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September 23, 2021

**VIA UPS OVERNIGHT**

Melanie Bachman, Esq.  
Executive Director  
State of Connecticut  
Connecticut Siting Council  
Ten Franklin Square  
New Britain, CT 06051

**Re: NEW HAVEN HARBOR STATION/PEAKING PROJECT:**

*PETITION No. 925 and 976 – PSEG New Haven LLC petition for a declaratory ruling that no Certificate of Environmental Compatibility and Public Need is required for the modifications relating to the installation and operation of three 48.5 MW peaking units at New Haven Harbor Station, New Haven, Connecticut, as modified by DOCKET NT-2010 – Reopening of final decisions pursuant to C.G.S. §4-181a(b) for jurisdictional natural gas-fired electric generating facilities under C.G.S. §16-50i(a)(3) and C.G.S. §16-50k(a) limited to Council consideration of changed conditions and the attachment of conditions to the certificates and declaratory rulings consistent with the findings and recommendations in the Final Report issued by the Kleen Energy Plant Investigation Review Panel (Nevas Commission) and the findings and recommendations in the Executive Report issued by the Thomas Commission.*

**BRIDGEPORT HARBOR STATION/UNIT #5:**

*PETITION No. 1218 – PSEG Power Connecticut LLC petition for a declaratory ruling that no Certificate of Environmental Compatibility and Public Need is required for the construction, maintenance, and operation of a new 485 megawatt (MW) dual fuel combined-cycle electric generating facility at the existing Bridgeport Harbor Station located at 1 Atlantic Street, Bridgeport, Connecticut.*

Dear Attorney Bachman:

Pursuant to condition #14 of the Decision and Order in Docket 1218 and in relation to Dockets 925 and 976, as modified by Docket NT-2010, this letter is to inform you of a pending change in the upstream parent company for PSEG Power Connecticut, LLC and PSEG New Haven LLC. The parent company for these two PSEG entities, PSEG Fossil LLC, is being sold to Generation Bridge II, LLC, a subsidiary of ArcLight Energy Partners Fund VII, L.P. (“ArcLight”), a fund managed by ArcLight Capital Partners, LLC (please see press releases from PSEG and ArcLight in Attachment A).



PSEG Power Connecticut, LLC currently owns New Haven Harbor Station and Bridgeport Harbor Station. PSEG New Haven LLC, which itself is separately owned directly by PSEG Fossil LLC, owns the peaking project at New Haven Harbor Station. In June 2021, Bridgeport Harbor Station was subdivided into two parcels: (1) one parcel containing Unit #5; and (2) one parcel containing Units #1-4.

Generation Bridge II, LLC is purchasing PSEG Power Connecticut, LLC and PSEG New Haven LLC and will be the new upstream owner of New Haven Harbor Station (excluding the Peaking Project) and Bridgeport Harbor Station, Unit #5. Immediately following the closing of the purchase of PSEG New Haven LLC, Generation Bridge II, LLC plans to transfer the membership interests in PSEG New Haven LLC to another wholly-owned subsidiary of ArcLight, Generation Bridge II Holdings New Haven, LLC,<sup>1</sup> which will be the new upstream owner of the Peaking Project at New Haven Harbor Station. The transaction is expected to close in December 2021. Please see Attachment B for organization charts showing the various entities pre-transaction and post-transaction. Post-closing, Generation Bridge II, LLC and Generation Bridge II Holdings New Haven, LLC will also change the names of the PSEG entities it has purchased.

Prior to the closing, PSEG will also transfer title of Units #1-4 of Bridgeport Harbor Station to a different PSEG entity.

As required by Paragraphs #7 and 9 of the Electric Generator Decision and Order NT-2010, PSEG, Generation Bridge II, LLC and Generation Bridge II Holdings New Haven, LLC provide the following confirmations:

- (1) PSEG is current on payments to the Connecticut Siting Council for its annual assessments and invoices under Conn. Gen. Stat. §16-50v;
- (2) PSEG, Generation Bridge II, LLC and Generation Bridge II Holdings New Haven, LLC have agreed that post-closing, Generation Bridge II, LLC and Generation Bridge II Holdings New Haven, LLC shall be responsible for any quarterly assessment charges under Conn. Gen. Stat. §16-50v(b)(2) associated with New Haven Harbor Station, the Peaking Project in New Haven and Bridgeport Harbor Station, Unit #5; and
- (3) The contact information for the individual/representative at Generation Bridge II, LLC and Generation Bridge II Holdings New Haven, LLC responsible for management and operations of New Haven Harbor Station (including the Peaking Project) and Bridgeport Harbor Station, Unit #5 post-closing is:

