

STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

IN RE:

BNE ENERGY INC. PETITION FOR A DECLARATORY RULING THAT NO CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED IS REQUIRED FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF A 4.8 MW WIND RENEWABLE GENERATING FACILITY LOCATED ON FLAGG HILL ROAD, COLEBROOK, CONNECTICUT

PETITION NO. 983

March 15, 2011

**PRE-FILED TESTIMONY OF
PAUL J. COREY ON BEHALF OF BNE ENERGY INC.**

Q.1. What is your name and business affiliation?

A. My name is Paul J. Corey and I am Chairman of BNE Energy Inc. (“BNE”), with a business address at Town Center, Suite 200, 29 South Main Street, West Hartford, CT 06107.

Q2. Please describe your business experience?

A. I have more than fifteen years of industry experience with extensive regulatory, energy and power plant development expertise. I am very knowledgeable about electric, natural gas and competitive issues throughout New England. I was formerly employed as Counsel on Regulatory Affairs for Brown Rudnick with a concentration on energy and regulatory. Prior to that I served as the Executive Director of the Connecticut Department of Public Utility Control and was responsible for the overall administration of the agency. I have a B.S. in Finance from the University of Connecticut, a M.S. in Finance from Purdue University and a J.D. from the University of Connecticut School of Law. I am also admitted to the Connecticut Bar. A copy of my resume is attached hereto.

Q.3. What is the purpose of your testimony?

A. The purpose of my testimony is to briefly summarize the history of the Project, and the communication efforts that were made to update state and local officials on its status. I also describe the benefits of the proposed Wind Colebrook South to the residents of Colebrook and the State of Connecticut; the importance of one of the first commercial wind generation facilities to the state’s electricity supply portfolio and how this investment will help meet renewable portfolio mandates established by the Connecticut legislature; and, finally, the extensive measures that were taken by BNE to mitigate potential environmental impacts and ensure proper setbacks for the Project.

Q4. Please briefly summarize the history of the Project and communication efforts BNE implemented to update state and local officials and residents about the development status.

A. As described below, BNE spent more than a year looking for appropriate sites in Colebrook and throughout Connecticut conducive to commercial wind. We purchased approximately 76 acres of undeveloped land at 29 Flagg Hill Road on November 10, 2007. BNE submitted a proposal to the Connecticut Clean Energy Fund for Wind Colebrook in response to its Call for Applications for Renewable Energy Projects in Pre-Development, and the proposal was approved on July 17, 2008. In October 2008, BNE representatives discussed the wind project proposal with the First Selectman and Zoning Enforcement Officer of the Town, gave a presentation to the Planning & Zoning Commission and applied for a special permit to install a meteorological (“Met”) tower from the Town of Colebrook. The permit for the Met tower was approved on November 24, 2008, and the Met tower was installed on or about December 12, 2008. The Met tower permit was subsequently appealed and the Zoning Board of Appeals held a public hearing on February 4, 2009. The Met tower permit was unanimously upheld. The Zoning Board of Appeals decision was appealed to Superior Court, but subsequently withdrawn. Since the installation of the Met tower, BNE has conducted numerous studies including wind resource analysis, bird, bat and wildlife studies, wetlands analysis, sound and visual simulations, site design and layout, shadow flicker analysis, ice throw studies and interconnection studies. During that time, BNE regularly updated state and local officials on the progress of the Project. In order to properly inform the community, BNE submitted an informational filing to the Town of Colebrook on October 8, 2010. Additionally, a legally noticed, public informational meeting was held at the Colebrook Town Hall on November 10, 2010, which numerous members of the public attended. BNE filed its petition for Colebrook South with the Siting Council on December 6, 2010, and a hearing notice sign was posted at the Site on March 9, 2011. Siting Council public hearings are scheduled for March and April 2011.

Q.5. Please summarize the benefits of Wind Colebrook South to the community and to the state.

