



# Renovo Energy Center

12011 Sunset Hills Rd Ste 110, Reston, VA 20190

July 19, 2022

## VIA ELECTRONIC MAIL

Mr. Muhammad Q. Zaman  
Environmental Program Manager  
Pennsylvania Department of Environmental Protection  
North Central Regional Office  
208 West Third Street, Suite 101  
Williamsport, PA 17701

Re: Issuance of Plan Approval 18-00033B  
Renovo Energy Center LLC  
Renovo Generation Station  
Renovo Borough, Clinton County

Dear Mr. Zaman:

The Pennsylvania Department of Environmental Protection (“Department”) issued Plan Approval 18-00033B for the Renovo Energy Center (“REC”) on April 29, 2021. This approval included an expiration date of October 28, 2022, by which time the project was required to have commenced construction, among other obligations. The approval also identified remedies available to REC if these conditions are or will not be met, including that contained in item #006(c) under Section B., General Plan Approval Requirements, which states in part “If the construction, modification, or installation is not commenced within 18 months of the issuance of this plan approval ... the Department may extend the 18-month period upon a satisfactory showing that an extension is justified”.

This letter supplements our June 28, 2022 submittal, in which REC formally notified the Department of its expected inability to commence construction by October 28, 2022, and reiterates our request for an 18-month extension in the subject Plan Approval’s expiration date, further justified for the additional reasons outlined herein.

## Development Status

At the time the subject permit was issued in April 2021, the project’s development was well along, with most key permits and approvals required to commence construction either in place or well advanced. Based on that status, REC, supported by its Financial Advisor, Marathon Capital, had been actively soliciting the equity investors required to finance the construction of the project. The objective was to begin construction of the first unit, designed to dispatch into PJM and whose electrical Interconnect Agreement was expected to be completed in the near

term, by the end of the year, with the second unit to follow once REC had secured its interconnection rights with NYISO (note that for an Independent Power Project such as REC, construction financing typically comprises approximately one half equity and one half debt).

In support of this plan, the project had solicited and received Letters of Intent from four entities, who anticipated making aggregate investments of up to 75% of the equity needed to enable construction of the first unit. Also, several other entities were in the late stages of their initial due diligence activities, and were evaluating investment amounts which would have provided the balance of the equity needed for the project.

When the subject permit was appealed in May 2021, the effect of that action on our financing activities was immediate and negative. Despite the fact that the permit itself remained in place while the appeal would be resolved, the threat that the project could lose a key approval or have it substantially modified, combined with the uncertain schedule associated with resolving the appeal, introduced too much risk to the project from the potential investor's perspective, such that it brought all their activities to a halt. We were also advised that this would remain the case until the air permit appeal was satisfactorily resolved. Now without the means to finance the project, REC is unable to commence construction until the appeal is resolved and these activities can resume and complete. The attached letter from Marathon Capital provides additional detail regarding these events.

### **Emissions Control Reassessment**

In support of making this request REC spent considerable time reviewing our existing permit's commitments and requirements to assess whether they remain an appropriate basis for our project. As a result of this effort we have confirmed that the overall emissions limits included in the original Plan Approval continue to reflect levels consistent with a design utilizing the best available technology and therefore support an extension of the existing permit as initially issued. Our analysis concluding that emissions control technology has not noticeably changed since our permit was issued included the following:

- In preparing this Plan Approval Extension Request, we had Power Engineers, our permitting consultant, perform a review of existing federal, state, and local air quality agency databases and recent permit issuances to confirm that the Lowest Achievable Emission Rate ("LAER"), Best Available Control Technology ("BACT") and Best Available Technology ("BAT") levels contained in REC's Plan Approval 18-00033B remain valid. Based on their review of EPA's RACT/BACT/LAER Clearinghouse (RBLC) as well as other publicly available databases and permits issued for similar installations in the past five years, REC is confident that the aggregate LAER/BACT/BAT levels included in Plan Approval 18-00033B are reflective of state-of-the-art emissions controls and limits at the time of this submittal.
- We reached out to General Electric ("GE"), who will be providing the critical Power Island equipment (combustion turbines, heat recovery steam generators, and steam turbines, among other equipment), to confirm that the control technologies being utilized for the primary plant

emissions (e.g., NO<sub>x</sub>, CO, SO<sub>2</sub>, VOC, PM, and others), have not changed and that the initial guarantees for Renovo remain reflective of BAT/BACT and are consistent with guarantees they are currently offering for similar projects. Attached is a letter from GE attesting to this with respect to the emissions associated with their scope of supply.

