passive interests in facilities, its current thermal power generation portfolio includes full or partial ownership.

Table 3.6: GE EFS Currently Owned Assets

Project	Location	Type	MW	% Ownership
Oyster Creek Limited	Texas	CCGT	424	50%
Cardinal Cogen, Inc.	California	CCGT	50	100%
Cogen Technologies Linden Ventures, L.P.	New Jersey	CCGT/GT	880	100%
Birchwood Power Partners, L.P.	Virginia	Coal	240	100%
Calpine Parlin LLC	New Jersey	CCGT	110	100%
Shady Hills Power Company	Florida	SC	517	100%
Homer City	Pennsylvania	Coal	1,884	100%
Sentinel	California	GT	800	0%
Southeast Power Generation (portfolio)	Georgia	CCGT/GT	2,527	0%

3.6.1.1 GE Power & Water

GE Power & Water ("GE P&W"), subsidiary of GE and affiliate of GE Energy, also has extensive experience in power plant operations. GE P&W is one (1) of the six (6) major businesses of the

General Electric Company and is the world's leading supplier of power generation and water technology, energy and water products and services.

GE P&W has developed a services organization, known as GE Power Generation Services ("GE PGS") to provide: Installation Services, Outage Services (including Field Services, Repairs and Parts), Monitoring and Diagnostic Services (M&D), Multi-Year Agreements (including Maintenance, Advisory Services and O&M Agreements), and Upgrade Services.

Through GE PGS, GE P&W offers integral operations and/or maintenance solutions on a contractual basis globally. GE P&W provides or has provided operation and maintenance services for the following assets:

Table 3.7: GE P&W O&M Experience

Project	Location	Type	MW	Experience
Annaba	Algeria	GT	80	Operations
Baglan Bay Power	UK	CCGT	590	Operations
Balloki	Pakistan	CCGT	225	Operations
Barcelona	Spain	CCGT	824	Operations
Bergen op Zoom	Netherlands	Cogen	80	Operations
Bikki	Pakistan	CCGT	225	Operations
Ada Cogen	USA	Cogen	32	Operations
Selkirk	USA	CCGT	95	Operations
Aragon Peaker	Mexico	GT	40	Operations
Atenco Peaker	Mexico	GT	40	Operations
Coapa Peaker	Mexico	GT	40	Operations
Dakar	Senegal	GT	54	Operations
Coyotepec	Mexico	GT	40	Operations
Hsin Tao	Taiwan	CCGT	680	Operations
Cuautitlan Peaker	Mexico	GT	40	Operations
K Power	Korea	CCGT	1,082	Operations
Ecatepec Peaker	Mexico	GT	40	Operations
Lztapalapa Peaker	Mexico	GT	40	Operations
Magdalena Peaker	Mexico	GT	40	Operations
Remedios Peaker	Mexico	GT	40	Operations
Santa Cruz Peaker	Mexico	GT	40	Operations
Oron	Algeria	GT	80	Operations
Oseong	Korea	CCGT	833	Operations
Vallejo Peaker	Mexico	GT	40	Operations
Victoria Peaker	Mexico	GT	40	Operations
Plana del Vent	Spain	CCGT	820	Operations
Villa de las Flores Peaker	Mexico	GT	40	Operations
Port Alger	Algeria	GT	40	Operations
Fox	USA	CCGT	553	Operations
Quetta	Pakistan	CCGT	150	Operations
Sabiya	Kuwait	CCGT	2,040	Operations
Saif	Pakistan	CCGT	225	Operations
Sapphire	Pakistan	CCGT	225	Operations
Chowchilla & Redbluff	USA	Recip	93	Operations
Millcreek	USA	GT	38	Operations
SIPCO	Thailand	CCGT	150	Operations
MEAG (Wansley Unit #9)	USA	CCGT	525	Operations
Cardinal Cogen	USA	Cogen	50	Operations
Trinity Power	Couva, Trinidad & Tobago	GT	210	Operations
Chihuido	Argentina	GT	39	Operations

Plaza Huincul	Argentina	GT	40	Operations
Linden #1-#5	USA	CCGT	715	Operations
Linden #6	USA	CCGT	170	Operations
Central Puerto	Argentina	CCGT	780	Operations
Shady Hills	USA	GT	510	Operations
Parlin	USA	CCGT	114	Operations
Birchwood	USA	Coal	243	Operations
Inland Empire	USA	CCGT	780	Operations
Clark County (River Road)	USA	CCGT	248	Operations
Sutton Bridge Power	UK	CCGT	790	Operations
Thyna and Feriana	Tunisia	GT	252	Operations
Tri-Energy	Thailand	CCGT	700	Operations
PowerSmith	USA	CCGT	123	Operations
Tynagh	Ireland	CCGT	400	Operations
Whitegate	Ireland	CCGT	410	Operations

3.6.2 Advanced Power AG

APAG has a full or partial ownership interest in the following assets in Europe and through its AP subsidiary in the US:

Table 3.8: APAG Owned Assets

Project	Location	Type	MW	% Ownership
T-Power	Belgium	CCGT	420	1.67%*
Cricket Valley Energy Center	New York	CCGT	1,000	40%**
Brockton Clean Energy	Massachusetts	CCGT	350	75%
Carroll County Energy	Ohio	CCGT	750	100%

* Indirectly held through Power Kestrel

** After GE Energy exercises its Option to purchase 40% of Cricket Valley Energy Center.

See Section 4 (Figures 4.3.1 and 4.3.2) below for company structure before and after the exercise of Option.

3.6.3 Marubeni Corporation

Marubeni Corporation (“Marubeni”) has ownership of more than 29,000 MW of power generation facilities. The Power Projects & Infrastructure Division of Marubeni develops, invests in, and operates power projects and infrastructure projects, especially power generation (including desalinization, co-generation and wind power projects), while undertaking the procurement and installation of generators, power distribution grids, electrical substations, clean water treatment and waste water treatment as well as making loans and investments to other new technologies and business models in the alternate energy field, both domestically and internationally.

Marubeni, through its subsidiaries, operates or has a full or partial ownership interest the following Projects:

Table 3.9: Marubeni Owned Power Generation Assets

Project	Location	Type	MW	% Ownership
San Roque	Philippines	Hydro	345	50%
Saul	Philippines	Coal	1,218	50%
Pagbilao	Philippines	Coal	735	50%
Iligan	Philippines	CCGT	1,251	10%
Bang Bo	Thailand	CCGT	350	28%
Senoko Power	Singapore	CCGT/Oil ST	3,300	30%
Cirebon	Indonesia	Coal	660	33%
Paiton 2	Indonesia	Coal	1,220	15%
Rantau Dedap	Indonesia	Geothermal	220	35%
Ever Power	Taiwan	CCGT	960	40%
Hsin Tao	Taiwan	CCGT	600	50%
Yosu (Steam Supply Only)	Korea	Coal	N/A	100%
Gangwon	Korea	Wind	98	30%
PPN	India	CCGT	347	26%
Tapal	Pakistan	Oil	126	40%
Marmara Ereglisi	Turkey	CCGT	480	33%
Rabigh	Saudi Arabia	Oil	360	30%
Rabigh Expansion	Saudi Arabia	Oil	160	28%
Mesaieed	Qatar	CCGT	2,000	30%
Taweelah B	UAE	CCGT	2,000	14%
Taweelah A2	UAE	CCGT	710	34%
Fugaira F2	UAE	CCGT	2,000	20%
Shuweihat S2	UAE	CCGT	1,510	10%
Sur	Oman	CCGT	2,000	50%
Rades	Tunisia	CCGT	471	40%
Millmerran	Australia	Coal	840	30%
Smithfield	Australia	CCGT	162	100%
Mt. Isa	Australia	Recip Engines	32	50%
Daandine	Australia	Recip Engines	27	50%
Hallett 4	Australia	GT	132	40%
Hardee	USA	CCGT/GT	370	49%
Spindle Hill	USA	GT	314	49%
Cannon Falls	USA	GT	357	49%
Lakefield	USA	Wind	206	50%
Raleigh	Canada	Wind	78	49%
Miravalles	Costa Rica	Geothermal	27	100%
JPS	Jamaica	Oil/Hydro	637	40%
Power Gen	Trinidad and Tobago	Gas	1,365	39%
Gunfleet Sands	UK	Wind	172	50%

4. PROJECT INFORMATION

CVEC is a special purpose entity created to develop, own, operate, and maintain the Generation Facility proposed here as the Seller under the Master Power Purchase and Sale Agreement.

4.1 Contact Information

Company Name:	Cricket Valley Energy Center, LLC c/o Advanced Power Services (NA) Inc.
Address:	31 Milk Street, Suite 1001 Boston, MA 02109
Telephone:	617-456-2200
Contact Person:	Robert De Meyere Vice President, Development and Project Manager
Email:	bdemeyere@Advancedpowerna.com
Telephone:	617-456-2214

4.2 Legal Status

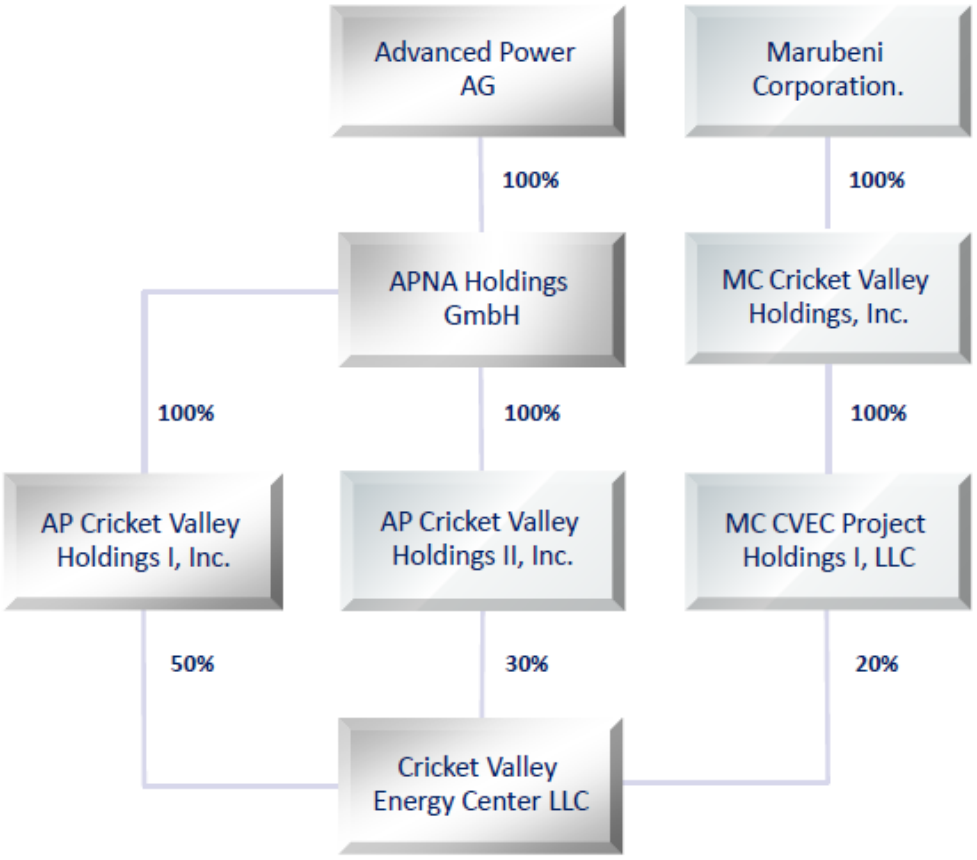
Entity Type:	New York Limited Liability Company
Date Formed:	April 2, 2009
Jurisdiction:	New York
Parent Companies:	AP Cricket Valley Holdings I AP Cricket Valley Holdings II MC CVEC Project Holdings I, LLC
Affiliates:	APNA Holdings GmbH (parent company of AP Cricket Valley Holdings I, Inc. and AP Cricket Valley Holdings II, Inc. MC Cricket Valley Holdings Inc. (parent company of MC CVEC Project Holdings I, LLC)

4.3 Corporate Ownership Structure

As shown in Figure 4.3.1 below, CVEC is currently owned: (i) 80% by two special purpose holding companies, AP Cricket Valley Holdings I, Inc. and AP Cricket Valley Holdings II, Inc., which are wholly owned subsidiaries of APNA Holdings GmbH ("APNA"), a subsidiary of Advanced Power AG ("APAG"); and (ii) 20% by a special purpose holding company, MC CVEC Project Holdings I, LLC, which is a subsidiary of MC Cricket Valley Holdings, Inc., a subsidiary of Marubeni Corporation ("Marubeni.")

Figure 4.3.1

Current Ownership Structure

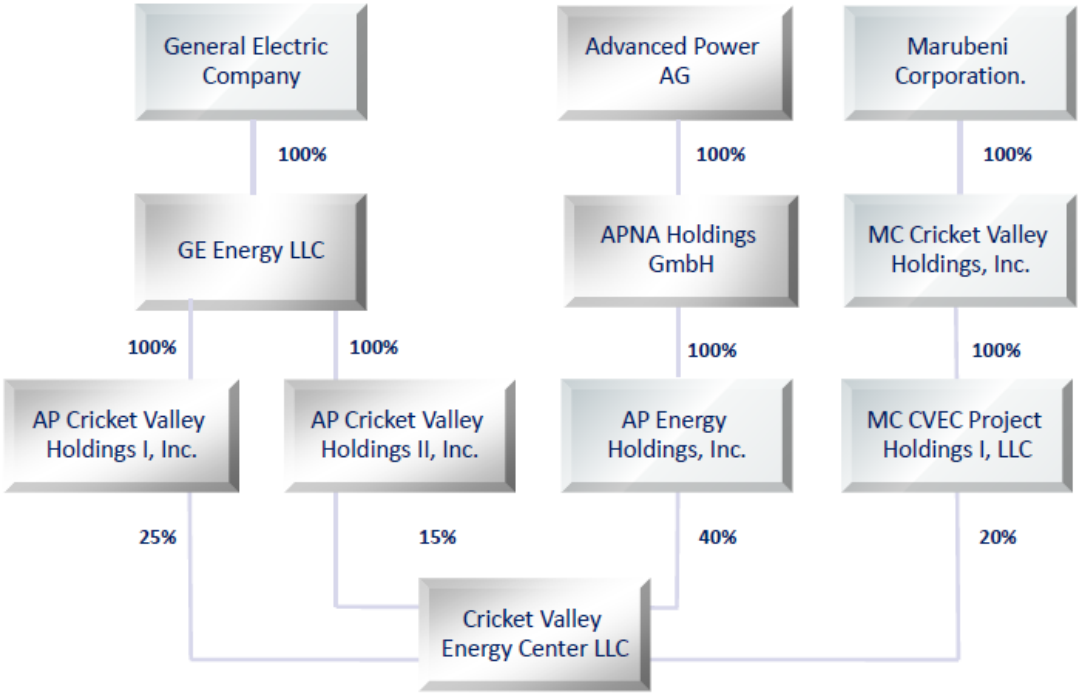


GE Energy, a subsidiary of GE, has an option to purchase a 40% interest in CVEC from APAG (the "Option"). GE Energy has exercised its Option and is in the process of becoming a formal owner of the Company, subject to legal documentation.

As shown in Figure 4.3.2 below, once GE Energy LLC has legally completed the process of exercising its Option, CVEC will be owned (i) 40% by AP Energy Holdings Inc. which will be a subsidiary of APNA Holdings GmbH, a subsidiary of Advanced Power AG; (ii) a total of 40% by AP Cricket Valley Holdings I, Inc. and AP Cricket Valley Holdings II, Inc., which will be affiliates of GE Energy LLC, a subsidiary of GE Company; and (iii) continued to be owned 20% by MC CVEC Project Holdings I, LLC., which is a subsidiary of MC Cricket Valley Holdings Inc., a subsidiary of Marubeni Corporation.

