



**ReEnergy Black River
Proposal to provide Secure,
Renewable Energy to Fort Drum**

June 2014



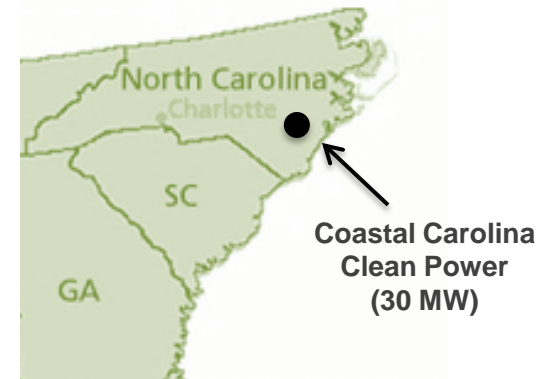
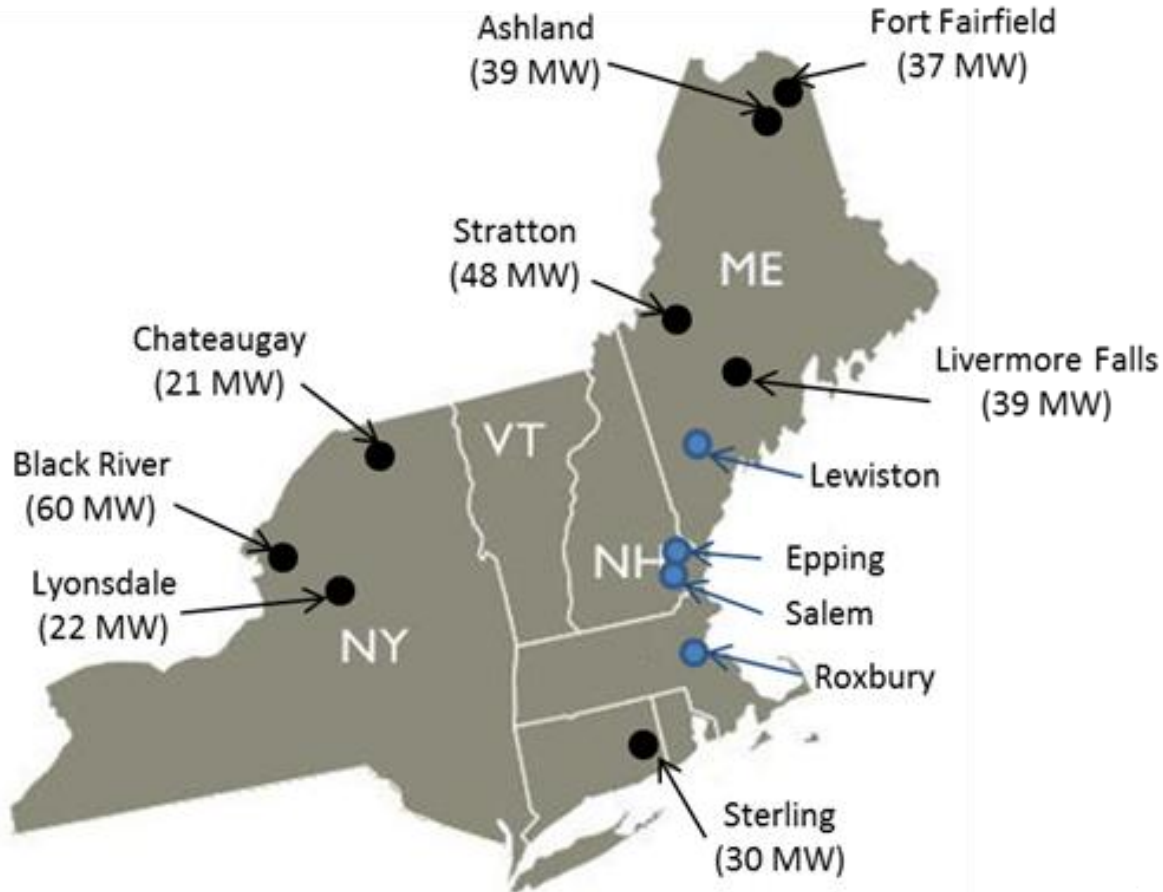
Fast Facts – ReEnergy Holdings



- Headquartered in Latham, NY
- Established 2008
- Approximately 300 employees; 6 states
- 325 MW of renewable energy generation (NY, ME, CT, NC)



ReEnergy Holdings Portfolio



ReEnergy Holdings in NYS

- 80 employees
- 103 MW of installed capacity, approx. 738,000 MWh
- \$24 million in annual fuel purchases
- Supports more than 300 indirect jobs, most in the forest

