

STATE OF CONNECTICUT

CONNECTICUT SITING COUNCIL

Ten Franklin Square, New Britain, CT 06051 Phone: (860) 827-2935 Fax: (860) 827-2950 E-Mail: siting.council@ct.gov www.ct.gov/csc

April 17, 2009

TO:

Parties and Intervenors

FROM:

S. Derek Phelps

Executive Director

RE:

Request for Comments on the April 14, 2009 letter submitted by Connecticut

Light & Power Company (CL&P).

DOCKET 370A - The Connecticut Light & Power Company application for Certificates of Environmental Compatibility and Public Need for the Connecticut Valley Electric Transmission Reliability Projects which consist of (1) The Connecticut portion of the Greater Springfield Reliability Project that traverses the municipalities of Bloomfield, East Granby, and Suffield, or potentially including an alternate portion that traverses the municipalities of Suffield and Enfield, terminating at the North Bloomfield Substation; and (2) the Manchester Substation to Meekville Junction Circuit Separation Project in Manchester, Connecticut.

DOCKET 370B - NRG Energy, Inc. application pursuant to C.G.S. §16-50*l*(a)(3) for consideration of a 530 MW combined cycle generating plant in Meriden, Connecticut.

The Council is in receipt of the enclosed correspondence from the original applicant in the above-referenced proceeding, CL&P, pertaining to a purported deficiency in the completeness of the NRG Energy, Inc. (NRG) application with regard to its alleged failure to address the need to which CL&P's projects are directed. CL&P cites to C.G.S. §16-50p(a)(3)(F) in support of its position that NRG's project should not be considered in the consolidated hearing process based on the notion that NRG's project will not meet the electric system reliability need for which CL&P's project is proposed and is therefore not "appropriate."

The Council invites comment from the participants in the above-referenced proceeding relative to whether CL&P's interpretation of C.G.S. §16-50p(a)(3)(F) is reasonable in light of the legislative purpose behind the CEAB RFP process. Such comments, if they are to be provided, are requested to be submitted to the Council by April 30, 2009, in order that the Council may incorporate them for review and consideration. If you have any questions or concerns, please call the office at 860-827-2935. Thank you.

SDP/MB/laf

Enclosure





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NOTICE OF SERVICE

I hereby affirm that a photocopy of this document was sent to each Party and Intervenor on the service list dated April 8, 2009.

Dated: April 17, 2009

Lisa Fontaine

Custodian of Docket No. 370

Attorneys at Law

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Telephone: 203 777-5501 Facsimile: 203 784-3199 afitzgerald@carmodylaw.com

Anthony M. Fitzgerald

S. Derek Phelps
Executive Director
State of Connecticut
Connecticut Siting Council
10 Franklin Square
New Britain CT 06501



Re:

Docket No. 370B: NRG Energy, Inc. Application Pursuant to C. G.S. § 16-50*l*(a)(3) for Consideration for a 530 MW Combined Cycle Generation Plant in Meriden, CT.

Docket No. 370A: CL&P Application for the Greater Springfield Reliability Project and the Manchester to Meekville Jct. Circuit Separation Project

Dear Mr. Phelps,

I write on behalf of the Applicant in Docket 370A to respond to the letter of Andrew W. Lord dated April 7, 2009. As we all find our way in the uncharted territory created by the RFP Process, the exchange of views in CL&P's Comment of April 3, 2009 and Mr. Lord's letter of April 7, 2009 has proven useful in defining issues with which the Council must grapple. In particular, I was pleased to learn that CL&P and NRG agree that the reliability problems in Massachusetts are part of the need that must be considered by the Council in evaluating the CL&P and NRG projects (Lord Letter at 2). As noted in CL&P's Comment, the NRG Application makes no claim to address these problems. (Id., p. 5) I was also pleased to see that we agree that, should the Council determine that the NRG Application is "complete," that finding will not foreclose an attack on the Application as fatally deficient because it does not address the need to which CL&P's projects are directed. (Id., at 2.)

