Jim O'Reilly, President

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May 23, 2012

Mr. Gil C. Quiniones, Co-Chair
Energy Highway Task Force
President and Chief Executive Officer
New York Power Authority
123 Main Street, 16th Floor
White Plains, N.Y. 10601-3170

RE: Clover Leaf Power Response to April 11, 2012, "Request For Information"

Dear Mr. Quiniones:

On behalf of Clover Leaf Power LLC ("Clover Leaf"), I am responding to the Energy Highway Task Force's April 11, 2012, Request for Information ("RFI").

Clover Leaf is an independent power producer which is exploring the development of a 200 MW gas-fired power plant on a site that it owns in New York City. Clover Leaf took the first step in the authorization process – filing its Interconnection Request with the New York State Independent System Operator ("NYISO") – on October 24, 2011 (NYISO Queue #369) and currently is proceeding with the process.

The following responses track the RFI outline:

RESPONDENT INFORMATION:

Jim O'Reilly, President
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RESPONDENT'S BACKGROUND AND RELEVANT EXPERIENCE:

Clover Leaf's founders own land in the northeast region of the Bronx. For several decades the founders owned and operated a public transportation system that provided commuter service to Manhattan and local school-bus service. A portion of that land now is used by the Metropolitan Transit Authority ("MTA") under a long-term lease arrangement with the City of New York. Another totally separate portion of the land (approximately seven acres) in the vicinity is not under lease and is the proposed site for Clover Leaf's generating facility.

HIGHLIGHTS:

The Site: The northeast region of the Bronx.

The Plant: Two GE LMS-100 gas-fired units (Effective Summer Capacity = 173.9 MW).

NYISO Zone: J

Fuel Source: Con Edison's gas-distribution system. (Adjacent interconnection alternatives available and under discussion.) Fuel oil backup.

On-Line Date: 2016

Financial: A permanent financial structure has not yet been determined.

Permitting: NYISO's Feasibility Study is in progress. Clover Leaf also must apply to NYISO for a System Reliability Impact Study ("SRIS") and to the Board on Electric Generation Siting and the Environment for a certificate of environmental compatibility and public need under Article 10 of the Public Service Law, in addition to various air and water permits from the NYDEC. There may be some municipal consents required as well.

Property: Clover Leaf's proposed site is 100% owned by a Clover Leaf affiliate in fee. There are no tenants on the property.

Schedule: Subsequent to an acceptable "feasibility" determination by NYISO, Clover Leaf's next step would be to submit its SRIS request to NYISO. Assuming the most favorable schedule for all necessary authorizations, the plant can go into operation by 2016.

Interconnections:

Substation: Clover Leaf's interconnection request to NYISO is in progress. Clover Leaf designated two potential Con Edison substations in the Bronx – East 179th Street and Mott Haven – as potential interconnection points. NYISO and Con Edison are conducting a feasibility study of the proposed points of interconnection.

Transmission: Clover Leaf is working with electric transmission engineering experts to identify the feasibility of various routes to interconnect with Con Edison's system. To the extent practicable, Clover Leaf expects to use existing rights-of-way; however, the routing of the interconnecting transmission line is still under study.

Natural Gas: Clover Leaf is working actively with Con Edison to determine the feasibility of an interconnection with Con Edison's gas distribution system.

Financial: Clover Leaf's permanent financial structure has not been determined.

Environmental: Clover Leaf is of the opinion that its project can meet all environmental requirements and that they will be fully addressed in the Article 10 proceeding.

Public Outreach: Once Clover Leaf receives acceptable feasibility studies on the gas and electric interconnection, it will proceed with the SRIS process at the NYISO. At that point, it also will begin development of a public involvement program ("PIP") that will be required to be submitted in an Article 10 process. At this time, Clover Leaf expects the draft PIP to include, but not be limited to, the following outreach initiatives: consultation with applicable federal, state and municipal elected officials: consultation with applicable federal, state and municipal agencies: consultation with Bronx and Community Board officials; and, consultation with local community groups including any applicable environmental justice organization. Other possible outreach activities include, but are not limited to: a website for the project, an email list providing project development updates, a phone number to receive questions or comments on the project, establishment of a community contact group and participation in public hearings/forums/open houses that are held by the Siting Board.

Technical:

Facility Life: The life-expectancy of Clover Leaf's proposed generating station, while generally dependent on the level of use, should be consistent with state-of-the-art power-generating equipment, *i.e.*, approximately 40 years.

Warranties: Clover Leaf's plans at this time call for the use of GE turbines and related equipment, which carry competitive warranties.

Construction: Clover Leaf will address the construction phase of the project in the Article 10 proceeding and, in further detail, once its authorizations are in place.

Operational: Clover Leaf expects to meet all contractual requirements for availability and energy production. Clover Leaf's

project will comply with all applicable reliability, safety and emergency requirements.

Socio-Economic:

Local Economy: The project directly will create temporary and permanent jobs; Clover Leaf has not yet estimated the level. Clover Leaf is of the view that the power plant and related electric transmission interconnect will enhance the local electric infrastructure, provide better reliability for electric service to the downstate area and generally serve to improve the local economy.

Property Values: Clover Leaf has not made any analysis of the impact of its project on local property values.

Jobs: As noted, temporary jobs will be created during the construction phase and permanent jobs will be created for the operation and maintenance of the facility. The temporary jobs largely will consist of skilled labor required to construct this major generating facility. Although the permanent staffing will be relatively small – these plants are highly automated and controlled from a central location – there will be a need for skilled engineering personnel for operating and maintaining the facility.

Public Safety: Clover Leaf will comply with all public safety requirements for operating a power plant.

Tourism: While the preliminary design plans for the facility likely will improve the appearance and quality of the adjacent neighborhood, there is not likely to be direct benefit to tourism.

Environmental Justice Clover Leaf will comply with the environmental justice study requirements if and when it commences the Article 10 process.

Smart Growth: Clover Leaf's project should enable intermittent renewable power to be reliable. This type of integration of renewables into the Energy Highway along with the judicious addition of natural gas facilities for reliability and resource mix reasons is the essence of "smart growth."

Financial Plan:	It is too early in the process for Clover Leaf to develop a financial plan.
Revenue Projections:	It is too early in the process for Clover Leaf accurately to project its revenues.
Project Risks:	Clover Leaf's proposed generating plant will carry all of the risks of a capital-intensive power project.
Environmental:	Clover Leaf's principal environmental benefit to the region – due to its state-of-the-art technology – will be the improvement in air quality. To the extent of its operation, Clover Leaf will displace generation by facilities that likely will have greater emissions of air pollutants. To the extent that its operation serves to facilitate delivery of upstate power to downstate, Clover Leaf also will be making an air quality environmental contribution.

Please let me know of any questions or additional information I can provide.

Sincerely,

Jim O'Reilly