

# JASPER CLEAN ENERGY CENTER

## Phase I Activity Report (Development Period)

Dated February 2, 2012 covering the Period January 2012

### 1. Project Description

The Jasper Clean Energy Center (JCEC) will produce nominally 75 MW of electricity by the installation of a new highly efficient natural gas fueled combustion gas turbine generator (CTG) and a new condensing steam turbine generator (STG). The steam supply for the STG will be supplied from a new waste heat recovery steam generator (HRSG) (which will produce steam by capturing the waste heat energy in the CTG exhaust) and from the existing Jasper Power Plant coal fueled stoker boiler (SB) which will be converted from burning coal to burn the renewable biomass fuel miscanthus, a locally grown sustainable energy crop (biomass). The SB environmental controls will be upgraded to improve the control SB emissions. The electric generated by the CTG and the STG will be combined in a new JCEC substation and transmitted to the Jasper North Substation by a new 69 kV generator interconnection line for sale to a third party under a long term power purchase agreement (PPPA). The CTG will require the construction of a new natural gas supply pipeline and the biomass supply for the SB will require the construction of an onsite biomass supply center (biomass receiving, storage, processing and fuel handling systems) (BSC). The BSC will have roof mounted solar PV and thermal collection modules. Prior to commencement of construction of the JCEC a number of permits must be obtained from the Indiana Department of Environmental Management (IDEM) and local construction permits from the City of Jasper, IN. (Permits).

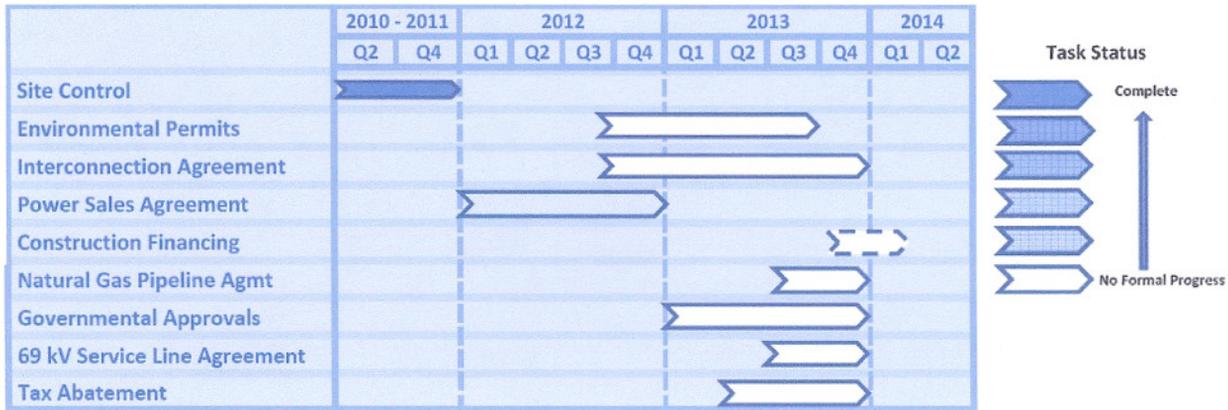
### 2. Site Plan (Lease Exhibit 3)



3. Planned changes to the Facility from that described in Exhibit 3 to the Lease.

No changes to the Facility are planned at this time.

4. Status of Progress towards achieving Conditions Precedent specified in Section 3.03 of the Lease.



a. Environmental Permits

Efforts expected to commence Q3 2012 to allow better definition of operating characteristics to match Power Purchaser requirements and to support Interconnection Study requirements.

b. Interconnection Agreement

Efforts expected to commence Q3 2012 to allow for changes in operating characteristics to match Power Purchaser requirements.

c. Power Sales Agreement

Efforts continue to have initial introductory meetings with possible power purchaser candidates.

d. Construction Funding

Efforts are not scheduled to take place until Q4 2013.

e. Natural Gas Pipeline Agreement

Efforts are not scheduled to take place until Q3 2013

f. Governmental Approvals

Efforts will commence upon the execution of a Power Sales Agreement.

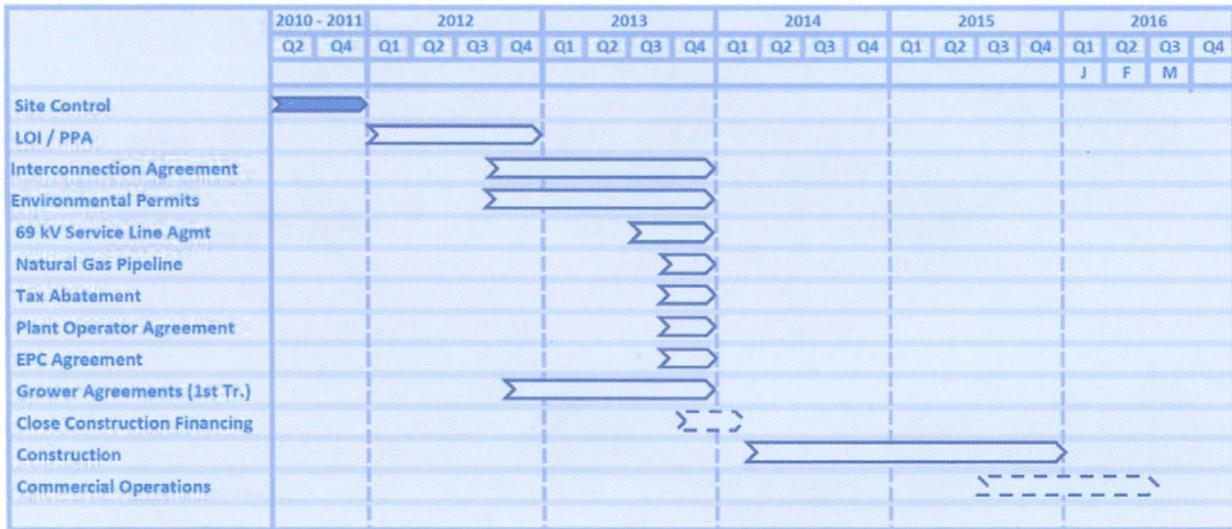
g. 69 kV Service Line Agreement

Efforts are not scheduled to take place until Q3 2013

h. Tax Abatement

Efforts will commence upon the execution of a Power Sales Agreement.

5. Project Schedule



No changes to current schedule.

6. Material Activities during January 2012

Work continues to schedule and hold initial introductory meetings with potential power purchaser candidates. A number of meetings were held.

7. Material Activities to take place during February 2012

- a. Power Sales Agreement – Continued efforts to market the power from the Jasper Clean Energy Center.
- b. Biomass Supply – Continued work with Biomass Logistics Partners to better develop biomass cost estimates.
- c. Cost Estimates – Continued efforts in refreshing Jasper Clean Energy Center Construction Cost Estimates



8. Enumeration and Schedule of support or actions required of Lessor during the upcoming Period(s)

No extraordinary support is expected to be required during the upcoming Period(s).