We also agree that, in order to obtain a Certificate of Environmental Compatibility and Public Need for the GSRP and the MMP, CL&P must establish that the need it claims for the Projects exists. That is a burden that CL&P would bear whether or not any competing application were filed.

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However, it appears that there is an important disagreement concerning the showing that NRG must make in order to require the Council to consider its Application as a competitor to CL&P's Application. Simply put, in order for NRG to qualify its project for consideration as a substitute for CL&P's projects, NRG must at least claim that its project will meet the same need that CL&P claims its projects will meet. The relevant statute requires that RFP projects must propose "alternative solutions to the need that will be addressed by the proposed facility in [the Siting Council] application." (C.G.S. § 16a-7c (b)). NRG quotes this language in its Application (NRG Application, at 1,2). However, Mr. Lord suggests in his April 7 letter that that until the Council makes a determination that CL&P has established a "need," (which is usually not until the conclusion of the proceeding) NRG's Project is in the running. That is not the case.

The wasteful and inefficient consequences of accepting Mr. Lord's position may be illustrated by considering the example of one of the other RFP projects. Ice Energy, proposed a peak-demand project with an initial claimed capacity of 100 MW. Its RFP Response frankly acknowledged that its project was not a substitute for the CL&P projects. Instead, it submitted: "...Ice Energy supports both the need and justification for the GSRP and MMP transmission projects...In addition, Ice Energy would respectfully submit a complementary proposal to these projects." (Ice Energy Response to CEAB RFP, Jan. 2, 2009, p.1)

If Ice Energy had continued beyond the RFP stage to submit an application to the Siting Council to have its project considered in this proceeding as a "complementary" project to GSRP and MMP, it would have been clear that its application did not qualify for consideration by the Council. An Ice Energy application would have had to be rejected, not because CL&P had proven that its projects were entitled to approval, but because the Ice Energy project was not offered as a true alternative to CL&P's projects.

The difference between the Ice Energy Project and the NRG proposal is that NRG has been coy about admitting that its project can not meet the need defined in CL&P's Application, but at best would be complementary to it. At pages 3-6 of its April 3 Comment, CL&P shows explicitly how the need addressed by its projects has been defined in its Application, and that the benefits claimed for NRG's project do not include addressing that need. In a word, under today's conditions, multiple electric transmission facilities in Massachusetts, in Connecticut, and between Massachusetts and Connecticut, are subject to overloads and voltage violations, contrary to mandatory national and

S. Derek Phelps Executive Director Connecticut Siting Council April 14, 2009 Page 3

regional reliability standards. CL&P asserts that the GSRP and MMP projects will fix those problems. NRG does not make that claim for its project.

What NRG does claim is that its generating plant would add a Connecticut capacity resource. Then NRG completely turns CL&P's need claim on its head by characterizing it too, as simply a capacity claim. NRG quotes CL&P's statement in its Application that "in some cases, electric reliability needs can be met by means other than improvements to the transmission system [such as] where the reliability problem is simply a lack of sufficient generation resources to reliably serve the load in a defined area...' (NRG App. at 9, quoting CL&P App. Vol. 1, ES-14; emphasis added). NRG then cuts the quote off before getting to the part where CL&P says that in this case, power-flow studies establish that "the only practical means of resolving the many reliability criteria violations on the Greater Springfield and north-central Connecticut transmission systems is through improvements to those transmission systems." (CL&P App., p. ES-11)

The competitive application process is like a cage fight. Two or more competitors go into it, but no more than one may come out. Sometimes none will come out. Only "the most appropriate alternative among such applications" may be approved, §16-50p(a)(3)(F) If a project will not meet the an electric system reliability need for which the original project is proposed, it can not be considered "appropriate." Since NRG does not claim that its project will fix the reliability problems that exist today on the Massachusetts and Connecticut transmission lines and substations, NRG should not be allowed into the cage. It matters not if NRG's project would provide additional capacity, or just displace existing capacity; and it matters not if NRG's project would be a financial boon or a financial albatross to Connecticut consumers, if it would not resolve pressing reliability problems on the Connecticut and Massachusetts systems that GSRP and MMP address.

