

**STATE OF NEW HAMPSHIRE  
BEFORE THE ENERGY FACILITY SITE EVALUATION COMMITTEE**

**Docket No. SEC 2008-01**

**Joint Application of Newington Energy, LLC (“NEL”) and  
North American Energy Alliance, LLC (“NAEA”) for approval of transfer  
of membership interests in NEL**

**TESTIMONY OF MICHAEL THOMPSON ON BEHALF OF  
NORTH AMERICAN ENERGY ALLIANCE, LLC**

1           **Q.     Please state your name, title and business address for the record.**

2           **A.**My name is Michael Thompson. I am the Executive Director of  
3 Infrastructure for Industry Funds Management Pty Ltd (“IFM”). My business address is  
4 Level 29, 2 Lonsdale Street, Melbourne, VIC 3000 Australia.

5           **Q.     In what capacity are you testifying today?**

6           **A.**I am here today to represent the co-Applicant, North American Energy  
7 Alliance, LLC or “NAEA”, before the Site Evaluation Committee and to speak generally  
8 about its managerial and technical capabilities. The structure of the Transaction and  
9 parties is described in the Application and the testimony of Ms. Wright.

10           **Q.     Would you briefly summarize your educational background and**  
11 **employment experience in the power industry.**

12           **A.**I hold a Bachelor of Commerce from the University of Melbourne,  
13 Australia. I also qualified as a member of the Chartered Accountants of Australia  
14 (membership has since lapsed).

15           I am responsible for leading all international infrastructure transactions for IFM. I  
16 have over 15 years’ experience in investment banking and related advisory roles within  
17 the energy and infrastructure fields, including senior roles with Merrill Lynch, Citigroup,  
18 KPMG, Westpac Banking Corporation (“Westpac”) and PriceWaterhouseCoopers. My  
19 infrastructure experience has been both in Australia and abroad. While at Merrill Lynch  
20 and Citigroup, I led mergers and acquisition (“M&A”) teams on numerous significant  
21 power transactions including the \$1.2b acquisition of CitiPower (electricity distribution  
22 business) in Victoria, Australia. I have also led M&A teams on bids for Loy Yang A  
23 (2120MW), a base load power generator that provides input to the Victorian electricity

1 system, Yallourn Energy (1480MW), a power generating company in Victoria and  
2 Ecogen Energy (980MW), comprising two gas fired power plants in Victoria.

3 At Westpac, amongst other things, I was lead financier to various power  
4 generation projects. At KPMG, I played a significant role in the sale of Victoria's  
5 electricity and gas assets, with a divesture value in excess of \$35 billion. My resume is  
6 included with the Application in Exhibit C.

7 **Q. Please summarize the purpose of your testimony before the Site**  
8 **Evaluation Committee today.**

9 **A.** The purpose of my testimony is to address the managerial and technical  
10 capabilities of NAEA.

11 It is my understanding that New Hampshire law and the requirements of the  
12 Certificate of Site and Facility this Committee issued to the Project in 1999 require the  
13 applicant for the transfer in ownership interest of such a certificate to have "adequate ...  
14 technical, and managerial capability to assure ... operation of the facility in continuing  
15 compliance with the terms and conditions of the certificate." RSA 162-H:16,IV(a). My  
16 testimony, coupled with the materials in the Application, demonstrates that NAEA has  
17 the requisite technical and managerial capability to operate the Project in compliance  
18 with the terms and conditions included in this Committee's 1999 Order issuing the  
19 Certificate of Site and Facility.

20 **Q. Please describe the experience and qualifications NAEA.**

21 **A.** IFM, as Manager of the assets held by IFMN (as described in the  
22 Application) has significant experience regarding assets within the energy and  
23 infrastructure sectors.

1 For example, Ecogen Energy Pty Ltd (“EE”) operates two gas-fired power plants  
2 in Victoria, Australia. IFMN acquired a 28% interest in EE in February 2003. The EE  
3 assets consist of the Newport Power Station (“NPS”), located 6 km south-west of  
4 Melbourne, Australia and the Jeeralang Power Station (“JLS”), located in the Latrobe  
5 Valley, Victoria, Australia. NPS is a 500MW intermediate thermal plant commissioned  
6 in 1980. Jeeralang is a 480MW peaking Open Cycle Gas turbine commissioned in 1979.

