Waterbury Generation Project

Summary of Question and Answer Portion of 9/12/2007 Public Outreach Meeting

Q - *Why was the plant sited in Waterbury, and in this particular area of Waterbury? Were there any other places considered*?

A - **As ordered in the *Energy Independence Act* passed by the Connecticut General Assembly in 2005, the Connecticut Department of Public Utility Control held a request for proposal (RFP) in late 2006 for new peaking generation in the State. At the conclusion of that competitive solicitation in April 2007, four projects out the 20 that applied were selected. One of those was the Waterbury Generation Project, owned by Waterbury Generation LLC.**

The project concept was initiated by the owner of Ansonia Copper & Brass in part to utilize and remediate an existing brownfield site located at 725 Bank St. in Waterbury, which provides and environmental benefit to the area.

Waterbury is an ideal site for this particular plant because, as indicated in the Energy Independence Act, Southwest Connecticut is in need of additional power during periods of high electric load and is located near a natural gas supply and an electrical substation.

Q - *How safe is this plant? Are the gas and electric lines safe? Are the electrical systems and the operational system safe?*

A - **The design of the plant is state-of-the-art and will have all safeguards and protection equipment. In addition, Waterbury Generation is applying for all necessary local, state, and federal safety permits.**

Q - *What is involved in the brownfield remediation?*

A – **A Licensed Environmental Professional (LEP), who is licensed by the Connecticut Department of Environmental Protection, will be leading the investigation and remediation activities. The brownfield remediation essentially consists of sealing off, or "capping," the area where the plant will be located. Capping includes the addition of clean soil which is then covered with either pavement, concrete or a structure. Certain areas where higher levels of contaminants were detected will be excavated, but these areas appear to be limited. The excavated soils will be properly disposed in accordance with environmental regulations. The capping will prevent rainwater from leaching contaminates into the ground water, and is an approved remediation method. The capped area will be monitored and maintained to ensure maximum protection of the environment.**

Q - *Is fuel oil going to be burned at the station and how often?*

A – **The plant will burn natural gas primarily, with ultra low sulfur distillate (similar to kerosene) used as a backup fuel. The State has required this distillate as a backup fuel in the event of gas curtailments for home heating. The backup fuel will only be used in these situations, but we can't predict how much will be used in a given year.**

Q - *Can the energy produced by the plant reduce the cost of power to Waterbury city buildings such as the Fire Department, City Hall, and the Police Station?*

A **- Although power generated from the Waterbury facility will not flow directly to City buildings, it will be transmitted back onto the Connecticut power grid and increase electrical capacity throughout southwest Connecticut resulting in lower energy costs for the City and its residents.**

Q - *If the plant is running 200-300 hours per year how does this help lower electric rates?*

A - **This plant will only run when energy demand is the highest, during 'peaking' periods which are during the year's hottest days. It is important to note that twenty percent of Connecticut customers' electricity costs are accumulated during these peaking periods, which encompass only two percent of the year. In the past, peaking plants were the most expensive to run and thus were used only during times when demand is highest. This plant is much more efficient and less expensive to run and, in turn, will generate less expensive power during these peak periods.**

Q - *Will the plant only run 200-300 hours per year for the life of the contract?*

A - **The operating hours are what has been modeled based on future prices and demand projections, but the operating hours could be higher in any given year based on system conditions and extreme weather.**

Q - *How long is the power contract and what happens when it ends? Will FirstLight guarantee that it will extend the contract?*

A - **FirstLight intends to operate the plant for 40 to 50 years and plans to do so by either entering into other long-term contracts or selling power into the open market, if necessary. We would prefer to sign another long-term contract and will likely pursue that during the course of this current 10 year contact.**

Q - *When does Waterbury Generation start paying property taxes to the City of Waterbury?*

A - **Waterbury Generation has applied for tax abatement with the City of Waterbury, which would provide lower taxes in the early years of the project. The tax abatement has not yet been granted, so exact details are not available at this time. However, over the 40-50 year life of plant operations, a facility like the one proposed here could generate approximately $100-160 million in taxes to the City.**

Q - *How many units of this design are currently operating?*

A – **The unit is known as a GE LMS 100 generator. Currently, there is one in operation in Groton, South Dakota and one in a test phase in Houston, Texas. Over a dozen more of these units will be in operation by the time the Waterbury Generation unit is scheduled to go on line in 2008. The LMS 100 technology is a clean, quiet, and efficient unit, well suited to this project as it is designed specifically for urban locations.**

Q - *Will the transmission route have any effect on the highway plans?*

A – **No, since the transmission line will occupy the railroad right-of-way, we don't believe there will be any impact to the highway system.**