

DE09-103

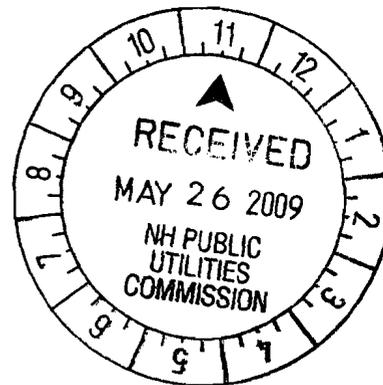
BROOME ENERGY RESOURCES, LLC

PO Box 150
60 East Street (Rear)
Ware, Massachusetts 01082

Tel. 413-967-7415
Fax 413-967-7417
Email ips1@verizon.net

May 22, 2009

Ms. Debra Howland
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301



Dear Ms. Howland,

Broome Energy Resources, LLC (BER) seeks status as a Class III renewable energy source in New Hampshire. Enclosed are five copies of the application.

BER owns and operates a 2.6 mW landfill gas to energy facility at the Nanticoke Landfill, Binghamton, NY. The plant is permitted for 3.4 mW and we are in the process of expanding the facility to its permitted potential. The facility began commercial operation in March 2004. At this time, electricity is being sold into the ISO-NE market territory.

After reviewing the application, if you have questions or require additional information, please feel free to contact me. I can be reached Monday-Friday, 8:00 AM to 4:30 PM at:

- ◆ Tel.: 413-967-7415
- ◆ Email: ips1@verizon.net

Sincerely,

A handwritten signature in cursive script that reads "Sandra Gillis".

Sandra Gillis
Business Manager

APPLICATION
for
CLASS III ENERGY SOURCE ELIGIBILITY

BROOME ENERGY RESOURCES, LLC

PO Box 150
Ware, MA 01082
Tel. 413-967-7415
Email ips1@verizon.net

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PO Box 150
60 East Street (Rear)
Ware, Massachusetts 01082

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APPLICATION FOR RENEWABLE ENERGY SOURCE ELIGIBILITY

GENERATION UNIT: Nanticoke LFG
286 Knapp Road
Binghamton, NY 13905

GEOGRAPHIC LOCATION: 42 14' N / 75 58' W

OWNER / OPERATOR Broome Energy Resources, LLC
PO Box 150
Ware, MA 01082
Tel. 413-967-7415
Fax 413-967-7417
Email: ips1@verizon.net

PRIMARY CONTACT INFORMATION: Sandra Gillis
Business Manager
Broome Energy Resources, LLC
PO Box 150
Ware, MA 01082
Tel. 413-967-7415
Fax 413-967-7417
Email: ips1@verizon.net

BACKUP CONTACT INFORMATION: James M. Malandrinos
Member, Manager
Broome Energy Resources, LLC
PO Box 150, Ware, MA 01082
Tel. 413-967-7415
Fax 413-967-7417
Email: ips1@verizon.net

AUTHORIZED REPRESENTATIVE: James M. Malandrinos
Member, Manager
Broome Energy Resources, LLC
PO Box 150, Ware, MA 01082
Tel. 413-967-7415
Fax 413-967-7417
Email: ips1@verizon.net

RENEWABLE RESOURCE: Landfill methane

COMMERCIAL OPERATION DATE: March 13, 2004

GENERATION NAMEPLATE CAPACITY: 3.4 MW

ISO-NE ASSET ID: IMP32676

NON-STANDARD ID: NY323600

METERING: New York ISO MIS System

GENERATION VERIFIED: Facility output is verified by ISO-NE in a check-out process with NYISO which includes NERC tags identifying the source and sink.

DISTRIBUTION CONNECTION: Facility is directly connected to New York State Electric and Gas (NYSEG) 34.5 kv distribution system in Binghamton, NY, which is part of NYISO.

GENERATION REPORTING: Generation is self-reported to NEPOOL GIS System.

MA DOER ELIGIBILITY: Granted April 7, 2005
(Attached) RPS ID #LG-1035-05

NY AIR PERMIT(S): #7-0399-00011/00001 April 21, 1998
(Attached) *initial application for 1.6 mW facility*

#7-0399-00011/00003 October 19, 2007
application for additional generating capacity of 2.1 mW

CERTIFICATION:

I hereby certify that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete.

Authorized Representative: _____


James M. Malandrinos

Title: Member, Manager

Date: May 22, 2009

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

DEC PERMIT NUMBER 7-0399-00011/00001
FACILITY/PROGRAM NUMBER(S)



EFFECTIVE DATE April 21, 1998
EXPIRATION DATE(S) None

TYPE OF PERMIT <input checked="" type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Modification <input type="checkbox"/> Permit to Construct <input checked="" type="checkbox"/> Permit to Operate
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- | | | |
|---|---|---|
| <input type="checkbox"/> Article 15, Title 5: Protection of Waters | <input type="checkbox"/> 6NYCRR 608: Water Quality Certification | <input type="checkbox"/> Article 27, Title 7; 6NYCRR 360: Solid Waste Management |
| <input type="checkbox"/> Article 15, Title 15: Water Supply | <input type="checkbox"/> Article 17, Titles 7, 8: SPDES | <input type="checkbox"/> Article 27, Title 9; 6NYCRR 373: Hazardous Waste Management |
| <input type="checkbox"/> Article 15, Title 15: Water Transport | <input checked="" type="checkbox"/> Article 19: Air Pollution Control | <input type="checkbox"/> Article 34: Coastal Erosion Management |
| <input type="checkbox"/> Article 15, Title 15: Long Island Wells | <input type="checkbox"/> Article 23, Title 27: Mined Land Reclamation | <input type="checkbox"/> Article 36: Floodplain Management |
| <input type="checkbox"/> Article 15, Title 27: Wild, Scenic and Recreational Rivers | <input type="checkbox"/> Article 24: Freshwater Wetlands | <input type="checkbox"/> Articles 1, 3, 17, 19, 27, 37; 6NYCRR 380: Radiation Control |
| <input type="checkbox"/> Article 25: Tidal Wetlands | | |
- Other:

PERMIT ISSUED TO Broome Energy Resources LLC		TELEPHONE NUMBER 802-496-4600	
ADDRESS OF PERMITTEE Route 100, Box 1037, Waitsfield, VT 05673			
CONTACT PERSON FOR PERMITTED WORK Francis S. Woods		TELEPHONE NUMBER 802-496-4600	
NAME AND ADDRESS OF PROJECT/FACILITY Broome County Landfill Gas Recovery Facility, Knapp Road, Nanticoke, NY			
LOCATION OF PROJECT/FACILITY Knapp Road, Nanticoke, NY			
COUNTY Broome	TOWNS Barker, Maine, Nanticoke	WATERCOURSE	NYTM COORDINATES
DESCRIPTION OF AUTHORIZED ACTIVITY To construct and operate a landfill gas recovery facility adjacent to Section 1 of the Broome County Landfill consisting of two internal combustion engine/generators fired with landfill gas and a candle flare to burn excess landfill gas.			