- Similarly, we reached out to Bechtel Infrastructure and Power Corporation ("BIPC"), who will be providing the Balance of Plant equipment (auxiliary boilers, emergency diesel generator, diesel fire pump, among other equipment), to confirm that the control technologies being utilized for emissions associated with these equipment have not changed and that the initial guarantees for Renovo remain reflective of BAT/BACT and are consistent with guarantees they are currently offering for similar projects. Attached is a letter from BIPC attesting to this with respect to these emissions.

### **Project Benefits**

Renovo is an important project for Pennsylvania, aligned with the stated objective of using native resources (i.e., Marcellus shale gas) for the benefits of its residents. As a baseload, combined cycle project it can also help solve some of the many challenges faced by the grid, as enumerated in PJM's May 2022 publication "Emerging Characteristics of a Decarbonizing Grid", by enabling integration of the many intermittent renewable projects being planned in the area. It will also provide many jobs and other benefits at the local, regional, and State level, and continues to be strongly supported by stakeholders such as elected officials, local businesses and economic development agencies, community leaders, and residents. This is evidenced by the recent passage of resolutions in support of the project by the Renovo Borough Council and the Clinton County Commissioners, both of which are attached to this submittal.

### **Issue for Consideration**

For these and other reasons we respectfully request a minimum 18-month extension in the expiration date of Plan Approval 18-00033B for the Renovo Energy Center, and its associated requirement to commence construction. Thank you in advance for your consideration. If you have any questions or need additional information in support of our request, please do not hesitate to contact me at 571-392-6383 or [rfranzes@bechtel.com](mailto:rfranzes@bechtel.com).

Sincerely,

**Renovo Energy Center**



Rick Franzese  
REC Consultant

July 15, 2022

Pennsylvania Department of Environmental Protection  
North Central Regional Office  
208 West Third Street, Suite 101  
Williamsport PA 17701

Dear PA-DEP,

Marathon Capital is the Financial Advisor for Renovo Energy Center (REC), and in this capacity is responsible for identifying and helping secure commitments from a variety of investors who would provide the equity funding to enable construction of the Renovo Energy Center. As is typical for an Independent Power Project (IPP) such as Renovo, which could cost up to \$800 million per unit, the construction financing is expected to comprise approximately one half equity and one half debt.

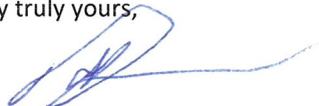
Over its more than two-decade history, Marathon Capital has emerged as the world's largest independent advisory bank serving the global sustainable energy, technology, and infrastructure markets. The firm is known as a key thought leader in global energy transition and is consistently viewed as the most innovative bank across clean energy with strong, established relationships among both strategic and financial institutional investors located throughout the United States, Canada, Latin America, Europe, Middle East, Asia, and Australia. Marathon Capital is a leading Clean Energy Advisor as ranked by Bloomberg LP in its annual New Energy Finance League Tables from 2019 - 2021 and has been a multi-year winner of M&A Advisor of the Year by Power, Finance & Risk Magazine.

By the Spring of 2021, Marathon and REC had obtained Letters of Expressions of Interest from four entities contemplating equity investment ranges which totaled up to 75% of the equity needed to enable construction of the first unit, which would serve PJM. In addition, we were in discussions with several other entities at the time who were evaluating investments which would have provided the balance of the equity needed for the project. Once the equity commitments were in place, the project would then arrange to borrow a similar amount of debt, finalize all the major contracts required to build and operate the project, close financing, and begin construction.

At about that same time, the air permit for the project came under appeal. Consistent with our experience on other, similar projects, where we have served in a similar role, the potential that a key permit could be rescinded or significantly modified created too much uncertainty for prudent investment decisions, and consequently the potential equity investors suspended their remaining due diligence and approval processes, which are time consuming and costly undertakings. Further, feedback from all potential investors indicated that their final investment decision would remain on hold until the air permit appeal was satisfactorily resolved. This is consistent with our experience on other projects throughout the IPP market which have had key permits or approvals appealed.

We remain in close contact with these investors, as well as others who have recently expressed interest in the project, and expect to pick up where we left off once the appeal is resolved. We, and they, see the value in this project and look forward to bringing it to fruition.

