

STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

IN RE:

APPLICATION OF NTE CONNECTICUT, LLC : DOCKET NO. 470
FOR A CERTIFICATE OF ENVIRONMENTAL :
COMPATIBILITY AND PUBLIC NEED FOR :
THE CONSTRUCTION, MAINTENANCE AND :
OPERATION OF AN ELECTRIC POWER :
GENERATING FACILITY OFF LAKE ROAD, :
KILLINGLY, CONNECTICUT : FEBRUARY 13, 2017

SUPPLEMENTAL TESTIMONY OF SETH SHORTLIDGE

1 **Q. PLEASE STATE YOUR NAME, BUSINESS TITLE AND BUSINESS ADDRESS.**

2 A. My name is Seth Shortlidge. I am President and CEO at NTE Energy. My business address
3 is 24 Cathedral Place, Suite 300, St. Augustine, FL 32084.

4 **Q. WHAT IS YOUR ROLE IN THE PROPOSED KILLINGLY ENERGY CENTER**
5 **(“KEC”) PROJECT?**

6 A. As President & CEO of NTE Energy, and President of NTE Connecticut, LLC, I am
7 responsible for all key strategic and business decisions related to the Killingly Energy Center.

8 **Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS.**

9 A. I have over 20 years of experience in the energy industry. Prior to founding NTE Energy, I
10 served as general counsel, managing director and finally chief executive at Tamarack Energy and
11 was a partner at the law firm of Pierce Atwood. I also served as a Partner/Chair Energy Law
12 Practice at the law firm of Gallagher, Callahan & Gatrell, where I represented a wide variety of
13 national and international energy clients in major commercial transactions and regulatory
14 proceedings. A copy of my resume is attached.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. To describe the results of Forward Capacity Auction 11 conducted by ISO-New England
3 (“ISO-NE”) on February 6, 2017 and NTE’s participation in that auction.

4 **Q. PLEASE SUMMARIZE THE RESULTS OF FCA 11.**

5 A. The final clearing price for FCA 11 was \$5.297, with 35,835 MW of capacity clearing the
6 auction.

7 **Q. PLEASE DESCRIBE NTE’S PARTICIPATION IN FCA 11.**

8 A. NTE withdrew from the auction before it was concluded and elected not to take a capacity
9 supply obligation in FCA 11.

10 **Q. WHAT WAS THE REASON FOR NTE WITHDRAWING FROM FCA 11?**

11 A. There remain substantial cost and schedule uncertainties associated with the KEC project
12 given the current status of our ongoing permitting efforts. We originally had contemplated that
13 by the time of the auction, we would have, or be closer to securing, certain critical permits,
14 approvals and agreements for the project. These include the Certificate of Environmental
15 Compatibility and Public Need from the Siting Council, the air permit from the Connecticut
16 Department of Energy and Environmental Protection, the gas pipeline contract, the System
17 Impact Study, the water supply contract, and the Community Environmental Benefits Agreement
18 and tax agreement with the Town of Killingly. While we have made substantial progress with
19 respect to each of these items, and remain confident that each will be successfully concluded,
20 each could have a significant impact on the overall cost of the project and its anticipated
21 completion date. Given this cost and schedule uncertainty, we elected to not continue to pursue a
22 capacity supply obligation in FCA 11.

23 **Q. DO THE RESULTS OF FCA 11 CHANGE NTE’S OPINION REGARDING THE**

1 **NEED FOR KEC?**

2 A. No. NTE still believes that there is a need for KEC in Connecticut and the region served by
3 ISO-NE, and, as noted below, we are continuing to pursue development of the project.

4 **Q. WHAT IS THE BASIS FOR THAT OPINION?**

5 A. We believe the market fundamentals for new generation in Connecticut and New England
6 remain strong. KEC is needed to offset the anticipated retirements of plants providing up to
7 approximately 6,000 MW of capacity in New England, over 2,000 MW of which is in
8 Connecticut. The clearing price in FCA 11 may accelerate those retirements. KEC will also
9 help alleviate winter reliability concerns, given its dual fuel capability and firm gas supply
10 contract. KEC will also help with integration of renewable resources, by providing fully
11 dispatchable, flexible and efficient power generation. It will also reduce greenhouse gas
12 emissions by using clean burning natural gas in state-of-the-art combined cycle turbine
13 technology, and voluntarily committing to a greenhouse gas reduction schedule. It has a low
14 heat rate, meaning it will burn less fuel per unit of energy produced, generating less greenhouse
15 gases.

16 **Q. WILL THE RESULTS OF FCA 11 IMPACT NTE'S DECISION TO PROCEED WITH**
17 **THIS PROJECT?**

18 A. No. As we have previously stated, "NTE plans to continue with the development and
19 construction of KEC, even if KEC does not clear FCA #11. NTE's analysis indicates that a need
20 exists for KEC in terms of electric system reliability for the State of Connecticut and ISO-NE
21 electric systems. NTE will continue with development and construction of the KEC facility and
22 would anticipate participating in the Annual Reconfiguration Auctions and/or Bi-Lateral Process
23 associated with the 2020/2021 Capacity Commitment Period and Forward Capacity Auctions

1 beginning with FCA #12 and provide clean reliable dual-fuel electric energy to ISO-NE on a
2 daily basis through the ISO-NE daily energy and ancillary services market design.” (NTE 14,
3 pp. 8-9). NTE will continue to finalize all the necessary permits, approvals and agreements and
4 looks forward to participating in FCA 12 and other ISO-NE markets.

