

New York State Department of Environmental Conservation 625 Broadway Albany, NY 12233-4500

Attn: Stephen Tomasik

United States Army Corps of Engineers New York District 26 Federal Plaza New York, NY 10278-0090 Attn: Steve Ryba, Regulatory Branch, Room 1937

Subject: Cricket Valley Energy Project, Dover, New York (Army Corps #2009-1043)

Dear Mr. Tomasik and Mr. Ryba:

On January 22, 2010, ARCADIS submitted a Joint Application Form and supporting information requesting authorization of wetland alteration associated with the Cricket Valley Energy (CVE) project in Dover, Dutchess County, New York. On April 7, 2011, an update to the application was submitted to include information highlighting elements of the project that had been changed since the January 22, 2010 submittal. The April 7, 2011 submittal represented CVE's continuation of refining project elements in response to New York State Department of Environmental Conservation (NYSDEC) and United States Army Corps of Engineers (USACE) comments to further mitigate wetland impacts resulting from the CVE project.

Since that time CVE has obtained an option to purchase approximately 57 additional acres to the south of the proposed project site. This adjacent parcel, formerly the location of the RASCO Materials facility (the former Rasco parcel), had not previously been available. It should be noted that the permanent project footprint remains unchanged as described in the April 7, 2011 submittal; however, previously disturbed portions of the former Rasco parcel are proposed to be used for temporary parking during the construction phase of the project.

This letter provides an update to previously submitted information and highlights those elements that have been changed since the April 7, 2011 submittal to reflect inclusion of the former Rasco parcel. The following includes a brief project description, a summary of wetland jurisdiction status, a review of alternatives considered to avoid and minimize wetland impacts, and a discussion of proposed project activities, including a proposed wetland restoration/creation and adjacent area restoration plan.

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Our ref:

CO001447



CVE previously submitted a copy of the Wetland Delineation report for the project development area on August 28, 2009, which includes representative photographs and background, as well as a copy of the Environmental Assessment Form that was submitted on November 4, 2009. On January 10, 2012 CVE also submitted materials in support of a request for a jurisdictional determination for the former Rasco parcel, including wetland data forms, representative photographs and signed seal survey drawings of surveyed wetlands. CVE is currently preparing the Final Environmental Impact Statement (FEIS) for NYSDEC review, including information to address the inclusion of the former Rasco parcel.

Project Description

The project is proposed within an approximately 57-acre portion (the Project Development Area) of the 193.5-acre property. The approximately 57-acre former Rasco parcel immediately south of the Project Development Area will predominantly remain undisturbed with the exception of temporary disturbance to approximately 13 acres; these 13 acres consist of waste material/debris from prior operations which require removal. Following removal, the 13-acre area will be used for temporary construction worker parking and laydown area, and, following construction, will be restored. Figure 1 illustrates the boundaries of the property, Project Development Area and former Rasco parcel on the Dover Plains, New York USGS quadrangle. The approximate center point of the Project Development Area is latitude 41.677027, longitude -73.580508.

The property is bounded to the north by an existing 345 kilovolt (kV) Consolidated Edison (ConEd) electric transmission corridor (an existing Iroquois natural gas pipeline right of way also extends along the ConEd corridor); to the east by State Route 22; and to the south by residential properties. To the west, the Project Development Area is bounded by an active Metro-North rail line. The property continues west from the rail line, bounded by the Swamp River on the northern portions and extending across the river in westerly and southerly portions. No project work is proposed west of the rail line. The property has been in industrial use since approximately 1942; the Project Development Area's primary building was largely destroyed by fire in 1996.

The Cricket Valley Energy project is a proposed nominal 1,000 megawatt (MW) natural gas-fired combined cycle energy facility, which will be constructed on the Project Development Area (which currently contains several abandoned industrial buildings). The project will utilize air cooling and a zero liquid discharge system;



therefore, operational impact to water resources will be limited to use of an on-site bedrock well system to supply a continuous summer demand of 60 gallons per minute (gpm), and a short-term supply of 120 gpm, discharge of stormwater (for storm events in excess of the 100-year storm), and domestic sewage to an onsite septic system. The project will utilize the existing driveway onto Route 22, and will interconnect with the ConEd 345 kV transmission line on-site. A short (approximately 500-foot) natural gas lateral will be required to interconnect to the existing Iroquois natural gas pipeline.

