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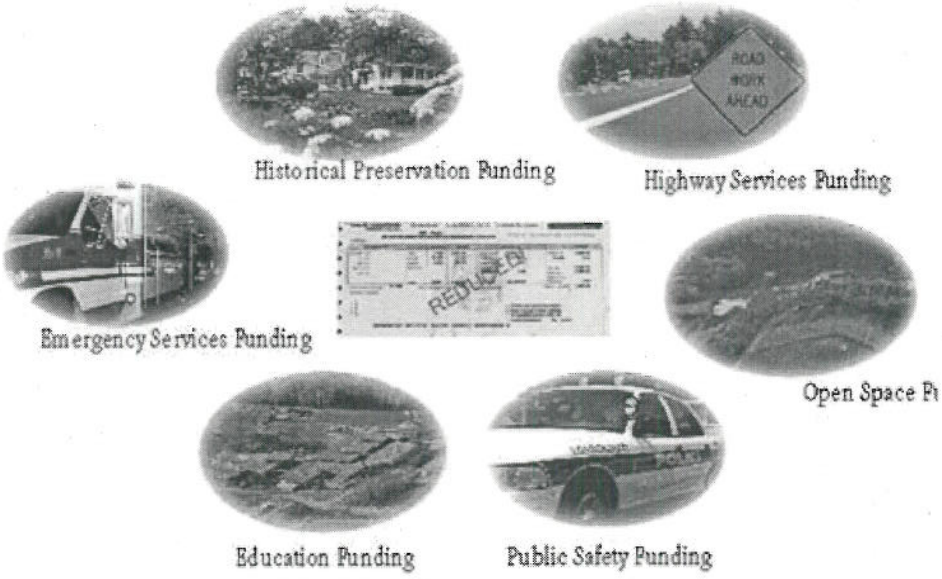
AES Brings Significant Economic Benefits Londonderry

AES means more than $300 million in total economic benefits over the lifeti facility to our community, including:

- **Low-Cost Electricity for Londonderry** — By using state-of-the-art n cogeneration technology, AES will be able to produce electricity much expensively than current generators. AES is working with the Town to offer its low-cost, environmentally friendly electricity to Londonderry residents and businesses. Low-cost power will help everyone who lives or runs a business in Londonderry. Low-cost power will also enable Londonderry to attract new businesses that will in turn generate tax revenues, create jobs, and stimulate the local and regional economy.

- **An Estimated $6.6 Million in Tax Revenues in the First Year Alone** Londonderry now has one of the highest property tax rates in the state a burden continues to rise. AES will be Londonderry's largest taxpayer, g approximately $6.6 million in property taxes in the first year alone: $5 be paid directly to the Town and $1.6 million will be paid directly to th the form of the state utility tax. The $1.6 million paid to the State contri the education grant that the State pays directly to Londonderry. AES' a property tax payments to Londonderry would represent approximately benefit each and every year to the average property taxpayer (based on home). Or, these revenues could pay wages and benefits for 156 teache the bond costs on $75 million worth of capital projects, or enable Lond purchase a significant amount of green space.

AES tax revenue could mean . .



It's up to the Londonderry voters.

