



STATE OF CONNECTICUT

CONNECTICUT SITING COUNCIL

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CERTIFIED MAIL RETURN RECEIPT REQUESTED

August 3, 2006

John DeTore, Esq.
Rubin & Rudman
50 Rowes Wharf
Boston, MA 02110

RE: **PETITION NO. 772** - Waterside Power, LLC, petition for a declaratory ruling that no Certificate of Environmental Compatibility and Public Need is required for modifications to the Waterside 69.2 MW peaking project, 17 Amelia Place, Stamford, Connecticut.

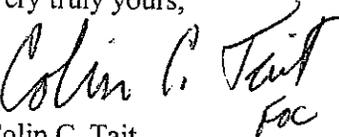
Dear Mr. DeTore:

At a public meeting held on July 27, 2006, the Connecticut Siting Council (Council) considered and ruled that this proposal would not have a substantial adverse environmental effect, and pursuant to General Statutes § 16-50k would not require a Certificate of Environmental Compatibility and Public Need. At the public meeting, the Council permitted Waterside Power, LLC to participate in the Independent System Operator – New England Locational Forward Reserve Market through May 31, 2009.

This decision is under the exclusive jurisdiction of the Council and is not applicable to any other modification or construction. All work is to be implemented as specified in the petition, dated June 19, 2006.

Enclosed for your information is a copy of the staff report on this project.

Very truly yours,


Colin C. Tait
Chairman

CCT/laf

Enclosure: Staff Report dated July 27, 2006

c: The Honorable Dannel P. Malloy, Mayor, City of Stamford
Robert Stein, Planning and Zoning Director, City of Stamford

**Petition No. 772
Waterside Power, LLC
Stamford, CT
Staff Report
July 27, 2006**

On June 20, 2006, Waterside Power, LLC (Waterside) submitted a petition (Petition) to the Connecticut Siting Council (Council) for a declaratory ruling that no Certificate of Environmental Compatibility and Public Need is required for the proposed modifications to the existing temporary 69.2 megawatt (MW) peaking project located at 17 Amelia Place in Stamford, CT. Waterside is seeking permission from the Council to participate in the ISO-New England's Locational Forward Reserve Market (LFRM) from October 1, 2006 through May 31, 2009 or in the alternative through May 31, 2007, and if such authorization is provided, to make modifications to the existing peaking plant that are necessary to facilitate such operations.

On July 18, 2006, after giving notice, the Council held a public hearing beginning at 3:00 p.m. and continuing at 7:00 p.m. in the Stamford Government Center, 888 Washington Boulevard, Stamford, Connecticut. The Council also conducted a field review of the existing peaking plant beginning at 2:00 p.m. on July 18, 2006.

On April 25, 2002, in Petition 556, the Council approved the operation of the temporary peaking project to provide peaking capacity in Southwest Connecticut (SWCT) from June 1 through September 30 of 2002. On May 6, 2003, in Petition 617E, the Council again approved the operation of the plant from June 1 through September 30 of 2003. On February 18, 2004, as part of Petition 658, the Council approved revisions to the existing plant which would allow it to be operated for a period of no more than five years, beginning June 1, 2004. At a public meeting on March 4, 2004, the Council granted Waterside the ability to be operational throughout the year to respond to a Request for Proposals of ISO-New England.

During peak periods, the existing electric generation and transmission system within SWCT may not be able to supply electric load without overloading lines or causing low voltage conditions. ISO-NE has determined a need for quick-start units that provide capacity to SWCT in the form of standby reserves as of October 1, 2006. Waterside is requesting modifications to its existing peaking plant to be eligible to participate in ISO-NE's first LFRM auction on August 15, 2006. Waterside would provide up to 75 MW of quick start generating capacity for the LFRM. The expected winter capability of the facility is approximately 75 MW, while the summer capability of the facility is approximately 69.2 MW.

Waterside is able to be operational within 30 minutes, as is required by the terms of its agreements with ISO-New England. Indeed, Waterside has demonstrated through testing procedures that the facility is generally able to serve load in as little as ten minutes from the time it is dispatched.

The site is approximately 5.8 acres and is bordered to the west by the Stamford Executive Park, to the south/southeast and east by Metro North/AMTRAK rail lines, to the northeast by the Connecticut Light & Power, Co. (CL&P) Waterside Substation and to the north by residences

Waterside proposes modifications to the existing peaking project for protection during winter weather conditions including:

- 1.) the addition of four mobile water heaters;
- 2.) the use of three turbine unit enclosures;
- 3.) the enclosure of two pump skids;
- 4.) the paving of a portion of the site to allow for snow clearing;
- 5.) the extension of the hours of operation from 7:00 a.m. until 11:00 p.m.; and
- 6.) the installation of exhaust silencers to reduce noise impacts during extended hours of operation.

The exhaust silencers would consist of an eight foot section that would be added between the stack bend and the current stack tip. The total height of the stack with the exhaust silencer would be 29.8 feet above ground level.

An earthen berm with a wood fence on top of it is located between the existing site and Amelia Place. A landscaped area with a mix of trees, such as white pine, oak, and sugar maple, exists to the north of the wooden fence. The proposed increase in height of the exhaust stack would extend the stack to one foot higher than the fence located on the property. The proposed stack is not expected to be visible from street level along Amelia Place.

Although Waterside is proposing to increase the length of potential operating hours, it would still comply with its Connecticut Department of Environmental Protection (DEP) air permit. The permit limit is based on the nitrogen oxide (NO_x) emissions from a maximum annual fuel consumption of 2,214,000 gallons of distillate oil, which equates to approximately 1,230 hours for operation of all three units combined. The DEP permit does not limit Waterside's operation to a particular time of year.

The DEP supports the proposed request for Waterside to extend its hours of availability without seasonal limitation. The DEP states that Waterside would produce substantially lower emissions levels for NO_x than other peaking units that would have to operate in spinning reserve mode and produce emissions even when not called on to deliver to the electric grid. The ultra low sulfur fuel produces lower sulfur oxides than the peaking units operating with spinning reserves.

Having Waterside available for operation could result in a decrease in pollution from facilities currently operating as spinning reserves. If the proposed project is approved, some existing generation facilities would no longer be needed to provide reserve support, which could potentially reduce NO_x emissions in SWCT by approximately 600 tons.

The primary impact of the proposed extended hours of availability would be potential noise impacts associated with operation of the equipment. Noise impacts would be mitigated through the installation of exhaust silencers and enclosing equipment. Noise regulations in the City of Stamford consider operations after 8:00 p.m. to be nighttime operation, which must meet a maximum noise level standard of 51 dBA at the residential area along Amelia Place. Operation of the peaking project would meet the state and municipal noise level of 51 dBA. Each proposed silencer would add approximately eight feet to the height of the existing stack.

Due to the proposed extended hours of availability, Waterside would need an additional operating shift with three additional operating personnel trips per day.

Waterside would improve the existing grading and drainage plan for the site to guarantee that there is no runoff impact off-site. A Stormwater Pollution Prevention Plan would be filed with the DEP.

The DPUC recognizes the need for the Waterside peaking plant to be available for operation year round. Waterside has the ability to provide more economical reserve capacity with fewer environmental impacts than other options.

The Office of Consumer Counsel (OCC) supports the proposed extended operating hours for the peaking plant to the extent that it facilitates OCC's mission of promoting the best use of energy resources for Connecticut.

On June 14, 2006, the City of Stamford Zoning Board of Appeals approved Waterside's request to participate in the LFRM through May 31, 2009.