The approximately 13 acres of the former Rasco parcel proposed for waste material/debris removal and temporary construction worker parking and laydown represents an area that has been historically disturbed through placement of materials and debris. Of these 13 acres, approximately 5 acres are currently developed (previously used by RASCO Materials), approximately 6 acres is comprised of waste pile material (some containing overgrowth consisting of shrub and small diameter woody vegetation), and approximately 2 acres are characterized by re-growth in the form of small-diameter trees. Site clean-up and stabilization will occur prior to this temporary use, and stormwater management features will be included in the design to divert runoff from wetland resources and species habitat.

Wetland Jurisdictional Summary

In the Project Development Area, mapping indicated that NYSDEC-jurisdictional wetlands are located west of the railroad track, adjacent to the Swamp River (identified in project delineation reports as Wetlands 4 and 5). NYSDEC has determined that an additional on-site wetland (identified as Wetland 2) is state-jurisdictional. The two remaining on-site wetland resources (Wetlands 1 and 3) were determined not to be state-jurisdictional due to their isolated status.

On the former Rasco parcel, a NYSDEC jurisdictional wetland was delineated immediately east of the railroad track (identified as Wetland D {US 8}) with a direct hydrologic surface connection via a culvert under the tracks to adjacent Wetland 5. An additional 5 wetlands were delineated that were determined not to be state-jurisdictional and are designated as follows:

- Wetland A (US 5)
- Wetland B (US 6)
- Wetland C (US 7)
- Wetland E (US 9)
- Wetland F (US 4)



The United States Army Corps of Engineers (USACE) utilizes different jurisdictional criteria in reviewing wetland resources within the Project Development Area (Wetlands 4 and 5 have not been reviewed by the USACE, as no project work will occur west of the railroad track). Federal wetland jurisdiction was confirmed for Wetland 2 and a portion of Wetland 3. In addition, the onsite drainage swale was determined to be a federally jurisdictional intermittent stream. Wetland 1 and a portion of Wetland 3 were determined not to be federally jurisdictional.

On the former Rasco parcel, two of the six wetlands delineated were determined to be under federal jurisdiction. Wetland D (US 8) falls under both federal and state jurisdictions, while Wetland F (US 4) is federally regulated only. Note that, while Wetland F (US 4) is predominantly located on the former Rasco parcel and was not identifiable as a wetland resource without access to that parcel, it extends onto the Project Development Area as well.

Figures 2, 3, 4, and 5 present the surveyed wetland boundaries. The following table summarizes the jurisdictional resources within the approximately 57-acre Project Development Area and approximately 57-acre former Rasco parcel.

Wetland Resource	Parcel Location	State Jurisdictional?	Federally Jurisdictional?	Wetland Jurisdictional Area (Acres)
1	PDA	No	No	
2	PDA	Yes	Yes	8.68
3A	PDA	No	No	
3B	PDA	No	Yes	0.41
Drainage Swale	PDA	No	Yes	0.04
A (US 5)	FRP	No	No	
B (US 6)	FRP	No	No	
C (US 7)	FRP	No	No	
D (US 8)	FRP	Yes	Yes	6.08
E (US 9)	FRP	No	No	
F (US 4)	PDA & FRP	No	Yes	0.36 (0.03 acres in PDA)

PDA = Project Development Area

FRP = Former Rasco Parcel



Wetlands 4 and 5 are located west of the railroad track that is within the property but not within either the Project Development Area or former Rasco parcel. Note that state jurisdictional Adjacent Area (100 feet from the wetland boundary) associated with Wetlands 4 and 5 does extend onto the Project Development Area and former Rasco parcel, although no project activities are proposed in that area.

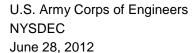
Alternatives Considered in the Project Development Area

Avoidance of impact to wetlands has been an important focus of the project site selection and design. The following narrative reviews alternatives considered to achieve that goal.

The Cricket Valley Energy site was selected based on detailed criteria that included proximity to energy infrastructure, appropriate zoning, and sufficient land to create a buffer and minimize aesthetic impacts to the surrounding community. The entire 193.5-acre site which includes the former Rasco parcel meets all of these criteria:

- Adjacent to a 345 kV electric transmission line owned by ConEd.
- Adjacent to a high-pressure natural gas pipeline owned by Iroquois Gas
 Transmission Company. An approximately 500-foot gas pipeline lateral will be
 constructed to the project site to interconnect with the existing 24-inch gas line.
- Industrially zoned. The site is one of three areas in Dover zoned for Manufacturing/Industrial purposes. It is specifically designated in the Dover Master Plan (referred to as the "Mica Plant") to be utilized for industrial purposes.
- Natural buffer. A 300- to 400-foot buffer of vegetation will be maintained between the project development site and New York State Route 22 to mitigate visual impacts. In addition, existing topography will be maintained as buffer.

