

CH Energy Group, Inc.

CHPP Partners Meeting: Improving Biomass Plant Efficiency Lyonsdale Biomass: Case Study

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CONFIDENTIAL





□ Forward Looking Statements:

Statements included in this presentation and the documents incorporated by reference which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Exchange Act. Forward-looking statements may be identified by words including "anticipates," "intends," "estimates," "believes," "projects," "expects," "plans," "assumes," "seeks," and similar expressions. Forward-looking statements including, without limitation, those relating to CH Energy Group and its subsidiaries' future business prospects, revenues, proceeds, working capital, liquidity, income, and margins, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to several important factors, including those identified from time-to-time in the forward-looking statements. Those factors include, but are not limited to: weather; fuel prices; corn and ethanol prices; plant capacity factors; energy supply and demand; interest rates; potential future acquisitions; developments in the legislative, regulatory, and competitive environment; market risks; electric and natural gas industry restructuring and cost recovery; the ability to obtain adequate and timely rate relief; changes in fuel supply or costs including future market prices for energy, capacity, and ancillary services; the success of strategies to satisfy electricity, natural gas, fuel oil, and propane requirements; the outcome of pending litigation and certain environmental matters, particularly the status of inactive hazardous waste disposal sites and waste site remediation requirements; and certain presently unknown or unforeseen factors, including, but not limited to, acts of terrorism. CH Energy Group and its subsidiaries undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Given these uncertainties, undue reliance should not be placed on the forward-looking statements.



□ CH Energy Group, Inc.

- CH Energy is a NY Stock Exchange listed company that includes Central Hudson Gas & Electric Corporation - providing electricity and gas to over 375,000 customers in New York State's Hudson River Valley





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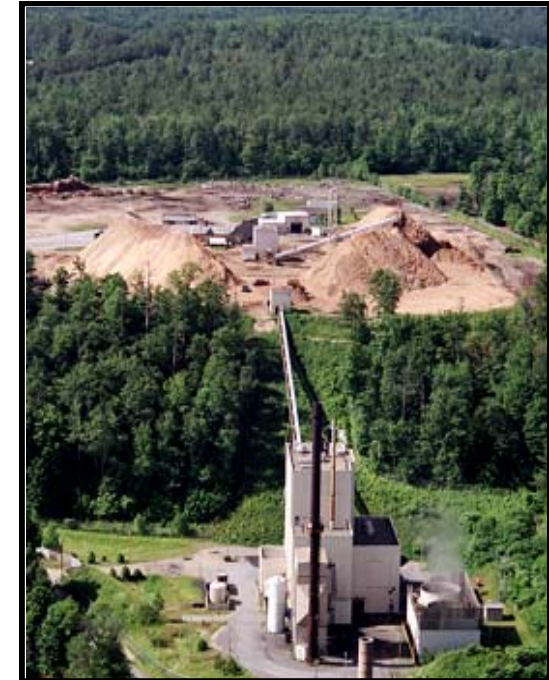
- CH Energy had 2008 revenues in excess of \$1 billion and Net Income in excess of \$35 million. At year-end 2008 CH Energy had a market capitalization of over \$600 million.
- Central Hudson Gas & Electric has Investment Grade bonds rated A by Moody's and S&P
- CH Energy has invested in several renewable energy projects, via Central Hudson Enterprises Corporation (CHEC), an unregulated subsidiary investment company.



❑ CHEC Investments

➤ Lyonsdale Biomass

Controlling equity ownership of operating 19 MW wood-fueled biomass to electricity and steam plant in Lyonsdale, NY

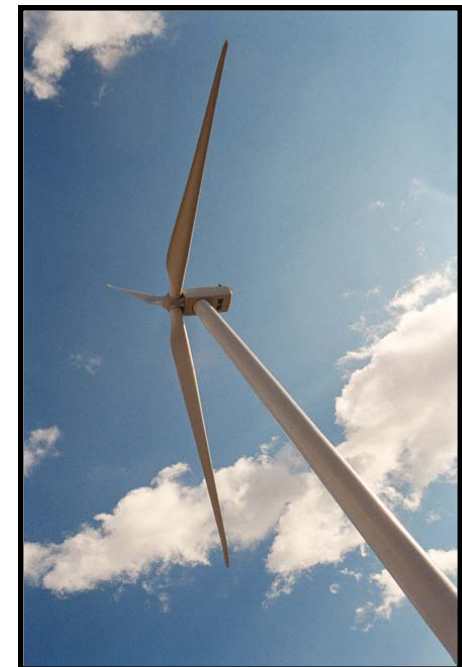




❑ CHEC Investments

➤ CH-Wind

Minority equity interest in operating wind farms in Pennsylvania (24 MW - Bear Creek) and New Jersey (7.5MW - JAW)





❑ CHEC Investments

➤ **Cornhusker Energy**

Minority equity interest and subordinated loan to 40 million gallon/year operating corn to ethanol plant in Lexington, Nebraska





