



Transferring Environmental Liabilities & Post-Closure Obligations at Retired Power Plants

Above: Tanners Creek Coal-Fired Power Plant (1000MW), Retired 2015

CDC's power plant program is designed for energy companies and other potentially responsible parties seeking a cost-controlled solution for managing large-scale decommissioning projects.

The reality of large-scale power plant decommissioning is that budget forecasts seldom align with actual costs – this can be due to a variety of factors including: higher than expected concentrations of contamination, changes to regulatory requirements, fluctuating interest rates, contractor disputes, and so on.



This program is designed to accurately forecast the decommissioning costs before the process begins. CDC will underwrite and quantify given decommissioning costs and provide a value proposition to contractually assume all power plant decommissioning and environmental liabilities (CDC can purchase assets and/or real estate as part of the transaction).

CDC's decommissioning program is designed to lower decommissioning costs, maximize the value of retired assets, and eliminate exposure to environmental liabilities

CDC employs a team of highly-accurate and experienced environmental and energy underwriters that will cap the decommissioning costs and establish a budget for the transfer of all obligations and liabilities. Costs exceeding the predetermined budget will be absorbed by CDC.



This comprehensive program is designed to provide:

- » Transfer of Environmental Liabilities
- » Transfer of Decommissioning Obligations
- » Transfer of Regulatory Compliance Obligations
- » Maximum Value for Retired Assets
- » Corporate Indemnification
- » Environmental Insurance
- » Elimination of Compliance Issues
- » Protection Against Cost Overruns
- » Guaranteed Cost Certainty
- » Human Health & Safety Benefits



This Decommissioning Program Enabled Dynegy to:

- » Divest Non-Core, Contaminated Real Estate
- » Transfer Significant Environmental Liabilities
- » Transfer Significant Demolition and Power Plant Decommissioning Obligations
- » Secure Environmental Clean-up with Fully-Funded Trust
- » Reallocate capital and manpower to core operations
- » Preserve the Public Perception and Legacy of the Dynegy Brand
- » Reposition the Distressed Property for Sustainable Redevelopment

**BRAYTON POINT POWER STATION
DYNEGY**
1600MW / Retired 2017

In January 2018, CDC/ELT assumed environmental liabilities and purchased real estate and plant assets at the 307-acre retired “Brayton Point Power Station” in Somerset, Massachusetts. After over five decades of use, the Brayton Point Power Station was decommissioned in May 2017. A purchase agreement and reclamation plan proposed by ELT will now enable the site to be repositioned for new development.

Pre-development activity will include asbestos abatement, environmental remediation and restoration, and demolition of most of the coal-related infrastructure on site.

The 307-acre site at Brayton Point could represent a unique opportunity to advance the offshore wind energy sector due to its pre-existing access to the regional transmission grid. Additionally, the site boasts close proximity to proposed offshore wind tracts, deep water port potential, and access to a highly skilled workforce in the New England area.

“Dynegy went to great lengths to choose a buyer who would not only provide fair market value for the real estate assets, but also have the vision and expertise to repurpose the site for new development activity. We commend Dynegy for their proactive approach to ensure that the site would not sit idle and become a source of local blight and economic decay.”

– Randall Jostes, CEO of Environmental Liability Transfer, Inc. (ELT)



This Decommissioning Program Enabled Indiana Michigan Power to:

- » Divest Non-Core, Contaminated Real Estate
- » Transfer Significant Environmental Liabilities
- » Transfer Significant Demolition and Power Plant Decommissioning Obligations
- » Secure Environmental Clean-up with Fully-Funded Trust
- » Reallocate capital and manpower to core operations
- » Preserve the Public Perception and Legacy of the AEP Brand
- » Reposition the Distressed Property for Sustainable Redevelopment

TANNERS CREEK INDIANA MICHIGAN POWER (I&M) 1000MW / Retired 2015

In October 2016, CDC/ELT assumed environmental liabilities and purchased real estate and plant assets at the 725-acre retired “Tanners Creek” Power Plant in Lawrenceburg, Indiana. Environmental remediation is currently underway and demolition will begin in 2018. Major development planning is also underway

ELT assumed unique & complex regulatory and redevelopment obligations: large ash pond closures, transmission division expanded footprint, complicated site logistics, public walk/bike path through plant, etc.