Alternative sites were identified throughout the southeast region of New York State in addition to several local alternatives in the Town of Dover. However, these sites did not adequately meet the criteria outlined above. Sites identified adjacent to the electric transmission lines and gas pipeline did not offer the appropriate zoning or buffer. Sites identified with appropriate zoning were located further away from energy infrastructure and would require the construction of new off-site electric power lines and a longer natural gas pipeline. The impact to the surrounding community





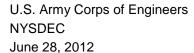
resulting from the need for potentially significant off-site construction eliminated these sites from consideration.

Once the site was selected, alternative project configurations were considered. In early May 2009, the wetland field delineation of the Project Development Area was completed, and field sketches were immediately provided to project engineers for use in developing preliminary layout alternatives. In the fall of 2011, the wetland field delineation of the former Rasco parcel was completed. As a result of this 2011 delineation, a 0.03 acre wetland ditch extending from the 0.36-acre Wetland F (US 4) was added within the limits of the Project Development Area The primary design goals were to:

- Avoid wetland impact wherever possible;
- Avoid NYSDEC wetland adjacent area impact wherever possible;
- Utilize the existing developed footprint to the greatest extent possible;
- Minimize clearing of forested areas to the greatest extent possible;
- Avoid substantial earth movement where possible; and
- Maintain practical technical equipment orientation to facilitate construction and operations in an efficient, safe and least-impact manner.

The current orientation of facility components was selected in order to use the existing driveway; minimize wetland intrusion; keep equipment aligned to ensure safe, efficient operation and to facilitate maintenance; and position louder equipment (for example, the air-cooled condensers that include numerous fans) to the south and west of the site, away from residences. Figures 6 through 9 highlight the amount of wetland impact reduction as a result of the various design alternatives and on-going effort by CVE to reduce natural resource impacts.

A significant ancillary project element is the project substation. Figure 6 (Drawing M200, Rev. B) illustrates the size of a conventional substation that would serve the project, as compared to the size of a gas insulated switchgear (GIS) style substation. Although a GIS switchyard is \$10-20 million more than the cost of the conventional design, wetland impact considerations resulted in selection of a GIS switchyard for the project.





The surveyed wetland boundaries were overlain on the proposed site plan and other ancillary elements (e.g., the detention basin, gas pipeline interconnection, and ConEd substation, also selected as a GIS design at significant cost in order to reduce footprint) were added (see Figure 7, Drawing M200, Rev. F). Additional work continued towards minimizing the footprint needed for features such as the GIS substation and the detention basin.

NYSDEC review of the originally flagged wetland increased the Wetland 2 boundary to encompass a previously disturbed area where historical uses of the site eliminated natural soils and had deposited yellow sawdust like material. With this narrow finger-like area included in the wetland designation, impact to this area by the project footprint could not be avoided. Consideration for shifting the footprint or moving project elements to avoid impact to the tip of Wetland 2 continued, as follows:

- The footprint was shifted south to the extent possible given southern property line and existing drainage ditch physical constraints;
- The administration/warehouse buildings were relocated to the east;
- Further reductions were made in the size of the combined project/ConEd switchyard and substation;
- Slopes were reduced in areas near wetlands to minimize grading effects; and
- Various configurations with the potential to reduce the size of the stormwater detention basin were considered but rejected due to project layout constraints and design needs.

Figure 8 illustrates a revised layout with its associated grading (Drawing C130, Rev. A). Constraints associated with the southern property line, as well as functional and safety needs for access and keeping various pieces of equipment co-located resulted in unavoidable impact to the fingerlike projection of Wetland 2 and its state-jurisdictional adjacent area.

With the addition of the Rasco parcel, the Project examined whether the project footprint could be further shifted to eliminate or reduce encroachment on Wetland 2. However, the presence of federally jurisdictional Wetland F (US 4) as well as the federally jurisdictional intermittent stream (stormwater drainage ditch) precluded this.



Figure 9 (M200 Rev S) illustrates the currently proposed layout, which demonstrates some additional wetland impact reduction as a result of project layout modifications.

Avoidance of Impacts to Jurisdictional Wetlands and Minimization of Temporary Impacts to Adjacent Area in Former Rasco Parcel

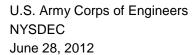
With the acquisition of the adjacent former Rasco parcel, in tandem with clean-up and restoration activities, CVE has the opportunity to provide for a significant amount of the necessary construction worker parking and laydown on an approximately 13-acre portion of this property. This temporary use will require some modification as an approximately 2-acre area of re-growth forest dominated by relatively small diameter trees (<3" dbh) will need to be cleared.