❑ CHEC Investments

➤ Auburn Landfill and Bio Gas

100% equity ownership in 3 MW landfill and bio gas to electricity plant under construction in Auburn, NY





❑ CHEC Investments

➤ Beacon Landfill Gas

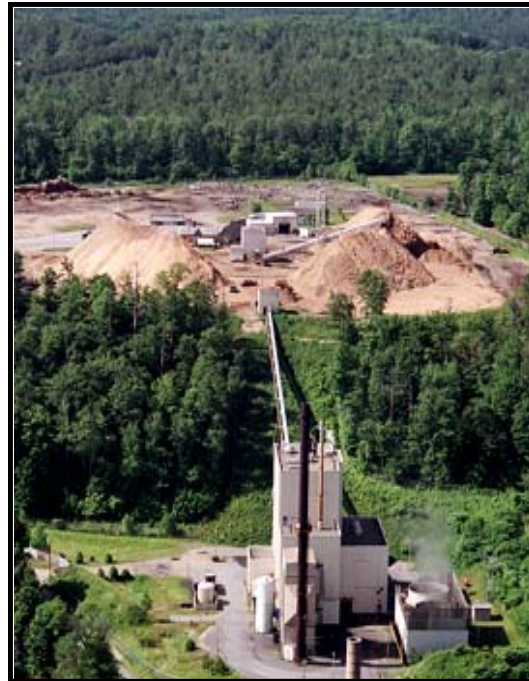
100% equity ownership in Molecular Gate under construction and to be leased to Beacon Landfill Gas for use at their hi-btu LFG plant at Greentree, PA





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Lyonsdale Biomass: Case Study





Lyonsdale Biomass: Case Study

➤ Lyonsdale Biomass

- 19 MW stoker grate wood-fired electric and steam generation plant in Lyonsdale, NY
- Built in 1992
- Boiler – Zurn 1200 psi stoker grate boiler
- Turbine – Mitsubishi 6,300 rpm steam turbine driving an 1,800 rpm generator through a speed reducer



Lyonsdale Biomass: Case Study

➤ Lyonsdale Biomass

- 22 employees
- 19.0 net MW output
- 140,000 MWh per year
- 14,000 pph steam
- 230,000 tons of wood per year