5 **Q. HOW WILL NTE’S POSITION BE DIFFERENT BY THE TIME IT PARTICIPATES**
6 **IN FCA 12?**

7 **A.** NTE expects that well before FCA 12, it will have secured the necessary permits, approvals
8 and contracts necessary for the project, thus significantly reducing or eliminating the schedule
9 and cost uncertainties it currently faces. We also believe the clearing price in FCA 11 will bring
10 increased financial pressure on those facilities that ISO-NE has identified as being “at risk” of
11 retiring, potentially accelerating their scheduled retirement. These are largely non-gas units, thus
12 adding to winter reliability concerns. NTE remains confident that the reduction in cost and
13 schedule uncertainties, the anticipated retirement of older capacity, and the other factors
14 discussed above will enable NTE to successfully bring KEC’s highly competitively priced power
15 to the ISO-NE market, including in FCA 12.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A.** Yes.

CERTIFICATION OF SERVICE

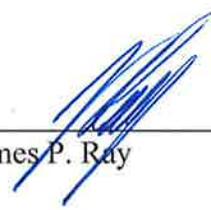
I hereby certify that on this 13th day of February 2017, a copy of the foregoing was sent via electronic mail and first class U.S. Mail, to the following:

John Bashaw, Esq.
Mary Mintel Miller, Esq.
Reid and Riege, P.C.
One Financial Plaza, 21st Floor
Hartford, CT 06103
jbashaw@rrlawpc.com
mmiller@rrlawpc.com

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

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

John Looney, Esq.
Roger Reynolds, Esq.
Connecticut Fund for the Environment
900 Chapel Street
Upper Mezzanine
New Haven, CT 06510
jlooney@ctenvironment.org
rreynolds@ctenvironment.org



James P. Ray



NTE ENERGY

Seth L. Shortlidge
President and CEO



Seth Shortlidge founded NTE Energy. As the company's President and Chief Executive Officer, he is responsible for managing NTE Energy's day-to-day operations, strategic planning and investor relationships.

Seth has extensive experience in the energy industry. Prior to founding NTE Energy, Seth served as general counsel, managing director and finally chief executive at Tamarack Energy. There he led the successful divestiture of the company's portfolio of energy project development opportunities. Prior to joining Tamarack Energy, Seth was a partner at the law firm of Pierce Atwood. He also served as a Partner/Chair Energy Law Practice at the law firm of Gallagher, Callahan & Gartrell where he represented a wide variety of national and international energy clients in major commercial transactions and regulatory proceedings.

Education

Bachelor of Science
Florida State University

Juris Doctorate
Franklin Pierce Law Center

Professional Registration

Admitted to practice law in the following states: New Hampshire, Vermont, Maine, Massachusetts and Rhode Island

Professional Societies

New Hampshire Bar Association
Massachusetts Bar Association
Vermont Bar Association
Rhode Island Bar Association
Maine Bar Association
Energy American

Prior Professional Experience

Tamarack Energy - Essex, CT – 2007 through 2009

Chief Executive Officer – 2008 through 2009 - Responsible for the strategic leadership of Tamarack Energy, a leading developer of renewable energy projects located in the United States. Led the restructuring and ultimate divestiture of Tamarack Energy providing Tamarack Energy's investors with a significant recovery of invested capital. Led Tamarack in the development of the Watertown Renewable Power Facility, the development of multiple wind projects and the development of stand-alone biomass projects located in Florida, North Carolina and New York.

General Counsel - 2007 through 2008 - Served as the company's chief legal officer and was responsible for structuring and negotiating Tamarack Energy's commercial and financial transactions, oversight of corporate governance, and regulatory and government relations.

Pierce Atwood – Portland, ME – 2006 through 2007

Partner – Worked extensively providing legal counsel to a variety of clients within the energy industry including the development of major energy and natural gas commercial transactions, state and federal regulatory proceedings in developing innovative business strategies to address the industry's complex and rapidly changing regulatory and business environment. Provided representation to a wide range of electric and gas companies, large energy consumers, electric cooperatives, and competitive electric suppliers in commercial transactions, mergers and acquisitions, asset divestitures, environmental siding, permitting, compliance, and enforcement proceedings. Major domestic clients included the National Grid companies, the NiSource companies, ConEdison Development and several large electric cooperatives. Also provided legal representation to several international energy clients including the Kingdom of Jordan representing the Kingdom in the negotiation of all commercial and financial transactions resulting in the development of the Kingdom's first independent power production facility.

Gallagher, Callahan & Gartrell – Concord, NH - 1997 through 2006

Partner/Chair Energy Law Practice – Provided counsel to a wide range of energy industry clients developing major commercial transactions and state and federal regulatory proceedings. In this position, Seth also provided representation to a wide range of electric and gas companies, large energy consumers, electric



NTE ENERGY



cooperatives, and competitive electric suppliers in commercial transactions, mergers and acquisitions, asset divestitures, environmental siding, permitting, compliance, and enforcement proceedings. Major domestic clients included the National Grid companies, the NiSource companies, NStar, PNGTS/Maritimes Pipeline, ConEdison Development, Southern Company, New Hampshire Electric Cooperative, and several large financial institutions.

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Rhode Island Bar Association
Maine Bar Association
Energy American