

BEFORE THE CONNECTICUT SITING COUNCIL

In re: NTE Connecticut, LLC application for a Certificate of Environmental Compatibility and Public Need for the construction, maintenance, and operation of a 550-megawatt dual-fuel combined cycle electric generating facility and associated electrical interconnection switchyard located at 180 and 189 Lake Road, Killingly, Connecticut

Docket No. 470

Filed: February 10, 2017

**MOTION FOR LEAVE TO SUPPLEMENT THE RECORD**  
**BY TAKING ADMINISTRATIVE NOTICE**

On January 26, 2017, the Connecticut Siting Council (the “Council”) closed the evidentiary record in the above-referenced matter and left the public comment period open until February 27, 2017. As stated in the Council’s January 26, 2017 notice, no new evidence will be considered without permission from the Council. NAPP, The Wyndham Land Trust, The Sierra Club and The Connecticut Fund for the Environment request permission to submit for administrative notice the attached ISO-NE Press Release dated February 9, 2017, summarizing the results of ISO-NE’s 11th Forward Capacity Auction conducted on February 7, 2017 (“FCA 11”). As explained herein, good cause exists for supplementing the record by taking administrative notice of the attached Press Release in the pending matter. Furthermore, no party can reasonably claim prejudice as a result of granting administrative notice at this time, more than two weeks before the close of the public comment period and before post-hearing briefing is due.

Good cause exists for taking administrative notice of the attached ISO-NE press release because it bears directly on the public need determination presently before the Council, it contains information about the results of FCA 11 that only became publicly available yesterday,

and it is a document of a regional transmission organization of the type commonly recognized as appropriate for administrative notice. Appendix B to the Application submitted by NTE Connecticut, LLC (“NTE”) to the Council provided an Analysis of Need and Economic & Environmental Impacts. Regarding need, NTE states in Section 3.5 of Appendix B that,

Based on the aforementioned analysis, PA projects KEC will clear FCA 11 at a price of \$6.19/kW-mo. As previously discussed, by definition, if KEC clears FCA 11, then ISO-NE (and, by proxy, Connecticut LSEs that are participants in ISO-NE) will have determined KEC to be needed for the reliability of Connecticut and the wider New England market.

Two full days of testimony before the Council (November 3 and November 15, 2016) concerned the issue of need for the KEC facility, with NTE experts stating repeatedly that clearing FCA 11, among other things, was an indicator of need for the KEC plant. Also, substantial testimony was provided concerning potential power plant retirements prior to the 2020-2021 time period when FCA 11 supply obligations become effective.

On February 7, 2017, ISO-NE conducted FCA 11 and issued a Press Release publicly summarizing the results of that auction. The Press Release states the following concerning facilities that cleared the auction, and facilities retiring in FCA 11:

The 11th Forward Capacity Market (FCM) auction (FCA #11) closed at a preliminary, system-wide clearing price of \$5.30 per kilowatt-month (kW-month), compared to \$7.03/kW-month in the previous auction for New England resources. No major generators retired in FCA #11 and no large new generators cleared in the auction, but 640 megawatts (MW) of new energy-efficiency and demand-reduction measures – the equivalent of a large power plant – cleared and will be available in 2020-2021.

The results of FCA 11 bear directly on the issues of public need for the KEC facility that are presently before the Council in this matter. First, the Press Release indicates that the clearing price was \$5.30 kW-mo, substantially below the \$6.19 kW-mo value that PA modeled for KEC. Second, none of the generating plants that ISO and KEC predicted would retire by 2020-2021,

are in fact retiring. Third, KEC did not clear the auction. Fourth, new energy-efficiency and demand reduction measures equivalent to a power plant larger in size than KEC cleared the auction.

