

Alliance Energy New York, LLC

enters 2008 with exciting plans for expanding renewable energy in New York State. Through the NYISO, Alliance currently supplies approximately 300 MW of power, serving over 300,000 households from a diverse portfolio of renewable and traditional energy resources.

Alliance's clean, low-impact, sustainable hydro facilities include the Swinging Bridge, Toronto, Cliff, Rio and Mongaup reservoirs, some of the largest in Sullivan County. We are in the process of adding to this Mongaup System's capacity of 28 MW, and Alliance will soon announce an acquisition that will double our hydro capacity. Alliance is also evaluating the feasibility of a kinetic energy facility in the St. Lawrence River.

Alliance operates the 80 MW Ogdensburg power plant, continuously supplying steam to the State mental health and prison facilities. As observed by NYSDEC, Alliance tested 250,000 gallons of clean bio diesel in that facility, and demonstrated energy generation producing no greenhouse gases. As we do not believe bio diesel is economically sustainable for base-loaded plants, Alliance is repowering that site to renewable, wood bio mass, and is committed to testing bio mass at its other plants in New York State this year as well.

Alliance owns and operates a 12-mile natural gas pipeline and 120 MW of clean, natural gas-fired generating capacity in central and western New York. In our natural gas-fired facilities, providing 95 MW of capacity in Orange County, Alliance is currently testing low sulfur, clean-burning bio fuels.

Alliance has made an offer to purchase the Lovett facility, a critical energy resource for the Hudson Valley, currently owned by Mirant. While coal is an abundant resource and a matter of national security, Alliance does not yet view clean coal technology to be reliable or affordable. If Alliance acquires Lovett, we will repower this outdated coal facility to green power to maintain critical power supplies and create tremendous employment and tax base benefits.

Alliance will achieve significant environmental improvements stopping Lovett's discharge of wastewater and cooling water into the Hudson River.

Governor Spitzer has a record of supporting the environmental and energy health of the State.

Alliance urges the Legislature to work with him to create realistic, reliable, renewable, affordable energy supplies that can be sustained over time. We believe power facilities statewide should be upgraded from outdated technology and mindsets to modern performance and environmental standards. Alliance seeks to set the green standard to "think global and act local". To truly advance the State's energy policy we must recognize the new reality in world-wide fossil fuel pricing. New York must establish substantive financial incentives, tax considerations and long-term power purchase agreements to achieve significant, measureable, and sustainable advances in renewable energy, as currently practiced in France, Spain, Portugal, Italy and Germany. New York has the opportunity to lead the way to keep American knowhow and investment here to benefit our citizens, health, environment and economy.

We at Alliance look forward to continued growth and opportunities for energy innovation in our facilities, in New York City and New York State.