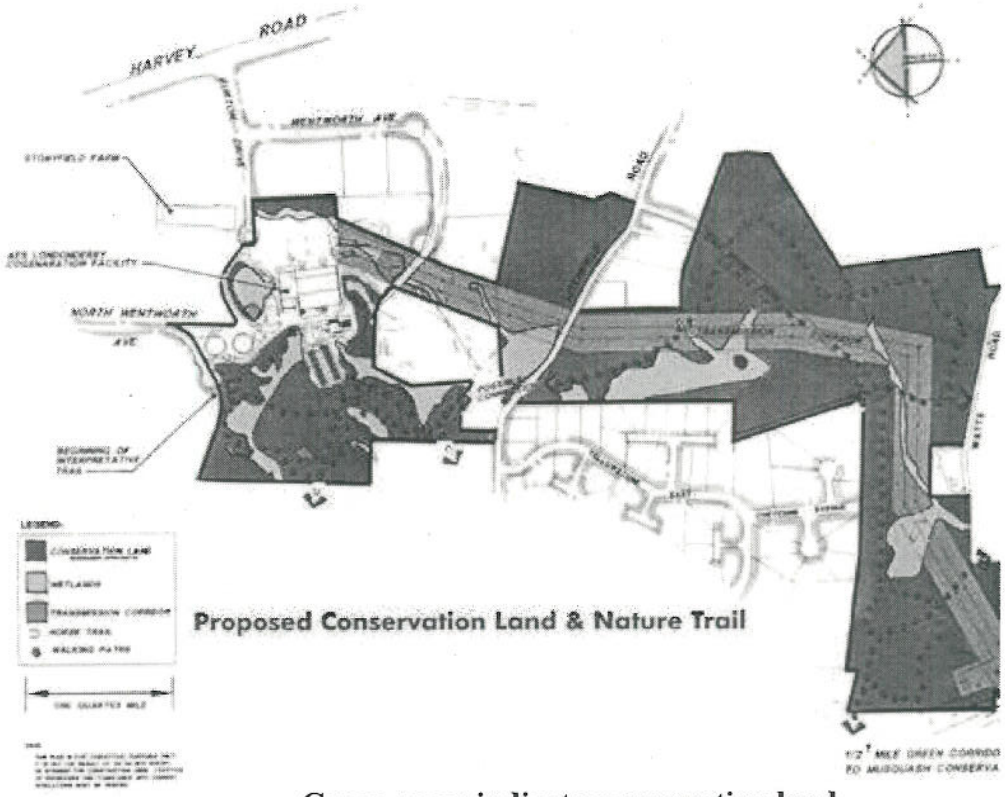
- **Good Paying Jobs** — AES will create 200-250 jobs with a $20 million during two years of construction and 30-35 permanent professional pos

during two years of construction and 30-35 permanent professional pos a $2 million annual operating payroll. Hiring locally will be an AES pri

- **Investment in Local Businesses** — AES buys locally whenever possib expects to purchase $30 million in goods and services from local comp during project construction and $1 million each year the plant operates.

AES Benefits Londonderry With The Preserva Wetlands & Green Space

The AES facility has been designed to preserve and protect wetlands and ecol habitats. The 30 acres adjacent to the plant, as well as approximately 90 acres additional land along the proposed transmission lines will be protected by a p conservation easement (see map below).



Green areas indicate conservation land

Facts About the Conservation Land

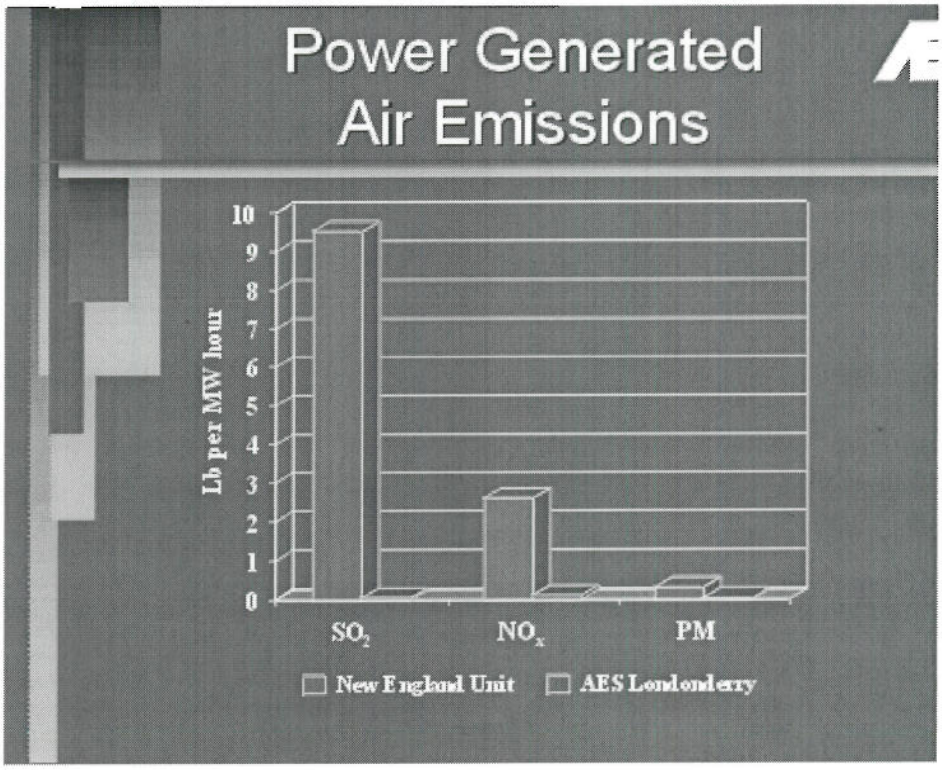
- Approximately 120 acres of permanent conservation land will be create result of the AES Londonderry project.
- AES will grant a conservation easement to the Londonderry Conservati Commission to help preserve green space in Londonderry for the benef Town.
- Discussions relating to the preservation and use of this land have taken the Londonderry Conservation Commission, the Nature Conservancy, a Audubon Society. The Conservation Commission has voted to accept t and content of the easement document from AES.
- AES is in dialogue with the Conservation Commission with regard to p uses for the land. They include nature conservation, educational and rec use, and multipurpose trails. AES has also reached agreement with the Commission on some of the specific terms of the easement, such as no clearing, no construction of buildings, no motorized vehicles, etc.