The parties submitting this Motion do not believe that any testimony is required regarding the results of FCA 11. Based upon the testimony of NTE's own experts in this proceeding, the reasons why the KEC facility did not clear FCA 11 are not relevant to the needs analysis. Mr. Bradley and Mr. Paterno repeatedly stated, and the Application states, that the mere act of clearing the auction is sufficient to show need, or at least an element thereof. Why KEC did not clear does not resolve the fact that ISO-NE has not included the KEC facility in the capacity mix for 2020, or for any time period thereafter, and KEC has no obligation to provide capacity to ISO-NE. Thus, the parties hereto see no reason for requesting further testimony on the matter.

The attached Press Release is an ISO-NE document that summarizes the results of FCA 11 and will assist the Council in its review of this matter. In light of the fact that the public record remains open on this matter and final briefs are not due until February 27, 2017, no party is prejudiced by the request of NAPP, The Sierra Club, The Connecticut Fund for the Environment, and The Wyndham Land Trust, that the Council include the attached press release as evidence in this matter.

RESPECTFULLY SUBMITTED this 10th day of February, 2017.

**Not Another Power Plant  
Wyndham Land Trust**

/s John R. Bashaw

John R. Bashaw  
Mary Mintel Miller  
Reid and Riege, P.C.  
One Financial Plaza

**Connecticut Fund for the Environment**

/s John Looney

John Looney, Esq.  
Roger Reynolds, Esq.  
900 Chapel St., Upper Mezzanine  
New Haven, CT 06510

Hartford, CT 06103  
jbashaw@rrlawpc.com  
mmiller@rrlawpc.com

jlooney@ctenvironment.org  
rreynolds@ctenvironment.org

I HEREBY CERTIFY that a copy of the foregoing document was electronically mailed to the following service list on February 10, 2017:

Kenneth C. Baldwin, Esq.  
Earl W. Phillips, Jr., Esq.  
Robinson & Cole LLP  
280 Trumbull Street  
Hartford, CT 06103-3597  
kbaldwin@rc.com  
ephillips@rc.com

Chris Rega, Senior Vice President  
Engineering & Construction  
NTE Energy, LLC  
800 South Street, Ste. 620  
Waltham, MA 02453  
crega@nteenergy.com

Joshua Berman  
Staff Attorney  
Sierra Club  
50 F St. NW, 8th Floor  
Washington, DC 20001  
Josh.berman@sierraclub.org

Mark Mirabito, Vice President  
NTE Connecticut, LLC  
24 Cathedral Place, Ste. 300  
St. Augustine, FL 32804  
mmirabito@nteenergy.com  
kec.notices@nteenergy.com

Sean Hendricks  
Town Manager  
Town of Killingly  
172 Main Street  
Killingly, CT 06239  
shendricks@killinglyct.org

/s Mary Mintel Miller

FOR IMMEDIATE RELEASE

Contact:

Ellen Foley (413) 535-4139

Marcia Blomberg (413) 540-4555

Matt Kakley (413) 535-3821

## Auction Acquires Power System Resources Needed for 2020-2021 At a Lower Price

*Competition to supply capacity allows region to buy surplus, for less*

**Holyoke, MA—February 9, 2017**—New England’s annual capacity auction concluded Monday with sufficient resources to meet demand in 2020-2021. Preliminary results indicate the clearing price was the lowest since 2013. The auction is run by ISO New England Inc. to procure the resources that will be needed to meet projected demand three years in the future.

The 11th Forward Capacity Market (FCM) auction (FCA #11) closed at a preliminary, system-wide clearing price of \$5.30 per kilowatt-month (kW-month), compared to \$7.03/kW-month in the previous auction for New England resources. No major generators retired in FCA #11 and no large new generators cleared in the auction, but 640 megawatts (MW) of new energy-efficiency and demand-reduction measures—the equivalent of a large power plant—cleared and will be available in 2020-2021.

