

RESOLUTION

Town Board Town of Somerset

At a regular meeting of the Town Board, Town of Somerset held on November 9, 2006, the following resolution was duly adopted:

WHEREAS, AES Somerset LLC, 7725 Lake Road, Barker, NY 14012, which owns and operates an existing power plant (hereinafter referred to as Plant 1) in the Town of Somerset, has filed an application with the Niagara County Industrial Development Agency (NCIDA) for financial assistance requesting Bond financing, exemption from Sales Tax, exemption from Mortgage Tax and exemption from Real Property Tax and a deviation from the NCIDA'S uniform tax exemption policy; and

WHEREAS, that application was filed in connection with a bid by AES Somerset LLC in response to a request for proposal (RFP) from the New York State Power Authority (NYPA) to build a 680 megawatt integrated gasification combined cycle (IGCC) plant (hereinafter referred to as Plant 2) in the Town of Somerset, Niagara County, New York; and

WHEREAS, the application to the NCIDA indicates that Plant 1 and Plant 2 will, combined, employ 245-265 full time employees and will generate between 1000 and 1500 construction workers annually during the 3-4 year construction period of Plant 2 at an estimated projected cost of \$1 billion to \$1.2 billion;

NOW, THEREFORE, BE IT RESOLVED the Town Board of the Town of Somerset hereby resolves to support AES Somerset LLC in its efforts to obtain the NYPA grant for a 680 megawatt IGCC plant in the Town of Somerset, Niagara County, New York; and be it further

RESOLVED, that the Town Board will cooperate to secure on behalf of its citizens a fair and responsible financial package to assist its residents in dealing with the fiscal and environmental impacts resulting from Plant 2 and from the NCIDA's October 27, 2006 Inducement of Plant 1; and be it further

RESOLVED, that the Town Board together with its Planning Board will take all necessary steps to assure Town residents that any new construction will meet all current and applicable environmental and other regulatory standards relating to such construction.

Dated: November 9, 2006

**BY ORDER OF THE TOWN BOARD
TOWN OF SOMERSET**