As shown on Figure 10, one non-jurisdictional wetland (Wetland B [US 6]) will be filled with gravel to accommodate parking, and another non-jurisdictional wetland (Wetland C {US 7}) will be converted to a sediment detention control facility as shown on Figure 11. These project features would follow excavations required to remove waste piles and debris that will eliminate artificial barriers currently impounding surface waters which likely resulted in the formation of these two wetlands. As illustrated in Figure 11, remaining wetlands would be protected as a result of the temporary stormwater management system directing flows away from wetlands through extended channels prior to discharge, allowing for greater residence time to improve water quality,

As a consequence of required disturbance to complete waste pile and debris removal, approximately 1.4 acres of regulated Adjacent Area will be impacted. The remaining regulated Adjacent Area will not have to be disturbed for temporary construction worker parking usage. Following use of this 1.4-acre regulated Adjacent Area for temporary parking during construction, the site will be restored and planted with indigenous trees, shrubs and native seed mixes as shown on the restoration plan for the former Rasco parcel included in Attachment 1.

Summary of Impacts to Wetland Resource Areas and Regulated Adjacent Areas

Although the project design minimizes impacts to wetland resources as much as possible, a small amount of impacts to wetland resource areas is unavoidable. A summary of impacts to jurisdictional wetland resource areas (both jurisdictional and non-jurisdictional) is provided below. A summary of impacts to regulated Adjacent





Area (Area within 100 feet of a NYSDEC-jurisdictional wetland) is provided in a separate table below. A discussion of the proposed project actions within the jurisdictional areas is provided below.



Jurisdictional Wetlands Impacts

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Wetland Number	Jurisdictional Status	Total Wetland Area (acres)	Wetland Area Temporarily Disturbed and Restored (acres)	Wetland Area Permanently Altered (acres)	Wetland Area Permanently Lost (acres)	New Wetland Area Created (acres)	Total Wetland Net Loss (f) + (g)
Wetland 2	Federal and State	8.7	0.6	0.0	-0.05	0.05	0.0
Wetland 3B	Federal	.41	0.0	0.0	0.0	0.0	0.0
Drainage Swale (Intermittent Stream)	Federal	.04	.001	.003 (rip rap within stream) ¹	0.0	0.0	0.0
Wetland D (US 8)	Federal and State	6.08	0.0	0.0	0.0	0.0	0.0
Wetland F (US 4)	Federal	0.36	0.0	0.0	0.03	0.03	0.0

¹See Attachment 1: Plate 3 – Conceptual Subsurface Sewage Disposal System and Stormwater Management Plan

Total Adjacent Area Impacts (see Wetland Restoration/Creation Plan Sheets 1 through 3 and Sheet 4 Former Rasco Parcel On-site Construction Laydown and Parking Area: Preliminary Restoration and Landscape Plan)

(a)	(b)	(c)	(d)	(e)	(f)
NYSDEC- Regulated Resource	Adjacent Area Temporarily Disturbed/Restored Due to Facility Construction and Bioretention Areas ²	Adjacent Area Temporarily Disturbed /Restored due to Waste Excavation ³	Total Adjacent Area Temporary Disturbance/ Restoration (b)+(c)	Adjacent Area Permanently Lost (due to facility construction) ⁴	Adjacent Area selectively replanted outside of proposed limits of construction ⁵
Adjacent Area to Wetland 2	0.6	0.4	1.0	0.8	1.8
Adjacent Area to Wetland D (US 8)	0.0	1.4	1.4	0.0	0.0

²See Attachment 1: Wetland Restoration/Creation Plans Sheet 3, Note 4.

Construction Laydown and Parking Area: Preliminary Restoration and Landscape Plan

³See Attachment 1: Wetland Restoration/Creation Plans Sheet 3, Note 5 and Sheet 4 Former Rasco Parcel On-site

⁴Area within Existing Adjacent Area that will be filled due to plant construction

⁵See Attachment 1: Wetland Restoration/Creation Plans Sheet 3, Note 3.



Proposed Project Actions in Jurisdictional Areas

All state and federal jurisdictional wetland resource impact has been avoided by the project with the exception of limited impact to Wetland 2 and its associated state-jurisdictional 100-foot adjacent area, a portion of Wetland D (US 8) state-jurisdictional 100-foot adjacent area, some limited work within the intermittent stream channel and a small wetland ditch that is part of federally jurisdictional Wetland F (US 4) representing the northernmost terminus of this wetland.

Impacts associated with Wetland 2 and Wetland F (US 4) falls into three general categories: proposed wetland fill; proposed activities to address remediation and restoration of wetland quality; and proposed work within the state wetland adjacent area (of Wetland 2), including restoration and potential mitigation activities. Each is discussed below.