Ali Khurram  
Senior Vice President  
c/o Eastern Generation, LLC  
300 Atlantic Street, 5th Floor  
Stamford, CT 06901  
[akhurram@easterngen.com](mailto:akhurram@easterngen.com)

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<sup>1</sup> This new entity that will own the membership interests in PSEG New Haven LLC has not yet been formed and may have a different name, but will be an affiliate of Generation Bridge II LLC or a wholly-owned subsidiary of ArcLight.



- (4) The contact information for the individual/representative at PSEG responsible for management and operations of Bridgeport Harbor Station Units #1-4 is:

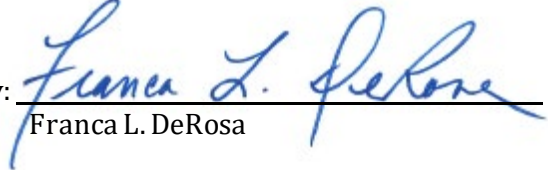
Mark Strickland  
40 Cragwood Road  
South Plainfield, NJ 07080  
[Mark.Strickland@pseg.com](mailto:Mark.Strickland@pseg.com)

The parties shall notify the Connecticut Siting Council of the actual date of Closing once it occurs.

Please contact me (for PSEG) or Stephen Humes at Holland & Knight (for ArcLight) with any questions.

Very truly yours,

BROWN RUDNICK LLP

By:   
Franca L. DeRosa

FLD/jmb  
Enclosures  
cc: Stephen Humes, Holland & Knight

*ATTACHMENT A*

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*PRESS RELEASE*



[NewsRoom](#)

## PSEG Agrees to Sell PSEG Fossil Generating Portfolio to ArcLight Capital

*Transaction Furthers PSEG's Transition to a Clean Energy Company  
PSEG Updates Full-Year 2021 Operating Earnings Guidance to \$3.50  
– \$3.65 per Share*

(NEWARK, N.J. – Aug. 12, 2021) – Public Service Enterprise Group (PSEG) has entered into an agreement to sell its 6,750-megawatt fossil generating portfolio to newly formed subsidiaries of ArcLight Energy Partners Fund VII, L.P., a fund controlled by ArcLight Capital Partners, LLC for aggregate consideration of approximately \$1.92 billion, subject to customary adjustments, and is expected to be completed late in the fourth quarter of 2021 or the first quarter of 2022.

"A year ago, we announced the strategic review of PSEG's non-nuclear generating assets in line with our long-term focus on regulated utility growth, improving our business mix and enhancing an already compelling environmental, social and governance profile," PSEG Chairman, President and CEO Ralph Izzo said. "With today's agreement, which is the result of a robust sale process, PSEG is on track to realize a more predictable earnings profile. Further, this transaction continues our evolution toward a clean energy infrastructure-focused company that will enable our increasingly low-carbon economy."

Together with the sale of its Solar Source assets in June, PSEG is anticipating to receive approximately \$2.15 billion of after-tax net proceeds. The sale of PSEG Fossil, part of [PSEG's Strategic Alternatives process announced in July 2020](#), comprises 13 generation units in New Jersey, Connecticut, Maryland and New York. The transactions are subject to the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended); approval by the Federal Energy Regulatory Commission and certain state regulatory bodies; and other customary closing conditions.

In connection with the transaction, beginning in the third quarter of 2021, the assets and liabilities of PSEG Fossil will be classified as assets held for sale. As a result, PSEG expects to record a pre-tax impairment charge of approximately \$2,150 million to \$2,225 million, employee severance and retention costs up to \$25 million, debt redemption costs including a make-whole premium of approximately \$280 million - \$340 million, and potential impacts on employee pension and other post retirement plans, environmental remediation costs and other items.

Also today, PSEG is updating its full-year 2021 non-GAAP operating earnings guidance to \$3.50 to \$3.65 per share, from \$3.40 to \$3.55 per share, reflecting the cessation of depreciation expense and lower interest expense related to the sale of the PSEG Fossil assets and repayment of PSEG Power's

outstanding debt. All other assumptions related to full-year 2021 guidance are unchanged, including the assumption of normal weather and plant operations, and that the portfolio is expected to continue to contribute to consolidated full-year 2021 financial results through the end of the year.