Very truly yours,



Robert Simmons  
Senior Managing Director





## Gas Power Systems

**James Drzymala**  
Account Manager

One River Road, Building 40-402V  
Schenectady, New York 12345

(518) 573-0676

[james.drzymala@ge.com](mailto:james.drzymala@ge.com)

July 19, 2022

Bechtel Infrastructure and Power Corporation  
Reston, VA 20109

**Attention:** Mr. Matthew Gaydon – Project Development Manager

**Subject:** Renovo PSD Permit Extension Support

Dear Matthew:

We understand Renovo Energy Center (REC) will be submitting a request for an extension of their PSD permit (Plan Approval 18-00033B), given their assessed likelihood that the requirement contained in the current Plan Approval to have commenced construction by October 28, 2022 will not be met. In support of that submittal we have revisited the emissions guarantees included in our Power Island Equipment Purchase Order with you, which were the basis for many of the key emissions limits included in REC's application for and PA-DEP's issuance of the subject Plan Approval, including SOx, NOx, VOCs, and others. We offer the following results of our analysis.

- The GE 7HA.02 high efficiency gas turbine being provided for Renovo remains an industry leader in performance technology and emission control, with its Dry Low NOx combustion system providing advanced fuel staging for enhanced steady state and transient performance.
- GE will also source and supply state-of-the-art Selective Catalytic Reduction and Oxidation Catalyst systems that will provide emissions control at the cutting edge of today's technology.
- The Power Island emissions guarantees that were the basis of Renovo's permitted emissions limits continue to be based on the best available technology and still represent the most current, state of the art guarantees we are offering throughout the industry.

In summary, we confirm that the emissions guarantees we have in place for Renovo, which were the basis for and are consistent with REC's current Plan Approval limits, represent aggressive guarantees for combined cycle projects utilizing this equipment while maintaining an industry-acceptable risk profile. Please advise if you require any further information or support.

Best regards,

James Drzymala  
Account Manager – North Region

**Cc:** Russ Young – Sales Director  
Ann Marie St. John-Grover – Technical Manager



July 19, 2022

Ron Tobler  
Project Manager  
Renovo Energy Center LLC (REC)  
12011 Sunset Hills Road  
Reston, VA 20190

Subject: Renovo Energy Center Project  
PSD Permit Extension Support

Dear Ron,

We understand that Renovo Energy Center (REC) will be submitting a request for an extension of their PSC permit (Plan Approval 18-00033B) given the likelihood that the requirement in the current Plan Approval to have commenced construction by October 28 of 2022 will not be met. In support of that submittal and per your request, we have reviewed the emissions level for equipment under the balance of plant supply: 1) Auxiliary Boiler, 2) Emergency Diesel Generator, 3) Diesel-Driven Fire Water Pump, 4) Water Bath Heater, and 5) Dew Point Heater that were previously shared with REC as part of the engineering support services pursuant to the Technical Services Agreement (TSA), dated December 22, 2015 that was entered into by REC and Bechtel Infrastructure and Power Corporation. In each case, the basis of REC's permitted emissions limits under the current Plan Approval continue to be based on, as applicable, BAT/BACT/LAER and still represent the most current offerings by the industry.

Sincerely,

Matthew Gaydon  
Project Development Manager

cc: Todd Whorten  
Rick Franzese



## RESOLUTION 9-2022

WHEREAS, Renovo Energy, LLC is pursuing permission to construction a natural gas energy generation center on the site of the former Industrial Park in the Borough of Renovo; and

WHEREAS, Renovo Borough Council has previously indicated support for the project and its belief that the project would be beneficial to the citizens of Renovo Borough and the surrounding communities; and

WHEREAS, news reports indicate that various groups have appealed the air quality plan approval issued by the Pennsylvania Department of Environmental Protection; and

WHEREAS, Renovo Borough Council believes that the construction of the natural gas energy generation plant will be in the economic best interest of the residents of the Borough and the surrounding communities. The plant would be a productive use of the vacate Industrial Park site; the project will boost the economy of Renovo Borough and surrounding communities, both during the construction and during the operation of the plant; and the project will provide a significant source of revenue for Renovo Borough, Clinton County and the Keystone Central School District; and

WHEREAS, Renovo Borough Council believes that the project would be in the environmental best interest of the citizens of Renovo Borough and the surrounding communities as the project will address the contamination of the existing Industrial Park site; and

WHEREAS, the facility will benefit the environment by displacing more polluting forms of energy generation; the Pennsylvania Department of Environmental Protection is requiring that, as part of the project, Renovo Energy restore and enhance sensitive areas to offset impacts from

the construction. These areas include enhancing wetlands near Brewery Run and along 2400 lineal feet of Kettle Creek, and reforesting areas in Sproul State Forest; and

WHEREAS, the viability of the project has been jeopardized by three (3) outside organizations, none of which have strong ties to Renovo Borough or the surrounding communities; and

WHEREAS, as part of the project, Renovo Energy will create and maintain an emergency route through the site for access during flooding events to enable vehicles to safely vacate flood prone areas in the Borough; and

WHEREAS, since 2015, Renovo Energy has sought input from the community, including a 14-resident focus group, which culminated in a Benefits Agreement being executed by Renovo Energy; and

WHEREAS, Renovo Energy has been responsive to requests from Renovo Borough Council for information concerning the project; and

WHEREAS, Renovo Energy has consistently supported local activities in the Borough and other areas of the county.