clearing, no construction of buildings, no motorized vehicles, etc.

- The conservation land constitutes green space on both sides of the 195' transmission line corridor, effectively maintaining a permanently conse forested buffer ranging in size from approximately 220 to 620 feet on t residential side. An additional 30-acre parcel west of the site will also b conserved.
- Basic maintenance of the transmission line corridor, which borders the conservation land, will be done mechanically. No herbicides will be us corridor will be carefully managed to avoid extra clearing, and particul valuable trees will be avoided. AES will plant additional trees and vege where warranted.
- Careful supervision of the structure installation process will ensure min disturbance and protect against erosion. *No construction will take place areas.* All access points to the structures will be on upland areas so as n disturb wetlands or risk erosion.

AES Benefits Regional Air Quality

- AES will be hundreds of times cleaner than current plants. Using state- clean natural gas technology, AES Londonderry will generate energy m cleanly and efficiently than energy facilities we now rely on. Emissions will be 30 to 225 times lower than existing New Hampshire oil and coa making it one of the cleanest energy facilities in the entire country.
- With AES, we can reduce our reliance on older, dirtier power plants. T reduce air emissions by thousands of tons each year, resulting in impro regional air quality.



- The AES facility will yield significant improvements in regional air qu

- The AES facility will yield significant improvements in regional air qu through use of one of the world's cleanest, most efficient, lowest-cost technologies.
- Primarily fueled by clean natural gas, the facility will achieve an energ approaching 60 percent, versus the New England Power Pool's existing and coal generating unit efficiencies that range between 35-40 percent.
- Through use of the most highly efficient technology available today, th facility will be far cleaner and far lower cost than the New England co Currently, greater than 50 percent of New England's generating units ar coal or oil, and more than 50 percent are over 20 years old.
- AES's combination of higher efficiency and lower cost will ultimately of these older, less efficient plants to run less because their electricity p will be too costly to be sold in the open market, resulting in significant reductions (thousands of tons) in air emissions associated with power g throughout the region.
- The Project's highly advanced pollution control technology will result i emission rates for nitrogen oxides (NOx) more than 20 times less per u power produced than these older, less clean plants. AES Granite Ridge help reduce emissions like sulfur dioxides (SO2) by over 180 times, an organic compounds (VOCs), which contribute to regional acid rain and level ozone problems.
- AES will meet or exceed all relevant requirements with regard to maint quality. Any emissions will be far below all federal standards establish protect healthful air. For example, the National Ambient Air Quality st NOx is 100 ug/m3 and AES' maximum contribution is 0.6 ug/m3. (A u 1/1,000,000 of a gram in a cubic meter of air.)