## **PSEG Built for the Future**

PSEG is continuing to build a clean energy infrastructure-focused company, powered by its diverse, dedicated and highly skilled workforce. As the Strategic Alternatives process concludes, PSEG's [Powering Progress](#) vision continues to be for a future in which people use less energy, and that energy is cleaner and delivered more reliably than ever. Today's announcement builds on recent achievements and PSEG's established and compelling ESG profile:

- September 2020: the New Jersey Board of Public Utilities approved PSE&G's landmark \$1 billion energy efficiency program to help build a cost-effective and enhanced environmental energy profile for the state by helping customers reduce their energy consumption, shrink their carbon footprint and save money on their energy bills.
- January 2021: PSE&G received approval to install \$700 million of state-of-the-art Advanced Metering Infrastructure technology to better serve customers and \$170 million in electric vehicle charging infrastructure to enhance the transportation sector.
- January 2021: PSEG launched its first [ESG Performance Report](#) with new metrics and data disclosures.
- April 2021: the BPU approved the second phase of Zero Emissions Certificates at the full award rate for all three of our New Jersey nuclear plants, enabling the continued operation of 3,600 MW of carbon-free generation.
- April 2021: PSEG completed its acquisition of a 25% equity interest from Ørsted in Ocean Wind, New Jersey's first offshore wind project, which supports the economy with clean energy, jobs and the development of a new industry.
- June 2021: [PSEG Power retired its Bridgeport Harbor Station Unit 3](#) coal plant on May 31, becoming 100% coal-free on its long-term path to net-zero carbon emissions.
- June 2021: PSEG Power closed on the sale of its Solar Source portfolio, the first step in the sale of its non-nuclear power fleet.
- July 2021: PSE&G announced a settlement on its transmission rates which, if approved by FERC, will remove regulatory uncertainty and provide \$140 million per year of rate relief to our electric transmission customers.

"This sale is another in a series of accomplishments that position PSEG for the future – leading the energy sector and serving our customers by enhancing our clean energy and climate-centered profile," Izzo said.

Separate from the Strategic Alternatives process, but made possible as a result of the sale of the PSEG Fossil units and the reduction in the company's emissions profile, PSEG recently announced it

has [accelerated its net-zero climate vision](#) by two decades - from 2050 to 2030 - and incorporated scope 1 and scope 2 emissions from the operations of both utility transmission and distribution, as well as power generation.

Throughout its history, PSEG has been committed to a “just transition” for all employees impacted by trends across the energy sector and changes in the company. PSEG strives to treat all employees fairly and equitably and actively works to ensure its workforce is prepared for the future, routinely offering career and professional development assistance and access to new job opportunities within the company.

PSEG plans to hold an Analyst Day in late September and will provide more information regarding its improved business position, increased financial flexibility and strong growth prospects.

Goldman Sachs & Co. is serving as financial adviser, and Wachtell, Lipton, Rosen & Katz is serving as legal counsel, to PSEG in connection with the PSEG Fossil transaction.

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#### **About PSEG**

Public Service Enterprise Group Inc. (PSEG) (NYSE: PEG) is a publicly traded diversified energy company with approximately 13,000 employees. Headquartered in Newark, N.J., PSEG's principal operating subsidiaries are: Public Service Electric and Gas Co. (PSE&G), PSEG Power and PSEG Long Island. PSEG is a Fortune 500 company included in the S&P 500 Index and has been named to the Dow Jones Sustainability Index for North America for 13 consecutive years (<https://corporate.pseg.com>).

#### **Forward-Looking Statement**

The statements contained in this press release that are not purely historical are “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, but are not limited to, the occurrence of any event, change, development, occurrence or circumstance that could give rise to the termination of the agreements described above or the inability to complete (or a delay in the completion of) the proposed transactions due to, among other things, the failure to satisfy any of the conditions to the closing therein, including that a regulatory authority or other third party may prohibit, delay, impair or refuse to grant approval for or consent to the consummation of the proposed transactions. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Factors that may cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: <https://investor.pseg.com>. All of the forward-looking statements made in this press release are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in

making any investment decision. Forward-looking statements made in this press release apply only as of the date hereof. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

**From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate Investor Relations website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can sign up for automatic email alerts regarding new postings at the bottom of the webpage at <https://investor.pseg.com>.**



## **ARCLIGHT REACHES AGREEMENT WITH PSEG TO ACQUIRE GENERATION UNITS**

**BOSTON (August 12, 2021)**– Today, Parkway Generation and Generation Bridge II, wholly owned subsidiaries of ArcLight Energy Partners Fund VII, L.P. (“ArcLight”) entered into definitive purchase agreements with Public Service Enterprise Group (“PSEG”) to acquire its 6,750 MW generation portfolio, for total consideration of \$1,920 million, subject to a working capital and certain other customary purchase price adjustments.

