|  |  |  |
| --- | --- | --- |
| **DOCKET NO. 190B** – Meriden Gas Turbines, LLC Certificate of Environmental Compatibility and Public Need for a 530 MW combined cycle generating plant in Meriden, Connecticut. Reopening of this docket pursuant to Connecticut General Statutes § 4-181a(b) limited to Council consideration of changed conditions and Decommissioning Plan. | }  }  } | Connecticut  Siting  Council  September 19, 2013 |

**Opinion**

On April 27, 1999, pursuant to Connecticut General Statutes §16-50k, the Connecticut Siting Council (Council) granted a Certificate of Environmental Compatibility and Public Need (Certificate) to PDC-El Paso Meriden LLC (PDC-El Paso) for the construction, operation and maintenance of a 530-megawatt (MW) combined-cycle electric generating facility (Facility) in Meriden, Connecticut. In 2001, NRG Energy, Inc. (NRG) acquired majority stock ownership of PDC-El Paso and changed the name of the Certificate Holder to Meriden Gas Turbines, LLC (MGT), a wholly-owned subsidiary of NRG.

On March 18, 2013, the Council received a Petition from the City of Meriden (City) to Reopen and Modify the Decision and Order in Docket No. 190 Due to Changed Conditions and a Request for Party Status. The changed conditions cited by the City were MGT’s planned abandonment of the project to build the certificated generating facility and adverse visual, environmental, public safety and other effects that could result from this abandonment.

After receiving and considering statements of position from the City and MGT, the Council voted to reopen the Docket No. 190 proceeding and to grant the City party status at a meeting held on April 18, 2013. Subsequent to this vote, the Council held a public evidentiary hearing that continued over two separate sessions. The first of these sessions was held at the Meriden City Hall on June 4, 2013. The second, continued, session was held at the Council offices in New Britain on July 16, 2013.

Subsequent to receiving its Certificate in 1999 and receiving the Council’s approval of a Development and Management Plan, MGT began construction on its facility and installed gas turbines in 2002. This was the same year that construction at the site was halted. In 2003, MGT removed from the site all of the power generating equipment that it had installed. In November 2011, New England’s Independent System Operator (ISO-NE) determined that MGT’s facility would not qualify as deliverable capacity in the New England market without transmission upgrades; a determination that was upheld by the Federal Energy Regulatory Commission (FERC). Following this determination, MGT delivered a Notice of Abandonment to the City notifying it of MGT’s intent to abandon the project on April 3, 2012. In addition, on June 14, 2012, Connecticut’s Department of Energy and Environmental Protection issued the 2012 Integrated Resource Plan for Connecticut, which concluded that the generating resources currently available in Connecticut are adequate to serve electric loads reliably through 2022.

Although MGT has removed all power generating equipment from its site, many of the improvements it made to the site to accommodate this equipment are still in place. There is an access road from Route 71 to MGT’s property, although it has not been accepted by the City. There are two unfinished buildings on the site: a large power plant building and a smaller control building. The larger building is 82 feet in height and is prominently visible from numerous vantage points in the City. Also on the site are a fuel oil tank and a water tank that were built but never commissioned or used. Small amounts of metal grating, railings, siding and miscellaneous scrap material remain on the site.

During this proceeding, MGT’s compliance with the conditions of the Council’s original Decision and Order (D&O) was an issue of some contention, particularly because many of the Council’s original conditions were predicated on having a fully constructed and operating electric generating facility at this site. This is not the case, and, in fact, several of the major infrastructure components required to operate the facility were never built. For example, the exhaust stacks envisioned to be 180 feet in height were not built; no natural gas pipeline to provide fuel for the gas turbines was built; no transmission line capable of carrying the load generated by the plant was built; and the underground water pipeline that was to carry water from the Connecticut River to be used for cooling at the plant was not built. MGT’s decision not to complete this project makes many of the Council’s original D&O conditions inapplicable to any considerations of how to proceed from the present day situation at this site.

In its petition to reopen, the City asked the Council to require a decommissioning plan of MGT. The Council, however, believes that requiring such a plan at this juncture, given the moribund status of the project, is unwarranted and, in fact, may be confiscatory. Instead, the Council believes that it would be a more profitable use of the time and energies of the parties involved in this proceeding to address any environmental issues that may be outstanding, such as stabilizing the site where necessary and mitigating any remaining wetlands problems that may have been caused by the disturbance of wetlands during the period when construction did occur. In order to accomplish this, there should be an inspection of the site to identify outstanding environmental issues and to prepare a plan of how they will be addressed.

In taking this position, the Council acknowledges that the City and MGT have a number of unsettled issues remaining between them including, but not limited to, cash bonds being held by the City against the successful completion of items that were required under the site plan and subdivision approvals issued by the City. There are also a number of contractual issues between the parties for which litigation has ensued.

As to the question of whether or not changed conditions apply to this project, it is the consensus of the Council that there are, indeed, such conditions. The most obvious changed condition is the presence of site improvements and unfinished buildings that are the remnants of the abandoned project. In addition, economic and regulatory changes that have occurred since the Council’s initial approval have had a significant impact on determining the status of this project. Deregulation of electric utilities certainly changed the landscape against which MGT sought to bring its approved project to completion. Although deregulation did introduce many opportunities for competitive merchant power plant projects, as intended, some of its consequences have been unpredictable and adverse. Moreover, in recent years, the global economy suffered an enormous crisis from which we are still slowly recovering and which, no doubt, affected MGT’s ability to raise the financing necessary to complete the project.

In conclusion, the Council feels that these changed economic and regulatory conditions will prevent this project from ever being completed. Given that MGT long ago removed all of the power generating equipment from this site, the Council does not believe that a full-fledged decommissioning plan is necessary. The Council does believe, however, that MGT must address any outstanding environmental issues on the site, and, to this end, will order that a public site inspection open to all parties and intervenors who participated in this proceeding will be conducted and that an action plan to address any concerns identified by the Council’s representatives during this inspection will be prepared and submitted to the Council for its review and approval.