The 1999 London Economics study shows AE yield significant improvements in regional air q

- Restructuring of the New England power industry will place strong co pressure on older, less efficient plants in the regional power market.
- New entry by more efficient gas-fired units such as the proposed AES displace oil and coal-fired units in the regional dispatch order, so those run less frequently.
- It will no longer be economical for utilities to keep some of these units and they will be retired.
- As these older units emit more SO2, NOX, and CO2 per MWh of electr generated than new units, total emissions will fall sharply.
- Even with all scheduled new plants entering the market and the Millsto units back online, Londonderry will have a strong positive impact on re state emissions.
- London Economics forecasts a net fall in emissions at the regional leve bringing Londonderry online. These are estimated to be:

14% drop in SO2 emissions
3% drop in NOx emissions

- New Hampshire will see a significant drop in power plant local emissio AES Londonderry online:

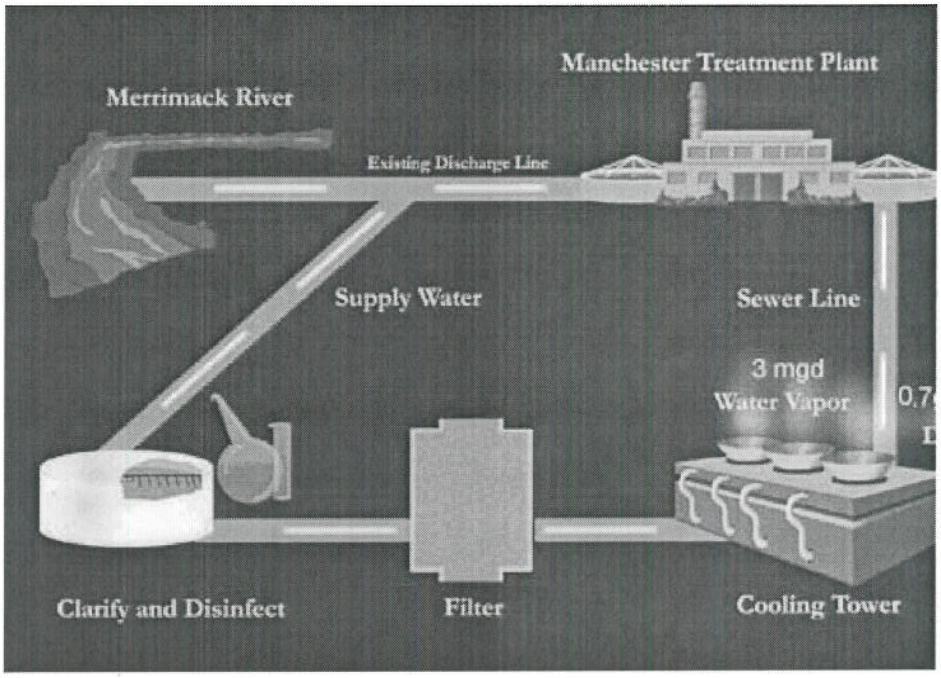
15% drop in SO2 emissions
12% drop in NOx emissions

- Without the other scheduled new entrant plants the emissions reduction

- Without the other scheduled new entrant plants the emissions reduction attributable to the Londonderry plant will be even higher at the regional