Parkway Generation and Generation Bridge II are targeting closing the transaction late in the fourth quarter of 2021 or in the first quarter of 2022. The generation portfolio includes several recently constructed, highly efficient natural gas-fired resources located across several locations in Maryland, New Jersey, New York, and Connecticut.

Latham & Watkins LLP is serving as primary legal counsel to ArcLight, with Morgan Stanley serving as financial advisor for Parkway Generation and Credit Suisse is serving as financial advisor to Generation Bridge II.

### **About ArcLight**

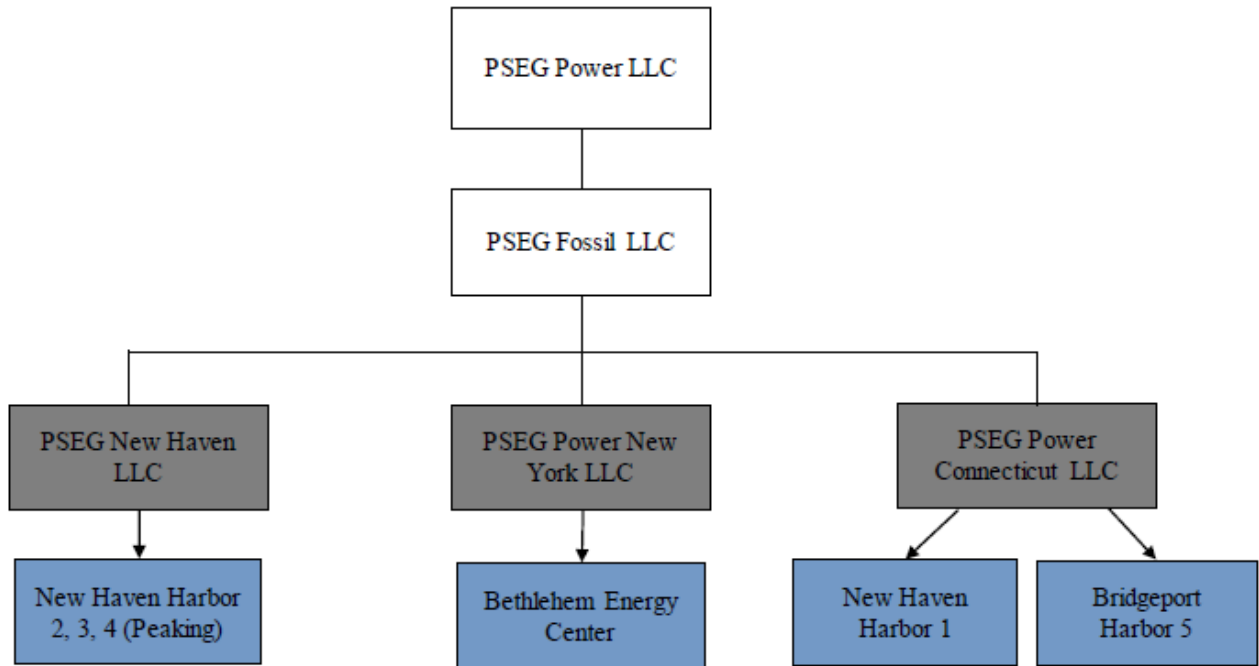
ArcLight is one of the leading energy infrastructure firms. Founded in 2001, the firm helped pioneer an asset-based approach to investing in the energy sector. ArcLight has invested approximately \$25 billion in 113 transactions since inception. Based in Boston, the firm's investment team employs a hands-on value creation strategy that utilizes its in-house technical, operational, and commercial specialists, as well as the firm's approximately 1,500-person asset management affiliate. More information about ArcLight, and a complete list of ArcLight's portfolio companies can be found at [www.arclight.com](http://www.arclight.com).

*ATTACHMENT B*

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*ORGANIZATION CHARTS*

## Pre-Transaction Organizational Chart



# Post-Transaction Organizational Chart