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, the General Conditions specified (see page 2) and any Special Conditions included as part of this permit.

DEPUTY PERMIT ADMINISTRATOR: Michael K. Barylski	ADDRESS 1285 Fisher Avenue, Cortland, NY 13045-1090
AUTHORIZED SIGNATURE <i>Michael K. Barylski</i>	DATE April 21, 1998
Page 1 of 3	

SPECIAL CONDITIONS

Article 19: Air Quality Control

1. The emission source owner shall demonstrate compliance with the stated emission limits for one of the engines within 180 days of commencing operation and annually thereafter. The demonstration shall be made by stack test after first submitting a test protocol to the NYSDEC and obtaining approval. The engine shall be tested for nitrogen oxides and carbon monoxide.
2. The source owner shall sample and analyze the landfill gas for heating value and for concentrations of methane, non-methane organic compounds (NMOC) and VOC within 60 days of commencing engine operation. The analysis shall be submitted to the NYSDEC Office in Kirkwood. Future samples will be collected and analyzed

NOTIFICATION OF OTHER PERMITTEE OBLIGATIONS

Item A: Permittee Accepts Legal Responsibility and Agrees to Indemnification

The permittee has accepted expressly, by the execution of the application, the full legal responsibility for all damages and costs, direct or indirect, of whatever nature and by whomever suffered, for liability it incurs resulting from activity conducted pursuant to this permit or in noncompliance with this permit and has agreed to indemnify and save harmless the State from suits, actions, damages and costs of every name and description resulting from such activity.

Item B: Permittee to Require It's Contractors to Comply with Permit

The permittee shall require its independent contractors, employees, agents and assigns to read, understand and comply with this permit, including all special conditions, and such persons shall be subject to the same sanctions for violations of this permit as those prescribed for the permittee.

Item C: Permittee Responsible for Obtaining Other Required Permits

The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required for this project.

Item D: No Right to Trespass or Interfere with Riparian Rights

This permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.

GENERAL CONDITIONS

General Condition 1: Facility Inspection by the Department

The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71-0301 and SAPA 401(3).

The permittee shall provide a person to accompany the Department's representative during an inspection to the permit area when written or verbal notification is provided by the Department at least 24 hours prior to such inspection.

A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

General Condition 2: Relationship of this Permit to Other Department Orders and Determinations

Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

General Condition 3: Applications for Permit Renewals or Modifications

The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

The permittee must submit a renewal application at least:

- a) 180 days before expiration of permits for State Pollutant Discharge Elimination System (SPDES), Hazardous Waste Management Facilities (HWMF), major Air Pollution Control (APC) and Solid Waste Management Facilities (SWMF); and
- b) 30 days before expiration of all other permit types.

Submission of applications for permit renewal or modification are to be submitted to:

NYSDEC Regional Permit Administrator, Region 7
1285 Fisher Avenue, Cortland, NY 13045

General Condition 4: Permit Modifications, Suspensions and Revocations by the Department

The Department reserves the right to modify, suspend or revoke this permit when:

- a) the scope of the permitted activity is exceeded or a violation of any condition of the permit or provisions of the ECL and pertinent regulations is found;
- b) the permit was obtained by misrepresentation or failure to disclose relevant facts;
- c) new material information is discovered; or
- d) environmental conditions, relevant technology, or applicable law or regulation have materially changed since the permit was issued.

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

SPECIAL CONDITIONS

Article 19: Air Quality Control

1. The emission source owner shall demonstrate compliance with the stated emission limits for one of the engines within 180 days of commencing operation and annually thereafter. The demonstration shall be made by stack test after first submitting a test protocol to the NYSDEC and obtaining approval. The engine shall be tested for nitrogen oxides and carbon monoxide.
2. The source owner shall sample and analyze the landfill gas for heating value and for concentrations of methane, non-methane organic compounds (NMOC) and VOC within 60 days of commencing engine operation. The analysis shall be submitted to the NYSDEC Office in Kirkwood. Future samples will be collected and analyzed at the direction of the NYSDEC.

New York State Department of Environmental Conservation
Facility DEC ID: 7039900011



PERMIT
Under the Environmental Conservation Law (ECL)

IDENTIFICATION INFORMATION

Permit Type: Air State Facility
Permit ID: 7-0399-00011/00003
Mod 0 Effective Date: 01/17/2007 Expiration Date: No expiration date.
Mod 1 Effective Date: 10/19/2007 Expiration Date: No expiration date.

Permit Issued To: BROOME ENERGY RESOURCES LLC
60 EAST ST (REAR)
PO BOX 150
WARE, MA 01082-0150

Contact: FRANCIS S WOODS
BROOME ENERGY RESOURCES LLC
60 EAST ST REAR PO BOX 150
WARE, MA 01082-0150
(413) 967-7415

Facility: BROOME COUNTY LFG RECOVERY FACILITY
KNAPP RD
NANTICOKE, NY 13905

Description:

Broome Energy's Broome County facility includes a landfill gas (LFG) collection system and a LFG-to-energy facility. The LFG collection system is installed in Sections I, II and III of Broome County's landfill. The LFG-to-energy facility located adjacent to Section I includes two (2) Caterpillar 399 SITA engines/generators that generate 1,300 kilowatts of energy (total), two (2) Caterpillar 3516 engines/generators that generate 1600 kilowatts (total) and one (1) Caterpillar 398 SITA engine/generator that generates 500 kilowatts of energy for a total facility generation capacity at the facility of 3,400 kilowatts. The system is designed such that the candle flare burns excess LFG in the event of engine failure or maintenance, and will be utilized when LFG in excess of the available capacity of the engines must be combusted.