NOW, THEREFORE, BE IT RESOLVED that:

1) Renovo Borough Council expresses its continued support of the Renovo Energy project with the belief that the project is in the economic, environmental and general best interest of the citizens of Renovo Borough and the surrounding communities.



IN WITNESS WHEREOF, the undersigned has hereunto set hand and affixed the seal of  
Renovo Borough this 13<sup>th</sup> day of April, 2022.

Borough of Renovo by:

ATTEST: Marsha Davis (SEAL)  
Marsha Davis, Secretary

Ann Tarantella (SEAL)  
By: Ann Tarantella, Council President

I, Ann Tarantella, President of the Renovo Borough Council, do hereby certify that the  
forgoing is a true and correct copy of the Resolution adopted at a regular meeting of Renovo  
Borough Council held on the 13<sup>th</sup> day of APRIL, 2022.

Date: April 13, 2022

Ann Tarantella  
Ann Tarantella, Council President

## **Board of Commissioners**

**Miles D. Kessinger, III**

*Chairman*

**Jeffrey A. Snyder**

*Vice Chairman*

**Angela Harding**

*Commissioner*



**Larry E. Coploff, Solicitor**

**Jann Meyers, Chief Clerk**

Phone: (570) 893-4000

(800) 509-6697

Fax: (570) 893-4041

## **RESOLUTION NO. 10 OF 2022 – IN SUPPORT OF THE RENOVO ENERGY, LLC PROJECT**

**WHEREAS**, Renovo Energy, LLC is pursuing permission to construct a natural gas energy generation center on the site of the former Industrial Park in the Borough of Renovo; and

**WHEREAS**, the Clinton County Commissioners have previously indicated support for the project and its belief that the project would be beneficial to the citizens of Renovo Borough and all of Clinton County; and

**WHEREAS**, the Clinton County Commissioners believe that the construction of the natural gas energy generation plant will be in the economic best interest of the residents of the Borough and the surrounding communities. The plant would be a productive use of the vacant Industrial Park site; the project will boost the economy of Renovo Borough and surrounding communities, both during the construction and during the operation of the plant; and the project will provide a significant source of revenue for Renovo Borough, Clinton County and the Keystone Central School District; and

**WHEREAS**, the facility will benefit the environment by displacing more polluting forms of energy generation and for which the Pennsylvania Department of Environmental Protection is requiring as part of the project, Renovo Energy restore and enhance sensitive areas to offset impacts from the construction. These areas include enhancing wetlands near Brewery Run and along 2400 lineal feet of Kettle Creek, and reforesting areas in Sproul State Forest; and

**WHEREAS**, as part of the project, Renovo Energy will create and maintain an emergency route through the site for access during flooding events to enable vehicles to safely vacate flood prone areas in the Borough; and

**WHEREAS**, since 2015, Renovo Energy has sought input from the community, and remained transparent with all stakeholders; and

**CLINTON COUNTY COMMISSIONERS**  
2 PIPER WAY, SUITE 300  
LOCK HAVEN, PENNSYLVANIA 17745

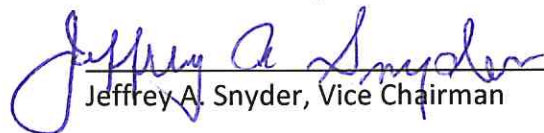
**WHEREAS**, Renovo Energy has consistently supported local activities in the Borough of Renovo and other areas of the county;

**NOW, THEREFORE, BE IT RESOLVED** that the Clinton County Board of Commissioners expresses its continued support of the Renovo Energy project with the belief that the project is in the economic, environmental and general best interest of the citizens of Clinton County.

**ADOPTED** by the Board of Commissioners of the County of Clinton, the Commonwealth of Pennsylvania, this 5<sup>th</sup> day of May, 2022.

**CLINTON COUNTY COMMISSIONERS**

  
Miles D. Kessinger, III, Chairman

  
Jeffrey A. Snyder, Vice Chairman

  
Angela Harding, Commissioner

Attest:   
Jann Meyers, Chief Clerk