Intermittent Stream Impacts

The project's stormwater management system has been designed with three plunge pool/bioretention facilities in the northern portion of the Project Development Area, and a stormwater management basin – wet extended detention pond in the southern portion of the Project Development Area that will hold most stormwater rainfall (see Attachment 1, Plate 3). For storm events in excess of the 100-year frequency storm event, discharge from the stormwater management basin will occur into the intermittent stream (which is currently used for site stormwater discharge). No plans currently exist to modify the existing stormwater channel (a USACE-jurisdictional intermittent stream). However, in order to prevent erosion, it will be necessary to install rip-rap within the intermittent stream in the location of the proposed detention pond outlet (see Plate 3 inset). This small area of rip-rap (approximately 135 square feet, or 0.003 acre) is not anticipated to alter the flow of water or function of the intermittent stream. No other improvements are proposed within the federally jurisdictional intermittent stream channel.

Proposed Wetland Fill – Wetland 2 and Wetland F (US 4)

A total of 1,990 square feet (0.05 acre) of wetland fill is unavoidable for Wetland 2. In addition, a total of 1,195 square feet (0.03 acre) of Wetland F (US4) will be impacted as a result of required surface grading within this segment of the Project Development Area. Although numerous site configurations were explored, the footprint has been shifted as far south as possible to both avoid the USACE - jurisdictional Intermittent stream and significantly minimize impacts to federally





regulated Wetland F (US 4). The tip of the southerly fingerlike projection associated with Wetland 2, and northern most terminus ditch associated with Wetland F (US 4) cannot be avoided.

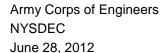
It should be noted that the quality of the impacted wetland segments of both Wetland 2 and Wetland F (US 4) is poor. Although wetland hydrology and vegetation is present, natural soils do not exist in this portion (and further north) of Wetland 2, nor were they observed along either lengths of two linear features representing ditches within Wetland F (US 4). Rather, soil material in Wetland 2 and both ditches within Wetland F (US 4) is comprised of a yellowish, non-toxic sediment that is not naturally occurring. Debris associated with various historical industrial uses of the site has been deposited and/or discharged into these wetlands and on the wetland banks as well, including a white slag material from previous magnesium extraction and processing activities that occurred on the site. As a part of project development, CVE intends to remove trash and debris from the wetland areas (and throughout the site), remove the "yellow material" from the impacted portion of the Wetland 2, create additional wetland and restore wetland adjacent area with selective plantings. The cleanup and restoration of these wetlands should improve wetland function and quality, while constituting work in wetland areas requiring approval, will also result in the creation of additional wetland area, as addressed below.

Wetland 2 Restoration and Creation and Adjacent Area Restoration

A wetland restoration/creation plan has been developed to compensate for both the permanent loss of the 0.08 acres of jointly regulated NYSDEC and USACE freshwater wetland and 0.8 acre of regulated Adjacent Area described above, as well as the temporary disturbance to approximately 2.4 acres of both Wetland 2 and Wetland D (US 8) regulated Adjacent Area. Narratives describing the wetland restoration/creation and adjacent area restoration plans complete with plan drawings, as well as a restoration monitoring plan have been provided in Attachment 1 to this letter.

The Restoration/Creation Plan involves the following activities:

 The creation of an Open Water area within the southernmost portion of Wetland 2 by excavation of non-native sediment, approximately 0.6 acres in size. The Open Water area will be allowed to revegetate.





 The creation of 0.08 acres of new wetland by extending the existing wetland limits to the east and west of the Open Water area. This area will be seeded and allowed to revegetate.

As a result of the newly created 0.08 wetland area, there will be no net loss of jurisdictional wetland.

In addition to the wetland restoration and creation, restoration activities within the Adjacent Area include the following:

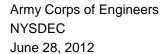
- Restoration and replacement of 0.4 acres of Adjacent Area (Wetland 2) due to the
 excavation of waste material in the Project Development Area, and 1.4 acres of
 Adjacent Area (Wetland 4 [US 8]) within the former Rasco parcel following
 excavation of waste material and subsequent use of this area for temporary
 parking during construction.
- Restoration and replanting of approximately 0.6 acres of Adjacent Area that may
 be temporarily disturbed due to facility construction as well as around the
 bioretention basins. These areas will be planted with native tree/shrub species.
- Selective replanting of Adjacent Area between the proposed limits of construction ground disturbance and Wetland 2 (approximately 1.8 acres). Areas that are not currently densely vegetated will be selectively planted with appropriate tree/shrub species.