New York State Department of Environmental Conservation
Facility DEC ID: 7039900011



By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, the General Conditions specified and any Special Conditions included as part of this permit.

Permit Administrator: MICHAEL K BARYLSKI
DIVISION OF ENVIRONMENTAL PERMITS
1285 FISHER AVE
CORTLAND, NY 13045-1090

Authorized Signature:

Michael K. Barylski

Date: 10/19/07

New York State Department of Environmental Conservation
Permit ID: 7-0399-00011/00003 Facility DEC ID: 7039900011



Permit Under the Environmental Conservation Law (ECL)

ARTICLE 19: AIR POLLUTION CONTROL - AIR STATE FACILITY PERMIT

IDENTIFICATION INFORMATION

Permit Issued To: BROOME ENERGY RESOURCES LLC
60 EAST ST (REAR)
PO BOX 150
WARE, MA 01082-0150

Facility: BROOME COUNTY LFG RECOVERY FACILITY
 KNAPP RD
 NANTICOKE, NY 13905

Authorized Activity By Standard Industrial Classification Code:
4911 - ELECTRIC SERVICES

Mod 0 Permit Effective Date: 01/17/2007

Permit Expiration Date: No expiration date.

Mod 1 Permit Effective Date: 10/19/2007

Permit Expiration Date: No expiration date.



PAGE LOCATION OF CONDITIONS

PAGE

FEDERALLY ENFORCEABLE CONDITIONS

Facility Level

- 7 1 6NYCRR 202-1.1: Required Emissions Tests
- 7 2 6NYCRR 201-7: Facility Permissible Emissions
- 7 *1-1 6NYCRR 201-7: Capping Monitoring Condition
- 9 4 6NYCRR 202-1.1: Compliance Demonstration

Emission Unit Level

EU=1-ENGIN

- 9 1-2 6NYCRR 202-1: Compliance Demonstration
- 10 5 6NYCRR 227-1.3(a): Compliance Demonstration

EU=2-FLARE

- 11 6 6NYCRR 212.4(c): Compliance Demonstration
- 12 7 6NYCRR 212.6(a): Compliance Demonstration

STATE ONLY ENFORCEABLE CONDITIONS

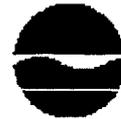
Facility Level

- 13 8 ECL 19-0301: Contaminant List
- 14 9 6NYCRR 201-1.4: Unavoidable noncompliance and violations
- 15 10 6NYCRR 201-5: Emission Unit Definition
- 16 1-3 6NYCRR 201-6.3(a)(3): Compliance Demonstration
- 16 12 6NYCRR 211.2: Air pollution prohibited

Emission Unit Level

- 16 13 6NYCRR 201-5: Emission Point Definition By Emission Unit
- 17 14 6NYCRR 201-5: Process Definition By Emission Unit

NOTE: * preceding the condition number indicates capping.



FEDERALLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A:

Sealing - 6NYCRR Part 200.5

The Commissioner may seal an air contamination source to prevent its operation if compliance with 6 NYCRR Chapter III is not met within the time provided by an order of the Commissioner issued in the case of the violation. Sealing means labeling or tagging a source to notify any person that operation of the source is prohibited, and also includes physical means of preventing the operation of an air contamination source without resulting in destruction of any equipment associated with such source, and includes, but is not limited to, bolting, chaining or wiring shut control panels, apertures or conduits associated with such source.

No person shall operate any air contamination source sealed by the Commissioner in accordance with this section unless a modification has been made which enables such source to comply with all requirements applicable to such modification.

Unless authorized by the Commissioner, no person shall remove or alter any seal affixed to any contamination source in accordance with this section.

Item B:

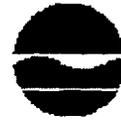
Acceptable Ambient Air Quality - 6NYCRR Part 200.6

Notwithstanding the provisions of 6 NYCRR Chapter III, Subchapter A, no person shall allow or permit any air contamination source to emit air contaminants in quantities which alone or in combination with emissions from other air contamination sources would contravene any applicable ambient air quality standard and/or cause air pollution. In such cases where contravention occurs or may occur, the Commissioner shall specify the degree and/or method of emission control required.

Item C:

Maintenance of Equipment - 6NYCRR Part 200.7

Any person who owns or operates an air contamination source which is equipped with an emission control device shall operate such device and keep it in a satisfactory state of maintenance and repair in accordance with ordinary and necessary practices, standards and procedures, inclusive of manufacturer's specifications, required to operate such device effectively.



Item D: Unpermitted Emission Sources - 6NYCRR Part 201-1.2

If an existing emission source was subject to the permitting requirements of 6NYCRR Part 201 at the time of construction or modification, and the owner and/or operator failed to apply for a permit for such emission source then the following provisions apply:

- (a) The owner and/or operator must apply for a permit for such emission source or register the facility in accordance with the provisions of Part 201.
- (b) The emission source or facility is subject to all regulations that were applicable to it at the time of construction or modification and any subsequent requirements applicable to existing sources or facilities.

Item E: Emergency Defense - 6NYCRR Part 201-1.5

An emergency constitutes an affirmative defense to an action brought for noncompliance with emissions limitations or permit conditions for all facilities in New York State.

(a) The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (1) An emergency occurred and that the facility owner and/or operator can identify the cause(s) of the emergency;
- (2) The equipment at the permitted facility causing the emergency was at the time being properly operated;
- (3) During the period of the emergency the facility owner and/or operator took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and
- (4) The facility owner and/or operator notified the Department within two working days after the event occurred. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(b) In any enforcement proceeding, the facility owner and/or operator seeking to establish the occurrence of an emergency has the burden of proof.

(c) This provision is in addition to any emergency or upset provision contained in any applicable requirement.

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003

Facility DEC ID: 7039900011



Item F: Recycling and Salvage - 6NYCRR Part 201-1.7

Where practical, any person who owns or operates an air contamination source shall recycle or salvage air contaminants collected in an air cleaning device according to the requirements of 6 NYCRR.

Item G: Prohibition of Reintroduction of Collected Contaminants to the Air - 6NYCRR Part 201-1.8

No person shall unnecessarily remove, handle, or cause to be handled, collected air contaminants from an air cleaning device for recycling, salvage or disposal in a manner that would reintroduce them to the outdoor atmosphere.