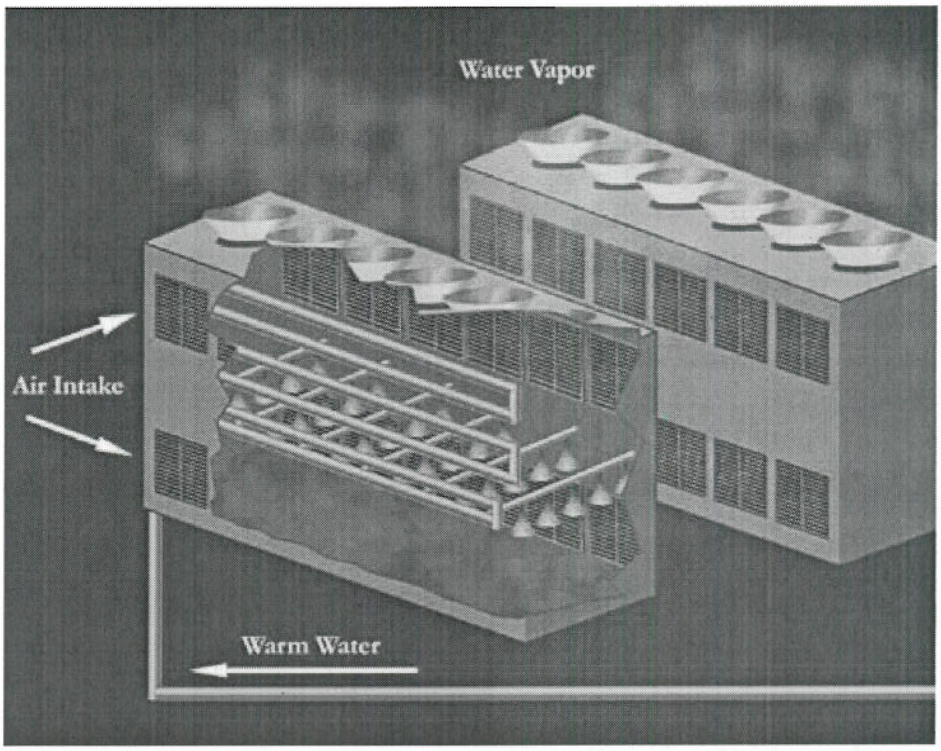
19% drop in SO2 emissions
17% drop in NOx emissions

Facts About Water Supply and Cooling Water



- In keeping with the goals of the Eco-Industrial Park, AES will recycle gallons of water per day from the Manchester Wastewater Treatment F (MWWTF) for cooling purposes.
- Many other energy facilities also recycle water in this manner.
- When the water arrives at the plant it will already have been treated to quality that currently allows it to be discharged into the Merrimack Riv
- At the AES facility the water goes through a second comprehensive an monitored process including further treatment, filtering and clarificatio used at the AES facility is adequately disinfected and will have no healt
- Water comes from the MWWTF to the AES facility, where the water is filtered and disinfected
- The water is then pumped to the cooling tower where 75% (3 million g the water evaporates and is emitted as pure water vapor
- A small percentage (approximately 0.7 gallons/minute) does not evapor rather is emitted as drift
- The remaining 25% (1 million gallons) goes back to MWWTF through sewer line where it mixes with other water, is treated and then released Merrimack River

AES' State-of-the Art Plume Abated Cooling



- Water is evaporated as part of AES' cooling process. During most hour year there will be no visible water vapor plume from the facility. Howe certain conditions (during especially cold and humid weather) there ma visible plume from the AES facility, estimated to be visible no more th approximately 7% of daylight hours. In response to concerns expressed plume issue, AES is currently incorporating into the plant design the lat advances in plume abatement technology.
- The NH Site Evaluation Committee has made it a condition of the per facility will not create ground-level fogging or icing of public roadway
- AES has addressed with Manchester Airport officials matters related to maintaining airspace safety. In a 1/21/99 letter, Airport Director Alfred states "AES has worked cooperatively with us all through this process t any concerns for the continued safe operation of Manchester Airport to satisfaction." A 7/16/98 Determination of No Hazard to Air Navigation Luis A. Ramirez of the FAA states that the water vapor plume "should no serious problem to aviation since winds are predominately from a west direction and would blow the steam plume away from the final approac runway 35. Therefore, we do not feel this will cause a significant adver aviation."
- Because the plant is tucked away on 1,000 acres of industrially zoned l plume should not have any significant aesthetic impact as visibility is p be possible no more than 7% of daylight hours.
- AES is committed to investing more than $2 million in capital for the n abatement technology in order to significantly reduce the visibility (siz frequency) of the water vapor plume.
- The new technology combines conventional evaporative cooling (wet c with finned tube heat exchangers (dry cooling) which results in a reduct relative humidity of the air leaving the cooling tower.
- The previous design consisted of 14 cells (2 rows of 7 cells set side by new wet-dry design is a 12-cell design (2 rows of 6 cells). The two row set 47 feet apart.
- The increased surface area will not impact any additional wetlands; nor affect AES' commitment not to exceed 45dBA at the nearest residence.

STATE OF NEW HAMPSHIRE

SITE EVALUATION COMMITTEE

SEC Docket No. 98-02

Application of AES Londonderry L.L.C.