Figure 4.3.2

Ownership of CVEC After Exercise of GE Energy Option



See Proposal Exhibit 18 for copies of CVEC's Articles of Organization, Parent company Articles of Incorporation and Good Standing Certificates from the Secretary of State for New York and Delaware indicating that CVEC and its parent companies are in good standing with their state of organization.

4.4 Sponsor information

Sponsors of CVEC are the parent companies of CVEC, which will provide equity and financial security at the development stage and construction stage are:

- GE Energy LLC, subsidiary of General Electric Company.
- APNA Holdings GmbH, subsidiary of Advanced Power AG.
- MC Cricket Valley Holdings, Inc., subsidiary of Marubeni Corporation

4.5 DUNS number from Dun & Bradstreet

- Cricket Valley Energy LLC DUNS #; 841727931
- General Electric Company DUNS #; 001367960
- APNA Holdings GmbH DUNS #; 485948199
- Marubeni Corporation DUNS #; 690541263

See Proposal Exhibit 19, DUNS Number Information Forms.

4.6 Consortium information – N/A

5. DISCLOSURE STATEMENTS

5.1 GE Energy, LLC

GE Energy, LLC and its officers and directors have not defaulted on, or were 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 were 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. GE Energy, LLC is a Delaware limited liability company and an indirect, wholly owned subsidiary of General Electric Company (NYSE: GE). Disclosures about General Electric Company, including the reports its files with the Securities and Exchange Commission, are available at www.sec.gov and www.ge.com.

GE Energy, LLC and its officers and directors have not been convicted of (i) any felony, or (ii) any crime related to the sale or purchase of 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. GE Energy, LLC is a Delaware limited liability company and an indirect, wholly owned subsidiary of General Electric Company (NYSE: GE). Disclosures about General Electric Company, including the reports its files with the Securities and Exchange Commission, are available at www.sec.gov and www.ge.com.

5.2 Advanced Power AG

Advanced Power AG confirms that neither it, its officers, directors nor any of its affiliates 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.

Advanced Power AG confirms that neither it, its officers, directors nor its affiliates were convicted of (i) any felony, or (ii) any crime related to the sale or purchase of 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.

5.3 Marubeni Corporation

Marubeni Corporation and its officers and directors have not Defaulted on, or were 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.

Marubeni Power International Inc. and its officers and directors have not been 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.

6. FINANCIAL CAPACITY TO COMPLETE AND OPERATE THE PROPOSED PROJECT

6.1 Proposed Financing Arrangements (REDACTED)

6.1.1 Development Financing Arrangements (REDACTED)

6.1.2 Construction/Permanent Financing Arrangements (REDACTED)

6.2 Demonstration of Financial Arrangement Adequacy

GE, APAG, and Marubeni and its senior employees all have significant experience in developing and financing power plants and infrastructure facilities, demonstrating their competency in securing and closing adequate financial arrangements for power generation facilities. See Sections 3.2 and 6.4 for the list of projects the Partners have developed and Section 6.7 for the References of projects developed and financed. CVEC is confident that the proposed Project financing plan will secure adequate resources to construct and implement the Project on budget and schedule.

Both GE and Marubeni are financially sound companies with substantial assets. GE has $685.3 billion worth of assets including $77.4 billion cash and cash equivalents as of December 31, 2012 and Marubeni has $28.9 billion worth of assets including $7.4 billion cash and cash equivalents as of December 31, 2011. See the Annual Reports for GE and Marubeni attached as Proposal Exhibits 20 and 21, respectively.

Letters of support for both equity and debt financing from financial institutions are attached as Proposal Exhibit 22

6.3 Expected Capital Structure of the Project (REDACTED)

6.4 Schedule of Past Projects Developed and Financed by Project Sponsors

6.4.1 General Electric Company

Proposal Section 3.2.1, Table 3.1 outlines the Projects developed by GE and its affiliates over the past 10 years.

As outlined in Proposal Section 3.6, GE, through its subsidiary GE P&W, provides operation or maintenance services for approximately 17,000 MW generation assets. See Proposal Table 3.7.

As also discussed in Proposal Section 3.6, GE, through its subsidiary GE EFS, manages a $20 billion portfolio of investments in electric power generation, transmission and distribution, and oil and gas infrastructure and reserves issued by clients ranging from household names to financial sponsors to promising, early-stage ventures. See Proposal Table 3.6.

GE's financial resources, vast experience and proven ability to successfully bring generation projects from development through construction and into commercial operation will ensure the successful completion and continued operation of the Cricket Valley Energy Center.

6.4.2 Advanced Power AG

As described in Section 3.2.2, APAG's senior management and employees have extensive experience in the successful development and long-term financing of large-scale power generation projects. Proposal Table 3.8 in Section 3.2.2 outlines the Projects developed and financed by APAG and APAG senior management over the past 10 years.

6.4.3 Marubeni Corporation

Marubeni Corporation and its affiliates have constructed or repowered over five hundred fifty -nine (550) power generation projects of all types internationally, totaling ninety-nine thousand one hundred fifty-seven (99,157) MW. See Exhibit 23.

Marubeni and it is affiliates currently own twenty-nine thousand nine hundred fifty-eight (29,958 MW of power project s world-wide. See Exhibit 24.

6.5 Events of Defaults and Credit Issues

Advanced Power AG, General Electric Company and Marubeni Corporation do not have any defaults and/or credit issues.

6.6 Creditworthiness and Financial Condition of CVEC

GE is a publicly traded company with a market capitalization of approximately $247 billion USD, and an AA+ credit rating. GE's financial statements can be found in its filings with the U.S. Securities and Exchange Commission at www.sec.gov. Last three (3) years statements are also included in Exhibit 20.

Advanced Power AG, as the ultimate parent company of APNA Holdings GmbH, AP Cricket Valley Holdings I, Inc. and AP Cricket Valley Holdings II, Inc., is a privately held company and does not disclose its financial statements. (REDACTED)

Marubeni has a credit rating of BBB and its financial statements can be found at the U.S. Securities and Exchange Commission at www.sec.gov. Last three (3) years statements are also included in Exhibit 21.

6.7 References

6.7.1 References- General Electric Company

References from prior projects GE developed that employed financing arrangements similar to the arrangements contemplated for the Project are provided below.

Hal Dittmer, President
Wellhead Electric Company
650 Bercut Drive, Suite C

Bryan J. Bertacchi, CEO
Radback Energy
145 Town and Country, STE 1078

Sacramento, California 95811
Office: 916-447-5171
Cell: 916-296-0744
Email: hdittmer@wellhead.com

Danville, CA 94526
(925)820-5222 office
(916)769-9640 cell
Email: bryan.bertacchi@radback.com

Michael Gregg, Vice President
Hess Corporation
One Hess Plaza
Woodbridge, NJ 07095
781-934-1500
774-454-4748 cell
Email : MGregg@hess.com

James Welniak, Vice President
Tenaska
1044 N. 115th St. Suite 400
Omaha, NE 68154-4446
402-691-9556
Email: jwelniak@tenaska.com

6.7.2 References- Advanced Power AG

Advanced Power AG team has a depth of experience with the development and financing of combined cycle power stations. See reference letters in Exhibit 25.

The most recent project that was debt financed in a structure that is expected for the Project was T-Power, 420MW project, developed by Advanced Power AG. Advanced Power secured €400 million of debt financing with a debt-to-equity ratio of 85:15 from a club of ten international banks in December 2008. Deal analysis published in Project Finance Magazine can be seen in Exhibit 26. The reference letter for the Project is provided by Richard Snow, General Manager of T-Power NV. Mr. Snow can be reached at +32 2 613 27 36.

Rijmond project, 800 MW combined-cycle gas-fired power station, located in The Netherlands, achieved financial close in 2002 and commercial operations in 2004. The project incorporated €620 million of debt financing backed by a 15 year power purchase agreement with Nuon. The team now at Advanced Power led the origination process. The reference letter for the Project is provided by Mark Somerset, Vice President and General Manager, UK and the Netherlands for InterGen. Mr. Somerset can be reached at +44-131-624-7500.

Spalding project, 860 MW combined-cycle gas-fired power station located in England achieved financial close in 2001 and commercial operations in 2004. The project incorporated £429 million of debt backed by a tolling agreement with Centrica and won the “Best European/Middle East Non-Recourse Power Loan” – Power Project Finance Awards. The team now at Advanced Power AG led the project management as well as the sponsor’s legal and engineering roles. The reference letter for the Project is provided by Neil H. Smith, Chief Executive Officer of InterGen N.V. Mr. Smith can be reached at 781-993-3000.

Coryton project, 800 MW combined-cycle gas-fired power station located in England achieved financial close in 1998 and commercial operations in 2001. The project utilised project financing with a total project costs of £470 million. The project incorporated merchant risks and achieved the accolade of “Deal of the Year” from Project Finance International. The reference letter for the Project is

provided by Chuck Davis, Chief Executive Officer of Drax Biomass International. Mr. Davis can be reached at 781-640-0718.

6.8 Financial Sheets

Completed financial pro forma data sheets derived from the Project's financial model can be found in Attachment 4.

7. ENVIRONMENTAL BENEFITS OF PROJECT

Combined-cycle electric generating plants have excellent safety records, and safety is CVEC's top priority. CVEC will follow all applicable federal, state and local codes and standards. In addition to incorporating advanced safety technology, CVEC will coordinate its safety plans for the design and operational configuration of the Facility with local emergency agencies. Using the latest technology in controls and fire protection/detection, the Project will be one of the safest electrical generating facilities in New York State.

7.1 Environmental Benefits

CVEC will demolish and clean up an industrial area in the Town of Dover which is comprised of dilapidated, burned and otherwise partially collapsed buildings. The Project will also clean up substantial amounts of solid waste on the site are which have been accumulating since the 1940's and dispose of the waste in an environmentally acceptable manner.

The Project will place 79 acres of the Project site into a conservation trust and maintain a substantial tree buffer around the site free from disturbance.

The Generation Facility will also produce electricity in an efficient manner with maximum mitigation of environmental impacts, while displacing older, less efficient, and higher pollution emitting electric generators that currently serve the New York region, resulting in a further reduction of regional air emissions.

On September 26, 2012, NYSDEC issued favorable SEQRA finding statement, stating that the Project will displace the operation of older, less efficient generating plants and have a positive impact on the current use of energy, while minimizing environmental impacts to the maximum extent possible. The Town of Dover also issued a favorable SEQRA finding statement on January 30, 2013.

The Generation Facility is expected to result in significant air emission reductions. The Facility will cause these reductions with or without the retirement of the Indian Point facilities. Specifically, the Security Constrained Economic Dispatch Analysis ("SCED"), attached hereto as Exhibit 27, prepared for the Project by GE Energy Global Development and Strategic Initiatives, projects decreases in both NO_x and SO_2 emissions across New York State, and a total CO_2 production decrease across the larger region studied. Total annual NO_x production is expected to decrease by an average of 2.05% per year in New York State. Total annual SO_2 production is expected to decrease by an average of 1.53% per year in New York State. Total CO_2 production across the region is projected to decrease by an average of 0.1% per year as a result of the Facility's operation. The GE SCED Study has been submitted to: (1) NYDPS as part of CVEC's Petition for a Certificate of Public Convenience and Necessity ("CPCN"), approved on February 14, 2013 ; and (2) NYSDEC as part of the Project's DEIS submittal, for which a favorable findings statement was issued on September 26, 2013.

The Project is also projected to produce statewide, and regional production cost savings. Specifically, the GE SCED Study projects potential aggregate production cost savings of $241

million in New York State between 2015 and 2020. These savings represent average annual energy cost reductions of 0.7% in New York. These savings should translate to substantial benefits to end use consumers in New York as well as the surrounding areas.

The Facility will assist New York State in achieving the State Energy Plan's environmental objectives which was issued as part of 2009 State Energy Plan by the State Energy Planning Board which identified the following environmental objectives:

- Reduce Greenhouse Gas ("GHG") Emissions: Support energy and transportation systems that enable the State to significantly reduce GHG emissions, both to do the State's part in responding to the dangers posed by climate change and to position the State to compete in a national and global carbon-constrained economy Reduce Public Health and Environmental Risks.
- Reduce health and environmental risks associated with the production and use of energy across all sectors.

The proposed Facility will generate electricity far more efficiently than the existing New York State fleet of plants, and it will do so using natural gas instead of higher emitting fossil fuels like oil or coal. Since the Project has the ability to provide electricity more cost effectively and efficiently with a significantly lower emissions profile, the Project can play a critical role in achieving the State's Energy Plan goals.

7.2 Proposed Generation Facility's Emission Profile

As discussed in Section 2.5, the NYSDEC issued the Project an Air Permit on September 27, 2012 after thorough and detailed air modeling and proving that the Project minimizes air emissions by using the Best Available Technology and Lowest Emissions Rates for its equipment. The following discussion of the Project's emission profile is based on the Facility's permitted emissions.

The Project's emission profile is set forth in Generation Project Data Sheet as shown in Attachment 2.

7.2.1 Greenhouse Gas Emissions

GHGs emissions from the proposed project are primarily attributable to combustion of fuels. The Project will not have any other industrial processes releasing GHGs, and will not operate fleet vehicles. The greatest proportion of potential GHGs emissions are from CO_2. Trace amounts of VOCs (expressed as methane) and N_2O, will be emitted in varying quantities depending on operating conditions. However, emissions of VOCs and N_2O are considered negligible when compared to total CO_2 emissions, and are not considered significant to climate change issues. In addition, these compounds are also controlled, to varying degrees, by the SCR system and the oxidation catalyst. Table 7.1 presents potential emissions of CO_2 from combustion sources associated with project's each unit. These emissions estimates assume steady-state emissions at 59ºF ambient temperature with a 100 percent capacity factor.

Table 7.1 Summary of Potential CO2 Emissions from the Project

Emission Source	CO_2 Emissions (tpy)
Three Combined Cycle Units	3,576,943
Auxiliary Boiler	15,887
Emergency Fire Pump	114
Four Black-Start Generators	4,822
TOTAL	**3,597,766**

7.2.2 Air Toxic Emissions

An air quality modeling analysis has been conducted for potential emissions of non-criteria pollutants from the combined cycle unit, auxiliary boiler, emergency fire pump and black-start generators. Each source was modeled individually using a unit emission rate, and impacts for particular pollutants were obtained by scaling with the appropriate emission rate. Maximum impacts from each source were then added together to provide estimates of total impacts for each pollutant. These estimates of total project impacts are conservative since the maximum predicted impacts from individual sources will not necessarily occur at the same time or location.

The predicted Project impacts were then compared to the health-effect based annual guideline concentrations ("AGCs") and short-term guideline concentrations ("SGCs") as defined in NYSDEC Policy DAR-1 (NYSDEC, 1997). The AGCs and SGCs used in the analysis are those most recently revised in September 2007.

Potential non-criteria pollutant emissions from the operation of the combustion turbines and ancillary equipment were estimated using AP-42 emission factors with the following exceptions. Emissions of formaldehyde from the combined cycle units were estimated using an emission factor from a California Air Resource Board ("CARB") database.

The California Air Toxics Emission Factor database contains air toxics emission factors calculated from source test data collected for California's Air Toxics Hot Spots Program (CARB, 1996). Emissions of hexane from the duct burner and the auxiliary boiler were estimated using an emission factor from the Ventura County Air Pollution Control District ("VCAPCD") (VCAPCD, 2001). In both cases, the AP-42 emission factors had a very low emission factor rating and were not considered representative of the proposed equipment. The CARB and VCAPCD emission factors are considered more appropriate for the advanced technology of the GE 7F 5-series combustion turbines. Tables 7.2 and 7.3 present a summary of the maximum predicted non-criteria pollutant impacts relative to the associated AGC and SGC values.

