

AN APPLICATION OF THE CONNECTICUT RESOURCES : CONNECTICUT SITING
RECOVERY AUTHORITY, MIDSTATE REGIONAL
RESOURCE RECOVERY AUTHORITY, AND AMERICAN : COUNCIL
REF-FUEL COMPANY FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY AND PUBLIC
NEED FOR THE MIDSTATE REGIONAL RESOURCE
RECOVERY FACILITY, WHICH WOULD GENERATE
ELECTRICITY BY MASS-BURNING MUNICIPAL
SOLID WASTE IN THE CITY OF MIDDLETOWN,
CONNECTICUT. : March 11, 1987

O P I N I O N

The Midstate Regional Resource Recovery Authority (MRRRA), the Connecticut Resources Recovery Authority (CRRA), and the American REF-FUEL Company (REF-FUEL) have applied to the Connecticut Siting Council for a Certificate of Environmental Compatibility and Public Need for a 4.4 megawatt (MW) regional resource recovery facility in Middletown, Connecticut. Under section 16-50p of the General Statutes of Connecticut, the Council may grant such a Certificate for this facility if it determines that the adverse environmental effects of the facility and any conflicts it may have with the environmental policies of the state are not sufficient to deny the application in view of the public need for the facility. The City of Middletown Planning and Zoning Commission and Inland Wetlands Agency have approved the project. The project was originally designed as a cogeneration facility. Were the sponsors to restore the original cogeneration capability, the project would be removed from Council jurisdiction because its capacity is less than 25 MW. Consequently, were the Council to deny a Certificate in this application, the project might still be built at Connecticut Valley Hospital (CVH). The Council feels compelled to grant a Certificate based on the record before it. Nonetheless, the Council does so with misgivings, now that cogeneration of steam for and power sales to CVH are not included.

In the proposal's favor, the Council recognizes that Northeast Utilities (NU) projects that the facility's capacity will help defer the construction of new, utility-owned generating stations needed in the mid-1990's to meet the electric power demands of NU's customers. NU will purchase electricity from the facility under the terms of an agreement which the Connecticut Department of Public Utility Control (DPUC) has approved. In addition, the project's small size, its use of municipal solid waste (MSW) as fuel, and its location near the center of the state will contribute to the diversification and decentralization of electrical generating capacity, adding to the reliability of the NU system. The project will also increase the reliability of electric power service to CVH by providing improved electrical equipment and emergency back-up power.

Although solid waste management is not specified in the Council's statutory standards for decision making, the Council acknowledges the critical need for new solid waste disposal measures, and that the project has been recommended by and is consistent with the Connecticut Solid Waste Management Plan's long-term strategy for disposal of MSW in the Middletown/Midstate watershed.

The record contains assertions and evidence that the use of pollution control technologies, enforced by applicable environmental regulations, will limit the project's environmental impacts to acceptable levels. Air pollution will be regulated by the Connecticut Department of Environmental Protection (DEP), administering emission and ambient air quality standards of the Connecticut Regulations for the Abatement of Air Pollution and the Connecticut State Implementation Plan for Air Quality.

Water pollution will be regulated by a DEP-administered National Pollution Discharge Elimination System storm water permit and by a state discharge permit. Noise levels will be subject to state standards and enforcement procedures also administered by DEP. Other impacts, including visual and aesthetic impacts, ecological impacts, impacts to upland and wetland habitat, impacts to rare and endangered species, vector propagation, litter, sanitation, traffic impacts, and impacts to archeological and historic resources, have been assessed and judged insufficient to justify denying project certification based on their magnitude, self-imposed performance standards, and applicable local, state, and federal standards and regulations. In addition, the Council itself will impose environmental protection requirements.

Therefore, the Council believes that the statutory criteria for Council decisions and the record before it warrant granting a Certificate. However, the Council believes the municipal rate has flawed the project in at least two specific respects.