Item H: Proof of Eligibility for Sources Defined as Exempt Activities - 6 NYCRR Part 201-3.2(a)

The owner and/or operator of an emission source or unit that is eligible to be exempt, may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

Item I: Proof of Eligibility for Sources Defined as Trivial Activities - 6 NYCRR Part 201-3.3(a)

The owner and/or operator of an emission source or unit that is listed as being trivial in 6 NYCRR Part 201 may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

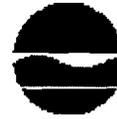
Item J: Required Emission Tests - 6 NYCRR Part 202-1.1

An acceptable report of measured emissions shall be submitted, as may be required by the Commissioner, to ascertain compliance or noncompliance with any air pollution code, rule, or regulation. Failure to submit a report acceptable to the Commissioner within the time stated shall be sufficient reason for the Commissioner to suspend

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003

Facility DEC ID: 7039900011



or deny an operating permit. Notification and acceptable procedures are specified in 6NYCRR Part 202-1.

Item K: Visible Emissions Limited - 6 NYCRR Part 211.3
Except as permitted by a specific part of this Subchapter and for open fires for which a restricted burning permit has been issued, no person shall cause or allow any air contamination source to emit any material having an opacity equal to or greater than 20 percent (six minute average) except for one continuous six-minute period per hour of not more than 57 percent opacity.

Item L: Open Fires - 6 NYCRR Part 215
No person shall burn, cause, suffer, allow or permit the burning in an open fire of garbage, rubbish for salvage, or rubbish generated by industrial or commercial activities.

Item M: Permit Exclusion - ECL 19-0305
The issuance of this permit by the Department and the receipt thereof by the Applicant does not and shall not be construed as barring, diminishing, adjudicating or in any way affecting any legal, administrative or equitable rights or claims, actions, suits, causes of action or demands whatsoever that the Department may have against the Applicant for violations based on facts and circumstances alleged to have occurred or existed prior to the effective date of this permit, including, but not limited to, any enforcement action authorized pursuant to the provisions of applicable federal law, the Environmental Conservation Law of the State of New York (ECL) and Chapter III of the Official Compilation of the Codes, Rules and Regulations of the State of New York (NYCRR). The issuance of this permit also shall not in any way affect pending or future enforcement actions under the Clean Air Act brought by the United States or any person.

Item N: Federally Enforceable Requirements - 40 CFR 70.6(b)
All terms and conditions in this permit required by the Act or any applicable requirement, including any provisions designed to limit a facility's potential to emit, are enforceable by the Administrator and citizens under the Act. The Department has, in this permit, specifically designated any terms and conditions that are not required under the Act or under any of its applicable requirements as being enforceable under only state regulations.

FEDERAL APPLICABLE REQUIREMENTS
The following conditions are federally enforceable.

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003 Facility DEC ID: 7039900011



Condition 1: Required Emissions Tests
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 202-1.1

Item 1.1:

For the purpose of ascertaining compliance or non-compliance with any air pollution control code, rule or regulation, the commissioner may require the person who owns such air contamination source to submit an acceptable report of measured emissions within a stated time. Such person shall bear the cost of measurement and preparing the report of measured emissions. Failure of such person to submit a report acceptable to the commissioner within the time stated shall be sufficient reason for the commissioner to suspend or deny a certificate to operate.

Condition 2: Facility Permissible Emissions
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 201-7

Item 2.1:

The sum of emissions from the emission units specified in this permit shall not equal or exceed the following

Potential To Emit (PTE) rate for each regulated contaminant:

CAS No: 0NY210-00-0 (From Mod 1) PTE: 198,000 pounds per year
Name: OXIDES OF NITROGEN

Condition 1-1: Capping Monitoring Condition
Effective between the dates of 10/19/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 201-7

Item 1-1.1:

Under the authority of 6 NYCRR Part 201-7, this condition contains an emission cap for the purpose of limiting emissions from the facility, emission unit or process to avoid being subject to the following applicable requirement(s) that the facility, emission unit or process would otherwise be subject to:

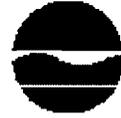
6NYCRR 227-2

Item 1-1.2:

Operation of this facility shall take place in accordance with the approved criteria, emission limits, terms, conditions and standards in this permit.

Item 1-1.3:

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal



air pollution control requirements, regulations or law.

Item 1-1.4:

On an annual basis, unless otherwise specified below, beginning one year after the granting of an emissions cap, the responsible official shall provide a certification to the Department that the facility has operated all emission units within the limits imposed by the emission cap. This certification shall include a brief summary of the emissions subject to the cap for that time period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 1-1.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 1-1.6:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):

CAS No: 0NY210-00-0 OXIDES OF NITROGEN

Item 1-1.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

Monitoring Type: MONITORING OF PROCESS OR CONTROL DEVICE
PARAMETERS AS SURROGATE

Monitoring Description:

The owner and/or operator has chosen to limit (cap) the potential to emit emissions of oxides of nitrogen (NO_x) to below the major source threshold of 100 tons per year.

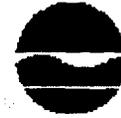
Total facility emissions of oxides of nitrogen (NO_x) shall not exceed 99 tons per year (tpy) in any consecutive 12 month period (annual maximum rolled monthly). Demonstration of compliance with this limit will be achieved by calculating, on a monthly basis, actual emissions of oxides of nitrogen from each engine and flare.

Verification of monthly and annual NO_x emissions shall be determined using compliance demonstration methods acceptable to the Department including, but not limited to, total landfill gas flow rate, landfill gas flow rate to each combustion device, landfill gas heating value, and the latest USEPA and NYSDEC approved emission factors, stack tests and landfill gas sampling results.

A summary of emissions shall be included in the facility's annual capping certification report.

Note: Stack testing is required to determine site specific emission

New York State Department of Environmental Conservation
Permit ID: 7-0399-00011/00003 Facility DEC ID: 7039900011



data for each engine pursuant to a permit condition for 6 NYCRR 202-1 located elsewhere in this permit.

Parameter Monitored: OXIDES OF NITROGEN
Upper Permit Limit: 99 tons per year
Monitoring Frequency: MONTHLY
Averaging Method: 12 MONTH AVERAGE - ROLLED MONTHLY
Reporting Requirements: ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
The initial report is due 1/30/2008.
Subsequent reports are due every 12 calendar month(s).