Predicted impacts of non-criteria pollutants are all below the US Environmental Protection Agency guideline concentrations.

Table 7.2: Maximum Predicted Non-Criteria Pollutant Annual Impacts

Air Toxic Compound	Maximum Projected Impacts (µg/m^3)					AGC (µg/m^3)
	CTs and DB	Auxiliary Boiler	Fire Pump	Black-Start Generators	Total	
1,3-Butadiene	2.70E-05	0.00E+00	5.84E-06	0.00E+00	3.28E-05	3.30E-02
2-Methylnaphthalene	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	7.10E+00
Acetaldehyde	2.51E-03	0.00E+00	1.15E-04	1.55E-05	2.64E-03	4.50E-01
Acrolein	4.02E-04	0.00E+00	1.38E-05	4.84E-06	4.20E-04	2.00E-02
Anthracene	2.52E-08	1.81E-08	2.79E-07	7.55E-06	7.88E-06	2.00E-02
Ammonia	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	1.00E+02
Benzene	7.75E-04	1.58E-05	1.39E-04	4.77E-04	1.41E-03	1.30E-01
Benzo(a)anthracene	1.89E-08	1.36E-08	2.51E-07	3.82E-07	6.65E-07	2.00E-02
Benzo(a)pyrene	1.26E-08	9.05E-09	0.00E+00	1.58E-07	1.79E-07	9.10E-04
Butane	2.20E-02	1.58E-02	0.00E+00	0.00E+00	3.79E-02	5.70E+04
Chrysene	1.89E-08	1.36E-08	5.27E-08	9.40E-07	1.02E-06	2.00E-02
Dibenz(a,h)anthracene	1.26E-08	9.05E-09	8.71E-08	2.13E-07	3.21E-07	2.00E-02
Ethane	3.25E-02	2.34E-02	0.00E+00	0.00E+00	5.59E-02	2.90E+03
Ethylbenzene	2.01E-03	0.00E+00	0.00E+00	0.00E+00	2.01E-03	1.00E+03
Formaldehyde	7.69E-03	5.66E-04	1.76E-04	4.85E-05	8.48E-03	6.00E-02
Hexane	4.83E-05	3.47E-05	0.00E+00	0.00E+00	8.30E-05	7.00E+02
Naphthalene	8.80E-05	4.60E-06	1.27E-05	7.98E-05	1.85E-04	3.00E+00
Pentane	2.73E-02	1.96E-02	0.00E+00	0.00E+00	4.69E-02	4.20E+03
Phenanthrene	1.78E-07	1.28E-07	4.39E-06	2.51E-05	2.98E-05	2.00E-02
Polycyclic aromatic hydrocarbons	1.39E-04	5.90E-07	2.51E-05	1.30E-04	2.95E-04	2.00E-02
Propane	1.68E-02	1.21E-02	0.00E+00	0.00E+00	2.89E-02	4.30E+04
Propylene	0.00E+00	0.00E+00	3.85E-05	1.71E-03	1.75E-03	3.00E+03
Propylene Oxide	1.82E-03	0.00E+00	0.00E+00	0.00E+00	1.82E-03	2.70E-01
Pyrene	5.25E-08	3.77E-08	7.14E-07	2.28E-06	3.08E-06	2.00E-02
Sulfuric Acid	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	1.00E+00
Toluene	8.19E-03	2.56E-05	6.11E-05	1.73E-04	8.45E-03	5.00E+03
Xylene (Total)	4.02E-03	0.00E+00	4.26E-05	1.19E-04	4.18E-03	1.00E+02
Arsenic	2.10E-06	1.51E-06	0.00E+00	0.00E+00	3.61E-06	2.30E-04
Barium	4.62E-05	3.32E-05	0.00E+00	0.00E+00	7.94E-05	1.20E+00
Beryllium	1.26E-07	9.05E-08	0.00E+00	0.00E+00	2.16E-07	4.20E-04
Cadmium	1.15E-05	8.29E-06	0.00E+00	0.00E+00	1.98E-05	2.40E-04
Chromium	1.47E-05	1.06E-05	0.00E+00	0.00E+00	2.52E-05	1.20E+00
Cobalt	8.82E-07	6.33E-07	0.00E+00	0.00E+00	1.51E-06	1.00E-03
Copper	8.92E-06	6.41E-06	0.00E+00	0.00E+00	1.53E-05	2.00E-02
Manganese	3.99E-06	2.87E-06	0.00E+00	0.00E+00	6.85E-06	5.00E-02
Mercury	2.73E-06	1.96E-06	0.00E+00	0.00E+00	4.69E-06	3.00E-01
Molybdenum	1.15E-05	8.29E-06	0.00E+00	0.00E+00	1.98E-05	1.20E+00
Nickel	2.20E-05	1.58E-05	0.00E+00	0.00E+00	3.79E-05	4.20E-03
Selenium	2.52E-07	1.81E-07	0.00E+00	0.00E+00	4.33E-07	2.00E+01
Vanadium	2.41E-05	1.73E-05	0.00E+00	0.00E+00	4.15E-05	2.00E-01
Zinc	3.04E-04	2.19E-04	0.00E+00	0.00E+00	5.23E-04	4.50E+01

Table 7.3: Maximum Predicted Non-Criteria Pollutant Short-Term Impacts

Air Toxic Compound	Maximum Projected Impacts (µg/m^3)					SGC (µg/m^3)
	CTs and DB	Auxiliary Boiler	Fire Pump	Black-Start Generators	Total	
1,3-Butadiene	1.95E-03	0.00E+00	4.01E-03	0.00E+00	5.96E-03	
2-Methylnaphthalene	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	
Acetaldehyde	1.81E-01	0.00E+00	7.87E-02	1.01E-02	2.70E-01	4.50E+03
Acrolein	2.90E-02	0.00E+00	9.49E-03	3.16E-03	4.16E-02	1.90E-01
Anthracene	1.82E-06	1.51E-06	1.92E-04	4.94E-03	5.14E-03	
Ammonia	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	2.40E+03
Benzene	5.59E-02	1.32E-03	9.58E-02	3.12E-01	4.65E-01	1.30E+03
Benzo(a)anthracene	1.36E-06	1.13E-06	1.72E-04	2.50E-04	4.25E-04	
Benzo(a)pyrene	9.09E-07	7.55E-07	0.00E+00	1.03E-04	1.05E-04	
Butane	1.59E+00	1.32E+00	0.00E+00	0.00E+00	2.91E+00	
Chrysene	1.36E-06	1.13E-06	3.62E-05	6.14E-04	6.53E-04	
Dibenz(a,h)anthracene	9.09E-07	7.55E-07	5.98E-05	1.39E-04	2.00E-04	
Ethane	2.35E+00	1.95E+00	0.00E+00	0.00E+00	4.30E+00	
Ethylbenzene	1.45E-01	0.00E+00	0.00E+00	0.00E+00	1.45E-01	5.40E+04
Formaldehyde	5.55E-01	4.72E-02	1.21E-01	3.17E-02	7.55E-01	3.00E+01
Hexane	3.48E-03	2.89E-03	0.00E+00	0.00E+00	6.38E-03	
Naphthalene	6.35E-03	3.84E-04	8.70E-03	5.22E-02	6.76E-02	7.90E+03
Pentane	1.97E+00	1.64E+00	0.00E+00	0.00E+00	3.61E+00	
Phenanthrene	1.29E-05	1.07E-05	3.02E-03	1.64E-02	1.94E-02	
Polycyclic aromatic hydrocarbons	1.00E-02	4.93E-05	1.72E-02	8.51E-02	1.12E-01	
Propane	1.21E+00	1.01E+00	0.00E+00	0.00E+00	2.22E+00	
Propylene	0.00E+00	0.00E+00	2.65E-02	1.12E+00	1.15E+00	
Propylene Oxide	1.31E-01	0.00E+00	0.00E+00	0.00E+00	1.31E-01	3.10E+03
Pyrene	3.79E-06	3.15E-06	4.91E-04	1.49E-03	1.99E-03	
Sulfuric Acid	0.00E+00	0.00E+00	0.00E+00	0.00E+00	0.00E+00	1.20E+02
Toluene	5.91E-01	2.14E-03	4.20E-02	1.13E-01	7.48E-01	3.70E+04
Xylene (Total)	2.90E-01	0.00E+00	2.92E-02	7.75E-02	3.97E-01	4.30E+03
Arsenic	1.52E-04	1.26E-04	0.00E+00	0.00E+00	2.77E-04	
Barium	3.33E-03	2.77E-03	0.00E+00	0.00E+00	6.10E-03	
Beryllium	9.09E-06	7.55E-06	0.00E+00	0.00E+00	1.66E-05	1.00E+00
Cadmium	8.33E-04	6.92E-04	0.00E+00	0.00E+00	1.53E-03	
Chromium	1.06E-03	8.81E-04	0.00E+00	0.00E+00	1.94E-03	
Cobalt	6.36E-05	5.29E-05	0.00E+00	0.00E+00	1.16E-04	
Copper	6.44E-04	5.35E-04	0.00E+00	0.00E+00	1.18E-03	1.00E+02
Manganese	2.88E-04	2.39E-04	0.00E+00	0.00E+00	5.27E-04	
Mercury	1.97E-04	1.64E-04	0.00E+00	0.00E+00	3.61E-04	1.80E+00
Molybdenum	8.33E-04	6.92E-04	0.00E+00	0.00E+00	1.53E-03	
Nickel	1.59E-03	1.32E-03	0.00E+00	0.00E+00	2.91E-03	6.00E+00
Selenium	1.82E-05	1.51E-05	0.00E+00	0.00E+00	3.33E-05	
Vanadium	1.74E-03	1.45E-03	0.00E+00	0.00E+00	3.19E-03	
Zinc	2.20E-02	1.83E-02	0.00E+00	0.00E+00	4.02E-02	

DB: Duct Burners

7.2.3 Criteria Air Pollutants (Annual and Hourly)

The Project includes the following criteria pollutant emission sources: (1) three combined cycle units, each consisting of one combustion turbine with a HRSG supplemental duct firing (both combusting only natural gas); (2) an auxiliary boiler (combusting only natural gas); (3) an emergency fire pump (combusting ULSD); and (4) four black-start emergency generators (combusting ULSD). Annual and hourly emission rates are as follows.

7.2.3.1 Criteria Air Pollutants (Hourly)

7.2.3.1.1 Single Combined Cycle Unit

The combined cycle units will typically operate at or near full load capacity to respond to electricity demands as needed. Depending upon the demand, each unit can operate at loads ranging from 36 percent combustion turbine load without supplemental duct firing to 100 percent combustion turbine load with supplemental duct firing (full capacity).

Exhaust and emission parameters for the proposed combustion turbines have been developed for three ambient temperatures (105°F, 59°F and -8°F), four load conditions (100 percent, 75 percent, 50 percent, and 36 percent) and duct burner operation. Table 7.4 presents short term pounds per hour ("lb/hr") emissions estimates from each combined cycle unit under ISO conditions (59°F) at several load conditions including duct burner operations. These emissions were developed from vendor estimates. The PM10/PM2.5 emissions estimates include filterable and condensable particulate matter and an allowance for sulfate and/or ammonia salt formation due to the reaction of SO3 with water and/or excess NH3 in the SCR and oxidation catalyst systems.

Table 7.4: Summary of Short-Term Emission Rates for a Single Combined Cycle Unit

Pollutant	100% Load with Duct Burning (lb/hr)	100% Load without Duct Burning (lb/hr)	75% Load without Duct Burning[b] (lb/hr)	50% Load without Duct Burning[b] (lb/hr)	36% Load without Duct Burning[b] (lb/hr)
NO_x	18.7	15.8	12.6	10.0	8.6
VOC	6.5	2.8	2.2	1.7	1.5
CO	11.4	9.6	7.7	6.1	5.3
$PM_{10}/PM_{2.5}$	14.4	10.1	9.9	9.7	9.6
SO_2	3.6	3.0	2.4	1.9	1.6
H_2SO_4	1.5	0.82	0.66	0.53	0.45
NH_3	17.3	14.6	11.6	9.3	8.0

a. Appropriate worst-case conditions were used for these analyses.

b. The duct burner will only operate while the combustion turbine is running at 100% load.

7.2.3.1.2 Ancillary Equipment

The proposed ancillary equipment includes one auxiliary boiler, one emergency fire pump and four black-start diesel generators. The following assumptions were used in evaluating emissions from this equipment:

- The natural gas-fired auxiliary boiler will have a maximum input capacity of 60 MMBtu/hr and be limited to 4,500 hours of operation per year.
- The diesel-fired emergency fire pump will have a maximum heat input of 2.8 MMBtu/hr (20.3 gallons per hour) and will be limited to 500 hours of operation per year. For load testing, the diesel fire pump will limit operations to 35 minutes in any hour.
- Each diesel-fired black-start generator will have a maximum heat input of 29.2 MMBtu/hr (213 gallons per hour) and will be limited to 500 hours of operation per year.

Criteria pollutant emissions from the ancillary equipment were estimated based on vendor supplied information except for SO2 emissions, which are based on a mass balance. Table 7.5 summarizes estimated short-term (lb/hr) and annual emissions of criteria pollutants from the ancillary equipment.

Table 7.5: Short-Term Potential Emissions from Ancillary Equipment

Pollutant	Auxiliary Boiler (lb/hr)	Emergency Fire Pump (tpy)[a]	Each Black-Start Generator (lb/hr)
$PM_{10}/PM_{2.5}$	0.30	0.051	1.45
SO_2	0.09	0.003	0.04
NO_x	0.66	1.54	20.55
CO	2.25	0.31	25.08
VOC	0.09	0.057	0.95
Pb	–-	2.36×10^{-5}	4.24×10^{-4}

a. Potential hourly emissions for the fire pump are based on a restriction to 35 operating minutes per hour during testing.

7.2.3.2 Criteria Air Pollutants (annual)

Potential annual emissions for the proposed project are summarized in Table 7.6 and 7.7

Table 7.6: Summary of Annual Potential Emissions

Pollutant	Combined Cycle Units (tpy)	Ancillary Equipment (tpy)	Total (tpy)
$PM_{10}/PM_{2.5}$	189.7	2.1	191.9
SO_2	46.6	0.2	46.9
NO_x	256.7	22.7	279.4
CO	539.6	30.3	569.9
VOC	116.9	1.2	118.1
H_2SO_4	19.7	0.016	19.7
NH_3	227.3	0	227.3
Pb	–-	4.34×10^{-4}	4.34×10^{-4}

Table 7.7: Potential Annual Emissions from Ancillary Equipment

Pollutant	Auxiliary Boiler (tpy)	Emergency Fire Pump (tpy)	Four Black-Start Generators (tpy)	Total (tpy)
$PM_{10}/PM_{2.5}$	0.68	0.02	1.45	2.15
SO_2	0.20	0.001	0.04	0.25
NO_x	1.49	0.66	20.55	22.69
CO	5.06	0.13	25.08	30.28
VOC	0.20	0.02	0.95	1.18
Pb	–-	1.01×10^{-5}	4.24×10^{-4}	4.34×10^{-4}

7.3 Project Consistent with Energy Highway Blueprint Clean Energy Goals

The New York Energy Highways Initiative is designed to provide reliable, economical power to New York's homes and businesses for the next half century while creating jobs, energizing private-sector investment and protecting the State's environment and the health of its citizens. The Project is consistent with these goals as discussed below.