A. Wind Colebrook South offers significant environmental, economic and societal benefits to the citizens of the Town of Colebrook and the State of Connecticut. Wind Colebrook South will produce 100 percent clean, renewable electricity with zero emissions and no water consumption and will result in significant environmental benefits. The value of the Project to the Colebrook community is significant and will be long lasting. The Project will provide a significant source of clean, renewable energy produced locally. The Project will provide over two times the annual electric power needs of the Town’s residential electric users on average over the course of a year. The power is domestic to Connecticut and located in Litchfield County proximate to some of the most constrained capacity areas in New England. Further, the Project will reduce the demand on interstate transmission lines and will act as a symbol of Connecticut’s commitment to generating clean reliable energy.

Renewable energy offers societal benefits which are increasingly recognized with each news story relating to the United States’ continued dependence on foreign oil and the environmental impacts associated with fossil fuels. We must not forget about the catastrophic BP oil spill, the countless natural gas explosions that occur throughout the country and all of the problems associated with coal fired power plants and mining operations. Recent tragic events in Japan and

the resultant nuclear crisis amplify the need for renewable energy. Local renewable energy projects such as Wind Colebrook South reduce dependence on foreign fuel sources, reduce or eliminate emissions of pollutants and greenhouse gases and reduce the environmental harm that can result from the extraction and use of fossil fuels. Also, while BNE recognizes that economic impacts, both positive and negative, are outside the Council's jurisdiction, in addition to the environmental and societal benefits, there are numerous economic benefits of the Project that will directly benefit the residents of the Town including significant tax revenue, green jobs and economic development. In summary, Wind Colebrook South is an exciting state-of-the-art renewable energy project that offers significant environmental, economic and societal benefits to the Town of Colebrook and the State of Connecticut.

Q.6. Does Wind Colebrook South help the state meet its renewable portfolio goals?

A. Yes. The State of Connecticut has recognized the benefits of local renewable energy development and implemented renewable portfolio standards ("RPS") to encourage the development of renewable energy resources, particularly Class I renewable sources including wind, not only to lessen the country's dependence on foreign oil but also to reduce the environmental impacts associated with fossil fuel sources. The RPS require that 15 percent of electric generation in the State is produced via renewable sources for 2011. By 2020, the State RPS requirements will increase to 27 percent, a minimum of 20 percent of which must derive from Class I renewable energy sources, including wind. Further, many of the State's cities and towns have pledged to obtain 20 percent of their electricity from renewable sources by 2020.

As one of the State's first commercial wind projects, Wind Colebrook South will play an important role in the State's renewable energy goals. Wind energy is a rapidly growing market and the fastest growing energy sector. The United States including New England is fortunate to possess one of the largest wind energy resources in the world. Wind currently supplies approximately 1.8 percent of the nation's electricity, but has the potential to supply anywhere from 10 to 40 percent of U.S. demand for electricity based on various studies that take into consideration available land, wind resources, costs, transmission constraints, available technology and other relevant issues. On average, the global wind energy market has grown over 25% annually over the last ten years, and the U.S. wind energy market has experienced similar growth rates. Since 2005, wind power has been the second largest new resource (second only to natural gas) added to the U.S. electrical grid in terms of nameplate capacity. For the fourth straight year, the U.S. led the world in wind capacity additions and now exceeds Germany in cumulative capacity with more than 40,000 MW, or enough electricity to power 9.6 million American homes. Wind power currently represents one of the largest new sources of electric capacity additions in the U.S. In 2009, the U.S. wind energy industry installed close to 10,000 MW, the largest year in U.S. history, expanding the nation's total wind power generating capacity by 40% in a single calendar year. The growth in wind generation accounts for about 39% of the entire new power-producing capacity added nationally in 2009 injecting an investment of over \$19 billion into the economy. The incremental capacity will power the equivalent of 2.4 million American households annually while strengthening U.S. energy supply with clean, green, renewable wind energy. It is time for commercial wind in Connecticut.