Condition 4: Compliance Demonstration
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 202-1.1

Item 4.1:
The Compliance Demonstration activity will be performed for the Facility.

Item 4.2:
Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

The owner or operator shall sample and analyze the landfill gas for heating value and concentrations of methane and non-methane organic compounds (NMOC) on an annual basis. Sampling and analysis shall be conducted using methods and procedures acceptable to the Department.

The most recent sampling results shall be used in the monthly and annual carbon monoxide emissions determinations, and shall be included in the facility's annual capping certification report.

Reference Test Method: USEPA Method 3C and 25C

Monitoring Frequency: ANNUALLY

Averaging Method: AVERAGING METHOD AS PER REFERENCE TEST METHOD INDICATED

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2008.

Subsequent reports are due every 12 calendar month(s).

**** Emission Unit Level ****

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003

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Condition 1-2: Compliance Demonstration

Effective between the dates of 10/19/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 202-1

Item 1-2.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-ENGIN

Regulated Contaminant(s):

CAS No: 000630-08-0 CARBON MONOXIDE

CAS No: 0NY210-00-0 OXIDES OF NITROGEN

Item 1-2.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

The owner and/or operator shall have stack tests performed, in accordance with a NYSDEC approved stack test protocol, to determine the emissions of oxides of nitrogen and carbon monoxide from each engine.

The owner and/or operator shall submit a test report of measured emissions within 180 days from commencement of operation of process 00D and/or process 00F (engines 4 and 5).

The owner or operator shall submit a stack test protocol for NYSDEC approval not later than 60 days prior to the date of emission testing.

Note: The upper permit limit (99 tons per year) noted below is for facility emissions of NO_x only, and does not apply to emissions of carbon monoxide.

Upper Permit Limit: 99 tons per year

Reference Test Method: 40 CFR 60, Appendix A

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Averaging Method: AVERAGING METHOD AS PER REFERENCE TEST METHOD INDICATED

Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE

Condition 5: Compliance Demonstration

Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 227-1.3(a)



Item 5.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-ENGINE

Item 5.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL DEVICE
PARAMETERS AS SURROGATE

Monitoring Description:

No owner or operator of a combustion installation shall operate the installation in such a way as to emit greater than 20 percent opacity except for one six minute period per hour, not to exceed 27 percent, based upon the six minute average in reference Method 9 in appendix A of 40 CFR 60.

The owner or operator shall conduct visible emissions (opacity) tests as requested by the Department.

Parameter Monitored: OPACITY

Upper Permit Limit: 20 percent

Reference Test Method: Method 9

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Averaging Method: 6-MINUTE AVERAGE (METHOD 9)

Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE

Condition 6: Compliance Demonstration
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(c)

Item 6.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 2-FLARE

Regulated Contaminant(s):

CAS No: 0NY075-00-0 PARTICULATES

Item 6.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Emissions of solid particulates are limited to less than 0.050 grains of particulates per cubic foot of exhaust gas, expressed at standard conditions on a dry gas basis. Compliance testing will be conducted

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003

Facility DEC ID: 7039900011



at the discretion of the Department.

Parameter Monitored: PARTICULATES
Upper Permit Limit: 0.050 grains per dscf
Reference Test Method: EPA Method 5
Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION
Averaging Method: AVERAGING METHOD AS PER REFERENCE TEST METHOD INDICATED
Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 7: Compliance Demonstration
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.6(a)

Item 7.1:
The Compliance Demonstration activity will be performed for:

Emission Unit: 2-FLARE

Item 7.2:
Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL DEVICE
PARAMETERS AS SURROGATE

Monitoring Description:

No person will cause or allow emissions having an average opacity during any six consecutiveminutes of 20 percent of greater from any process emission source, except only the emission of uncombined water.

The owner or operator shall conduct visible emissions (opacity) tests as requested by the Department.

Parameter Monitored: OPACITY
Upper Permit Limit: 20 percent
Reference Test Method: Method 9
Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION
Averaging Method: 6-MINUTE AVERAGE (METHOD 9)
Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE



STATE ONLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are not federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Public Access to Recordkeeping for Facilities With State Facility Permits - 6NYCRR Part 201-1.10(a)
Where emission source owners and/or operators keep records pursuant to compliance with the operational flexibility requirements of 6 NYCRR Subpart 201-5.4(b)(1), and/or the emission capping requirements of 6 NYCRR Subparts 201-7.2(d), 201-7.3(f), 201-7.3(g), 201-7.3(h)(5), 201-7.3(i) and 201-7.3(j), the Department will make such records available to the public upon request in accordance with 6 NYCRR Part 616 - Public Access to Records. Emission source owners and/or operators must submit the records required to comply with the request within sixty working days of written notification by the Department of receipt of the request.

Item B: General Provisions for State Enforceable Permit Terms and Condition - 6 NYCRR Part 201-5
Any person who owns and/or operates stationary sources shall operate and maintain all emission units and any required emission control devices in compliance with all applicable Parts of this Chapter and existing laws, and shall operate the facility in accordance with all criteria, emission limits, terms, conditions, and standards in this permit. Failure of such person to properly operate and maintain the effectiveness of such emission units and emission control devices may be sufficient reason for the Department to revoke or deny a permit.

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

STATE ONLY APPLICABLE REQUIREMENTS
The following conditions are state only enforceable.

Condition 8: Contaminant List



Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable State Requirement: ECL 19-0301

Item 8.1:

Emissions of the following contaminants are subject to contaminant specific requirements in this permit (emission limits, control requirements or compliance monitoring conditions).

CAS No: 000630-08-0
Name: CARBON MONOXIDE

CAS No: 0NY210-00-0
Name: OXIDES OF NITROGEN

CAS No: 0NY075-00-0
Name: PARTICULATES

Condition 9: Unavoidable noncompliance and violations
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 201-1.4

Item 9.1:

At the discretion of the commissioner a violation of any applicable emission standard for necessary scheduled equipment maintenance, start-up/shutdown conditions and malfunctions or upsets may be excused if such violations are unavoidable. The following actions and recordkeeping and reporting requirements must be adhered to in such circumstances.