7.3.1 Reduces Transmission Constraints and Expands Generation Diversity State

The Facility will be located in Dover, NY, in NYISO Zone G, below the congested Up State New York-Southeast New York ("UPNY/SENY") transmission interface.

The following NYISO reports all indicate that, as a result of its location, the Project will reduce transmission constraints and expand generation downstate: (1): Congestion Assessment and Relief Integration Study ("CARIS"), March 2012; (2) Reliability Needs Assessment, September, 2012; and (3) New Capacity Zone Report, January 2013.

First, NYISO's "Congestion Assessment and Relief Integration Study" ("CARIS"), (March, 2012) specifically identified the addition of 1,000MW of generation in the area of the *ConEd Pleasant Valley substation*- the exact substation at which the Facility will connect - as a solution to reduce congestion in New York State in the Leeds-Pleasant Valley transmission corridor. NYISO estimates that placement of a 1,000 MW generation facility adjacent to the Pleasant Valley substation will produce an estimated ten-year electricity production cost savings of $330 million (present value).

The generation solution for the Leeds-Pleasant Valley congestion is projected to reduce congestion across NYCA for the planning horizon. The ten-year production cost savings of $330 million (present value) are due to the uncongested location and the assumed better heat rate of the generic generating unit compared to the average system heat rate. Efficient generator solutions reduce imports from neighbors and enable a more efficient and lower cost NYCA generation market. Savings accrue in lower production cost as well as reduced congestion.

The Facility will be located 14 miles east of the ConEd Pleasant Valley substation and, electrically, is equivalent to the generic generator solution studied by NYISO in the CARIS. Thus, it is anticipated

that the Project will generate the $330 million in production cost savings identified in CARIS for the benefit of New York State ratepayers.

The NYISO 2012 "Reliability Needs Assessment" (September, 2012) also confirms transmission congestion above the Leeds-Pleasant Valley corridor and further describes a transmission system overload over the UPNY/SENY interface in the event of certain generators retirements. The Reliability Needs Assessment report goes on to state that resource adequacy in 2020 through 2022 can be satisfied through the addition of compensatory MWs in Zones G through K below the transmission constraint on the UPNY/SENY interface.

The Project and the Generation Facility, being below this constraint and located in Zone G, can relieve this congestion at a lower net overall cost to ratepayers given the $330 million electricity production cost savings predicted by the NYISO CARIS.

The recently issued NYSIO "New Capacity Zone Report" states that transmission constraints on the UPNY/SENY transmission interface are constraining 849.2 MW of generation from moving from Zones A through F to Zones G through (indicating a need for a new capacity zone for Zones G- I). On April 30th 2013, NYISO filed with FERC proposed tariff revisions establishing a new capacity zone to encompass load zones G, H, I and J. NYISO stated:

> The NCZ Study finalized on January 14, 2013 determined that the UPNY-SENY Highway interface into Load Zones G, H, and I was constrained. Therefore, in accordance with the Service tariff, the NYISO is required to establish an NCZ.

Located in Zone G below the congested UPNY/SENY transmission interface, the Project is well located to alleviate the specific transmission congestion identified by the NYISO 2013 New Capacity Zone Report.

7.3.2 Ensures Reliability of the N.Y. Electricity Grid

The New York Public Service Commission has recognized the need for the addition of new, more efficient generating resources such as the proposed Facility, even where there is not an imminent threat to system reliability, based on a number of factors. These factors include system reliability benefits, economic benefits for customers and New York State, and achievement of public policy goals including environmental benefits.

The NYPSC has determined that the addition of new generation facilities provides an additional source of supply in the event that other expected generation and transmission projects are not available to the bulk electric system. This could result from projects not being completed as projected, or retirement of existing generation facilities.

The Project serves to address the reliability concerns raised by the NYPSC. Utilizing GE's state-of-the-art 7F 5-Series generation technology, the Facility will provide reliable, efficient generation to meet the load growth of a rebounding economy, offset the retirement of aging generation due to new environmental regulations, and address the gap created if the Indian Point nuclear facility were to be retired.

In addition to addressing reliability concerns, the Project is also positioned to address the NYPSC September 2011 Order addressing blackstart capability. The NYPSC has stated: "Those generation facilities that can be restarted without drawing power from the grid may be suppliers of blackstart service, which is one of the essential tools through which the electric transmission and distribution system is restored to operation in a timely and reliable manner after a blackout occurs. As such, adequate blackstart service from generation facilities is essential to the reliable operation of New York's electric system."

The Project includes four blackstart generators that will be used to re-start the Facility's combustion turbines in the event of a total power loss on the local or regional transmission grid.

7.3.3 Supports a Renewable Energy Economy

CVEC supports energy efficiency and renewable energy and recognizes that these are an important part of the region's energy portfolio. As New York integrates intermittent sources of renewable energy (such as wind or solar) into the grid, flexible, reliable, combined-cycle technologies will play an important role in maintaining reliability. The proposed Facility's ramping capabilities can support the intermittent generation of solar and wind powered facilities by providing the necessary conventional backup generation for these renewable generators. Thus the Project can enable increased use of renewable resources by providing the needed insurance to maintain grid reliability.

In addition, the Facility will utilize rooftop rainwater capture and is considering all reasonable opportunities to incorporate on-site renewable energy, such as solar photovoltaic panels on the Project roofs.

7.3.4 Increases Efficiency of Power Generation

CVEC is using the latest and best combined cycle technologies to ensure that its Facility produces the lowest emissions rates of any natural gas powered plant in New York State. As one of the most efficient, reliable and least emitting energy producers, the Facility will be dispatched ahead of less efficient higher emitting generators, causing those units to operate less frequently, thereby yielding net air quality benefits and production cost savings across the region. The Project studies submitted to the NYPSC demonstrate that the Facility will provide over $240 million in production cost savings over a five (5) year period, reducing energy costs to New York consumers.

7.3.5 Compatible with NYISO Requirements

The Facility will sell its energy, capacity and ancillary services into the wholesale competitive markets administered by NYISO. NYISO is the operator responsible for overseeing the safe and reliable operation of the New York bulk electric transmission system.

NYISO annually issues a Power Trends Report, addressing New York's electricity supply, infrastructure and reliability needs. The 2012 Power Trends Report recognizes that the adoption of regulatory mandates by Federal and State governments designed to lower CO_2 emissions, as well as further reduce emissions of NO_x and SO_2, will likely force the early retirement of older, inefficient electric generating plants. Specifically, the 2012 Power Trends Report states that the combined

effect of current and proposed regulations is estimated to impact *more than half* the installed generating capacity in the state, which could result in unplanned plant retirements that will impact reliability.

The proposed Facility's generation capabilities can serve as a replacement resource for plant closings – particularly retirement of coal burning facilities – caused by the imposition of tough new environmental regulations. Due to the Facility's superior low heat rate, it will be dispatched by NYISO ahead of older and less efficient generators, causing those units to operate less frequently, thereby yielding a net air quality benefit across the region.

7.3.6 Compatible with the New York State Energy Plan

As noted in Section 7.1, above, CVEC has designed its Facility to be consistent with the policy objectives outlined in the New York State Energy Plan, issued by the State Energy Planning Board. The State Energy Plan's policy objectives include: maintenance of reliability; reduction of greenhouse gas emissions, stabilization of energy costs and improvement in economic competitiveness; reduction of environmental impacts; and improving energy independence.

The Facility will generate electricity far more efficiently than the existing fleet of plants and do so using natural gas instead of higher emitting fossil fuels like oil or coal. Thus, since the proposed Facility has the ability to provide electricity more cost-effectively and efficiently and with a lower emissions profile, the Project can play an important role in achieving the State Energy Plan's goals of maintaining reliability and reducing energy costs and air emissions, with consequent improvement in economic competitiveness. In addition, since the Facility will burn low cost, domestically produced natural gas, the Project will contribute to improving energy independence.

In summary, the Project achieves the goals of not only the New York State Energy Highway Initiative, but also the specific policy goals of the NYISO, the New York Public Service Commission, and the New York State Energy Plan.

8. PROPOSED RESOURCE DEVELOPMENT PLANS AND SCHEDULE

8.1 Development Schedule and Project Implementation Plan

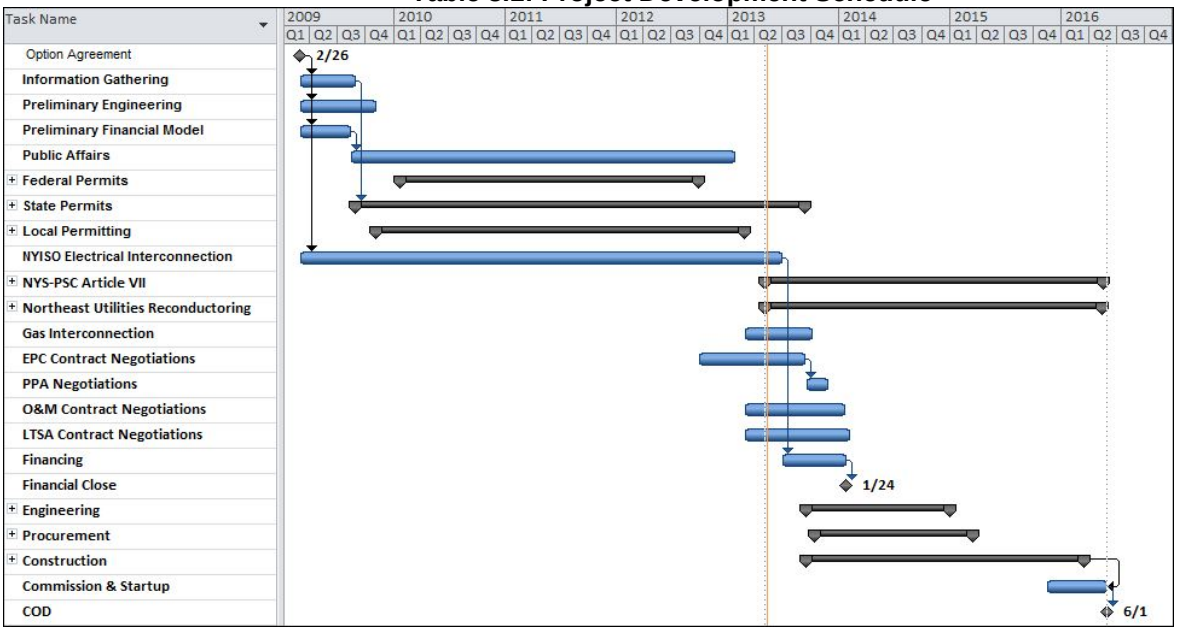
The Project has been issued all major permits needed to construct the Generation Facility. As a result of a detailed competitive solicitation, and discussed in more detail below, the Project has selected CH2M HILL as the Project's Engineering, Procurement and Construction ("EPC") contractor for the Generation Facility.

CH2M HILL will complete final engineering for the Generation Facility and obtain all construction permits, including construction permits required pursuant to the Project's Special Use Permit and the Town of Dover Code. See Proposal Section 9.3, for a list of all construction permits required for the Project.

As discussed in Proposal Section 8.17, NYISO has preliminarily determined that three Transmission Projects, to be completed by the interconnecting transmission owners ConEd and NU, will be required to interconnect the Generation Facility to the NYISO-administered grid ("Transmission Projects"). The Project is currently negotiating agreements with ConEd and NU to permit, develop, and construct these Transmission Projects. See Proposal Section 9.0, for a list of approvals required for the Transmission Projects.

As shown in Table 8.1 below, the Project development schedule ("Project Schedule") includes: (1) final engineering and the remaining construction permits for the Generation Facility; (2) the remaining permitting and environmental review required for the Transmission Projects; as well as (3) all construction activities, including procurement, fabrication, construction, testing and commercial operation of both the Transmission Projects and Generation Facility. A more detailed Project Development Schedule is included as Proposal Exhibit 28.

Table 8.1: Project Development Schedule



Project construction activities to be completed by CH2M Hill will consist of some preliminary site clearance and preparation work based on a limited notice to proceed ("LNTP"), followed by approximately 29 months of construction, starting in January 2014. The various activities will be overlapping; however, a high level sequence of these activities is as follows:

- Installation of construction stormwater and erosion control measures, demolition, clearing, potential minimal blasting, and rough grading, and construction office trailers, utilities, and parking;
- Procurement of equipment including the combustion turbines, steam turbines, HRSGs, ACCs etc. as required by the Project Schedule;
- Installation of major foundations and underground utilities (including yard piping and electrical duct banks);
- Erection of structural steel and buildings and the delivery and setting major equipment;
- Installation of interconnection piping and wiring, balance of plant equipment, controls and instrumentation, and final grading;
- Testing, commissioning, and start-up of the systems, final road tops, landscaping, and completion of the facility.

8.2 Proposed Dates for Execution of Necessary Contracts with NYPA

In order to achieve Jun 1, 2016 COD, the proposed date for execution of necessary contracts with NYPA is as follows:

Master Power Purchase and Sale Agreement: November 26, 2013.

8.3 Proposed Dates for Any NYPSC or FERC Orders Deemed Necessary (REDACTED)

8.4 Timeline for Engineering, Procurement and Construction

As noted above, CVEC has selected CH2M HILL as the Project's EPC contractor finalization of negotiations for an EPC contract is expected in third quarter of 2013.

Construction of the Facility will require approximately 29 months. Building demolition, clearing, and grading will be a component of pre Notice-to-Proceed ("NTP") Project construction. The Project anticipates giving a limited Notice-To-Proceed ("LNTP") by September 2016 for certain activities which will take place prior to execution of an EPC Agreement, such as demolition and early detailed engineering.

Construction is currently proposed to start in January 2014, with a proposed COD for the Facility in 1 June 2016. A preliminary construction schedule for the project is shown in Exhibit 29.

8.5 Timelines for Fabrication and Procurement of Equipment

The responsibility for the fabrication and procurement of the equipment will be with the EPC contractor through various subcontracts with key vendors such as GE. The detailed schedule will be developed during the execution phase and will be in line with the overall CH2M HILL schedule in Exhibit 28.

8.6 Plans for Construction and Commercial Operation

The responsibility for the construction of the plant remains with the EPC contractor CH2M HILL and their initial schedule can be found in Exhibit 30. The start-up, commissioning and transfer to commercial operation will be managed in conjunction with CVEC to ensure that all aspects are completed prior to commercial operation.

8.7 Community Outreach Plan

CVEC has conducted an extensive public outreach program designed to inform the local community of the Project and address the community's concerns. In June 2009, CVEC established a Project web site (www.cricketvalley.com) to provide the public with Project information. The website is regularly updated with the Project permit filings, meeting announcements, presentations, and outreach materials. The website contains a comprehensive and easily accessible list of all major CVEC filings. In addition, the Project development team maintains an email list, which is used to inform interested parties of upcoming meetings and events.

CVEC has maintained an office at 5 Market Street in Dover Plains, NY since October 2009. The community outreach office has been used for community Open Houses since December 2009 and July 2011, and serves as a meeting place to listen and respond to public interest and concerns. CVEC has also published a series of newsletters, which are mailed to every household in Dover. The newsletters, which were first published in April 2010, recap recent Project news and inform residents of upcoming events and meetings. Exhibit 31 provides examples of past Project newsletters and mailings.

CVEC has also established local advisory working groups beginning in January 2010. The groups were created to allow residents, environmental groups and other interested parties to be involved in the development process and hear from CVEC experts on the latest Project developments. The topics discussed included air and water impacts and traffic congestion that may result from the Project. In direct response to concerns expressed by the community, CVEC has completed redesigns of the Project, which now incorporate a rooftop water collection system and a Zero Liquid Discharge water system to address concerns about water quality and volume, and new parking plans to minimize potential traffic congestion during construction of the Project.