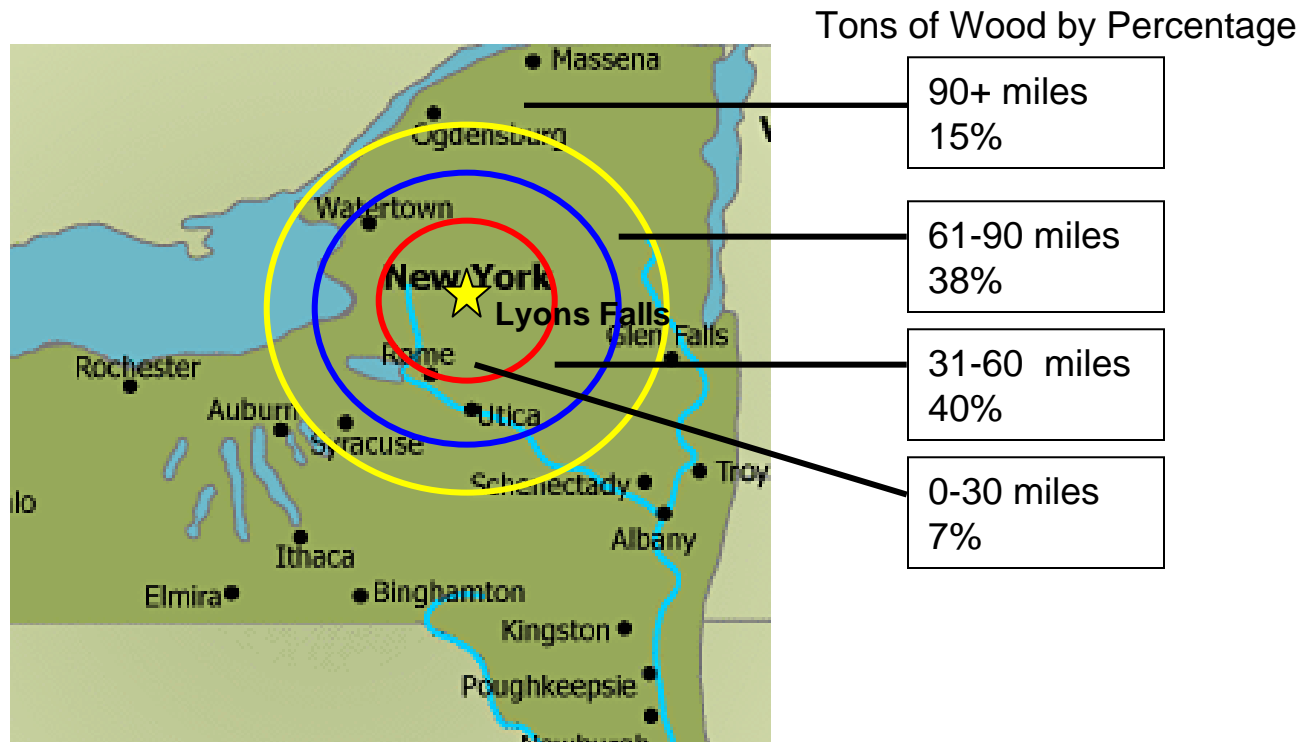
Lyonsdale Biomass: Case Study

➤ Lyonsdale Biomass

- CHEC acquired 75% ownership in 2006
- CHEC took on O&M responsibilities in June 2009



Lyonsdale Biomass: Case Study Fuel Supply Distances





Lyonsdale Biomass: Case Study





Lyonsdale Biomass: Case Study





Lyonsdale Biomass: Case Study





Lyonsdale Biomass: Case Study

➤ Key Changes to Contract and Operational Performance:

- PPA - executed 7 year contract for differences
- REC - executed 7 year fixed price contract
- Safety - instituted safety program (500 days since lost time injury)



Lyonsdale Biomass: Case Study

- Keys to Increased Efficiency:
 - Capital Investment
 - Tax Monetization
 - Utility Controls



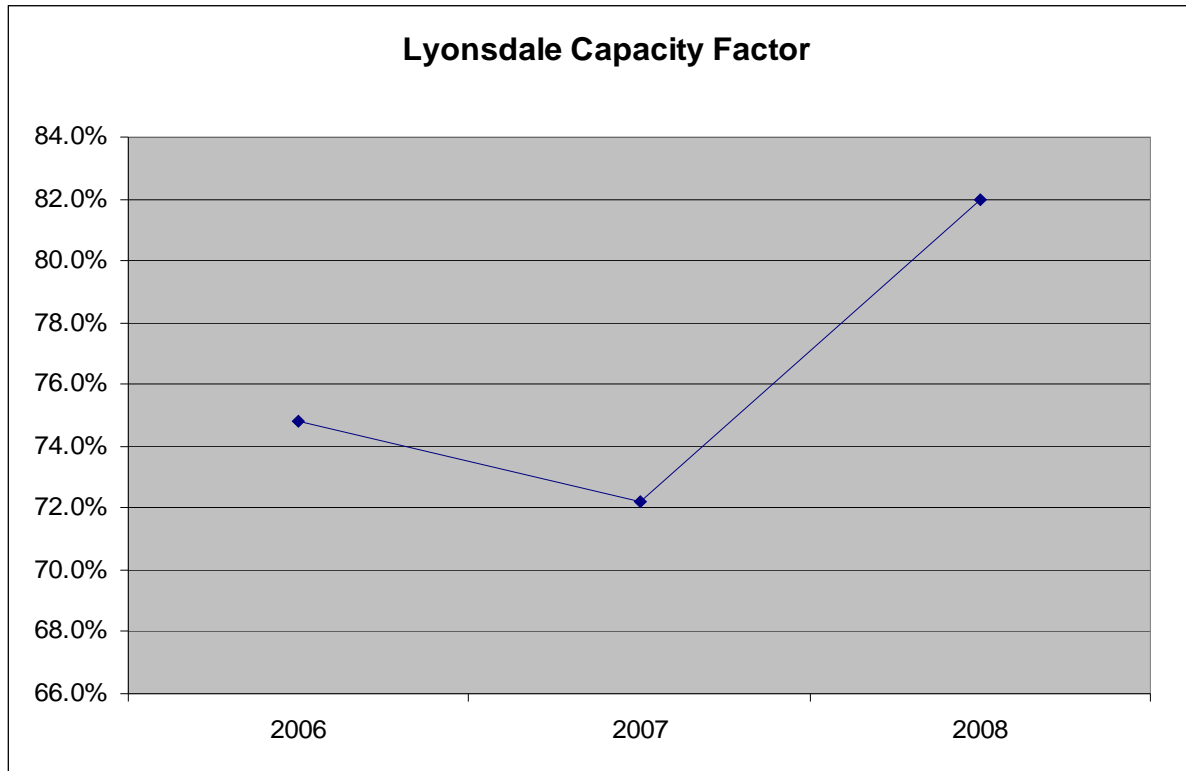
Lyonsdale Biomass: Case Study

➤ Capital Plant Upgrades of:

- Stoker Grates- Squared the boiler and upgraded to 100% stainless steel grates
- Wood Yard- Purchased new Volvo loader
- Control System- Installed a new Siemens control system and optimized with Binnington artificial intelligence
- ID fan- Installed new foundation and new fan wheel



Lyonsdale Biomass: Case Study





Contact Information

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