(a) The facility owner and/or operator shall compile and maintain records of all equipment maintenance or start-up/shutdown activities when they can be expected to result in an exceedance of any applicable emission standard, and shall submit a report of such activities to the commissioner's representative when requested to do so in writing or when so required by a condition of a permit issued for the corresponding air contamination source except where conditions elsewhere in this permit which contain more stringent reporting and notification provisions for an applicable requirement, in which case they supercede those stated here. Such reports shall describe why the violation was unavoidable and shall include the time, frequency and duration of the maintenance and/or start-up/shutdown activities and the identification of air contaminants, and the estimated emission rates. If a facility owner and/or operator is subject to continuous stack monitoring and quarterly reporting requirements, he need not submit reports for equipment maintenance or start-up/shutdown for the facility to the commissioner's representative.

(b) In the event that emissions of air contaminants in excess of any emission standard in 6 NYCRR Chapter III Subchapter A occur due to a malfunction, the facility owner and/or operator shall report such malfunction by telephone to the commissioner's representative as soon as possible during normal working hours, but in any event not later than two working days after becoming aware that the malfunction occurred. Within 30 days thereafter, when requested in writing by the commissioner's representative, the facility owner and/or operator shall submit a written report to the commissioner's representative describing the malfunction, the corrective action taken, identification of air

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contaminants, and an estimate of the emission rates. These reporting requirements are superceded by conditions elsewhere in this permit which contain reporting and notification provisions for applicable requirements more stringent than those above.

(c) The Department may also require the owner and/or operator to include in reports described under (a) and (b) above an estimate of the maximum ground level concentration of each air contaminant emitted and the effect of such emissions depending on the deviation of the malfunction and the air contaminants emitted.

(d) In the event of maintenance, start-up/shutdown or malfunction conditions which result in emissions exceeding any applicable emission standard, the facility owner and/or operator shall take appropriate action to prevent emissions which will result in contravention of any applicable ambient air quality standard. Reasonably available control technology, as determined by the commissioner, shall be applied during any maintenance, start-up/shutdown or malfunction condition subject to this paragraph.

(e) In order to have a violation of a federal regulation (such as a new source performance standard or national emissions standard for hazardous air pollutants) excused, the specific federal regulation must provide for an affirmative defense during start-up, shutdowns, malfunctions or upsets.

Condition 10: Emission Unit Definition

Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 201-5

Item 10.1(From Mod 1):

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: 1-ENGIN

Emission Unit Description:

Two of the internal combustion engines are lean burn, high efficiency Model 399 SITA, manufactured by Caterpillar. Each of these two engines is rated at 650 kilowatts, 876 horsepower (hp). The third internal combustion engine is a lean burn, high efficiency, Model 398 SITA, manufactured by Caterpillar, rated at 500 kilowatts, 670 hp. The fourth and fifth engines are Model 3516, manufactured by Caterpillar, rated at 820 kilowatts. After combustion, the exhaust gas from each engine passes through a muffler before it exhausts to the atmosphere.

Building(s): 1
2
3
4

Item 10.2(From Mod 1):

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: 2-FLARE

Emission Unit Description:

One candle flare to burn landfill gas.

New York State Department of Environmental Conservation

Permit ID: 7-0399-00011/00003

Facility DEC ID: 7039900011



Condition 1-3: Compliance Demonstration
Effective between the dates of 10/19/2007 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 201-5.3(a)(3)

Item 1-3.1:

The Compliance Demonstration activity will be performed for the Facility.

Item 1-3.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Within one year of commencing operation of engines 4 (process 00D) and/or 5 (process 00F) the owner and/or operator shall submit a complete application for a Title V permit.

Commencing operation shall be the first firing of either engine number 4 or engine number 5.

The owner and/or operator shall submit written notification of the date of commencing operation to the Department within 30 days from the date of commencing operation.

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 12: Air pollution prohibited
Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 211.2

Item 12.1:

No person shall cause or allow emissions of air contaminants to the outdoor atmosphere of such quantity, characteristic or duration which are injurious to human, plant or animal life or to property, or which unreasonably interfere with the comfortable enjoyment of life or property. Notwithstanding the existence of specific air quality standards or emission limits, this prohibition applies, but is not limited to, any particulate, fume, gas, mist, odor, smoke, vapor, pollen, toxic or deleterious emission, either alone or in combination with others.

**** Emission Unit Level ****

Condition 13: Emission Point Definition By Emission Unit
Effective between the dates of 01/17/2007 and Permit Expiration Date



Applicable State Requirement: 6NYCRR 201-5

Item 13.1(From Mod 1):

The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: 1-ENGIN

Emission Point: STK-1

Height (ft.): 20

Diameter (in.): 10

Building: 1

Emission Point: STK-2

Height (ft.): 20

Diameter (in.): 10

Building: 1

Emission Point: STK-3

Height (ft.): 12

Diameter (in.): 8

Building: 2

Emission Point: STK-4

Height (ft.): 30

Diameter (in.): 10

Building: 3

Emission Point: STK-6

Height (ft.): 30

Diameter (in.): 10

Building: 4

Item 13.2(From Mod 1):

The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: 2-FLARE

Emission Point: STK-5

Height (ft.): 29

Diameter (in.): 8

Condition 14: Process Definition By Emission Unit

Effective between the dates of 01/17/2007 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 201-5

Item 14.1(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

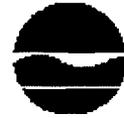
Emission Unit: 1-ENGIN

Process: 00A

Source Classification Code: 2-01-008-02

Process Description:

Combustion of LFG in an internal combustion engine rated at 650 kW, 875 horsepower. After combustion, the exhaust gas passes through a



muffler before it exhausts to the atmosphere from STK-1.

Emission Source/Control: ENG-1 - Combustion
Design Capacity: 650 kilowatts

Item 14.2(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-ENGIN
Process: 00B Source Classification Code: 2-01-008-02
Process Description:
Combustion of LFG in an internal combustion engine rated at 650 kW,
875 horsepower. After combustion, the exhaust gas passes through a
muffler before it exhausts to the atmosphere from STK-2.

Emission Source/Control: ENG-2 - Combustion
Design Capacity: 650 kilowatts

Item 14.3(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-ENGIN
Process: 00C Source Classification Code: 2-01-008-02
Process Description:
Combustion of LFG in an internal combustion engine rated at 500 kW,
670 horsepower. After combustion, the exhaust gas passes through a
muffler before it exhausts to the atmosphere from STK-3.