FCA #11 began with significant competition among resources to provide reliability services in New England. Resources totaling 40,463 MW, including 34,505 MW of existing capacity and 150 new resources totaling 5,958 MW, competed to provide the capacity target of 34,075 MW. Forecasted demand reductions from the ISO’s forecast of behind-the-meter solar PV growth reduced the capacity target by 720 MW.

This year’s auction concluded with commitments from 35,835 MW to be available in 2020-2021, with 1,760 MW of surplus capacity. The auction rules allow the region to acquire more or less than the capacity target, providing flexibility to acquire additional capacity and enhanced reliability at a cost-effective price.

“The chief purpose of a capacity market—resource adequacy—was achieved through a competitive process that balances the needs of consumers and suppliers. The auction concluded at the lowest price that is still enough to keep the most efficient resources in business,” said Robert Ethier, vice president of market operations at ISO New England. “The lower clearing price and surplus capacity are indicative of a market that works. In previous auctions, a supply shortfall pushed up prices after more than 3,000 MW of resources announced their retirements in 2013; the higher prices have attracted new competition, which has helped lower prices while keeping the lights on in New England.”

For FCA #11, the region was divided into three zones: Northern New England (NENE), including Vermont, New Hampshire, and Maine; Southeast New England (SENE), including Northeastern Massachusetts, Greater Boston, and the former Southeastern Massachusetts and Rhode Island zone; and Rest of Pool (ROP), including Connecticut and western and central Massachusetts.

### **Preliminary results of FCA #11:**

- The auction closed for most resources after six rounds of competitive bidding at \$5.30/kW-month, the lowest clearing price since the floor price was eliminated in the 2013 auction. The clearing price will be paid to all resources in all three capacity zones in New England and 1,035 MW of imports from New York and Quebec. Imports from New Brunswick, totaling 200 MW, will receive \$3.38/kW-month.

- Previous clearing prices (all per kilowatt-month): FCA #7 (2013), \$3.15 floor price, except \$14.99 for new resources in NEMA/Boston; FCA #8 (2014), \$15 new and \$7.025 existing; FCA #9 (2015), \$9.55 system-wide except SEMA/RI: \$17.73 and \$11.08 existing; FCA #10 (2016), \$7.03.
- At \$5.30/kW-month, the total value of the capacity market in 2020-2021 will be approximately \$2.4 billion.
- About 35,835 MW of capacity cleared the auction to meet the 34,075 MW net installed capacity target for 2020-2021.
  - 31,389 MW of generation, including 264 MW new, in the form of increased generating capability added at existing power plants
  - 3,211 MW of demand resources, including 640 MW that is new
  - 1,235 MW of imports from New York, and Quebec and New Brunswick, Canada
- Six megawatts of new wind and five megawatts of new solar resources cleared the auction; in all, 137 MW of wind and 66 MW of solar facilities cleared FCA #11 (most photovoltaic resources in New England are on the distribution system and don't participate in the wholesale markets).
- No large resources retired in FCA 11; a few small oil generators delisted during the auction, meaning they've dropped out of the capacity market for one year, but can sell energy during that time and can compete again in future auctions.

**Forward Capacity Market auction basics**

The annual FCM auction is held three years before each capacity commitment period to provide time for new resources to be developed. Capacity resources can include traditional power plants, renewable generation, imports, and demand resources such as load management and energy-efficiency measures. Resources that clear in the auction will receive a monthly capacity payment in that future year in exchange for their commitment to provide power or curtail demand when called upon by the ISO. The capacity market is separate from the energy market, where resources compete on a daily basis to provide power and are paid for the electricity they produce.

**Next Steps**

Finalized auction results, with resource-specific information, will be filed with the Federal Energy Regulatory Commission by the end of this month.

**ABOUT ISO NEW ENGLAND**

Created in 1997, ISO New England is the independent, not-for-profit corporation responsible for the reliable operation of New England's electric power generation and transmission system, overseeing and ensuring the fair administration of the region's wholesale electricity markets, and managing comprehensive regional electric power planning.