These conversations continue as CVEC is discussing with the Town of Dover components of a formal community benefits package. CVEC is also negotiating a payment in lieu of taxes agreement ("PILOT"), which will bring substantial revenues to the Town of Dover, the Dover Union Free School District, and Dutchess County for up to 30-years. The Project will be the largest taxpayer in Dover by a significant margin. See Proposal Section 8.12 for PILOT Agreement discussion.

CVEC continues to support the advancement of Dover's youth through a scholarship, awarded annually to a graduating Dover High School Senior pursuing a degree in engineering or environmental science.

CVEC has been working with local conservation and environmental groups, including the Oblong Land Conservancy, to place the a portion of the Project site west of the Metro-North rail line, approximately 79 acres, into a permanent conservation trust.

8.8 Equity and Debt Financing Plan (REDACTED)

8.9 EPC Contractor Experience

CH2M HILL is one of the largest professional engineering services firms worldwide and has extensive experience in power generation facility engineering, design-build, operations and major project management. CH2M HIl has constructed thirty gas fired power generation projects in North America in the last ten years as shown in Exhibit 32 below.

CVEC and CH2M HILL have signed a detailed EPC Term Sheet, covering all major aspects of the Generation Facility including, firm delivery date on or before June 1, 2016, pricing and a detailed Scope of Work. CVEC and CH2M HILL are in the process of negotiating a definitive EPC Agreement for the Project.

CH2M HILL has carried out eight recent power generation projects in the New York and New Jersey area, including the Poletti Project for NYPA and over 500 projects in New York since 1982. See Exhibit 33.

A recent example in New York is CH2M Hill's engineering, procurement, construction and start-up of the 535 MW Empire Generating Company LLC combined cycle generating project in Rensselaer, NY, which became operational in August, 2010. The Empire project included two GE 7FA CTGs, two HRSGs and one STG, a 345-kV switchyard, an eight (8) mile 345-kV transmission line and a 16 inch diameter 3,000 foot gray water pipeline under the Hudson River. The project was built on time and on budget.

The Empire Generating Project was selected by *Power Engineering* Magazine as the 2011 "PowerGen Project of the Year" in recognition by CH2M Hill's peers in the power generation industry of CH2M-Hill excellence in design, construction and start-up of power generation facilities. See Exhibit 34 for more detailed information about CH2M HILL's power generation projects as well as CH2M HILL's client references.

CH2M HILL is employee owned and has 28,000 employees worldwide operating from nearly 250 area offices worldwide. CH2M Hill had $7 billion gross revenues, including joint ventures for calendar year 2012. Financial information regarding CH2M HILL is found in Exhibit 35.

8.10 Other Contractors Experience

The Facility's Power Blocks, including gas combustion turbines, steam turbines and electric generator equipment, auxiliary equipment and HRSG's will be supplied by General Electric Company ("GE"). GE is the world leader in the design, manufacture and installation of gas combustion turbines, steam turbines and electric generator equipment, and related auxiliary equipment.

GE's F-class gas turbine technology was initially developed in the 1980s. GE's first F-class technology unit entered commercial service on June 6, 1990. As of February 2013, there are more than 750 7FA gas turbines in service with a cumulative operating experience of more than 27 million fired hours and more than 660 thousand starts. The hours-based fleet leader has logged more than 143 thousand hours while the starts-based fleet leader has logged more than 4,300 starts.

The GIS substation will be supplied by Hitachi Ltd ("Hitachi"). Hitachi was founded in 1910 with its head office in Tokyo, Japan. Hitachi employs over 323,000 people worldwide. Hitachi Power Systems America, Ltd. is a leading supplier of equipment and services for the Power Generation Market including Fossil, Nuclear, and Hydro facilities. Products include advanced Pulverized Coal Boilers, HRSG's, Steam, Gas and Hydro Turbines and Generators, Substation Equipment and Air Quality Control Systems for new plants and retrofit applications. As a Single-Point Supplier, Hitachi offers total solution services including operation and plant assessments, engineering studies, performance optimization, emissions improvement, equipment replacement and upgrades, and spare parts.

8.11 Community Benefits

In its SEQRA Findings Statement, issued on September 26, 2012, NYSDEC found that the Project will represent a net benefit to the local community, providing productive reuse of an underutilized industrial parcel, meeting regional energy needs, adding employment opportunities during construction and operation, and contributing to the tax base without significant impact to the community or environment.

As discussed in Proposal Section 2.5 above, the Project provides an environmental and economic opportunity to rehabilitate an inactive industrial site in Dover, NY, currently burdened with collapsed and abandoned industrial structures and associated debris, and return it to productive use.

The Facility was designed to fit as much as possible onto the previously disturbed portions of the site, referred to as the Project Development Area. The Facility design, dictated by the layout of the site, utilizes adjacent energy infrastructure while minimizing disturbance to wetlands and preserving an existing tree buffer adjacent to NYS Route 22.

The Facility will produce significant direct and indirect socioeconomic benefits to the local, regional and state economies. Facility development and construction will require an estimated investment of approximately $1.4 billion, which will provide a significant benefit to the local, regional and state economies. It is expected that an average of three hundred (300) construction jobs will be created during the three-year construction of the Facility, with up to seven hundred fifty (750) jobs during the five-month peak construction period. Once completed, operation of the Facility will support approximately twenty eight (28) well-paying permanent jobs in Dover.

The investment in the Facility, during both construction and operation, will also result in significant secondary and induced economic benefits to the local, regional and state economy. Facility construction is estimated to generate and include creation of an additional 2,202 fulltime equivalent ("FTE") jobs, including 751 secondary jobs in Dutchess County in a wide variety of industries. Upon completion, the Facility will create an additional 56 FTE jobs.

A detailed discussion of the Project's economic benefits brought to New York State and the Town of Dover is found in Proposal Section13.2.

8.12 PILOT Agreement

The Project will also provide a long-term revenue source for the Town of Dover, Dutchess County and the Dover Union Free School District through a PILOT agreement currently under negotiation between the Town of Dover, Dutchess County and the Dover Union Free School District. Payment schedule has been agreed in principal and PILOT is expected to be finalized in mid-2013. A PILOT agreement will be advantageous to the Town, the Dover Union Free School District and CVEC because it will create revenue certainty for the Town and the School District, making annual budgeting easier, and create payment certainty for CVEC, making financing for the Project easier. The PILOT agreement under negotiation will also provide for payments during construction of the Project.

The range of PILOT payments to be made by CVEC to the Town of Dover and the Dover School District are approximately $(REDACTED) over the life of the Project.

8.13 Site Control Status

CVEC has a site option agreement with the owner of the Property, Howlands Lake Partners, LLC, in February 2009 for the right to acquire four of the five parcels comprising the Project Property for a period of five years. This site option agreement encompassed four parcels totaling approximately 136-acres, including the Project Development Area, shown in Figure 2.1 above.

In August 2011, the site option agreement was amended to include a fifth parcel -- approximately 57-acres of adjacent industrial land referred to as the Former Rasco Property, previously leased to RASCO Materials LLC. As discussed above, the Former Rasco Property allows CVEC to move a substantial portion of off-site parking onto the main site, and provide additional buffer between the Project and land uses to the south. The option is expected to be exercised and funded at financial close.

8.14 Operations Plan

CVEC will contract with a proven provider of Operations and Management ("O&M") services for power generation facilities to operate the Facility. CVEC will have the O&M services provider provide both mobilization phase services and operational phase services. During the mobilization phase, the O&M service provider will determine all mobilization, operations and maintenance requirements; fully develop and implement programs and procedures for CVEC; and hire all site-required personnel to manage, operate and maintain the Facility and act as the owner's representative during the Facility's start-up and commissioning period. During the operations phase, the O&M services provider will assume care, custody and control of the Facility and provide sufficient staffing to perform all services

and work scope to maintain and operate the Facility at optimum performance levels. Table 8.2 below provides the types of jobs for sufficient staffing for a typical operating year.

Table 8.2: Estimated Operating Workforce

Position	Number of Employees
Plant Manager	1
Plant/Environmental Engineer	1
Operation Manager	1
Maintenance Manager	1
Shift Supervisor	4
Operator (senior)	5
Operator (junior)	5
Instrument & Electrical Technician	4
Maintenance Mechanic	4
Administrative Assistant	1
Water Treatment Specialist	1
Total	28

CVEC has yet to select O&M services providers for the management services during the Project's operational phase. This process is expected to begin in the third quarter of 2013.

8.14.1 Maintenance Schedule

Maintenance outages for the Facility consist of annual outages for balance of plant ("BOP") equipment and combustion turbine generator ("CTG") related outages determined by number of starts or operating hours of the CTGs. Annual BOP maintenance activities will be performed by the O&M service provider. A long term service agreement is provided for the CTGs by GE. A summary of the major CTG maintenance activities and a typical maintenance schedule to provide inspection and repair services for the first 20 years of operations are shown below in Table 8.3 and in Attachment 2:

Table 8.3 – Long Term CTG Major Maintenance Activities

Maintenance Activity	Duration	Outage Duration Required
Combustion Inspection ("CI")	24k hours or 900 starts	21 Days
Hot Gas Path Inspection ("HGP")	24k hours or 900 starts	21 Days
Major inspection ("MI")	48k hours or 1,800 starts	35 Days

CVEC will implement a spare parts inventory control system designed to minimize committed capital, yet not jeopardize availability and reliability requirements. Through a combination of selective on site spares inventory off site spare parts and tracking, the maintenance management system will provide a controlled process for inventory and record keeping to ensure high plant reliability and availability

CVEC will maintain an adequate spare parts inventory by reviewing manufacturer's recommendations reviewing past experience and evaluating parts availability and delivery times from various vendors, taking into account acceptable equipment downtime. Initial stocking of spares occurs during operator

mobilization in the construction phase of the project. The spares inventory will be managed so that parts are replaced when used, maintenance records are kept current and the inventory is updated regularly to reflect changing plant requirements.

Outage work scope will be performed by a combination of plant operations staff, original equipment manufacturers, qualified third party maintenance contractors and repair facilities. All work will be directed by the O&M provider's personnel with CVEC asset managers assigned to oversee contracted work.

CVEC Maintenance Outage Schedule is based on approximately 6,200 operating hours 120 starts per year for first 15 years of operations is provided in Attachment 2.

8.14.2 Outage Timeframes

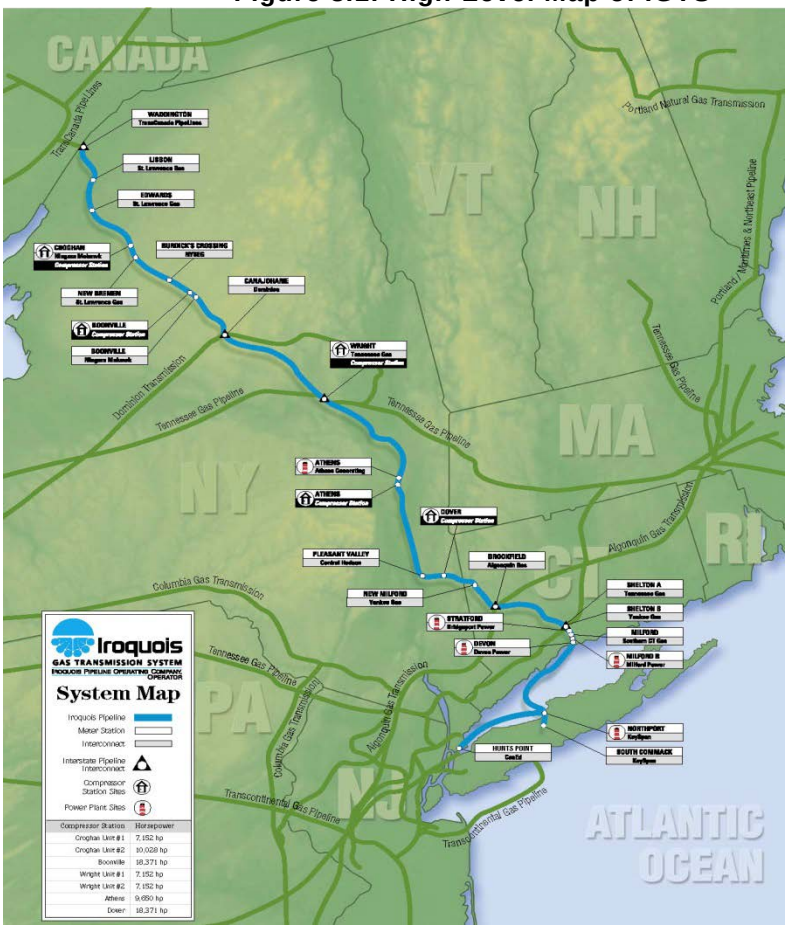
Planned maintenance outage duration information is included in Attachment 2.

8.15 Fuel Supply Plans

CVEC considered the provision of an adequate and reliable natural gas fuel supply to be of central importance as it evaluated the feasibility of locating a gas-fired power generation facility in Dover, NY. The Facility site is located near the Iroquois Gas Transmission System ("IGTS") at a point proximate to the IGTS 18,371 hp Dover Compressor Station. See Proposal Section 2.4.1 for a discussion on the Generation Facility interconnection to IGTS.

The IGTS extends 411 miles from the US-Canadian border at Waddington, NY, through the state of Connecticut to South Commack, Long Island, NY and Hunts Point, Bronx, NY. A high level map of IGTS:

Figure 8.1: High-Level Map of IGTS



Shippers on IGTS currently receive gas supplies from the TransCanada system at Waddington, NY or from the Algonquin system at Brookfield, CT. IGTS also maintains interconnections with Tennessee Gas Pipeline at Wright, NY and Shelton, CT and with Dominion at Canajoharie. To provide supply diversity to its customers, IGTS has announced plans to add physical receipt capability to its interconnection with Dominion and via a new interconnection with Tennessee at Pleasant Valley, NY. In 2015, the proposed Constitution Pipeline is expected to be completed and interconnected with IGTS. The Constitution Pipeline will supply an incremental 650,000 MMBtu/day of Marcellus gas into IGTS at Wright, NY.

Through the addition of compression, and some pipeline looping, IGTS has more than doubled its capacity since its inception and continues to aggressively pursue new markets and customers. As of 2007 53% of IGTS shippers are local distribution companies ("LDCs"), 16% are marketers/producers and 31% represent power generation load. Currently, IGTS directly serves five (5) power generation facilities, Athens, Bridgeport Power, Devon Power, Milford Power and Northport. With the exception of Athens, all of these facilities are downstream of the Dover site. The addition of power load to the IGTS system has resulted in increased overall utilization, as summer power loads offset the traditionally low LDC needs, and beneficial reduction in system wide rates.

Firm transportation capacity is available on the IGTS pipeline and several additional capacity resources. IGTS has continued to refine the numbers and methodology to serve the gas supply transportation needs of the project. The additional capacity from the other resources on the IGTS pipeline has also been offered to the Project. The Project has determined that sufficient firm capacity is available from IGTS and other parties to meet the full firm capacity needs of the Project. Other than a direct negotiation for firm capacity with IGTS and others, options include capacity release by companies with firm capacity on IGTS. All current conversations are confidential and the project will accept those offers that are most economically advantageous to the project. A letter from IGTS describing the options for obtaining transportation on IGTS (the "IGTS Letter") is provided in Proposal Exhibit 8.

