

REQUEST FOR APPROVAL TO THE BROCKTON CITY COUNCIL FOR APPROVAL OF
A SURPLUS EFFLUENT PURCHASE AND SALE AGREEMENT

December 30, 2009

TO THE HONORABLE MEMBERS OF THE BROCKTON CITY COUNCIL:

Brockton Power Company LLC ("BPC") hereby requests the Brockton City Council authorize the sale of 2.0 million gallons per day ("GPD") of surplus effluent from the City's Advanced Wastewater Treatment Facility ("AWRF") to be used at BPC's 350 MW natural gas fired electric power generation facility (the "Facility"), and authorize the City's Mayor and Chief Financial Officer to negotiate and enter into a final agreement (the "Agreement").

Subject to final negotiations with the Mayor and the City's Chief Financial Officer, the Project offers the following terms:

- Term of Agreement: 30 years, including two 5 year extensions
- Quantity of Water: Maximum withdrawal of 2.0 million GPD
- Annual Payment: \$500,000 annual payment for delivered water

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Prior actions taken by the City for the sale of AWRF water:

In November 1999, the City's Department of Public Works ("DPW") issued a request for bids for the sale of wastewater from the AWRF, pursuant to "Contract #00/009 Sale of Surplus Effluent." On November 23, 1999, one bid was received - from Brockton Power LLC - to purchase 2.0 million GPD of surplus effluent for a price of \$100,000 per year. Since Brockton Power LLC was the sole and highest bidder, the City accepted Brockton Power LLC's bid and negotiated an agreement to sell the effluent for 30 years with two 5 year renewals at a purchase price of \$100,000 per year.

The City Council approved the City entering into a 40 year effluent sale agreement on January 24, 2000. Although the effluent sale agreement was fully negotiated between the City and Brockton Power LLC, the agreement was never signed by Brockton Power LLC. BPC is the assignee of the rights of Brockton Power LLC and stands ready to sign an AWRF effluent purchase and sale agreement with the City.

Consistency with EFSB Order:

In August 2009, the EFSB, consistent with precedent, approved AWRF effluent for cooling and concluded that the "use of recycled water for the proposed facility would be preferable to using City of Brockton potable water - the identified backup water supply source to operate the proposed facility." Furthermore, the EFSB directed "the Company [BPC] to work with the City



of Brockton regarding use of Brockton AWRF water, and to provide a report to the Siting Board with respect to the outcome of such efforts". BPC stands ready to work with the City to negotiate the purchase and sale of AWRF effluent.

Benefits of use of AWRF surplus effluent:


The future sale of AWRF effluent would convert a stream of surplus effluent, which is currently discharged into the Salisbury Plain River, into a new stream of revenue and create an additional 1.6 million GPD of additional treatment capacity. The treatment capacity could then be sold to surrounding towns that may need additional wastewater treatment options, creating a value to the City of between \$1.5 million to \$6.0 million per year, depending on the rate structure.

Health, Safety and the Environment:

The future use of AWRF effluent would create no health, safety or environmental issues. During the course of a two year adjudicatory proceeding, the use of AWRF effluent was thoroughly examined. The EFSB found that the use of AWRF effluent would create no health and safety issues and approved the use of AWRF effluent for cooling uses. This is consistent with prior decisions of the EFSB which have permitted the use of wastewater effluent for cooling in several power generation facilities in New England. No issues have ever arisen from the use of recycled wastewater as a cooling medium in any of these power generation facilities.

BPC considers the use of AWRF treated effluent as the best use of this recycled water from an environmental and economic point-of-view. The use conserves resources and provides additional value to the City in terms of direct payment and additional treatment capacity.

BPC stands ready to work with the Mayor and City's Chief Financial Officer to develop an agreement that both the City of Brockton and greater community can support.

By: 
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