Plantings Adjacent to Wetland 1

In addition to the restoration of, and creation at the USACE- and NYSDEC-jurisdictional Wetland 2, CVE will replant areas between the project footprint and non-jurisdictional Wetland 1 with the same species and planting density proposed for the Wetland 2 Adjacent Area replanting to further protect this non-jurisdictional wetland.

Post-Construction Monitoring Plan

A post-construction monitoring and maintenance plan has been developed (See Attachment 1). The monitoring and maintenance plan includes monitoring for three calendar years (covering three growing seasons) to ensure that the creation and





restoration plan has achieved its regulatory and contractual commitments and goals. The plan includes both a qualitative and quantitative assessment to ensure the physical health and establishment of new vegetation at the site as well as the integrity of installed erosion matting, revetments, and herbivory fencing in the restoration area. The program includes annual reports and photo documentation as well as the recommendation and performance of corrective action, if necessary.

A revised Project Description and Purpose has been prepared to address these project refinements that have been made since the original submission of the Joint Application Form. This revision is provided as Attachment 2.

We appreciate your continued review of this wetland application, and hope that the information contained herein addresses all outstanding comments on the application. Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

ARCADIS U.S., Inc.

Frederick M. Sellars Vice President

Copies:

R. De Meyere, J. Ahrens, CVE

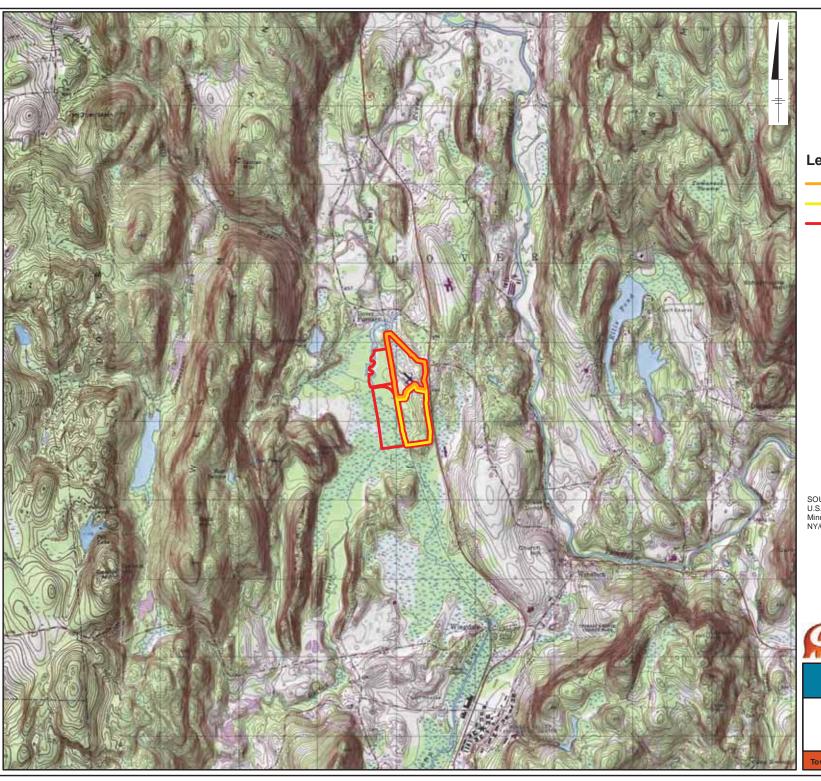
J. Schachter, Howlands Lake Partners

R. Courtien, Town of Dover

H. Gierloff, NYSDEC Region 3

ARCADIS

Figures





Legend

Project Development Area

Former Rasco Parcel

---- Property

SOURCE: U.S. Geological Survey, 7.5 x 15 Minute Quadrangle, Dover Plains, NY/CT, Verbank, NY