7 In April 2006, IFMN acquired a 34% stake in Zespól Elektrociepłowni w Łódzki  
8 S.A. (“Dalkia Łódź”) from a subsidiary of Dalkia S.A. (“Dalkia”), the French energy  
9 management and conversion group. Dalkia Łódź’s core business is the generation and  
10 distribution of heat in the form of hot water and steam, as well as the generation of  
11 electricity. With an installed thermal capacity of 2,560 MW and electrical capacity of  
12 487 MW, Dalkia Łódź is the second largest combined heat and power complex in Poland.  
13 The Company is a single-division enterprise operating three combined heat and power  
14 plants producing heat and electricity on a cogeneration basis. It also operates a District  
15 Heating System distributing heat throughout the City of Łódź which is 130 Km from  
16 Warsaw.

17 Furthermore, IFMN is the 100% owner of Pacific Hydro Limited (“Pacific  
18 Hydro”), an Australian renewable energy company. Pacific Hydro has over 1800 MW of  
19 hydroelectric and wind farm projects at varying stages of development, construction and  
20 generation across Australia, Asia-Pacific and Latin America. Being a business that is  
21 larger in size and complexity to NEL but at the same time having comparable attributes,  
22 IFM intends to use a similar management and operational model for NAEA that has been  
23 very successful for Pacific Hydro.

1 IFMN has engaged a leading executive recruitment firm to identify appropriate  
2 candidates for the NAEA Board and management team. I have had discussions with  
3 potential asset managers including Competitive Power Ventures, Inc. (“CPV”). It is  
4 IFMN’s intention to engage an asset manager like CPV prior to completion of this  
5 transaction to provide the NAEA Board and management team with additional expertise.

6 In addition to the generation projects being acquired in the Transaction, IFMN has  
7 invested in other US projects. IFMN, along with other existing shareholders including  
8 Shell, Chevron, Conoco Phillips and Koch Industries, is an investor in Colonial Pipeline,  
9 a major long-distance pipeline carrying refined petroleum products from refining  
10 infrastructure in the Texas and Louisiana Gulf Coast region to major consumer markets  
11 in the south east USA and along the Atlantic eastern seaboard as far north as New York.  
12 IFMN is also an investor in Duquesne Light Holdings, an electricity transmission and  
13 distribution business in Pittsburgh, PA.

14 **Q. Are you familiar with 525 megawatt (MW) combined-cycle, dual fuel**  
15 **merchant electric generation facility in Newington?**

16 **A.** Yes, I am. My staff and I, together with our consultants, have performed  
17 considerable due diligence on the Project and have reviewed numerous documents  
18 associated with the Project, including the Certificate of Site and Facility which the SEC  
19 issued to the Project in 1999. Members of my staff, together with certain of our  
20 consultants, have visited the facility and met with plant personnel.

21 **Q. Are you familiar with the terms and conditions which the SEC**  
22 **imposed when it issued the Certificate of Site and Facility in 1999?**

1           A.     Yes. We have reviewed the terms and conditions contained in the  
2 Certificate. We are also familiar with federal, state, and local laws, regulations and  
3 requirements affecting the Project.

4           **Q.     How will NAEA oversee day-to-day operations of the Project?**

5           A.     Day-to-day responsibility for facility operations will remain with General  
6 Electric International, Inc. (“GE”). Pursuant to an operations and maintenance agreement  
7 dated as of December 20, 1999, attached as Exhibit D to the Application (“GE  
8 Contract”), GE has had such responsibility since the commercial operation date of the  
9 Project (i.e., since November 2002) and has successfully operated the Project. GE is well  
10 established as a plant operator and manager with over 20 years of experience, as more  
11 particularly described in Exhibit F. Under the terms of the Transaction, the GE Contract  
12 will remain in effect.

13           The oversight and asset management function for the Project will be conducted by  
14 NAEA, which will contain an experienced and highly qualified management team, ably  
15 supported by asset management specialists such as CPV. NAEA will assume  
16 management of the GE Contract and will continue the GE relationship.