Due to its strategic location adjacent to a major interstate natural gas pipeline, the Facility will utilize natural gas as the sole fuel for the combustion turbines and HRSG duct burners. It is intended that the Project will procure natural gas supplies on a 365-day basis and, as a result, there are no plans to utilize fuel oil as a back-up fuel. As such, there will be no fuel oil storage on-site.

Peak daily fuel requirements for the Facility include approximately 154,000 MMBtu/day for combustion turbine operation and 27,000 MMBtu/day for duct burner operation. These total requirements are well within IGTS's capabilities as described in IGTS Letter. Actual daily and annual fuel requirements will vary with plant dispatch capacity factors. CVEC intends to procure fuel supply and transportation to meet its needs with surplus amounts resold into the spot market when the Facility is not operating.

(REDACTED)

8.16 Electric Interconnection Points

The Project electrical interconnection will include construction of a new 6-breaker 345-kV GIS, which will intercept Line 398 approximately 14.5 miles east of ConEd Pleasant Valley substation. The output of the Generating Facility will be connected via three (3) 345-kV leads to the new GIS (or "Cricket Valley Substation"), which will be connected to the ConEd Pleasant Valley substation via a new 345-kV line within the existing Line 398 right of way and to the Northeast Utilities' Long Mountain substation via the 345-kV line which currently comprises Line 398. The new GIS equipment, when constructed, will become the property of Con Edison. The Project will require the installation of two new mono-pole transmission towers and three new H-frame structures to loop the transmission circuits from two (2) existing Line 398 towers into the new GIS.

As shown in the one-line diagram in Exhibit 36, the new Cricket Valley Substation will have a GIS bus-type arrangement with six (6) breakers serving the six (6) generator step-up transformers. Six (6) main generator step-up transformers will serve the three (3) Power Blocks. Each Power Block will include two (2) main transformers (CTG and STG). Each transformer will step up the generator voltage of the steam turbine generator and the combustion turbine generator to a 345-kV circuit feed into the new Cricket Valley substation.

8.17 Status in the NYISO Interconnection Process

The Project has NYISO Queue #310 and is participating in the NYISO Large Facility Interconnection Process for interconnection to the NYISO administered electrical transmission grid. A Feasibility Study and System Reliability Impact Study have been completed by NYISO in December 2009 and February 2011 respectively. The Project is part of NYISO Class Year 2011. NYISO and ConEd are currently studying the configuration and cost of the System Update Facilities ("SUFs") and System Deliverability Upgrades ("SDUs") needed to interconnect the Facility to the NYISO grid. An assessment of deliverability of the Facility's Project's 1,000 MW of capacity resource will also be part of the Class Year 2011 study which will result in the specification of SDUs to ensure the Facility's capacity is deliverable throughout the NYISO system.

Based on the preliminary 2011 Class Year Studies issued in May 2013, NYISO has determined that the following SUFs are required to allow the Facility to interconnect with the NYISO grid without causing any reliability, stability or transfer capability problems (collectively, the "Transmission Projects"): (1) ConEd - construction of a new 14-mile 345-kV transmission line (the "T-Line") parallel to the ConEd transmission Line 398 in the existing right of way ("T-Line Project"); (2) ConEd-reconductoring of 3.5 miles of Line 398 from the Facility's New GIS substation to the Connecticut border ("ConEd Reconductoring"); and (3) NU - reconductoring of another 5.5 miles of Line 398 from the Connecticut border to Northeast Utility's Long Mountain substation ("NU Reconductoring").

These improvements will increase the overall capability of the transmission system to transfer power between ISO-NE and NYISO. Depending on the actual dispatch of the transmission system and nearby generation (including the Facility generators), additional transfer capability may be available between the two regions, thereby creating opportunities for additional economic transfers of power as well as capability for transfers of emergency energy and reserve sharing.

The Project has nearly completed the NYISO interconnection process and the final technical requirements of SUFs needed to be constructed by ConEd and NU will be issued in the expected mid-June 2013 completion of the 2011 Class Year process. CVEC expects that, as a result of negotiated agreements with ConEd, that CVEC and ConEd will collaborate to complete the preliminary engineering and environmental studies needed to permit the Transmission Projects. Section 9.2 includes a list of environmental assessments that will be performed for the Transmission Projects, and the permits likely required.

Northeast Utilities will manage and coordinate design, permitting, and construction of the NU Reconductoring Project. CVEC is currently negotiating an Engineering and Procurement Agreement with Northeast Utilities for NU reconductoring.

See Proposal Section 9.3.2 for a discussion of the permitting phase of the Transmission Projects.

8.18 Environmental Justice Issues

NYSDEC has identified potential Environmental Justice Areas ("EJAs") of concern relating to impacts on communities or facilities housing disadvantaged population groups. The NYSDEC Environmental Justice ("EJ") Policy establishes the New York State urban EJ threshold for minority population at fifty

one point one percent (51.1%) and the New York State EJ threshold for low-income population at twenty three point fifty nine percent (23.59%). The NYSDEC map of potential EJAs in Dutchess County has been reviewed; the only potential EJA in the eastern portion of Dutchess County is the location of a former state hospital and detention center, Harlem Valley Psychiatric Center. That property was sold for private development, and, as described in more detail below, no longer houses the disadvantaged population that resulted in the EJA classification.

The Town of Dover consists of three Census Tracts. The proposed Facility is located in Census Tract 400.02. Table 8.4 depicts the minority and income disadvantaged population percentages for the three Census Tracts in the Town. Note that Census Tract 6200 is the former Harlem Valley Psychiatric Center. While a majority of the center was closed at the time of the Census, the site still hosted a New York State Division for Youth ("DFY") juvenile detention facility and the figures below reflected a largely institutionalized population. The DFY moved their operations in 2004 and the site has been approved for redevelopment as a mixed-use community.

Table 8.4: Minority and Disadvantaged Demographics by Census Tract

Census Tract	Black (Alone or in combination with other race)	Hispanic	Pct. below Poverty Line
400.01	2.5%	4.5%	10.1%
400.02	8.1%	6.4%	6.1%
6200	62.4%	19.2%	0%

Sources: Census 2000

Harvard School of Public Health – The Public Health Disparities Geocoding Project Monograph

The United States Environmental Protection Agency ("USEPA") Region 2 Environmental Justice Geographic Assessment Tool was also consulted. According to the assessment tool, Census Tract 6200 (the former Harlem Valley Psychiatric Center) was the only Community of Concern within 10 miles of the project site.

The 2000 Census data for Census Tract 6200 indicated that of a total population of two hundred thirteen (213) people, seventy six (76) were identified as white alone, one hundred thirty one (131) as black or African-American alone, one as Asian alone, two as some other race alone, and three as two or more races. Of the total population in the tract, about eighty one percent (81%) (172 people) were housed in an institutionalized population, with a breakdown of seventeen (17) in mental/psychiatric wards and one hundred fifty five (155) in training schools for juvenile delinquents. The institutionalized population consisted of thirty nine (39) people identified as white alone, one hundred twenty seven (127) as black or African-American alone, one as Asian alone, two as some other race alone, and three as two or more races. Accordingly, the institutionalized population comprised one hundred thirty three (133) of the one hundred thirty seven (137)-person non-white population, or ninety seven percent (97%).

The institutionalized population in the census tract resided at the Harlem Valley Secure Center for Juveniles. On March 28, 2004, the Office of Children and Family Services closed the juvenile detention center. Without the large minority population once housed at the facility, this census tract will no longer meet the criteria to be considered a Community of Concern under USEPA Region 2

Guidelines for Conducting Environmental Justice Analyses or the NYSDEC criteria to be considered a potential EJA.

As such, there are no EJAs of concern that will be impacted by the proposed project.

8.19 Plans for Electric Transmission Facilities from Generation Source to the POI

As noted in Proposal Section 8.16 above, the output of the Generation Facility will be connected via three (3) 345-kV leads to the new GIS. These three lines are the only electric transmission facilities between the generation source (the "Facility") and the POI (the new "GIS" or the "Cricket Valley Substation).

8.20 Cancellation Provisions in Line with the Halting Mechanism

Upon receipt of a Halting Order from NYPA CVEC will direct the EPC contractor, CH2M HILL to stop work and demobilize. The following "Termination for Convenience" provision will be placed in the EPC Contract and CH2M HILL will be directed to place a similar provision in all of its subcontracts:

Termination of the EPC Agreement for Convenience

Owner shall have the right to terminate the EPC Agreement for Owner's convenience by providing the Contractor with a written notice of termination for convenience, to be effective upon receipt by the Contractor. Contractor acknowledges that Owner will have to provide a notice of Termination for Convenience in the event that the New York Power Authority issues "Halting Order" under a Power Purchase Agreement between Owner and NYPA. Upon receipt, the Contractor shall immediately stop Work and begin demobilization. In the event Owner terminates the EPC Agreement for its convenience, the Contractor shall be paid (i) the value of unpaid Work actually performed by the Contractor prior to termination plus (ii) reasonable direct demobilization costs which cannot be mitigated or avoided including termination costs of suppliers and subcontractors, but no greater than five percent (5%) of the respective supplier's or subcontractor's contract value, but in no event shall the Contractor be entitled to receive any amount for unreimbursed overhead anticipated profit. The Contractor shall use its commercially reasonable efforts to mitigate costs incident to termination of Work. The Contractor shall execute all documents and take all other reasonable steps requested by Owner or its assignee which may be required or reasonably necessary to vest in Owner all rights, set-offs benefits and titles necessary for Owner to assume such obligations.

9. ENVIRONMENTAL REVIEW

9.1 Permitting Plan

As discussed above, all major permits needed for construction of the Generation Facility have been issued. New York State Department of Environmental Conservation issued: (1) a SEQRA Findings Statement for the Facility on September, 26, 2012, certifying the completion of the DEC's SEQRA process; as well as (2) air and wetland permits for the Facility on September 27, 2012.

In January 2013, the Town of Dover issued the Generation Facility a Special Use Permit, amended the Town's Noise Ordinance, and granted the Facility a height variance from the Town's Zoning Ordinance. Finally, on February 14, 2013, NYPSC issued an Order granting the Generation Facility a Certificate of Public Convenience and Necessity and approving lightened regulation for the Facility.

As discussed in Proposal Section 8.16 NYISO's preliminary Class Year 2011 results indicate that the following Transmission Line Projects, are necessary to allow the Generation Facility to interconnect with the grid: (1) T-Line Project (14 miles); (2) ConEd Reconductoring Project (3.5 miles); and (3) NU Reconductoring Project (5.5 miles) .

The T-Line Project will require approval by the New York Public Service Commission under Article VII of the New York State Service Law. The NU Reconductoring Project will require a filing with the Connecticut Siting Council under a Petition for Declaratory Ruling, seeking a declaration that the proposed construction will have no substantial adverse environmental effect.

A detailed list of the environmental assessments, as well as permits and approvals, that have already taken place or been issued, or that will be required for the Generation Facility and Transmission Projects is as follows:

9.2 List of Required Studies

9.2.1 NYSDEC SEQR Process

The Transmission Projects will not trigger the NYSDEC SEQR Process. The Special Use Permit application for the Generation Facility, filed with the Town of Dover on November 4, 2009, initiated the State Environmental Quality Review ("SEQR") process. The Project has met all SEQR milestones for the Generation Facility as follows:

- **Lead Agency Determination:** The New York State Department of Environmental Conservation was chosen as Lead Agency for the Project in April 2010.

- **DEIS Submittal:** A Draft Environmental Impact Statement based upon the SEQR Scoping Document, was submitted to the NYSDEC in October 2010. DEC subsequently reviewed the document and issued comments to CVEC in January 2011. CVEC responded to all comments with a final DEIS submittal in February 2011.

- **DEIS Completeness Determination:** The NYSDEC reviewed the final DEIS and issued a Notice of Completeness Determination on May 18, 2011.

- **FEIS Submittal:** The Final Environmental Impact Statement was released to the public on July 25, 2012.

- **SEQR Findings:** NYSDEC, the Lead Agency, issued its SEQRA Findings Statement for the Project on September, 26, 2012, certifying the completion of the required SEQRA review process.

- **SEQR Findings:** The Town of Dover issued its SEQRA Findings Statement on January 30, 2013.

A list of all environmental studies completed during the NYSDEC SEQR Process is included below.

9.2.2 Environmental Studies

The following environmental studies in Table 9.1 were completed for the Generation Facility:

Table 9.1: Environmental Studies Completed for the Generation Facility

Type	Report	Site	Consultant	Date
Archaeological	NYSHPO- Historic Properties Information Request	Project site	ARCADIS	Aug. 2009
	Phase 1A - Literature Review and Sensitivity Analysis	Remote Laydown	CITY/SCAPE	Feb. 2011
	Phase 1A - Literature Review and Sensitivity Analysis	Project site	CITY/SCAPE	Dec. 2010
	Phase 1B - Archaeological Field Reconnaissance Survey Report	Remote Laydown	CITY/SCAPE	May 2011
Economic Dispatch	Cricket Hill Energy Center - NYISO Zone G Market Assessment	Project	RW Beck	Jul. 2009
	Independent Market Consultant's Report – Cricket Valley Energy Center (data updated Nov. 2011)	Project	RW Beck	Apr. 2011
	Cricket Valley Energy Center Market Analysis (GE MAPS)	Project	GE Energy Consulting	May, 2011
EMF	Electric and Magnetic Field Study Report	Project Development Area	Burns & Roe Enterprises	Aug. 2010
Environmental Assessments	Phase I Environmental Site Assessment – 131-acre Main Project Site	Project site	ARCADIS	Jun. 2009
	Preliminary Recommendations for Phase II Activities – 131-acre	Project site	ARCADIS	Jun. 2009

Type	Report	Site	Consultant	Date
	Main Project Site			
	Phase I Environmental Site Assessment – 62-acre Laydown Site	Former Rasco Parcel	ARCADIS	Oct. 2011
	Phase II ESA – 193-acre Main/Laydown Site	Project Development Area + Former Rasco Property	ARCADIS	Feb. 2012
	Pre-Demolition/Building Characterization Survey *In Process December, 2011-January, 2012*	Property	PSI	Feb 2012
	Asbestos & Hazardous Material Survey *In Process December, 2011-January, 2012*	Property	PSI	Feb 2012
Historical Environmental Assessments	Phase II Investigation – Mica Products Corporation	Project site	LMS Engineers	April 1991
	Waste Characterization Report	Property	Advanced Cleanup Technologies, Inc.	July 1994
	Mid-Hudson Recycling Park Subsurface Investigation	Project site	Rust Environment & Infrastructure	November 1995
Landscaping	CVEC Conceptual Landscape Plan	Project site	Chazen Companies	Jul. 2010
Lighting	Exterior Illumination & Glare Mitigation Plan due to Outdoor Lighting	Project site	Burns & Roe Enterprises	Aug. 2010
Noise	Baseline Sound Study & Environmental Sound Evaluation	Project site	Cavanaugh Tocci Associates, Inc.	Jun. 2010
	Baseline Sound Study & Environmental Sound Evaluation – revised January 25, 2011	Project site	Cavanaugh Tocci Associates, Inc.	Jan. 2011
Stormwater	Preliminary Stormwater Pollution Prevention Plan	Project site	Chazen Companies	Jul. 2010
	Conceptual Stormwater Report: Off-Site Construction Parking an Laydown Area	Remote Laydown	Chazen Companies	Oct. 2010