Of course, putting NRG on the sidelines will not entitle CL&P to a Certificate for its projects. CL&P will still have to establish, as it would in any case, that the claimed need exists, and that its projects meet all of the qualifications required for a Certificate.

S. Derek Phelps Executive Director Connecticut Siting Council April 14, 2009 Page 4

I look forward to further discussion of this issue once NRG has responded to the data requests that CL&P has addressed to it.

Very truly yours,

Anthony M. Eitzach

cc: Service List

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Status Granted	Document	Status Holder	Representative
	Service	(name, address, & phone number)	(name, address, & phone number)
Applicant	⊠ U.S. Mail	The Connecticut Light & Power Co. P.O. Box 270 Hartford, CT 06141-0270	Robert E. Carberry, Manager NEEWS Projects Siting and Permitting Northeast Utilities Service Company P.O. Box 270 Hartford, CT 06141-0270 (860) 665-6774 carbere@nu.com
	⊠ E-mail		Duncan MacKay, Esq. Legal Department Northeast Utilities Service Company P.O. Box 270 Hartford, CT 06141-0270 (860) 665-3495 mackadr@nu.com
	☑ U.S. Mail		Jeffrey Towle, Project Manager Transmission, NEEWS Northeast Utilities Service Company P.O. Box 270 Hartford, CT 06141-0270 (860) 665-3962 towlejm@nu.com
	⊠ U.S. Mail		Anthony M. Fitzgerald, Esq. Brian T. Henebry, Esq. Carmody & Torrance LLP P.O. Box 1915 New Haven, CT 06509 (203) 777-5501 afitzgerald@carmodylaw.com bhenebry@carmodylaw.com
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Competing Applicant as of 03/19/2009	☑ U.S. Mail		Julie.friedberg@nrgenergy.com Andrew W. Lord, Esq. Murtha Cullina LLP CityPlace I, 29th Floor 185 Asylum Street Hartford, CT 06103-3469 (860) 240-6180
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LIST OF PARTIES AND INTERVENORS

C4-4 C4-1	SERVICE LIST			
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Party (granted November 20, 2008)	⊠ E-mail	Richard Blumenthal Attorney General	Michael C. Wertheimer Assistant Attorney General Attorney General's Office 10 Franklin Square New Britain, CT 06051 860-827-2620 860-827-2893 Michael.wertheimer@po.state.ct.us	
Party (granted November 20, 2008)	⊠ E-mail	Town of East Granby	Donald R. Holtman, Esq. Katz & Seligman, LLC 130 Washington Street Hartford, CT 06106 860-547-1857 860-241-9127 dholtman@katzandseligman.com The Honorable James Hayden First Selectman Town of East Granby P.O. Box 1858 East Granby, CT 06026	

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	SERVICE LIST		
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Intervenor (granted December 4, 2008)	⊠ E-Mail	ISO New England Inc.	Anthony M. Macleod, Esq. Whitman Breed Abbott & Morgan LLC 500 West Putnam Avenue, P.O. Box 2250 Greenwich, CT 06830-2250 (203) 862-2458 amacleod@wbamct.com Kevin Flynn, Esq. Regulatory Counsel ISO New England One Sullivan Road Holyoke, MA 01040 (413) 535-4177 kflynn@iso-ne.com
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NIOO I POO A I			

Date: April 14, 2009 Page 4 of 5

Status Granted	Document	SERVICE LIST Status Holder	Representative
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Party (granted on February 19, 2009)	⊠ E-mail	Town of Enfield	Kevin M. Deneen Office of the Town Attorney Town of Enfield 820 Enfield Street Enfield, CT 06082-2997 (860) 253-6405 (860) 253-6362 townattorney@enfield.org

Date: April 14, 2009 Page 5 of 5

Status Granted	Document Service	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
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