17           Also under the terms of the Transaction, NAEA will acquire from Consolidated  
18 Edison its subsidiary, CED Operating Company, LLC (“CED OpCo”). CED OpCo has  
19 thirty-five employees working at three other power generation facilities being acquired  
20 by NAEA in the Transaction. CED OpCo performs operation and maintenance services  
21 at these plants. Certain asset managers will report to officers of NAEA. In addition,  
22 NAEA is considering making offers of employment to certain asset management

1 employees of CED. The addition of any of these employees would serve to bolster the  
2 already strong team of NAEA asset managers.

3 **Q. What other resources will be available for NAEA to draw**  
4 **upon?**

5 **A.** NAEA will have overall responsibility for managing the entire portfolio of  
6 energy assets acquired in the Transaction, including the Project. In connection with this  
7 overall responsibility, NAEA will be assisted by an asset manager such as CPV.

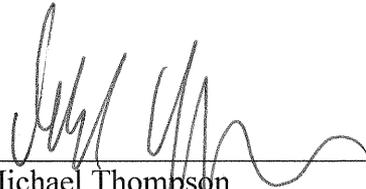
8 In addition, NAEA is acquiring an operations and plant management staff  
9 of 33 people from CED's CEEMI facility in West Springfield, Massachusetts.  
10 Personnel of CEEMI and CED OpCo will be available to assist at NEL as  
11 necessary. Furthermore, plant management personnel of CEEMI, CED OpCo and  
12 GE (at NEL) meet periodically to discuss overall plant management issues.

13 **Q. Does NAEA have the technical and managerial capability to assure**  
14 **operation of the Project in continued compliance with the terms and conditions of**  
15 **the Certificate?**

16 **A.** Yes. As illustrated by the information contained in the Application,  
17 coupled with the information I have provided in my testimony, I am confident NAEA has  
18 the technical and managerial capability to assure operation of the facility in continuing  
19 compliance with the terms and conditions of the Certificate.

20 **Q. Does this conclude your pre-filed testimony?**

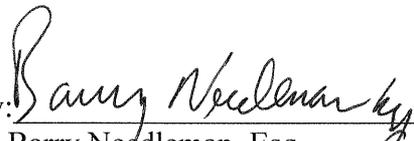
21 **A.** Yes, but I would be happy to answer questions from members of the  
22 Committee, Committee Counsel, or members of the public.

  
\_\_\_\_\_  
Michael Thompson  
Executive Director - Infrastructure  
Industry Funds Management Pty Ltd

Certification of Service

I hereby certify that a copy of the foregoing was this date forwarded via hand delivery or U.S. first class mail, postage prepaid, to the Site Evaluation Committee service list, Attorney General as Counsel for the Public, and Tom Morgan, Newington Town Planner.

INDUSTRY FUNDS MANAGEMENT  
PTY LTD  
Co-Applicant  
By Its Counsel  
McLane, Graf, Raulerson & Middleton, P.A.

By:   
\_\_\_\_\_  
Barry Needleman, Esq.   
3/13/08



## Industry Funds Management Biography January 2008

### **Michael Thompson – Executive Director, Infrastructure**

Michael joined Industry Funds Management (“IFM”) in February 2008. At IFM, Michael is responsible for assisting in managing existing domestic Infrastructure Group products and new domestic infrastructure products. His role also assists with sourcing and evaluating domestic and international investment opportunities, development of an acquisition strategy for allocated infrastructure sectors, preparation of investment proposals/reviews, completion of transactions, and monitoring and reporting on investments and divestments.

Michael has over 21 years experience in infrastructure investments. Prior to IFM, Michael was employed by PricewaterhouseCoopers (“PwC”) as Director and Head of Energy Mergers & Acquisitions in the corporate advisory arm, specialising in the origination and execution of mergers and acquisitions, capital raisings and advisory transactions in the energy and infrastructure sectors.

Previous to PwC, Michael was a Director in the Specialised Capital Group (equity underwriting and funds management arm) at Westpac Banking Corporation in Melbourne, focusing on originating and executing equity investments in the energy and infrastructure sectors.

Michael was also Director in the Energy and Infrastructure banking advisory team at Citigroup; Vice President in the Infrastructure investment banking team at Merrill Lynch; and has also worked with KPMG Melbourne which included secondments to Bahrain, Luxembourg and Fort Lauderdale and various levels to senior management in KPMG Corporate Finance specialising again in mergers and acquisitions and valuation assignments.

Michael holds a Bachelor of Commerce from the University of Melbourne.