



**CONNECTICUT YANKEE ATOMIC POWER COMPANY**

**HADDAM NECK PLANT**

362 INJUN HOLLOW ROAD, EAST HAMPTON, CT 06424-3099

## **NEWS RELEASE**

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# **Connecticut Yankee and AES Begin Property Purchase Process for New Power Plant**

**Haddam Neck, Connecticut, Monday, January 15, 2001** – An important first step in the potential reuse of the Connecticut Yankee plant site took place today when AES Native Hollow, LLC (AES) signed an initial agreement with Connecticut Yankee Atomic Power Company (CY) to purchase part of the CY site for the development of a new gas-fired electric power plant. AES is a premier, worldwide developer and operator of power plants.

This initial agreement grants AES the option to purchase about 30 acres of the CY site, which CY uses for parking and office buildings. The land sale closing is subject to CY and AES reaching agreement on several issues and obtaining several complex regulatory approvals and permits.

“This is a significant step forward,” said Russ Mellor, CY’s president and chief executive officer. “This type of industrial reuse of this property can provide substantial economic benefits to Haddam. We are pleased to be able to facilitate this effort for the town and AES.”

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*Page 2*

*January 15, 2001*

It is likely the approval and permitting process could take upwards of two years with one crucial approval dependent on the Nuclear Regulatory Commission's (NRC) evaluation of the partial release of the property by CY. Another will be the timely resolution of fuel storage issues at CY.

During the last two years, in conjunction with the Town of Haddam's efforts, CY has facilitated some aspects of the repowering of the CY site to help Haddam maximize its tax revenues to compensate for CY's permanent shutdown. One of the town's efforts – to rezone a section of CY's property for industrial use as a gas-fired electric power plant – was accomplished in 1999.

Reusing a portion of the CY site for a new gas-fired electric power plant is consistent with the town's plans for conservation and development. In addition, if the new power plant is built and operated, it could be the town's largest taxable entity.

Although this section of CY's property is slated for industrial use, a process is currently being developed to explore the donation of most of the remainder of CY's property for conservation purposes.

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