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100346-EQ
100347-EQ

Exhibit B

REDACTED

COM _____
APA _____
ECR _____
GCL _____
RAD 3 _____
SSC _____
ADM _____
OPC _____
CLK _____

COLLECTOR WORK DATE:
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FPSC-CC/RC/CS/CA/CP/CP/CP

plants. As part of the search for prospective locations we have identified over one dozen locations, all of which are near enough feedstock to provide an adequate source of fuel. The amount of fuel required for each plant is approximately [REDACTED], which can easily be sourced within a fifty mile radius of a plant location. The three locations that are stand out are [REDACTED]. In addition to working with economic development professionals within each county to identify sources of woody biomass, we are in discussions with [REDACTED] that has indicated a willingness to meet our shortfall requirements for woody biomass.

Q7. What is Hathaway Renewable Energy, Inc.'s timeline to purchase the equipment intended for this project?

Hathaway Response: The primary pieces of equipment required for the projects are the gasifier and the Solid Oxide Fuel Cell (SOFC). [REDACTED] will supply eight 30TPD gasifiers to each plant. Funding is expected to be applied to the purchase of those gasifiers in the February 2011 time frame when detailed engineering is complete. Likewise the SOFCs will be ordered and funding applied in the February 2011 time frame. February 2011 is approximately 22 months prior to the capacity commencement date for the first plant which we call HRE #1. The SOFCs shall be procured from [REDACTED]. All other components of the plant: feedstock handling, syngas cleanup, boilers and steam turbines, balance of plant, shall be procured through the EPC contractor.

Q8. Will Hathaway outsource any of its contracted obligations, such as engineering, procurement, and construction of the proposed facilities? If yes, please identify the entity that will provide these services.

Hathaway Response: Hathaway does plan to outsource EPC responsibilities to a very competent firm. We are currently in discussions with [REDACTED] and we are looking for other "marquee" EPC firms that are comfortable working with new technologies. It is a prerequisite from our financing company that the construction of the plant be bonded, which is the driver behind obtaining a highly qualified EPC firm. It is worth mentioning that the reason Hathaway is proposing three plants is to make the opportunity attractive for an EPC company. Most large EPC firms would not take on a "one off" opportunity. Further, since we are proposing innovative technology, there will be significant engineering costs that need to be spread across three plants to make the profit models work.

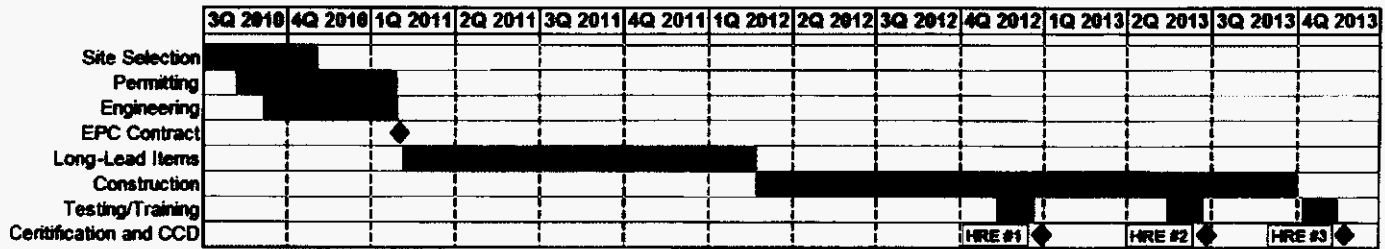
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FPSC-DEPARTMENT OF ENERGY

Q14. Please explain on what basis PEF assumed a 94% capacity factor in calculating annual energy production.

PEF Response: The pricing in this contract is based on PEF's 2009 Standard Offer Contract which requires the supplier to maintain a minimum of a 94% capacity factor to receive the full capacity payment. Hathaway has assured PEF that they anticipate operating at a capacity factor of at least 94% and receive 100% of the capacity payment.

Q15. Please provide the path schedule/timeline for permitting and construction of each proposed facility. In your answer, please include all critical deadlines, including but not limited to: Land Acquisition, Zoning, Permitting (such as those relating to Zoning, Construction, or Water Use), Construction, Testing, Transmission, and Delivery of Capacity, and identify any events that have been completed.

Hathaway Response:



Q16. On Page 2 of the petition, PEF states that it used the 2010 Ten Year Site Plan fuel forecast to calculate the NPV for the contract. For the years 2020 through 2038, what forecasted fuel prices did PEF use to calculate the NPV? Please explain.

PEF Response: PEF meant to say that it used the 2009 Ten Year Site Plan fuel forecast to calculate the NPV for this project, on page 2 of the petition filing. The 2009 TYSP forecasted prices as shown in the table below, were used for the analysis including years 2020 through 2038. PEF has included the forecasted data for both the 2010 and 2009 Ten Year Site Plans.