> 2,000 4,000 Feet

> > 1:48,000

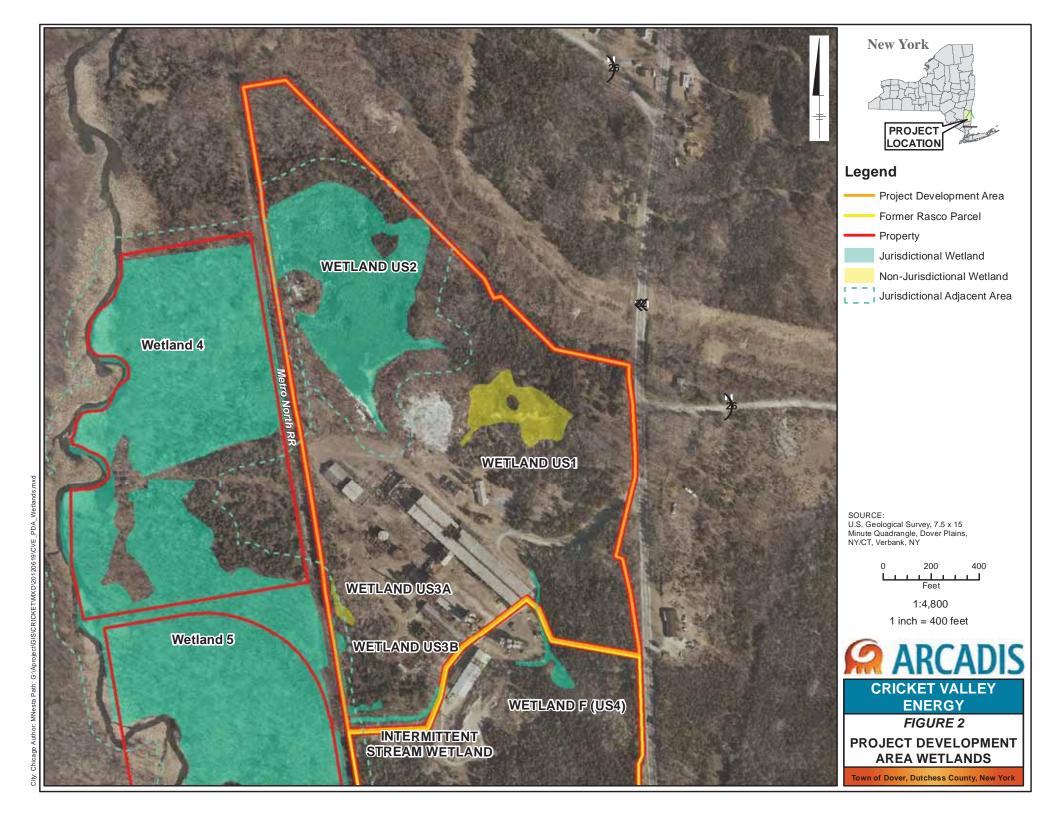
1 inch = 4,000 feet

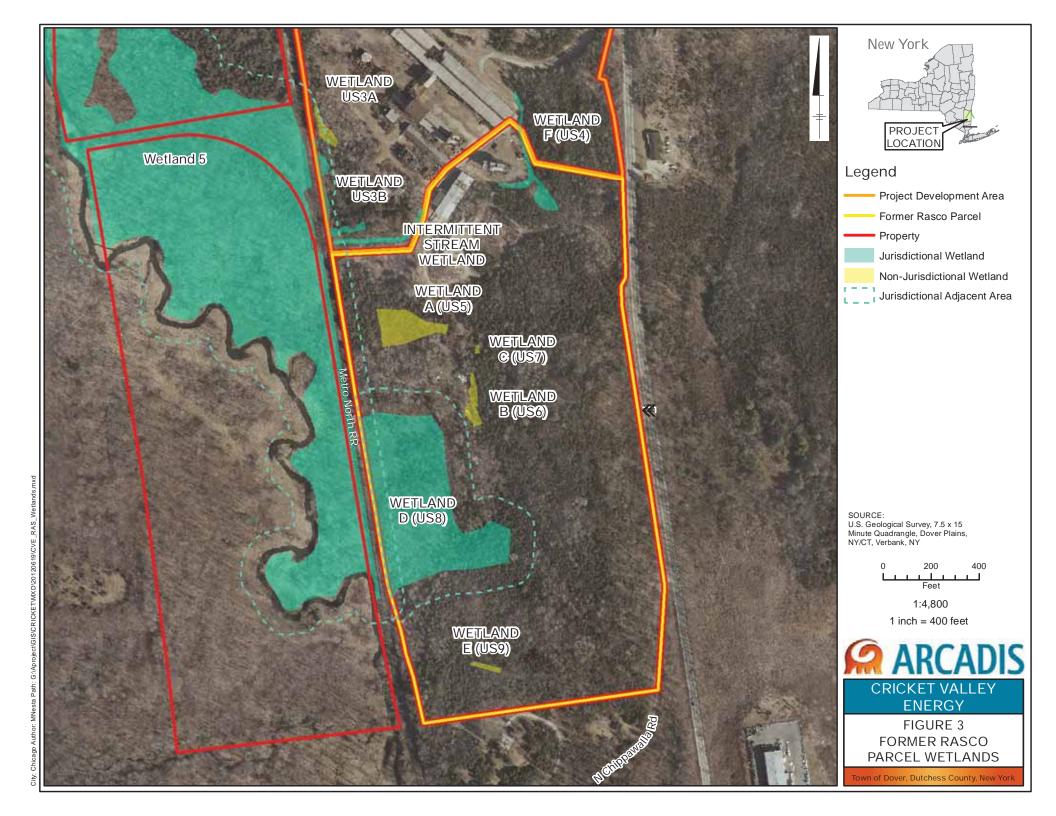


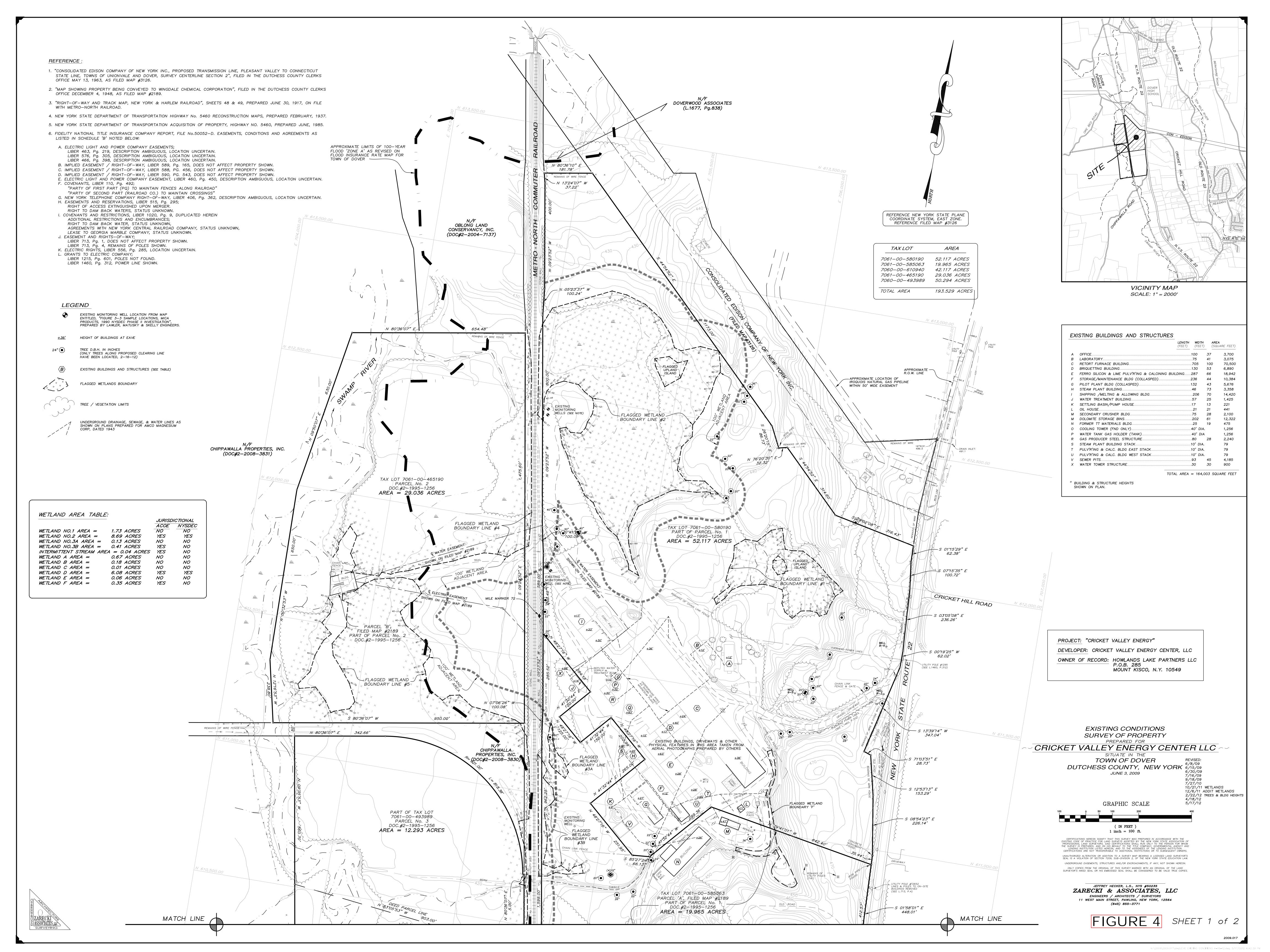
CRICKET VALLEY ENERGY

FIGURE 1
PROJECT LOCATION

Town of Dover, Dutchess County, New York









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