



CPV Valley Energy Center  
50 Braintree Hill Office Park  
Suite 300  
Braintree, MA 02184

May 20, 2013

Mr. Len Walker  
New York Power Authority  
123 Main Street  
White Plains, NY 10601

**RE: CPV Valley Energy Center**

Dear Mr. Walker:

CPV Valley, LLC ("CPV") is pleased to provide New York Power Authority ("NYPA") this proposal ("Proposal") in response to NYPA's Request for Proposals (Q13-54411W - Contingency Procurement of Generation and Transmission). This Proposal submitted by CPV for the CPV Valley Energy Center, a new 667 MW natural gas combined cycle facility located in Wawayanda, Orange County, New York.

The proposed pricing contained herein is firm through December 31, 2013. As detailed in this proposal, the CPV Valley Energy Center (the "Project") is in the unique position to be commercially operational by June 1, 2016. With most of the permits previously obtained, the Project is well positioned to meet NYPA's targeted commercial operations date. The Project will interconnect into NYPA's 345 kV system in the New York Independent System Operator ("NYISO") Zone G located in the Lower Hudson Valley. The NYISO is in the process of establishing a new capacity zone in the Lower Hudson Valley to address reliability needs. Therefore, the Project is ideally located to support the system regardless of the future of Indian Point. As detailed in the Proposal, the Project's ability to secure a firm natural gas supply along with dual fuel capability provides New York with a new generation with significantly enhanced reliability.

Additionally, the Project provides New York with a significant economic stimulus opportunity. The construction of the CPV Valley Energy Center will provide New York with over \$760 million of increase economic activity and over 2,900 jobs (direct, indirect and induced). The Project has been well received and supported by the community as demonstrated by the letters contained in this proposal.

As detailed in this proposal, CPV has an established track record in developing, financing, and constructing energy projects. Most recently, CPV's Sentinel project achieved commercial operation three months ahead of schedule. The selection of project technology and EPC contractors is consistent with CPV's track record and drive to develop and deliver reliable energy projects. The Project is a two on one combined cycle facility designed around the efficient Siemens FD4 gas turbine technology. These units have a proven track record with over 7,644,000 hours of operation; this is not prototypical technology. CPV selected Skanska, in a joint venture with Burns & McDonnell and ECCO III, as the EPC contractor for the Project. Key considerations that factored into this selection included the track record of constructing similar gas fired combined cycle projects comparable to CPV Valley in New York, and the ability to manage local labor.

These attributes of the Project, along with others detailed in the Proposal, make the CPV Valley Energy Center a "no regrets". We believe the enclosed proposal contains all of the information for NYPA to evaluate the CPV Valley Energy Center. Also, we believe the firm pricing proposed is competitive for such an advanced stage project with enhanced fuel reliability, proven technology and able to meet NYPA's June 1, 2016 commercial operations date.

CPV looks forward to future discussions regarding the CPV Valley Energy Center. If you have any questions or comments regarding this Proposal, please contact Steve Remillard at (781) 817-8970.

Sincerely,



Peter J. Podurgiel  
Senior Vice President  
Competitive Power Ventures, Inc.