Emission Source/Control: ENG-3 - Combustion
Design Capacity: 500 kilowatts

Item 14.4(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-ENGIN
Process: 00D Source Classification Code: 2-01-008-02
Process Description:
Combustion of LFG in an internal combustion engine rated at 820 kW.
After combustion, the exhaust gas passes through a muffler before it
exhausts to the atmosphere from STK-4.

Emission Source/Control: ENG-4 - Combustion
Design Capacity: 820 kilowatts

Item 14.5(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-ENGIN

New York State Department of Environmental Conservation
Permit ID: 7-0399-00011/00003 Facility DEC ID: 7039900011



Process: 00F

Source Classification Code: 2-01-008-02

Process Description:

Combustion of LFG in an internal combustion engine rated at 820 kW.
After combustion, the exhaust gas passes through a muffler before it
exhausts to the atmosphere from STK-6.

Emission Source/Control: ENG-5 - Combustion

Design Capacity: 820 kilowatts

Item 14.6(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 2-FLARE

Process: 00E

Source Classification Code: 5-01-004-10

Process Description:

Combustion of LFG in a candle flare, exhaust to STK-5, used for
backup during periods of excess LFG generation and maintenance or down
time of engine/generator.

Emission Source/Control: FLR-1 - Combustion

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION
DIVISION OF ENERGY RESOURCES**

Statement of Qualification

**Pursuant to the Renewable Energy Portfolio Standard
225 CMR 14.00**

This Statement of Qualification, provided by the Massachusetts Division of Energy Resources, signifies that the Generation Unit identified below meets the requirements for eligibility as a New Renewable Generation Unit, pursuant to the Renewable Energy Portfolio Standard 225 CMR 14.05, as of the approval date of the Application for Statement of Qualification, this 7th day of April 2005.

Authorized Representative's Name and Address:

James M. Malandrinios Broome Energy Resources LLC PO Box 150 Ware, MA 01082
--

Name of Generation Unit:

Nanticoke LFG

Qualification of this Generation Unit is subject to the following provisions:

1. The Generation Unit Owner or Operator shall provide to the Division by July 1st of each year a certification that the Generation Unit's New Renewable Generation Attributes used for compliance with the Massachusetts Renewable Energy Portfolio Standard during the previous Compliance Year have not otherwise been, nor will be, sold, retired, claimed or represented as part of electricity output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.
2. The portion of the total electrical energy output that qualifies as New Renewable Generation in a given time period shall meet requirements that include, but are not limited to, the following:
 - (a) An External Unit Contract shall be executed between the Generation Unit Owner or Operator and an electrical energy purchaser located in the ISO-NE Control Area for delivery of the Unit's electrical energy to the ISO-NE Control Area. The External Unit Contract shall include associated transmission rights for delivery of the Unit's electrical energy over the ties from an adjacent control area to the ISO-NE Control Area; and
 - (b) The Generation Unit Owner or Operator shall provide documentation, satisfactory to the Division, that:
 1. the electrical energy delivered pursuant to the External Unit Contract was settled in the ISO-NE Market Settlement System;
 2. the Generation Unit produced, during the applicable month, the amount of MWhs claimed, as verified by the NE-GIS administrator;

3. the electrical energy delivered under the External Unit Contract received a North American Electricity Reliability Council Tag confirming transmission from the originating Control Area to the ISO-NE Control Area; and
4. the New Renewable Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

ISO-NE Generation Unit Asset Identification Number or NE-GIS Identification Number:

~~pending~~

The Owner or Operator of the New Renewable Generation Unit is responsible for expeditiously informing the Division of the NE-GIS Identification Number upon its assignment by the NE-GIS Administrator.

This New Renewable Generation Unit is assigned a unique Massachusetts RPS Identification Number. Please include MA RPS ID #s on all correspondence with the Division.

MA RPS ID #: LG-1035-05

Pursuant to 225 CMR 14.06, the Owner or Operator of the New Renewable Generation Unit is responsible for notifying the Division of any change in eligibility status, and the Division may suspend or revoke this Statement of Qualification if the Owner or Operator of a New Renewable Generation Unit fails to comply with 225 CMR 14.00.



Date: April 7, 2005

Robert Sydney
General Counsel
Division of Energy Resources

**DISTRIBUTION INTERCONNECTION
AGREEMENT**

THIS AGREEMENT, made this 16th day of December, 1998, by and between BROOME ENERGY RESOURCES, LLC, a limited liability company duly organized and existing under the laws of the State of New York and having offices at 60 East Street - Rear, Ware, MA 01082 (hereinafter "BER"), and NEW YORK STATE ELECTRIC & GAS CORPORATION having offices at 4425 Old Vestal Road, PO Box 5524, Binghamton, NY 13902 (hereinafter "NYSEG").

WITNESSETH:

WHEREAS, BER and NYSEG have, as of June 5, 1998, entered into a certain Power Purchase Agreement ("PPA") pursuant to which BER shall sell to NYSEG certain quantities of electrical power;

WHEREAS, pursuant to the PPA, BER has agreed to bear the cost of design and construction of certain facilities ("Electric Distribution Facilities") necessary for the delivery of electrical power to NYSEG;

WHEREAS, NYSEG presented to BER a proposal dated July 13, 1998, a copy of which is attached to this Agreement as Exhibit "A", and a description of additional distribution line design services, attached to this Agreement as Exhibit "B" associated with the engineering and design of the Electric Distribution Facilities (the "Project"); and

WHEREAS, BER has agreed to such proposal and has arranged to secure the amount of compensation payable to NYSEG under this Agreement from the County of Broome (the "County") and the County has requested that BER and NYSEG enter into a formal agreement respecting such proposal.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained herein, BER and NYSEG do hereby agree as follows:

I. GENERAL

A. Definitions. Certain capitalized terms used in this Agreement are defined in the Preamble and the Recitals.

B. Captions. The titles or captions of articles and paragraphs of this Agreement are intended for convenience and reference purposes only and in no way define, limit or describe the scope or intent thereof or of this Agreement or in any way affect this Agreement, nor should the titles or captions be used in any manner in the construction of this Agreement.