Wind Colebrook South offers the opportunity for Connecticut to embrace wind and bring the significant benefits of renewable energy to the state. Wind turbines are being installed in close proximity to schools, churches and homes all over New England producing clean, green, renewable energy from the wind, providing jobs and economic development in the communities, and creating significant tax revenue to local governments. Connecticut has been a leader of clean energy, but remains the only state in New England without commercial wind turbines. Wind energy provides a great opportunity for us to harness the power of wind to generate electricity in a responsible manner — we have an abundant amount of wind created naturally in the atmosphere that won't run out, and it is environmentally friendly. We have to move towards renewable energy and a green economy. Wind is clearly part of the solution. Wind Colebrook South will help the State of Connecticut meet its renewable portfolio mandates and serve as an example for other communities throughout the state regarding the benefits of and need for renewable energy.

Q.7. Please describe the measures that BNE implemented to provide for proper setbacks and mitigate environmental impacts.

A. BNE spent more than a year looking for appropriate sites in Connecticut conducive to commercial wind production. After reviewing locations in Colebrook, Prospect and across the state that may be conducive to commercial wind, we believe that Wind Colebrook South is one of the best locations in the state for commercial wind. The Town of Colebrook is located in Litchfield County in the Northwest portion of the state. The site is located on high elevation property on a ridge at the top of one of the highest points in the town and has sufficient wind resources to provide fuel for commercial wind generation. Additionally, the three wind turbines proposed by BNE will be located on 80 acres. While there are a few homes near the project, BNE has provided for appropriate setbacks from residential properties to ensure safe and reliable operations. It is also important that the turbine locations are close to the grid to minimize interconnection costs which can be substantial, and to also minimize environmental impacts in connecting to the grid. In addition, the site is adjacent to vast amounts of conservation property and a gun club in a mixed use area of homes and businesses located along Route 44, which is the main road in Colebrook. Wind turbines are being built in communities throughout New England near schools, churches and homes. BNE believes that Wind Colebrook South is an excellent location for one of the first commercial wind farms in Connecticut.

In addition to identifying a proper site for wind turbines, BNE spent considerable time and resources working to optimize the turbine locations on the property to maximize renewable electricity production from the wind turbines while minimizing environmental impacts, including wetland impacts and ensuring proper setbacks. BNE worked closely with GE to identify the proper locations of the turbines taking into account setbacks and numerous other factors that affect the wind resources on the site. GE conducted a Mechanical Loads Assessment using site specific wind data that measures numerous factors including wind shear, air density and turbulence intensity to ensure that the turbines will operate safely and reliably on the site. BNE also worked closely with VHB, Zapata, West and other members of its team to mitigate environmental impacts. As a result, the project design and layout were modified numerous times to reduce wetland impacts, mitigate the impact on birds, bats, and wildlife, and to reduce the amount of clearing and construction footprint to the fullest extent possible. For example, one of

the highest elevation locations on the site where a turbine was being considered was abandoned in favor of an alternative location in order to reduce wetland impacts. The proposed location of the turbine was selected to mitigate potential environmental impacts even though the initial location at the higher elevation would be more favorable for electricity production. BNE believes the measures taken appropriately balance the generation of clean renewable wind energy on the site while ensuring proper setbacks and minimizing environmental impacts.

In summary, Wind Colebrook South offers significant benefits, will result in no air emissions, have minimal impacts that comply with DEP's water quality standards, and will further the State's energy policy by developing renewable energy sources in Connecticut.

Q.8. Does this conclude your testimony?

A. Yes.

The statements above are true and accurate to the best of my knowledge.

March 15, 2011
Date

Paul J. Corey
Paul J. Corey

EXHIBIT 1

Paul J. Corey

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Profile:

Accomplished energy, utilities and regulatory attorney with over fifteen years of industry experience and a strong background in sophisticated energy transactions, electric and natural gas competitive initiatives and complex regulatory matters. Exceptional analytical and communications skills with extensive transactional experience and the proven ability to effectively manage multiple projects and complex transactions in the energy industry.

Experience:

January 2009 -
Present

BNE ENERGY INC.

West Hartford, CT

Chairman

- Responsible for management of company and the development of its wind projects.
- Provide general counsel and legal advice regarding company operations, regulatory matters, and project development.
- Work closely with co-founder on all aspects of the company's business.