DECISION

AES Londonderry, L.L.C. a wholly owned subsidiary of The AES Corporation, filed an application for a Certificate of Site and Facility to construct and operate a 720 megawatt combined cycle natural gas fired power facility in the Town of Londonderry, Rockingham County known as the "AES Londonderry Cogeneration Facility or Project." The proposed project is a 720 megawatt combined cycle natural gas fired cogeneration plant, configured with two Westinghouse 501G combustion turbine trains and a single Heat Recovery steam turbine.

The scope of the Project includes the actual project site in the Londonderry Ecological Industrial Park, as well as the (1) electrical interconnection to PSNH and NEP transmission lines along the existing right-of-way (together the "Direct Electrical Connections"); (2) the lateral gas pipeline connection to the existing Tennessee Gas Pipeline (the "Direct Gas Interconnection" or "Project Lateral"); and (3) a new cooling water supply line connecting the Manchester Wastewater Treatment Facility ("MWWTF") to the Project.

The project will be located on 47.7 acres within the 100 acre Londonderry ecological Industrial Park, approximately 1.4 miles south of Manchester Airport. The Project will be the anchor industry in the Ecological Industrial Park by providing local steam and heat to industrial and commercial neighbors.

iii) Ground Fog & Icing

One of the concerns raised by intervenors and members of the public was the issue of ground fog and icing, as a result of

evaporating water to cool the effluent from the steam generating process. Curt Friedman, a registered professional engineer,
presented information he has gathered about water vapor and associated ground fog and icing from power plants similar to
AES Londonderry, and about the alternatives of dry cooling and wet/dry combination cooling T. 3/3/99, pp. 167-212, Dr.
David T. Wallace, an immunologist who lives in Londonderry, also testified to his concern that the plant's wet cooling system
would produce water vapor that would settle as ground fog and ice under certain weather conditions T. 3/3/99, pp. 275-276.
After the record was closed, Mr. Wallace sent the Committee a critique of AES Londonderry's studies of the issue, in which he
argued that the Applicant's studies did not support the claim that ground fog and icing would be prevented.

The director of the Manchester airport, and other officials with responsibility for various aspects of public safety that would be
affected by ground fog or icing, have endorsed the plant, and expressed no concern about ground fog or icing.

During the proceedings, the Applicant amended its petition to include a proposal for plume abatement technology at the plant.

The Applicant presented the testimony of Jack Burns and Jim Van Garsse, both of whom are engineers engaged in the design
and construction of cooling towers. Each conclude that wet cooling process proposed by the Applicant with the proposed
plume abatement technology would not cause ground fog or icing. Both Mr. Burns and Mr. Van Garsse have considerable
experience with cooling tower technology. Mr. Burns is a former director of the Cooling Tower Institute and Chairman of the
American Society of Engineers PTC 23 Cooling Tower Committee.

Additionally, the Applicant has agreed with the Town of Londonderry that there shall be no ground level icing and no ground
level fogging as a result of the operation of the plant as a condition of the Certificate. AES recognizes that a failure to comply
with this condition may result in enforcement pursuant to RSA 162-H. See, Brief Stipulations for Permit Conditions, Section I
(G).

The Site Evaluation Committee credits the testimony of Mr. Burns and Mr. Van Garsse and finds that the proposed AES
facility , through the use of its plume abatement technology, and subject to the stipulation with the Town of Londonderry, which

will become part of the Certificate, will not cause ground fog and icing to a degree which would cause a public safety risk.

While Mr. Friedman argued that without dry cooling or wet/dry cooling such a condition could not be met, the offered
condition puts the risk of such failure on the Applicant. That is, should ground fog or icing occur, all enforcement actions,
including voiding the certificate, would be available.

Given the Applicant's willingness to subject its right to continue operation to the condition that no ground fog or icing be
allowed to occur, the concerns raised by intervenors are addressed. The Committee thanks both Dr. Wallace and Mr.
Friedman for taking their time to research these issues, and for putting the issue on the table.

The Committee finds that the proposed facility and associated facilities, with the conditions imposed by the Committee, will not
have any unreasonable adverse effect of the public health and safety.