

<p>DOCKET NO. 189A – Lake Road Generating Company } Certificate of Environmental Compatibility and Public Need for } an electric generating facility located off of Lake Road in } Killingly, Connecticut. Reopening of this docket pursuant to } Connecticut General Statutes § 4-181a(b) to Modify the Decision } and Order in Docket 189 to Allow Lake Road Generating } Company to Suspend its Backup Fuel System Based on Changed } Conditions.</p>	<p>Connecticut Siting Council January 19, 2012</p>
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Opinion

On December 7, 1998, the Connecticut Siting Council (Council) granted a Certificate of Environmental Compatibility and Public Need (Certificate) to Lake Road Generating Company, L.P. (Lake Road) for the construction, operation and maintenance of a 792 megawatt natural gas-fired combined cycle facility off Lake Road in Killingly, Connecticut. Condition (1c) of the Council’s Decision and Order (D&O) in this docket required the project to run on natural gas, except during the curtailment of natural gas, when the project may run on low-sulfur distillate fuel oil as permitted by the Connecticut Department of Environmental Protection (DEP).

On January 28, 2003, through Petition No. 603, the Council allowed Lake Road to commission only Unit 1 on fuel oil and defer the commissioning of Unit 2 and Unit 3 on fuel oil until it was deemed necessary by natural gas curtailments lasting longer than 30 days or 60 days, respectively.

On October 24, 2011, Lake Road submitted a Motion to Reopen Docket No. 189 to decommission the fuel-oil system for Unit 1. Lake Road requests that D&O Condition (1c) now read: “The project shall operate on natural gas. Lake Road may operate using distillate fuel oil as allowed by the Department of Energy and Environmental Protection air permits.”

Since the commissioning of Unit 1 on fuel oil in 2004, there has not been an extended period of natural gas curtailment that required the unit to run on fuel oil. The plant has operated on fuel oil a total of 459 hours since 2004, 94 hours of which were due the price of oil being less than that of natural gas, and the remaining 365 hours of which were due to exhaust stack compliance testing for the Department of Energy and Environmental Protection (DEEP) air permit.

Lake Road would leave the oil-fired equipment, tanks and piping on-site and maintain DEEP air permits for operation on fuel oil. Unit 1 could be made available to operate on fuel oil within approximately 15 days if the company finds that gas becomes unavailable as its primary fuel, or that oil becomes more economical.

The Council finds that there are changed conditions since the Certificate was issued for Lake Road. The natural gas supply to Connecticut and New England has increased for a number of reasons including the demonstrated productivity of the Marcellus Shale, a geological formation that produces large quantities of natural gas near New England. Also, gas pipeline expansions, new liquefied natural gas facilities and enhanced natural gas transmission capacity have eliminated gas supply constraints that previously existed. Currently, the price of fuel oil is more than five times that of natural gas. This makes it uneconomical to operate Unit 1 on fuel oil at this time.