Redevelopment of this site has received tremendous support, including former Indiana Gov. Mike Pence who said a port-related project “could unleash enormous economic investment throughout the southeast region of our state.”

“While I&M’s expertise in generating power is no longer needed at this site, ELT will use their talents to prepare the site for potential future use and continued benefit to the community.”

– Paul Chodak III, President of I&M



MIGHTY MARYSVILLE DETROIT THOMAS EDISON (DTE ENERGY) 511MW / Retired 2011

After 80 years of operations, the “Mighty Marysville” closed in 2011 and quickly became a local hazard/eyesore. In 2014, CDC/ELT purchased the power plant and agreed to indemnify DTE Energy from all future environmental concerns. During the transaction, ELT purchased real estate and plant assets and assumed associated environmental and decommissioning liabilities.

Long after operations cease, the legacy and brand of the Seller remains in the community. Following environmental clean-up, redevelopment plans attract new users and sparks new life for shuttered facilities. Today environmental remediation and demolition are complete. The site is currently being marketed for a repurposed use as a new community asset.

Marysville officials credit DTE with making sure it found a buyer that would have a 21st century vision for what riverfront property could be.

– Crain's Detroit Business



ELT assumed unique & complex regulatory obligations and redevelopment impediments: Removal of river baffle, ash pond closure, reroute of transmission lines, buried rail line, and others.

PICWAY POWER PLANT AMERICAN ELECTRIC POWER (AEP) 100MW / Retired 2015

In July 2016, CDC/ELT assumed environmental liabilities and decommissioning obligations at the 468-acre, retired "Picway" coal-fired power plant; ELT affiliate Commercial Development Company purchased associated real estate assets.

AEP's "Picway Plant" began operations in 1926 and is located along the Scioto River in Lockbourne, Ohio. While operational, the plant generated 100 megawatts of electricity and used more than 220,000 tons of coal annually. The plant's last operating unit retired in May 2015.

Environmental impact from decades of coal plant operations prohibited a traditional real estate transaction. An environmental liability transfer and remediation plan proposed by ELT will now enable this site to be cleaned and redeveloped.

Catalyst for Re-development: Prior to ELT's acquisition and assumption of liability, this 468-acre retired power plant was a source of blight and progressive atrophy. Today, the site is on a fully-funded pathway to environmental remediation and redevelopment.



This Decommissioning Program Enabled AECI to:

- » Transfer Environmental Liabilities, Regulatory Obligations, and Power Plant Decommissioning to ELT
- » Receive Fair Market Value for Surplus Real Estate Assets
- » Guarantee Environmental Remediation with Fully-Funded Trust
- » Reallocate Capital and Manpower to Core Operations

**CHAMOIS POWER PLANT
ASSOCIATED ELECTRIC COOPERATIVE, INC.
66MW / Retired 2013**

The "Chamois Power Plant" delivered electricity to central Missouri for over 60 years. Located along the Missouri River, the plant retired from operations in 2013 due to energy market factors and expected cost issues associated with future environmental regulations.

AECI sought proposals from more than 50 firms for decommissioning the facility and employed a third-party engineering firm to review those proposals. AECI chose to partner with ELT due to its reputation and varied resources to fully decommission the plant and remediate the site.

This transaction allowed AECI to sell non-core real estate assets and transfer significant obligations to ELT, including environmental liabilities, decontamination, demolition, and other decommissioning and regulatory activities.

EnviroAnalytics Group (EAG) has commenced a series of remediation and demolition projects at the retired power plant. The expected timeline for completion is 3 years, at which point the site will be marketed for potential reutilization.

"AECI conducted an extensive national search, and selected CDC & ELT due to their 25 years of experience and success in remediation and transformation of industrial sites. CDC has decommissioned a number of coal plants and has a solid record of environmental responsibility."

-- Brian Prestwood, VP and Chief Compliance Officer at AECI



FOX LAKE GENERATING STATION

ALLIANT ENERGY

105 MW / Retired 2017

In October 2019, CDC announced the purchase of the retired Fox Lake Generating Station from Alliant Energy's Iowa energy company, via CDC affiliate. The transaction included the purchase of real estate assets, machinery & equipment, and the assumption of legacy environmental liabilities associated with the site.