January 2009 -
Present

COREY LLP

West Hartford, CT

Managing Partner

- Represent utilities, energy companies and financial advisors on multiple matters involving the divestiture, acquisition, development and financing of electric generation facilities, alternative energy projects, and natural gas facilities.

November 2000 -
December 2008

BROWN RUDNICK BERLACK ISRAELS, LLP

Hartford, CT

Counsel

- Represented utilities, energy companies and financial advisors on multiple matters involving the divestiture, acquisition, development and financing of electric generation facilities, alternative energy projects, and natural gas facilities.
- Provided legal counsel and advice to numerous clients regarding state and federal energy, utility and regulatory matters.
- Served as legal advisor to Navigant Consulting, Inc. as exclusive financial advisor to the Public Utility Commission of Texas for the \$806 million AEP Texas Central divestiture of 4,500 MWs of nuclear, fossil and hydro electric generation facilities.
- Represented J.P. Morgan Securities Inc. in its capacity as Valuation Panel for the \$4.4 billion stranded costs true-up proceeding of CenterPoint involving the electric generating facilities of Texas Genco with aggregate capacity of 14,000 MWs.
- Represented J.P. Morgan Securities Inc. as the exclusive auction agent for the New Hampshire Public Utilities Commission in coordination with the Connecticut Department of Public Utility Control on all matters involving the \$836 million sale of the Seabrook Nuclear Power Plant, including transaction counsel and obtaining state regulatory approvals from the DPUC, DTE and NHPUC.
- Generated millions of dollars of new business for the firm.

November 1996 -
October 2000

DEPARTMENT OF PUBLIC UTILITY CONTROL

New Britain, CT

Executive Director

- Worked closely with Commissioners to develop and implement Department policy.
- Provided assistance to the Chairman when negotiating legislative proposals with the Governor's office, legislators and constituents regarding utility matters.

- Assisted with the negotiation, drafting and implementation of comprehensive electric restructuring and natural gas unbundling competitive initiatives.
- Designated to oversee and work closely with J.P. Morgan Securities Inc. in its role as exclusive financial advisor and auction agent to the Department in the auctions of Connecticut Light & Power's non-nuclear generation assets for \$1.32 billion, the Millstone nuclear facility for \$1.29 billion, the auction of numerous purchase power agreements and the procurement of standard offer service.
- Responsible for organizational planning and administration of the Department.

May 1995 -
October 1996

Project Manager

- Performed management audits of the three Connecticut natural gas utilities.
- Streamlined internal cable utility regulatory policies and procedures.
- Developed a comprehensive water company financial viability and analysis model.

August 1994 -
April 1995

CONNECTICUT HEATH MANAGEMENT

Farmington, CT

Senior Financial Analyst

- Prepared financial statements for investors, management and auditors.
- Supervised the business staff of long-term care facilities and assisted with cash flow forecasts, monthly financial analyses and fiscal reporting.
- Supported the CFO on special projects including bonding issues, revenue enhancement efforts and cost reduction planning.

February 1991 -
July 1994

WATERBURY YOUTH SERVICES, INC

Waterbury, CT

Financial Director

- Responsible for overall success of financial operations.
- Collaborated with the Executive Director and the Board of Directors to develop and implement strategic plans including revenue enhancement and growth initiatives.

Education:

UNIVERSITY OF CONNECTICUT SCHOOL OF LAW

Hartford, CT

Juris Doctor, January 2000

- Full time evening law student.

PURDUE UNIVERSITY

West Lafayette, IN

KRANNERT SCHOOL OF MANAGEMENT

Master of Science in Management, Finance, December 1989

- General Motors Foundation Graduate Fellowship.
- Selected to attend an eight-week practicum study of the relationship between government and business based in Washington, D.C.

UNIVERSITY OF CONNECTICUT

Storrs, CT

Bachelor of Science, Finance, May 1988

- Graduated Magna Cum Laude.

Memberships:

- Admitted, Connecticut Bar
- Chairman of the Board, Connecticut Lottery Corporation, Jan 2000 - Dec 2004
- MS Corporate Achiever

References Available Upon Request