



CPV Valley Energy Center
3330 US Highway 6
Middletown, NY 10940

December 2017

Dear Neighbor,

The CPV Valley Energy Center construction is nearing completion and we would like to take this opportunity to update you on the next steps for our new, state-of-the-art electric generation facility, which, once it “goes commercial” will provide consistently reliable, efficient and needed electrical infrastructure to meet the area’s growing demand.

We are currently completing the remaining construction activities and are transitioning into the commissioning phase during which the various components of the facility are started for the first time and are “tuned” to safely operate at optimal efficiency and reliability.

Major commissioning activities are expected to take place during the months of December and January of this year. Below is a brief description of some of the activities that will occur in the coming months.

- Since the primary fuel, natural gas, is not currently available, the initial project start-up and testing will be on ultra-low sulfur fuel oil, which is the permitted secondary fuel for the facility. This fuel is the same fuel oil that is used in household furnaces in the area.
- The steam piping systems within the facility will need to be thoroughly cleaned. Low pressure steam (high temperature water vapor) will be used to clean this piping prior to the facility becoming operational. This method of cleaning the steam piping system is typical for power generation facilities and is commonly referred to as “steam blows”. The steam blow cleaning activity is expected to take 2-3 weeks. The steam blow cleaning is necessary to prepare the facility’s steam systems and steam turbine for normal operations. During this “steam blow” activity, steam will be safely discharged through muffler systems to significantly reduce potential noise. Some noticeable steam vapor may be seen coming from the facility. This is just water vapor and is very typical for this activity.
- Fuel trucks will be entering the site to fill the fuel oil storage. The impact from this should be negligible as truck traffic has already been significantly reduced with the facility nearing the end of construction.

- Since the facility will be started on fuel oil, there will be times when a visible plume from the Heat Recovery Steam Generator (HRSG) exhaust stacks is observable during the initial “shakedown” period. This initial visible exhaust during commissioning is typical for combined-cycle power plants. The exhaust will be clear once the facility is operationally tuned for optimum performance.

Once the natural gas pipeline construction process is complete, we will switch operations to natural gas – the primary fuel. The plant operating on clean natural gas will displace older, operating fossil fuel generation that emits significantly more emissions and are much less efficient.

For CPV safety always comes first, and we are proud of our safety record that continuously exceeds industry averages. We do business as if it is our family living next door—because often they are. Please be assured that all of the above activities are conducted in a safe manner and are approved as part of the State permitting process.

Enclosed please find Q&As about this new state of the art electric generation facility.

We encourage you to visit our CPV Valley Energy Center webpage at www.cpvalley.com where you can find additional project information, additional Q&As, updates and contact information to email or phone us with your questions.

We will continue to keep you updated as the project moves into full operation.

Sincerely,



Christopher J. Allgeier
Project Sponsor

CPV Valley Energy Center Q&As

Q: How will CPV Valley help the environment?

A: CPV Valley's highly efficient design produces more electricity while using less fuel. Because CPV Valley's electric production displaces electric production from older, less efficient generators, it will reduce net carbon emissions. An independent study conducted by the Brattle Group, determined that new, efficient power generation in the Lower Hudson Valley, such as the CPV Valley Energy Center, will reduce carbon emissions by **half-a-million tons per year**. That represents **6 million tons of total carbon emissions reductions** between 2018 and 2030.

Q: What is the commissioning process?

A: As CPV Valley prepares for safe, reliable operation, we must first checkout and test every operational component of the project. This methodical process involves delivering fuel to the facility and testing/operating the turbines that will generate electricity, along with the balance of the plant equipment in order to verify the project meets its design performance specifications.

Q: How long is the commissioning process expected to last?

A: The commissioning process is underway and is expected to take approximately 3 months.

Q: After the commissioning process, will the facility be noisy during operation?

A: Modern power plants are extremely quiet and once we complete CPV Valley's commissioning process, this operating facility will meet the local and state noise quality standards. CPV is utilizing state-of-the-art equipment and noise suppression and has invested in buildings specifically designed to minimize noise. The facility is expected to operate below the average ambient noise level of the adjacent highway.

Q: If CPV Valley will use natural gas to produce electricity, why is it starting with fuel oil?

A: The facility must be operated and tuned on both fuel sources, to verify compliance with emission regulations. The pipeline that will deliver the natural gas to CPV Valley will be completed next year. To make sure the facility is ready for scheduled operation, CPV Valley is commissioning on fuel oil first to ensure the machinery works together at optimal efficiency and reliability. Once the natural gas line is completed, the equipment will undergo tuning on gas, which will be the primary fuel for plant operations.

For reliability purposes, CPV Valley is permitted to operate on fuel oil when the natural gas supply is interrupted or unavailable. The facility will typically use natural gas as it is a cleaner alternative to fuel oil. The use of fuel oil in the facility was evaluated during the State Environmental Quality Review Act (SEQRA) process and included in the air permit issued by the New York State Department of Environmental Conservation. Even with the limited use of fuel oil, we have demonstrated that all emissions are significantly below allowable levels.

Q: What is CPV doing to prioritize safety?

A: Safety is a top priority for CPV. The facility utilizes a proven technology used throughout North America and the world to generate electricity. The design, construction and operation of equipment and systems for the facility will comply with all applicable local, state and federal safety rules and regulations and includes state-of-the-art fire detection and fire protection systems. The site will be staffed 24 hours per day, 7 days per week with trained operators who are coordinating with area First Responders to review procedures, site plans and safety protocols.

Q: What about fuel oil or chemicals stored onsite? What if there is a leak in the tank, won't it impact our groundwater?

A: Fuel oil stored onsite will be contained in a state-of-the-art oil storage tank with a foam suppression system for fire protection. This tank is built within a solid concrete containment area that holds significantly more than the entire capacity of the tank. The fuel oil storage area is inspected daily by the 24 hr. staff onsite. In the highly unlikely event of a leak, the secondary containment prevents oil from reaching the ground or groundwater. Monitoring wells are installed around the perimeter of the tank containment to sample groundwater regularly to further ensure no leaks have occurred. Onsite chemicals are likewise stored with ample secondary containment in the unlikely event of a leak and inspected daily by the onsite operators.

Q: How can I find out more information? Who can I contact if I have questions?

A: Visit the project website at www.cpvalley.com where you can find project information, updates and contact information if you would like to email or call us.