

site. One above ground diesel fuel storage tank (“AST”), with one million gallons of storage capacity, is also located on site. The NEL facility is hereinafter referred to as “the Project.”

The Current Operator

NEL currently operates the Project. NEL is a wholly-owned subsidiary of CED/SCS Newington, LLC, a Delaware limited liability company (“CED/SCS”). Consolidated Edison Development, Inc. (“CED”) has an approximate 99.5% capital interest in CED/SCS. It also has a 95% profit interest in CED/SCS, subject to certain adjustments. The remaining approximate 0.5% capital interest, and 5% profit interest, is owned by SCS Energy, LLC. CED is a 100% owned subsidiary of Consolidated Edison, Inc. (“Con Ed”).¹

The Transaction

On December 10, 2007, Con Ed announced that CED and CED/SCS had entered into purchase and sale agreements to sell their ownership interests in certain entities owning power generating properties, amounting to approximately 1,706 megawatts, to NAEA (the “Transaction”). As part of the Transaction, NAEA would purchase 100% of the ownership interests in these entities, including NEL. The sale is subject to federal and state regulatory approvals, including the EFSEC approval, and other terms and conditions. The Project is part of a total of 29 individual generator units subject to the sale. The other generator units are located on 11 different sites in Massachusetts, New Jersey, and Maryland. The Project, along with 8 other generating sites (in MA) in the sale portfolio, is located in the New England Power Pool (“NEPOOL”).

The Buyer

NAEA, the Buyer, is a newly formed Delaware limited liability company and a wholly-owned subsidiary of North American Energy Alliance Holdings, LLC (“NAEAH”). NAEA is

¹Effective February 4, 2008, CED owns 100% of CED/SCS having acquired SCS Energy, LLC’s membership interest therein.