

# Sunrise River Energy Station

## *Project Information*

Sunrise River Energy, LLC, part of the LS Power Group, is developing an up to 780 megawatt natural gas-fired electric generating facility to be located in Lent Township, Chisago County, Minnesota known as the Sunrise River Energy Station (Project). The Project is being considered to produce electricity during periods of intermediate and peak demand and will complement intermittent resources (e.g. wind power).

### **PROJECT DESIGN**

Sunrise River Energy continues to work closely with representatives of the county, township and local community to establish a framework for the scope and design of the Project. Below is an explanation of the decisions and commitments that Sunrise River Energy has made to date. The company looks forward to continuing a dialogue with the community as development of the Project continues.

#### **1. No groundwater will be used for generation for cooling purposes.**

No groundwater will be appropriated for generation purposes. Further, no groundwater wells will be drilled into the Mt. Simon-Hinckley or any other aquifer to support the Project, except to provide groundwater for drinking, restrooms, showers, cleaning, HVAC systems, fire suppression, irrigation of landscaping, and other building and grounds operations and maintenance purposes. The use of treated effluent will reduce the environmental impact of the effluent that would otherwise be discharged and conserve natural resources through the recycling of water.

#### **2. There will be no wastewater discharged from the Project.**

This will likely require the installation of a zero liquid discharge system, which will result in the reduction of pollutants to the tributaries of the St. Croix National Scenic Riverway and a reduction of phosphorus loading in Lake Pepin, for which it is impaired.

#### **3. No new high-voltage transmissions lines will be constructed in Chisago County beyond the transmission line to connect the Project to the neighboring substation.**

Sunrise River Energy will work with the Midwest Independent System Operator (MISO) to ensure the Project is constructed without any new routes or corridors for future electric transmission lines in Chisago County.

#### **4. The Project will use natural gas, the cleanest of all fossil fuels, as its primary fuel source.**

Minnesota has brutal winters – and there is the potential that natural gas, the proposed plant's primary fuel source, could be unexpectedly cut off to assure availability of natural gas for home heating purposes. To be able to meet its operating commitments and assure system reliability, the Project must have a back-up fuel source in the event that natural gas is not available. Ultra-low sulfur distillate fuel oil is a safe, cost-effective and environmentally responsible choice. Sunrise River Energy has agreed to limit this type of back-up operation to no more than 500 hours for each unit in any year with unloading facilities designed for only two trucks per hour.

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## SUBSTANTIAL ANNUAL PAYMENTS TO THE COMMUNITY

The Project is estimated to cost approximately \$500 million, resulting in an estimated \$1.6 million in real property taxes annually. In addition, the Project will make an annual payment in lieu of personal property taxes to the county, township and school district of \$600,000 and the following additional annual contributions for a total of approximately \$2.7 million per year:

- \$50,000 to a Chisago County Environmental Improvement Fund<sup>1</sup>
- \$100,000 to a North Branch School Partners Fund
- \$100,000 to a Lent Township Operations Fund
- \$250,000 to a County Neighborhood Enhancement Fund<sup>2</sup>
- \$20,000 to a County Library System Fund

In addition, the Project will contribute the following one-time contributions within the County:

- \$200,000 to a Communication Equipment Fund to assist local fire departments in purchasing communication equipment.
- \$75,000 to the City of Lindstrom and Amelund Township for fire fighting equipment.
- Up to \$250,000 toward the construction of certain road improvements.

Working closely with the Chisago County auditor, Sunrise River Energy **has estimated potential property tax reductions for a typical homeowner in Lent Township (\$150,000 home) of approximately \$190 per year** associated with these payments. The portion of the total payments for the Chisago County tax district (excluding Lent Township and North Branch Schools) will also be substantial – more than \$1.1 million per year, or approximately 3.5% of the county's projected \$31 million 2009 levy.

## CONTINUING COMMUNITY INVOLVEMENT

Sunrise River Energy, Lent Township and the County will form an Advisory Council made up on nine members to provide a forum for review of and comment on matters relating to the development and operation of the Project, including permit applications filed by Sunrise River Energy and the implementation of the Landscaping and Drainage Plan. The Advisory Council will meet at least six times each year during the development and construction period and at least once per year thereafter.

## NEXT STEPS

The Chisago County Board and the Lent Township Board of Supervisors approved the Development Agreement in March, 2010. Similarly, the Chisago County Board, the Lent Township Board of Supervisors, and the North Branch School District approved the Host Fee Agreement in

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<sup>1</sup> Environmental Improvement Fund payments are \$50,000 per year for five years and \$100,000 per year thereafter.

<sup>2</sup> Neighborhood Enhancement Fund payments are \$250,000 per year for five years and \$200,000 per year thereafter.

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early 2010. Both of these agreements have now been signed by the Developer and each of the boards.

Through the summer of 2010 and into the fall, Sunrise River Energy will be working to secure necessary supply contracts and easements for critical supply lines and will be initiating environmental studies necessary for it to file permit applications with the Minnesota Public Utility Commission and Pollution Control Agency. Sunrise River Energy looks forward to answering additional questions that the community may have about the Project. Major permits and approvals that need to be secured for the Project include the following:

- MN Public Utilities Commission
  - Site Permit
  - Certificate of Need
  - Environmental Review
- MN Pollution Control Agency
  - Air Quality
- Federal Energy Regulatory Commission
  - Exempt Wholesale Generator Status and Approval of Market-Based Rates
- MISO
  - Electrical Interconnection Agreement
- Lent Township
  - Building Permits

There will be substantial opportunity for public input and comment before receipt of these permits and approvals. Again, the Development Agreement is just the first-phase of an ongoing dialogue with the community. We look forward to continuing to work with you and appreciate your feedback.