First, without cogeneration, this project is only marginally appropriate on the grounds of a hospital. Power plants and refuse disposal plants sometimes operate in support of institutions like schools and hospitals. In such cases, the value of the support function may excuse the air pollution, noise, odors, traffic generation, litter and other negative impacts the plants can cause. The record contains uncontested assertions that such negative impacts will be kept under control over the life of the facility, and that the facility is thus compatible with CVH and the other nearby hospital and related uses, even though it is not providing substantial support functions. However, at no time did the applicant examine alternative non-cogeneration sites in the City of Middletown.

Second, at the expense of NU and its Connecticut electric power ratepayers, the municipalities which have sponsored the proposed facility elected to participate in a project that is potentially higher in cost than alternatives. The small size of the proposed facility sacrifices the economies of scale achievable by larger facilities. The facility's sponsors are able to project tipping fees which are comparable to tipping fees of larger Connecticut facilities because NU must pay the municipal rate for the plant's electric power output. Regardless of the high embedded costs of some of NU's existing base load generators, avoided cost is the cost of power to NU from new sources. NU's projected avoided cost rate in 1989 is less than one-third the projected municipal rate in that year. According to the DPUC, over the life of the project, NU's obligation to pay the municipal rate, combined with the larger amount of electric power sales which will result from dropping cogeneration and the direct sale of power, will increase NU's projected maximum annual revenue requirement for the Midstate project from \$1.9 million to \$4.0 million, and increase by \$57.7 million the projected minimum cumulative NU revenue requirement over the project's life. The present value of this increase is \$22 million. NU recovers its revenue requirements from its customers statewide, not just those who reside in the sponsoring municipalities. Other considerations aside, it is ironic that the residents of the sponsoring municipalities, in seeking to enjoy greater local control, in so doing impose an extra financial burden on other electric ratepayers. In addition, by subsidizing solid waste disposal costs, the municipal rate may discourage recycling.

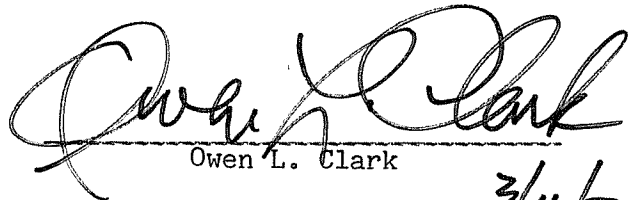
In closing, the Council observes that the scope of the Council's own jurisdiction also may be prejudicing electric power generating facility design in Connecticut. The Council shares authority over electric power plants with municipal zoning and inland wetland commissions, but their decisions are subject to appeal to the Council. While the Council's jurisdiction extends to private power production facilities, such facilities which use cogeneration technology and have a generating capacity of 25 MW or less are excepted; Council approval is not required and municipal zoning and inland wetland commission actions are not appealable to the Council. This means that, for private power production facilities of 25 MW or less, an applicant can protect itself against opposition from local commissions by dropping a project's cogeneration feature. Alternatively, an applicant can remove a facility from Council jurisdiction by adding cogeneration. To serve the best interests of the State, facility design should be based exclusively on economic and engineering feasibility, environmental impact, and State energy policy.

DOCKET NO. 71

AN APPLICATION OF THE CONNECTICUT RESOURCES : CONNECTICUT SITING
RECOVERY AUTHORITY, MIDSTATE REGIONAL
RESOURCE RECOVERY AUTHORITY, AND AMERICAN : COUNCIL
REF-FUEL COMPANY FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY AND PUBLIC
NEED FOR THE MIDSTATE REGIONAL RESOURCE
RECOVERY FACILITY, WHICH WOULD GENERATE
ELECTRICITY BY MASS-BURNING MUNICIPAL
SOLID WASTE IN THE CITY OF MIDDLETOWN,
CONNECTICUT. : March 11, 1987

C O N C U R R I N G O P I N I O N

In my opinion the only redeeming feature of this application
Docket No. 71 is the burning of waste to energy.


Owen L. Clark
3/11/87