Located along the south bank of Fox Lake in southern Minnesota, the Fox Lake Generating Station began operations in 1950 and operated as a 105-MW coal and natural gas power plant until 2017. The plant had four turbines at the facility and produced 105 megawatts of electricity, providing power to over 100,000 homes in Martin County and surrounding areas.

Following the transaction, CDC commenced a series of environmental remediation and demolition projects designed to reposition the 44-acre site for post coal-fired power plant utilization. Pre-development activity included asbestos abatement, removal of universal waste, environmental remediation working in conjunction with the Minnesota Pollution Control Agency, and demolition of most of the infrastructure on site.

The substation and power grid connection will remain intact and available for use by future occupants. The expected timeline for completion is 3 years, at which point the site will be marketed for reuse. Throughout the process, CDC will be evaluating the market to determine the best way to use the site's attractive development features, which includes 44 acres of lake front property and immediate access to substations and the power grid.

This Decommissioning Program Enabled Alliant Energy to:

- » Transfer Environmental Liabilities, Regulatory Obligations, and Power Plant Decommissioning to ELT
- » Receive Fair Market Value for Surplus Real Estate Assets
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MEREDOSIA POWER STATION AMEREN CORPORATION

350MW / Retired 2011

The retired Meredosia Power Station is located in Meredosia, Illinois along the east bank of the Illinois River. The plant began operations in the 1940's and operated four turbine units that generated 354 megawatts of electricity to over 300,000 homes and businesses in Morgan County and surrounding areas. The power plant was shut down in 2011.

In November 2019, CDC / ELT announced the acquisition of the retired Meredosia Power Station from Ameren Energy Medina Valley Cogen, LLC, a wholly-owned subsidiary of Ameren Corporation. The transaction included the acquisition of real estate assets and the assumption of legacy environmental liabilities associated with the site. CDC will now oversee the plant's decommissioning, demolition, environmental remediation, and site redevelopment going forward.

EnviroAnalytics Group LLC (EAG) is currently working with the Illinois Environmental Protection Agency (IEPA) to properly manage and resolve environmental impact and reposition the 75-acre site for post-coal utilization. Initial activity is expected to include permitting, asbestos abatement, removal of universal waste, environmental remediation and restoration, liquidation of surplus machinery & equipment, and demolition of most of the infrastructure on site.

Throughout the remediation & demolition process, CDC will be evaluating the market to find end users who could benefit from the site's attractive features, which include 800 feet of mooring cells and an offloading facility with conveyor on the Illinois River, a Norfolk Southern rail spur, and access to high-voltage, bulk electrical power from Ameren Illinois.

This Decommissioning Program Enabled Ameren to:

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ABOUT COMMERCIAL DEVELOPMENT COMPANY

Commercial Development Company, Inc. (CDC) is a privately-held, diversified real estate acquisition and development firm whose principal competency lies within the acquisition, repositioning, and redevelopment of underutilized, distressed or environmentally-challenged properties. CDC and affiliates have purchased and developed over 50-million-square feet under roof located on over 300 sites throughout the United States and Canada.

Environmental Liability Transfer, Inc. (ELT), an affiliate of CDC under common ownership, is a comprehensive environmental liability assumption company providing its clients complete and final environmental liability transference services since 2004. With robust financial backing and a unique blend of expertise – real estate, environmental, legal, and insurance – ELT has successfully assumed over \$1.5 billion USD in corporate environmental liabilities for its clients throughout North America, 90% of which have reached final milestones.



Transfer of Environmental Liabilities

Transfer of Post-Closure Obligations

Fair Market Value for Real Estate Assets

Liability Assumption + Real Estate Purchase

Robust & Transferrable Corporate Indemnification

Sale Leaseback Options Available

Guaranteed Fixed Price Remediation

Sustainable Redevelopment Planning for Distressed Assets

Over \$1.5 Billion USD in Liabilities Assumed

CDC's portfolio includes over 300 brownfield projects representing clients such as ABB, AEP, Asarco, Caterpillar, DTE Energy, Dynegy/Vistra Energy, General Motors, Kaiser Aluminum, Kinder Morgan, Kraft Foods, Millennium Chemicals, PMX, Textura, Uniroyal, and others.

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