Type	Report	Site	Consultant	Date
T&E Species	Phase 1 Bog Turtle Survey and Timber Rattlesnake Habitat Assessment	Project site	Terrestrial Environmental Specialists (TES)	Jul. 2009
	Phase 1 Timber Rattlesnake Habitat Assessment	Remote Laydown	TES	Dec. 2010
	Phase 1 Bog Turtle Survey	Former Rasco Parcel & Remote Laydown	TES	Dec. 2011
Traffic	CVEC Traffic & Transportation – presented as DEIS Section 6.3	Project site & Remote Laydown Site	ARCADIS	Feb. 2010
	CVEC Traffic Study Appendices	Project site & Remote Laydown Site	ARCADIS	
Water	Site Water Budget Report	Project site	Chazen Companies	Oct. 2010
	Cricket Valley Energy Ground Water Well Test Report	Project site	SSEC, Inc.	Sep. 2010
Wetlands	Wetland Delineation Report	Project site	ARCADIS	Aug. 2009
	Area W2-A Wetland Restoration/Creation and Adjacent Area Restoration Plan	Project site	ARCADIS	Mar. 2011
Air Permit	Cricket Valley Energy Dispersion Modeling Protocol	Project	ARCADIS	Sep. 2009
	Revisions to Cricket Valley Energy Dispersion Modeling Protocol	Project	ARCADIS	Jan. 2010
	Application for Prevention of Significant Deterioration and Part 201 Air Permit	Project	ARCADIS	Mar. 2010
	Additional Information to Supplement PSD Air Permit Application and State Air Facility Permit Application (#3-1326-00275/00004)	Project	ARCADIS	Feb. 2011
EIS	Draft Environmental Impact Statement – Cricket Valley Energy Project	Project	ARCADIS	Apr. 2011
EIS	Final Environmental Impact Statement – Cricket Valley Energy Project	Project	ARCADIS	July 2012

See, DEIS Section 2.2.1.3

The following preliminary environmental studies will be completed for the Transmission Projects to refine permitting requirements and identify additional studies that may be required:

Type	Description	Next Steps / Environment Assessments
Stormwater	Evaluate potential storm water management system design	Ensure compliance with the General Permit for both construction and operation of the Project
Wetlands and Surface Water Delineation	Delineate jurisdictional wetlands and streams along the Project ROW.	Ensure compliance with nationwide general permit; begin developing wetland mitigation plans if needed.
Soil and Groundwater Conditions	Conduct a geotechnical evaluation of the areas abutting the transmission ROW to determine site conditions that will impact site design and operations	Determine whether local erosion control standards exist and whether compliance can be substantively achieved or a NYPSC waiver is required
Threatened and Endangered Species	Verify vegetation cover types and consult with the U.S. Fish and Wildlife Service and the New York State Department of Environmental Conservation (NYSDEC) regarding protected species and potential habitat in the vicinity of the proposed transmission line (including the Significant Biodiversity Areas and Natural Communities)	If necessary, conduct additional studies to confirm species presence or absence; develop mitigation plans as needed.
Cultural Resources	Determine if culturally sensitive areas abut the ROW contain cultural resources.	Conduct additional studies and archeological field reconnaissance to determine the potential presences of cultural resources.
Noise	Determine if sensitive receptors are present along the preferred route	Evaluate noise mitigation and compliance scenarios to confirm approach for compliance as project design is finalized. Determine whether local construction noise standards exist and whether compliance can be achieved or a NYPSC waiver is required.
Environmental Contaminated Sites	Perform Phase I Environmental Screening	Perform field reconnaissance to verify areas of concern and assess risks and potential complications.
Park, Road, and Railroad Crossings	Review the number and types of parks, roads, and railroads crossed by the Project.	Assess potential permitting and approval requirements.
EMF Studies	Conduct EMF Studies to demonstrate compliance with NYPSC Guidelines.	Confirm approach for NYPSC and CT Siting Council compliance, as project design is finalized.

9.3 List of Required Permits and Approvals

9.3.1 Generation Facility

The following permits and approvals have been issued or are required for the Generation Facility:

Table 9.3: List of Required Permits and Approvals- Generation Facility

Agency	Permit/Approval	Type	Status
Federal			
United States Army Corps of Engineers	Clean Water Act Section 404 Wetlands Permit	Preconstruction	Joint application filed 1/22/10; The Permit issued on 9/27/12.
United States Fish and Wildlife Service	Endangered Species Act Section 7 Consultations	Preconstruction	Consultation complete.
Federal Aviation Administration	Notice of Proposed Construction or Alteration	Preconstruction	Submitted to FAA and application accepted on 1/29/10. Determination of No Hazard received on 3/19/10. Request for extension granted on 9/15/1.
United States Environmental Protection Agency (EPA)	Prevention of Significant Deterioration (PSD) Construction Permit	Preconstruction	Air permit application filed on 3/26/10; Draft permit issued on 4/4/12; Final Air Permit became effective with the SEQR Findings Statement on September 26, 2012.
EPA	Acid Rain Application 40CFR 72.30/31	Operation	
EPA	Designated Representative Form	Operation	
Energy Information Administration (EIA)	EIA 860 Form	Operation	
State			
State Environmental Quality Review (SEQR) Lead Agency	SEQR Review	Preconstruction	Filed EAF on 11/4/09; Completed and filed DEIS on February 2011; Circulated DEIS for public review on 5/25/11; Public comment period ended on 8/5/11; FEIS filed in July 2012; SEQR Findings Statement issued on 9/26/12.
New York State Public Service Commission (NYPSC)	Section 68 Certificate of Public Convenience and Necessity	Preconstruction	Filed a petition with NYPSC to obtain a CPCN in Nov2011; Commission granted on 2/14/13
NYPSC	Section 69, Order Approving Financing	Financing	To be filed 6/1/13

Agency	Permit/Approval	Type	Status
New York State Department of Environmental Conservation	Air Quality Permits: Part 201 Construction Permit; Part 231 Nonattainment Area (NAA) New Source Review (NSR) Construction Permit;	Preconstruction	Air Permit application filed 3/26/10; Draft Air Permit issued May 2011; Final Air Permit, was written in August 2012 and became effective with the SEQR Findings Statement on 9/27/12.
	Clean Water Act Section 401 Water Quality Certificate	Preconstruction	Joint application filed January 2010. Certificate issued on 9/27/2012.
	Freshwater Wetlands Permit	Preconstruction	Joint application filed 1/22/10; Draft permit issued 5/25/11; Final permit issued on 9/26/12.
	Natural Heritage and Endangered Species Program consultation	Preconstruction	Completed within the SEQR EAF process.
	State Oil and Chemical Storage Authorization	Construction	
	State Pollution Discharge Elimination System (SPDES) Stormwater Permits – construction and operation	Construction	
	Title V Operating Permit (air quality)	Operating	
New York State Office of Parks, Recreation and Historic Preservation (OPRHP)	National Historic Preservation Act Section 106 consultation	Preconstruction	Completed within the SEQR EAF process.
NYSDOT Region 8 (Poughkeepsie)	Highway Work Permit (Access, N.Y.S. Route 22) NYS Highway Law, Article 3, Section 52	Preconstruction	Traffic study Plans submitted in June 2012; completed; Revision submitted on 11/28/13, Supplemental on 1/11/13. NYSDOT sent letter to DEC, lead agent, conceptually approving the plan with some clarification request- on 1/24/13.
Local			
Dover Town Board	Special Use Permit (SUP) and Site Plan Approval for Electric Manufacturing Plant Dover Town Code §145-10(B) and Related Town Code Provisions	Preconstruction	Special Use Permit submitted on 11/4/09; The Permit was issued on 1/30/13, attached here as Exhibit 13, Conditions of Special Use Permit, which require Project to obtain additional approvals, are included below.

Agency	Permit/Approval	Type	Status
Dover Zoning Board of Appeals	Variances (Height & Noise) Dover Town Code §145-11(B) See N.Y. Town Law §§ 267, 268	Preconstruction	Process initiated with Zoning Amendment Petition on 6/22/11. **ZBA granted variances from the Zoning Ordinance's building height limitation on 12/19/12.**
Dover Architectural Review Board (ARB)	Architectural Design Review Dover Town Code §§37-1, *et seq.* SUP Resolution	Preconstruction	**ARB approved the Project on 2/25/13.**
Dover Planning Board	Erosion and Sediment Control Plan Dover Town Code §§37-1, *et seq.*	Construction	
Dover Building Inspector and Town's Engineering Consultant	Demolition Permit Dover Town Code §§77, *et seq.*	Construction	
Dover Building Inspector and Town's Engineering Consultant	Blasting Permit Dover Town Code §§69, *et seq.*	Construction	
Dover Building Inspector and Town's Engineering Consultant	Fire Prevention Permit Dover Town Code §§77, *et seq.*	Construction	
Dover Building Inspector and Town's Engineering Consultant	Construction Noise Management Plan	Construction	

Agency	Permit/Approval	Type	Status
Dover Building Inspector and Town's Engineering Consultant	Building Permits and Certificates of Occupancy. NYS Building Code SUP Resolution	Construction	Pursuant to Special Use Permit, detailed drawings for a Building Permit to be submitted to Town's Building Inspector and Town's Engineering Consultant. Pre-application meeting for site inspection schedule and communication protocol also required. The Building Inspector exempted the stacks from the Zoning Ordinance's height limitations on 12/19/12., see attached Exhibit 15
Dutchess County	Payment in Lieu of Taxes Agreement	Preconstruction	Payment schedule has been agreed in principal; expected to finalize in mid-2013.
Dutchess County Department of Planning	County Planning Approval Gen. Mun. Law See 239(l)(m)	Preconstruction	Approved Site Plan on 9/18/2012
Dutchess County Department of Health	Water Supply Article 5, Dutchess County Sanitary Code, Part 5, NYS	Construction	
Dutchess County Department of Health	Sewage Disposal System Article 19, Dutchess County Sanitary Code (Article 17 of the Environmental Conservation Law and 6 N.Y.C.R.R. 652)	Construction	

9.3.2 Transmission Projects

As a result of the environmental assessments outlined in Section 9.2 above, the following permits and approvals may be required for the Transmission Projects:

Table 9.3: List of Required Permits and Approvals- Transmission Projects

Agency	Approval	Type
Federal		
United States Army Corps of Engineers	Clean Water Act Section 401 and 404 Wetlands Permit	Preconstruction
Federal Aviation Administration	Notice of Proposed Construction or Alteration	Preconstruction
United States Fish and Wildlife Service	Endangered Species Act Section 7 Consultation	Preconstruction
State – New York		
New York State Public Service Commission	Article VII Certificate for T-Line Project	
National Historic Preservation Act Section 106 Consultation	National Historic Preservation Act Section 106 Consultation	Preconstruction
NYSDOT	Highway Work Permit	Preconstruction
Local		
	Road opening permit	Preconstruction
State – Connecticut		
Connecticut Siting Council	Petition for Declaratory Ruling Approval for Reconductoring Projects	Preconstruction
CT Public Utilities Regulatory Authority	Method & Manner of Construction and to Energize Upon Completion	Preconstruction
CT Natural Diversity Database	Clearance – Endangered Species Act	Pre-construction
CT Historic Preservation Office	Cultural Resource Consultation Section 106 of National Historic Preservation Act	Pre-construction
CT Department of Transportation	Highway Encroachment Line Permit	
CT Department of Energy & Environmental Protection	Stream Channel Encroachment Line Permit	Pre-construction
	Section 401 Water Quality Certification Inland Waters	Pre-construction
	State Pollution Discharge Elimination System (SPDES) Stormwater Permits – construction and operation	Construction/ Operation

9.4 Link to SEQRA/environmental Review Documents and Studies

CVEC established a Project web site at www.cricketvalley.com to provide the public with Project information. The website is regularly updated with CVEC permit filings, meeting announcements, presentations, and outreach materials. The website contains a comprehensive and easily accessible list of all major CVEC filings. List of SEQRA and DEIS/FEIS review documents and studies can be found @ http://www.cricketvalley.com/study-process/documents.aspx

10. PRICING (REDACTED)

11. CONTRACT EXCEPTIONS

See CVEC's mark-up to Master Power Purchase and Sale Agreement- See Attachment 8. All pricing is based on the Facility operating at full load at ISO conditions.

12. HALTING COSTS (PARTIALLY REDACTED)

12.1 Halting Cost Caps (REDACTED)

12.2 Cancellation Clauses in Contracts for Implementation of Halting Mechanism

Upon receipt of a Halting Order from NYPA, CVEC will direct the EPC contractor CH2M HILL to stop work and demobilize. The following "Termination for Convenience" provision will be placed in the EPC Contract and CH2M HILL will be directed to place a similar provision in all of its subcontracts:

Termination of the EPC Agreement for Convenience:

Owner shall have the right to terminate the EPC Agreement for Owner's convenience by providing the Contractor with a written notice of termination for convenience, to be effective upon receipt by the Contractor. Contractor acknowledges that Owner will have to provide a notice of Termination for Convenience in the event that the New York Power Authority ("NYPA") issues "Halting Order" under a Power Purchase Agreement between Owner and NYPA. Upon receipt, the Contractor shall immediately stop Work and begin demobilization. In the event Owner terminates the EPC Agreement for its convenience, the Contractor shall be paid (i) the value of unpaid Work actually performed by the Contractor prior to termination plus (ii) reasonable direct demobilization costs which cannot be mitigated or avoided including termination costs of suppliers and subcontractors, but no greater than five percent (5%) of the respective supplier's or subcontractor's contract value, but in no event shall the Contractor be entitled to receive any amount for unreimbursed overhead anticipated profit. The Contractor shall use its commercially reasonable efforts to mitigate costs incident to termination of Work. The Contractor shall execute all documents and take all other reasonable steps requested by Owner or its assignee which may be required or reasonably necessary to vest in Owner all rights, set-offs, benefits and titles necessary for Owner to assume such obligations.

13. OTHER REQUIREMENTS

13.1 Required Easements and Right of Ways

The Generation Facility and Cricket Valley Substation will be located on land to be purchased by CVEC pursuant to the Site Option described in Proposal Section 8.13. No easements for the Generation Facility will be needed.

Line 398 is located immediately adjacent to the Property. No additional easements will be needed to connect the Generation Facility to the new Cricket Valley Substation.

The IGTS interstate pipeline abuts the ConEd Line 398 right of way, immediately adjacent to the Project site; no additional easements for the Project's connection to the IGTS Pipeline will be needed.

The 14 mile T-Line required by NYISO as a System Upgrade Facility to interconnect the CVEC substation to the ConEd Pleasant Valley substation will be placed in the existing ConEd right of way. (REDACTED)

If an easement over any property is required, ConEd will negotiate with the property owner to purchase the necessary easement. Alternately, if the necessary easements cannot be secured from the land owners by negotiation, ConEd could either place a portion of the T-Line underground or move the T-Line over to one side of the right of way.

Based on a preliminary review of GIS property maps, landowners potentially affected by the T-Line Project include:

Table 13.1: Parcels Potentially in Existing ConEd ROW (REDACTED)

13.2 Project Economic Development Benefits

The construction of the Project will require an estimated investment of approximately $1 billion, which will provide a significant benefit to the local, regional, and state economies. In the short-term, it is expected that an average of 300 construction jobs will be created during the 30-months construction of the Project, with up to 750 jobs during the five-month peak construction period. Once completed, operation of the Facility will support approximately 25 well-paying permanent jobs in Dover. The Project, during both construction and operation, will also result in significant secondary economic benefits. As payments to suppliers and worker wages are spent and recirculated in the area economy, additional jobs, income and revenue will be created in a variety of industries, such as lodging, eating and drinking establishments, retail stores, wholesalers, and service providers. Project construction is estimated to generate and induce creation of 2,202 full-time equivalent ("FTE") jobs, including 751 secondary jobs. Upon completion, the project will create 56 FTE jobs, including 26 secondary jobs.

13.2.1 Economic effects of Project Construction

13.2.1.1 Direct Employment- Construction

During the peak construction period, on-site construction employment will require approximately seven hundred fifty (750) workers. The total construction payroll, excluding benefits, is estimated to be approximately $145 million.