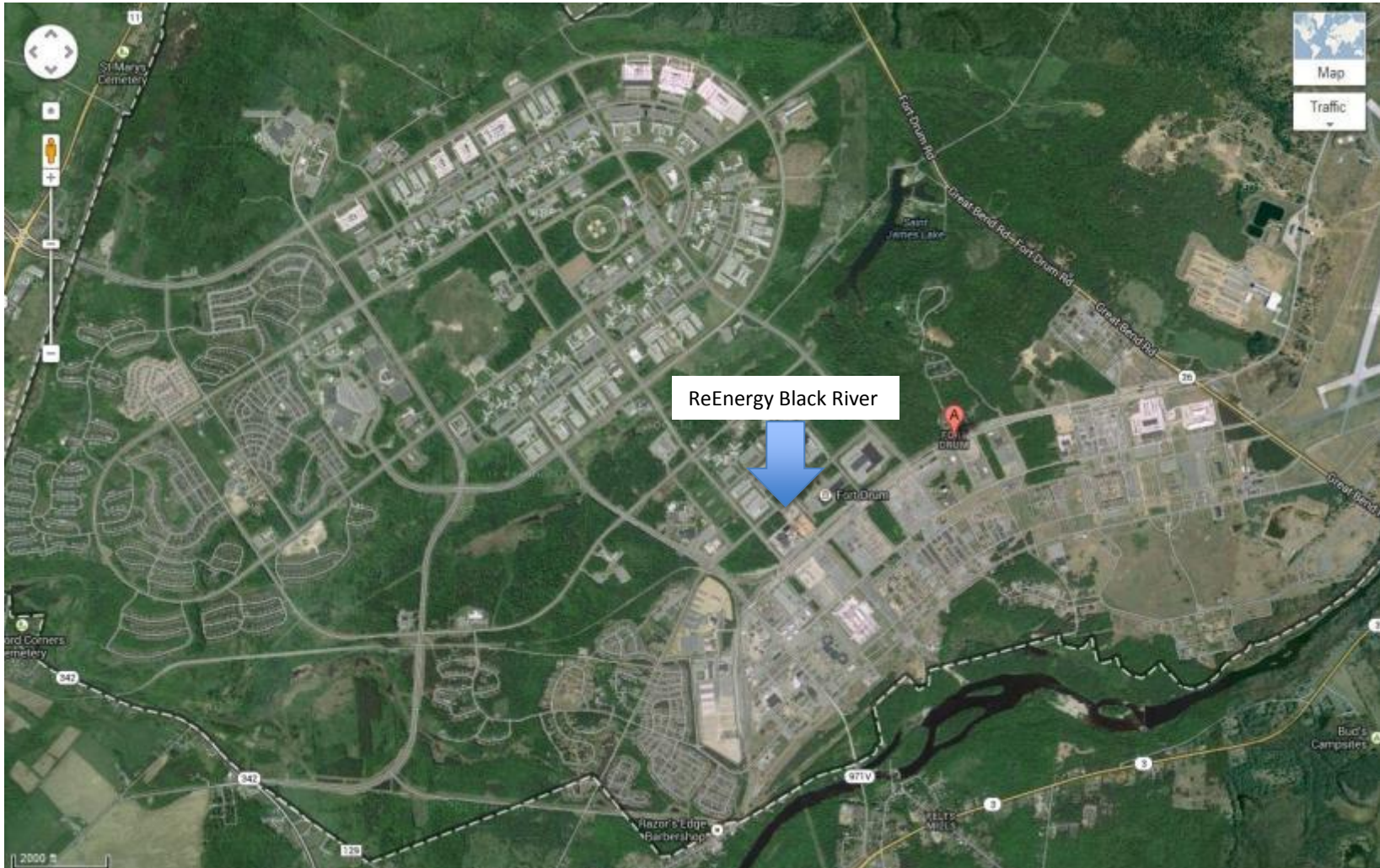


ReEnergy Black River Fast Facts

- Inside the fence at Fort Drum
- 60 MW gross generating capacity
- Retrofitted coal-burning facility
- Purchased by ReEnergy in December 2011
- Awarded 10-year contract with NYSERDA for sale of renewable energy certificates
- Supported by local governments under PILOT agreement



ReEnergy Black River Fast Facts



Environmental Benefits

- Retrofit to biomass resulted in more than \$35 Million investment
- Reduced emissions compared to prior use
- New cooling tower reduces water use and thermal discharge into Black River
- Reduced limestone usage
- SFI certification for green wood purchases



Current Operations

- Start-up in May 2013
- Dispatchable asset capable of following basepoints from NYISO
- Participation in energy and capacity markets for full output of facility