	2010 TYSP Energy		2009 TYSP	
	Delivered Gas \$/MMBtu	As-Available Energy \$/MWh	Delivered Gas \$/MMBtu	As-Available Energy \$/MWh
2013	█	\$68.47	█	\$83.56
2014	█	\$71.45	█	\$82.04
2015	█	\$82.88	█	\$85.10
2016	█	\$86.58	█	\$79.29
2017	█	\$92.96	█	\$72.06

REDACTED

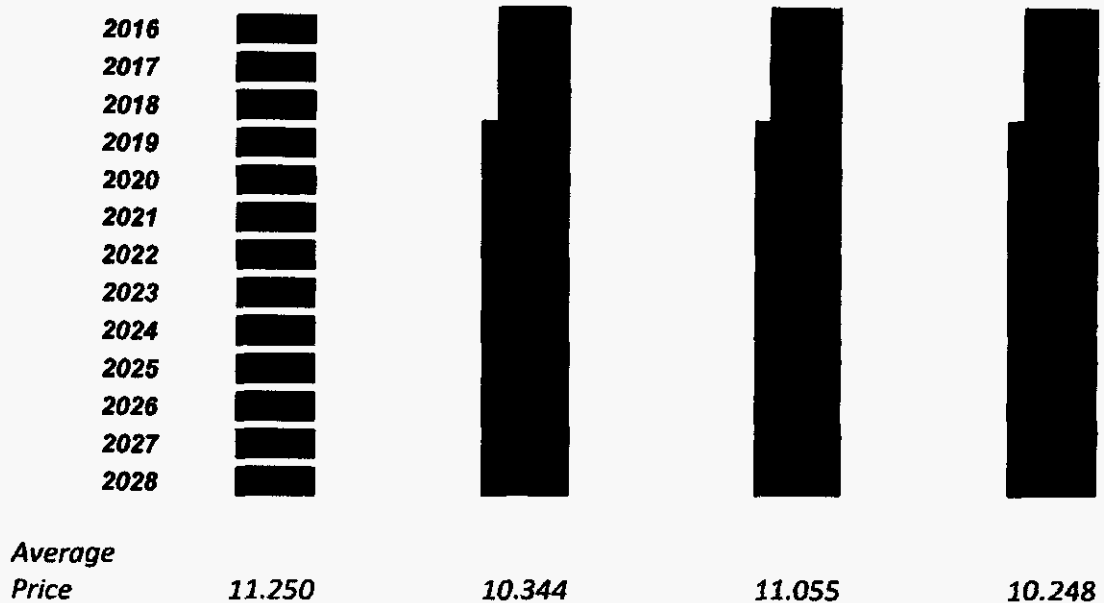
2018		\$98.44		\$72.30
2019		\$94.26		\$73.35
2020		\$90.18		\$74.95
2021		\$87.01		\$79.00
2022		\$90.41		\$81.71
2023		\$94.32		\$85.50
2024		\$104.29		\$83.52
2025		\$108.65		\$88.39
2026		\$111.57		\$91.56
2027		\$119.13		\$97.28
2028		\$118.20		\$97.26
2029		\$121.63		\$99.45
2030		\$125.28		\$101.69
2031		\$129.04		\$103.97
2032		\$132.91		\$106.31
2033		\$136.90		\$108.70
2034		\$141.01		\$111.15
2035		\$145.24		\$113.65
2036		\$149.59		\$116.21
2037		\$154.08		\$118.82
2038		\$158.70		\$121.50

Q17. Please explain why PEF believes that the fuel price forecast used to calculate the NPV of the contract is reasonable.

PEF Response: Forecasts of volatile commodities like natural gas change frequently. This can be seen by looking at four forecasts of natural gas over approximately 14-months, provided by PIRA below. In these forecasts, the average price fluctuated up and down. For consistency, PEF uses the fuel and As-Available energy forecast used in the applicable Ten Year Site Plan (that defines the associated avoided unit) throughout the year when evaluating renewable purchases. Negotiated contracts can take months to finalize and during that time, the forecast of natural gas may change. It may even change more than once during negotiations. If PEF reverted to the latest natural gas forecast during multi-month long negotiations, then the negotiations and analysis would have to restart each time a new gas forecast became available; and, it would be inconsistent with the applicable Ten Year Site Plan and defined avoided unit. To elaborate, if a different fuel forecast had been used in the applicable Ten Year Site Plan analysis, then it is possible, that a different avoided unit may have emerged from that planning process. Therefore, it is reasonable, consistent and necessary to use the fuel forecast that was used and established the avoided unit, when evaluating the cost of QF contracts against the cost of that same avoided unit.

<i>PIRA</i>	<i>8/27/08</i>	<i>2/24/2009</i>	<i>8/19/2009</i>	<i>10/21/2009</i>
2012				
2013				
2014				
2015				

REDACTED



Q18. (Docket 100345) At the time the petition for Contract 1 was filed, the location for the proposed facility was not yet established. Will the filings for Contract 2 and Contract 3 affect the projected fuel costs in this docket, and if so, please explain how this has been accounted for in the projected costs overall.

Hathaway Response: We treat all three projects as stand-alone and therefore each project must have enough feedstock within trucking distance (a 50 mile radius) to operate. We will require approximately [REDACTED]. Locations of plants will be largely influenced by the availability of adequate feedstock, followed by environmental and transmission considerations. We are currently considering over twelve well qualified locations. We are using the worst case cost of feedstock in our pro forma projections for each of these locations.

PEF Response: If the Staff was referring to the contractual fuel cost rather than the cost of Hathaway's fuel, then the contractual fuel cost is based on a natural gas index or PEF's cost of fuel as incorporated in the as available energy forecast. Regarding the as available energy costs, neither of these contractual costs will have a major affect on the other Hathaway contracts due to the size of the contracts.

(Docket 100346) At the time the petition for Contract 2 was filed, the location for the proposed facility was not yet established. Will the filings for Contract 1 and Contract 3 affect the projected fuel costs in this docket, and if so, please explain how this has been accounted for in the projected costs overall.

Answer: Please see responses above.