Non-payroll direct expenditures (e.g., services, rentals) made locally during the construction period are anticipated to be limited to services such as transportation of workers, security, catering, and cleaning. These expenditures are currently estimated to be approximately $2.7 million annually.

13.2.1.2 Secondary Economic Impact- Construction

CVEC expects that the Project will require approximately seven hundred fifty (750) FTE employees during the peak construction months, and approximately three hundred (300) FTE employees on average. Construction is expected to be completed within a 30-month timeframe. CVEC anticipates that much of the required construction labor force for the Project will be met with the available trades' workforce in Dutchess County. According to the U.S. Census data for 2007, approximately 5,700 construction trade workers reside within Dutchess County (U.S. Census Bureau, 2007). As of July 2010, data from the New York State Department of Labor indicates that there are approximately 3,900 construction workers actively seeking employment in Dutchess County (New York State Department of Labor, 2010a). The unemployment rate in Dutchess County was 7.2 percent in April 2010 (New York State Department of Labor, 2010b).

The total construction payroll for the Project is anticipated to be approximately $145 million. This estimate is based on the anticipated construction trades required to support peak Project construction. Construction payroll, excluding benefits but with overtime included, was calculated at an average of $65 per hour based on the Applicant's experience in building these types of projects.

13.2.1.3 Direct and Secondary Economic Impacts Due to Project Construction

In analyzing the Project's direct impact on Dutchess County and New York State, CVEC estimates that approximately $130 million of the total Project construction and development expenditures will occur in the Dutchess County region. These expenditures were calculated by deducting, from the total cost of construction, the cost of specialized equipment and machinery used in the generation of power (i.e., gas and steam turbines), as well as project financing, pieces of the engineering, design, development costs, and other project costs.. In order to be conservative, CVEC assumes that the majority of these expenditures will not be captured by businesses in Dutchess County. Some portion of these, however, may well benefit the New York State economy. However, without a greater level of certainty, these benefits have been excluded from the assessment of project impacts to ensure conservative results.

13.2.1.4 Direct and Secondary Job Impacts During Construction

The job impacts from construction activity will be substantial, with indirect and induced (multiplier) impacts occurring across many industries. The model estimates that a total of 1,451 construction industry and construction related FTE jobs will be supported as a result of direct project construction expenditures over the 30-month construction period. This estimate reflects the 300 FTE jobs on average with a peak demand for seven hundred fifty (750) FTE jobs during the anticipated construction period.

13.2.2 Economic Effects of Project Operation

The annual operation of the Project is estimated to result in an increase in regional economic activity of $21.8 million. The impacts that occur as a result of the operation of the Facility will occur annually and may increase over time. The annual impact of operations is presented in Table 13.2.

Table 13.2: Annual Revenue Impact of Project Operations (2010 Dollars)

Dutchess County	Revenue Total
Direct Effect	$18,500,000
Indirect Effect	$1,000,000
Induced Effect	$2,300,000
TOTAL	$21,800,000

13.2.2.1 Direct Employment-Operations

The Generation Facility will create a variety of permanent, well-paying job opportunities in Dover. In total, operation of the Facility is expected to require a workforce of approximately twenty eight (28) employees, with an annual payroll of approximately $2.3 million excluding benefits. Table 13.3 below provides a breakdown of the types of jobs and payroll for a typical operating year.

Table 13.3: Estimated Operating Workforce

Position	Annual Salary and Overtime	Number of Employees	Payroll
Plant Manager	$140,000	1	$140,000
Plant/Environmental Engineer	$105,000	1	$105,000
Operation Manager	$110,000	1	$110,000
Maintenance Manager	$100,000	1	$100,000

Position	Annual Salary and Overtime	Number of Employees	Payroll
Shift Supervisor	$92,000	4	$368,000
Operator (senior)	$80,500	5	$402,500
Operator (junior)	$60,000	5	$300,000
Instrument & Electrical Technician	$86,250	4	$345,000
Maintenance Mechanic	$74,750	4	$299,000
Administrative Assistant	$40,000	1	$40,000
Water Treatment Specialist	$86,250	1	$86,250
Total		**28**	**$2,295,750**

Operation of the Facility will also involve an annual shutdown to perform scheduled maintenance on the combustion and steam turbines. GE Energy, LLC will manage the turbine maintenance, with local tradesmen, such as millwrights and pipefitters, hired to support the effort. Based on information from the supplier, the maintenance work performed by local hires will involve approximately 10,300 man-hours, which equates to approximately five FTEs. The total payroll for these workers is estimated to be approximately $336,663.

Other local expenditures likely to be made during typical operations are generally limited to site maintenance activities such as building maintenance and repair, landscaping and snow removal, painting, cleaning of the administration building, purchase of administrative supplies and replacement furniture, and vehicle repair. These types of purchases will contribute additional activity to the local economy, but will be minimal in comparison to payroll expenditures. They are currently estimated at approximately $170,000 annually.

13.2.2.2 Secondary Jobs and Associated Economic Activity during Facility Operation

Secondary revenues for the Project include economic activity generated by the expected employment required for Facility operations. Once constructed, operation of the Facility is expected to provide approximately 28 high-wage, full-time jobs (e.g. engineers, operations and shift managers, specialists and operators). An additional five FTE equivalents will be supported by the annual turbine maintenance. The estimated total salary amount for these positions is estimated to be approximately $2.6 million excluding benefits, with an average salary of $91,830 for Facility operation employees. In addition, another twenty six (26) indirect and induced jobs will be created in the region as a result of the operations of the Facility and spending associated with income earned by Facility workers in Dutchess County. The annual direct, indirect and induced employment impacts total fifty six (56) jobs and will contribute approximately $3.7 million in labor income to Dutchess County. Table 13.4 presents total annual job impacts from the facility's operations (employment).

Table 13.4: Job Impacts of Cricket Valley Energy Center (Operations)

Dutchess County	Job Total
Direct Effect	30
Indirect Effect	7
Induced Effect	19
TOTAL	56

Table 13.5 presents total annual labor income impacts on the Dutchess County economy as a result of the operation (employment) of the Project.

Table 13.5: Annual Labor Impact of Project Operation (2010 Dollars)

Dutchess County	Total
Direct Effect	$600,000
Indirect Effect	$300,000
Induced Effect	$800,000
TOTAL	$3,700,000

13.2.3 Manufacturing Job Creation in New York State

GE will be the primary supplier of major power generation equipment to the Project. GE will supply three (3) Steam Turbines and three (3) Steam Turbine generators, all manufactured in Schenectady, New York. GE will employ or engage 150 people directly and indirectly in engineering, manufacturing and related support people in Schenectady to design and manufacture the three sets of Steam Turbines and six sets of Generators.

GE will also supply the "Engineered Equipment Package" ("EEP") to the Project. The EEP consists of three (3) Gas Turbine Generators (CTG), three Heat Recovery Steam Generators and electricity generators plus plant Distributed Control Systems. The CGTs will be manufactured in Greenville, SC. 40 GE personnel located in Schenectady, NY will directly or indirectly be involved in the engineering, planning, and logistics for the EEP.

As a result, 190 GE personnel located in Schenectady, NY will be involved supplying equipment to the Project.

In addition to the direct engineering and manufacturing jobs, the GE GTGs and STGs have a number of small and medium sized businesses in New York State that feed into the GE supply chain. For the GTGs, GE has 3 New York state suppliers with approximately 275 employees. For STGs, GE has 9 New York state suppliers with approximately 365 employees. These suppliers provide parts and components. Many have been suppliers to GE for many years and for most, GE is their largest customer.

13.2.4 State and Regional Energy Production Cost Savings

The Project will produce statewide and regional production cost savings. Specifically, the GE SCED Study projects potential aggregate production cost reductions of $241 million in New York State between 2015 and 2020. These savings represent average annual energy cost reductions of 0.7% in New York. These savings should translate to substantial benefits to end-use consumers in New York as well as the surrounding areas.

13.2.5 NYISO 2012 CARIS Study

As noted in Proposal Section 7.3 above, NYISO's Congestion Assessment and Relief Integration Study (March, 2012) specifically identified the addition of 1,000MW of generation in the area of the *ConEd Pleasant Valley substation*- the exact substation at which the Project will connect the Generation Facility- as a solution to reduce congestion in New York State in the Leeds-Pleasant

Valley transmission corridor. NYISO estimates that placement of a 1,000 MW generation facility adjacent to the Pleasant Valley substation will produce an estimated ten-year electricity production cost savings of $330 million (present value):

> The generation solution [for the Leeds-Pleasant Valley congestion] is projected to reduce congestion across NYCA for the planning horizon. The ten-year production cost savings of $330 million (present value) are due to the uncongested location and the assumed better heat rate of the generic generating unit compared to the average system heat rate. Efficient generator solutions reduce imports from neighbors and enable a more efficient and lower cost NYCA generation market. Savings accrue in lower production cost as well as reduced congestion.

The Facility will be located 14 miles east of the ConEd Pleasant Valley substation and, electrically, is equivalent to the generic generator solution studied by NYISO. Thus, CVEC anticipates that the Project will generate the $330 million in production cost savings identified in CARIS for the benefit of New York State ratepayers.

13.2.6 Town of Dover PILOT Agreement

The Project will also provide a long-term revenue source for the Town of Dover, Dutchess County and the Dover Union Free School District through a PILOT agreement currently under negotiation between the Town of Dover, Dutchess County and the Dover Union Free School District. A PILOT agreement will be advantageous to the Town, the Dover Union Free School District and CVEC because it will create revenue certainty for the Town and the School District, making annual budgeting easier, and create payment certainty for CVEC, making financing for the Project easier. The PILOT agreement under negotiation will also provide for payments during construction of the Project.

The range of PILOT payments to be made by CVEC to the Town of Dover and the Dover School District are approximately $(REDACTED) over the life of the Project.

13.3 Large Generating Facility Data – See Attachment 2

13.4 Generation Data Sheet – See Attachment 2

13.5 Completed and signed NYPA Appendices

See below Table 13.6 which includes a list of completed and signed NYPA Appendices.

Table 13.6: Additional Requirements

NYPA Reference	Name	Status
	Resolution	Attached
	Non-Collusive Proposal Certification	Attached
	P.O. Address of the Proposer (Page B-1)	Attached
	DUNS Number Information	Attached
Appendix B	Prompt Payment Policy	No action required
Appendix C	Minority and Women-Owned Business Enterprise (M/WBE) Participation Goal Requirement	
	Attachment No.1	Attached
	Attachment No.2	Not required at this time
	Attachment No.3	Not required at this time
	Attachment No.4	Not required at this time
	Attachment No.5	Not required at this time
Appendix E	Omnibus Procurement Act of 1992 Requirements	
	Attachment No.1	Attached
	Attachment No.2	Attached
	Attachment No.3	Not required at this time
	Attachment No.4	Not required at this time
Appendix G	Equal Employment Opportunities Requirements	
	Form G-1	Attached
	Form G-2	N/A
	Form G-3	N/A
	Form G-4	N/A
	Form G-5	N/A
Appendix H	Tax Law Requirements	Not required at this time
Appendix J	Proposer/Consultant Compliance With New York Power	
	Form J-1	Attached
	Form J-2	Attached
	Form J-3	Attached
	Form J-4	Attached

14. COMPLIANCE STATEMENT

Cricket Valley Energy Center LLC hereby represents and warrants to the New York Power Authority that all products and services provided by the Project will be in compliance with all applicable legal and regulatory requirements.

14.1 Compliance with NYPA's M/WBE Participation Goals

NYPA desires that minority and women owned business ("M/WBE") participation for projects submitted in response to this RFP consistent with New York State requirements applicable to public authorities.

14.1.1 EPC Contractor- CH2M Hill M/WBE Policy

CVEC's EPC subcontractor for the Project will be CH2M HILL, Inc. a nationally recognized engineering, procurement and construction contractor for electric power generation plants -- including a number of power generation facilities in New York state. CH2M HILL will be the EPC Contractor and principle employer of personnel for Project construction. CH2M HILL has a very detailed Diversity Policy which applies to Small Business, Small Disadvantaged Businesses, Hub zone Small Businesses and Women Owned Small Businesses.

For the past 10 years, CH2M HILL has awarded 71% of its available subcontractor dollars to small and diverse businesses.

CH2M Hill expressly recognizes and adopts NYPA's minority and women owned business policies and non-discrimination policies. See CH2M Hill's minority and small and women owned business program, including a list of awards in recognition of CH2M Hill meeting or exceeding governmentally established goals for contracting with minority, small and women owned business, attached as Exhibit 37.

CH2M Hill's goals for small business, minority and women owned business are shown in below Table 14.1:

Table 14.1: CH2M HILL Diversity Goals

Type of Business	Goals
Small Business (SB) (includes SDB, HUBZone SB, WOSB)	23%
Small Disadvantaged Business (SDB)	5%
HUBZone Small Business	3%
Women-Owned Small Business (WOSB)	5%
Veteran-Owned Small Business (VOSB)	3%
Service Disabled Veteran-Owned Small Business (SDVOSB	3%

CH2M HILL's M/WBE policy states:

It is the policy of the United States and CH2M HILL, the parent company of CH2M HILL, that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUB Zone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, minority business concerns and woman-owned small business concerns shall have the maximum practical opportunity to participate in the performance of government and commercial subcontracts awarded by CH2M HILL. It is CH2M HILL's intention to aggressively pursue, wherever possible, subcontracting opportunities with small business, veteran-owned small business, service-disabled veteran-owned small business, HUB Zone small business, small disadvantaged small business,, minority business, and women-owned small business, as well as Historically Black Colleges and Universities and Minority Institutions in accordance with applicable laws and client contract requirements.

CH2M HILL's Small Business Program continues to be rated "Outstanding" the highest possible rating, by CH2M Hill's auditing agency, the Defense Contract Management Agency-Denver (DCMA) and the U.S. Small Business Administration (SBA), since 1998. CH2M HILL's commitment to Small Business Concerns has been recognized by the SBA evidenced by the award of SBA's Dwight D. Eisenhower Award for Excellence, the Francis Perkins Vanguard Award and the Award of Distinction.

CH2M HILL subcontracting efforts have received national recognition and were used as a model by EPA's Management Advisory Group. CH2M HILL has won the EPA Administrator's Award for outstanding prime contractor accomplishments in furthering the Agency's socioeconomic program goals and objectives on five separate occasions.

CH2M HILL will conduct all major subcontracting on the Crocket Valley Energy project, committing to subcontract over (Later) to small businesses over the life of the contract. CH2M HILL's subcontracting approach emphasizes the utilization and integration of our team subcontractors for the delivery of SOW requirements.

Cricket Valley Energy Center adopts the CH2M HILL Diversity Policy and will incorporate this policy into the EPC Contract between Cricket Valley Energy Center and CH2M HILL.

14.1.2 General Electric M/WBE policy

GE will be the primary equipment supplier for the power island, including, gas turbines and generators, steam turbines and generators, heat recovery steam generators. GE has well defined minority and woman owned business policy. Minority/women business hiring statistics for GE Energy are as follows.

The GE Power & Water businesses who will be supplying the power generation equipment and services to the Cricket Valley Energy Center are limited to a very small set of sub-suppliers with whom they subcontract to due to the highly specialized requirements for the complex products which GE purchases for the equipment and services they ultimately supply. However, in spite of these

requirements, these GE businesses placed approximately $64 MM of their total subcontracting purchases in 2012 with suppliers characterized as either Woman, Minority or Veteran owned businesses

GE Energy's minority and women owned business policy is attached as Exhibit 38.