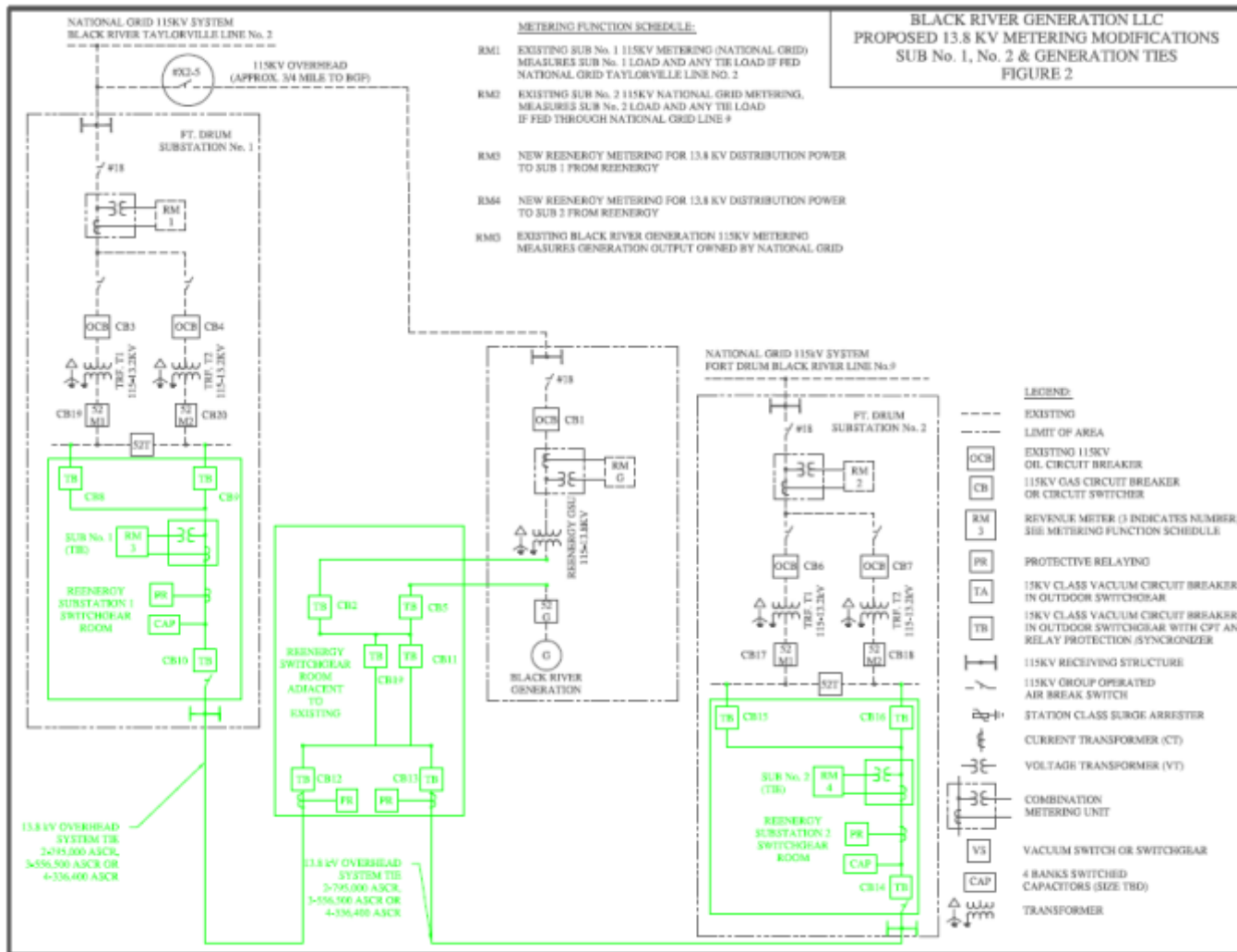


Fort Drum Relationship

- Notice of Intent to award contract issued in February 2014
- Full requirements of Fort Drum (28 MW peak)
- With further investment, will serve behind the meter
- All existing interconnections to grid remain
- Fort Drum to take stand-by service from utility
- Serves Army goals of energy security and renewable energy
- Fort Drum load is less than half of ReEnergy's net output



Interconnection Design



- TPAS approved the new interconnection arrangement with Fort Drum
- As all existing interconnections with the grid remain, all revenue grade meters would also remain
- Interconnection to grid shall be metered on a net basis (either direction)
- Intend to comply with all requirements applicable to generators which participate in NYISO markets



Excess Generation

- Existing NYISO market rules preclude a generator to serve both NYISO wholesale market and a behind-the-meter customer
- Only current option for ReEnergy is to sell excess generation to utility through PURPA tariff PPA
- Request tariff/manual changes to permit generators serving a load behind the meter to continue to operate in NYISO markets with excess generation
- Request the changes to be included in the 2015 project list with an effective date the end of second quarter 2015