C. Entire Agreement. Subject to applicable provisions of the PPA, this Agreement, which includes the Project, constitutes the entire understanding and agreement between the parties hereto relating to the subject matter hereof, and no previous statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid with respect to the subject matter hereof, and this Agreement shall not be changed, modified or altered in any manner except by an instrument in writing executed by the parties hereto. Any such amendment shall not become effective as to the parties or their successors and assigns, unless and until such change or amendment becomes effective in accordance with applicable law, without any condition unacceptable to NYSEG. Nothing herein shall modify or affect the PPA, and in the event of a conflict between the PPA and this Agreement, the PPA shall control.

D. Successors and Assigns. This Agreement shall bind the successors, assigns, and representatives of the parties hereto. Neither this Agreement nor any rights hereunder may be assigned or transferred, by operation of law or otherwise, by BER without the prior written permission of NYSEG, and no assignment or transfer without such permission shall be effective. BER shall provide to NYSEG at least thirty (30) days prior to the effective date of any permitted assignment: (a) an assignment and assumption agreement duly executed by BER and the assignee in the form of Exhibit C to the PPA, whereby the assignee shall unconditionally assume, and agree to be bound by, all of the terms and conditions of this Agreement, and whereby the assignee shall make certain additional representations, warranties and covenants, and (b) a favorable opinion of counsel for the assignee, satisfactory to NYSEG and substantially in the form of Exhibit D to the PPA.

II. RESPONSIBILITY OF NYSEG

A. NYSEG shall be responsible for the quality, technical accuracy, timely completion, and the coordination of all plans, studies, designs, drawings, specifications, reports and other services furnished by NYSEG under the Project. NYSEG shall correct or revise any errors, omissions or other deficiencies in its plans, studies, designs, drawings, specifications, reports and other services.

B. NYSEG shall perform such services as may be necessary to accomplish the work required to be performed under the Project, in accordance with this Agreement and the Project.

C. Approval by BER of plans, studies, designs, specifications, reports, and incidental work furnished hereunder shall not in any way relieve NYSEG of responsibility for the technical adequacy of its work. BER's approval or acceptance of, or payment for, any of the services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

III. BER RESPONSIBILITY

BER, at its expense, shall:

A. Assist NYSEG by placing at its disposal all available information pertaining to the Project including previous reports and any other data relative to the completion of the Project.

B. Furnish NYSEG, as appropriate, property boundary, right of way, topographic and utility surveys and any other similar reports which it may have in its possession.

C. Designate, in writing, the person to act as BER's representative with respect to work to be performed under this Agreement.

IV. SCOPE OF SERVICES

The services to be rendered under this Agreement shall be as specified in the Project. Any additional work to be performed by NYSEG shall be memorialized in a separate agreement executed by both parties.

V. TIME OF PERFORMANCE

NYSEG agrees that it will begin work on the Project immediately upon receipt of notice to proceed and the advance payment from BER, and that it will diligently proceed with said work such that the same shall be completed within sixty (60) days of commencement.

VI. SCHEDULE OF PAYMENTS

A. Amount of Compensation. For the faithful performance of the work of this Agreement and its acceptance by BER, BER will promptly pay to NYSEG the amount of \$20,000 as an advance payment. This fee includes, but is not limited to, compensation for professional, technical and non-technical personnel time, equipment, materials, insurance, travel expenses, overhead and any other expenses, including reimbursable expenses, which NYSEG incurs during the performance of said work.

B. Reimbursement. The \$20,000 advance payment may be reimbursed to BER in accordance with the provisions of this Agreement and the PPA.

VII. TERMINATION

A. Under events 1 - 4 enumerated below, the identified act, failure or omission by either party will constitute a breach of this Agreement, and this Agreement may be terminated:

1. An assignment of this Agreement by BER, or any rights hereunder, in violation of the provisions of this Agreement;
2. A failure to comply with any material term, condition, or provision of this Agreement;
3. BER's failure (a) to grant to, or obtain for, NYSEG rights-of-way or easements, or (b) to provide NYSEG with all necessary documentation, both as required by this Agreement; and
4. A failure by BER to make payment pursuant to VI (A) when due; provided, however, that no such termination may be effected unless BER is given (i) not less than seven (7) calendar days written notice (delivered by certified or registered mail, return receipt requested) of intent to terminate specifying the nature of the act, failure, or omission and the evidence supporting such claim and (ii) a sixty (60) day period in which to cure such act, failure, or omission.

B. If termination for default is effected by BER, an equitable adjustment in the price provided for in this Agreement shall be made, but (a) no amount shall be allowed for anticipated profits on unperformed services or other work; (b) any payment due to NYSEG at the time of termination may be adjusted to the extent of any additional costs occasioned to BER by reason of NYSEG's default. If termination for default is effected by NYSEG, the equitable adjustment shall include a reasonable profit for services for other work performed. The equitable adjustment for any termination shall provide for payment to NYSEG for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by NYSEG relating to commitments which have become firm prior to the termination.

VIII. PROVISIONS REQUIRED BY LAW

Each and every provision relating to the subject matter of this Agreement required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included herein and in the event any such provision is not inserted or is not correctly inserted, then, upon the application of either party, this Agreement shall forthwith be physically amended pursuant to the provisions of this Agreement to make such insertion or correction.

IX. INDEMNIFICATION

Each party agrees to indemnify, save harmless and defend the other party, its directors, officers, agents, and employees against all claims, demands, damages, judgments, costs, charges, professional fees (including reasonable attorneys' fees), or other expenses or liabilities relating to property damage, bodily injuries, or death suffered by third parties resulting from any act or failure to act by either party in the performance or non-performance of this Agreement.

X. AUDIT; ACCESS TO RECORDS

Each party shall maintain continuous books, records, documents, and other evidence directly pertinent to its performance under this Agreement. Each party shall have the right, during normal business hours, to inspect such books, records, documents, and other evidence that relate to the parties' performance under this Agreement; provided, however, that appropriate reasonable notice shall have been given prior to any such inspection, and provided further that the inspection shall be limited to only those portions of books, records, documents, and other evidence that relate to performance under this Agreement for a specified calendar year.

[The rest of this page is left blank intentionally.]

IN WITNESS WHEREOF, NYSEG and BER have caused this Agreement to be executed by their proper officers thereunto duly authorized as of the date set forth in the first sentence of this Agreement.

New York State Electric & Gas Corporation

By: Denis E Wickham
Denis E. Wickham
Senior Vice President
Energy Operating Services

Broome Energy Resources, LLC

By: John Osgood
John Osgood
Member