



Today's News, March 12, 2013

Below are today's news articles, for informational purposes only.

Here are today's headlines:

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MASSACHUSETTS

Turbines at Brodie Mountain are generating more power than expected

Berkshire Eagle, 3/11/13

HANCOCK -- Owners of the Berkshire Wind Project -- with 10 wind turbines atop Brodie Mountain -- say the project's average annual power generation is approaching 40 percent of maximum capacity, or about five percentage points above expectations.

The Massachusetts Municipal Wholesale Electric Co. (MMWEC) released figures recently showing that in January -- one of the windiest months of the year for Brodie Mountain -- power production reached 56.4 percent of capacity. That comes to 6.3 million kilowatt hours of electricity, or enough to power 9,000 homes for a month, based on an average 700 kilowatt hours per house per month, according to David Tuohey, director of communications for MMWEC.

The MMWEC is a nonprofit coalition of municipally owned public power utilities in eastern and central Massachusetts. Its membership of 21 utilities includes those owned by Ashburnham, Holyoke, Ipswich, Princeton, Wakefield and West Boylson. The coalition works together in purchasing and generating power for use by its members.

Berkshire Wind production in January exceeded production in January 2012, which was clocked at 52.9 percent. In contrast, the lowest production month was in August 2012, when the project generated 16 percent of capacity. Each of the projects 10, 1.5-megawatt turbines are capable of reaching 1.5 megawatts of output at any given time, if the winds are high enough. Tuohey said the turbines have hit capacity a few times, but because winds are intermittent, continual maximum output is unlikely for any wind farm.

Tuohey said normal production for a project of this size and in this area averages around 35 percent annually.

"But because Brodie Mountain is one of the best [windiest] sites in the state, we should be able to get to 40 percent, and we're getting close to that," Tuohey said. "Right now we're at about 36 percent annually. In May, we'll have two full years of data, and I'm thinking we'll be at around 38 percent."

While the turbines have generated enough electricity to power 9,000 average homes in a year, they provide just a fraction of MMWEC's power needs, but an important part. Officials say that with a varied portfolio of renewable



power generation coming from solar and wind, they are less dependent on carbon-based fuels, and are setting the stage for even more renewable sources of energy.

During the first six months of operation after its May 2011 startup, there were equipment issues that hampered production levels, thus reducing the first year's annual production average, Tuohey noted. But since those issues have been resolved, production is approaching expectations.

The project was delayed for about a year in 2010 due to litigation. During that time, the parts of the 10 wind turbines sat in storage in a field in Stephentown, N.Y., which may have led to computer and circuit board degradation -- issues that were discovered and repaired during the first few months of operation, Tuohey said.

There have also been a few instances when the project was shut down due to weather issues. The communication cable between the project and the electrical substation was lost during a couple of storms and had to be repaired before the project could be restarted. And during Hurricane Sandy, operators shut the operation down for a few hours anticipating winds in excess of the turbines' maximum capacity of 62 miles per hour.

"We're pleased with project operations to date," Tuohey said.

"The better the production, the better it becomes for our customers," said Peter Dion, general manager of the Wakefield Municipal Gas & Light Department, a member of MMWEC and 11 percent owner of the Berkshire Wind Project.

He noted that Berkshire Wind provides about 1.5 percent of the municipal-owned utility's total power production portfolio.

"The first year we worked out all the bugs and now it's working just great for us," Dion said.

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Falmouth turbine flap in costly spiral

Cape Cod Times, 3/7/13

Falmouth may have to pay back nearly \$5 million in federal stimulus funds it received to construct one of its wind turbines.

The state Department of Environmental Protection released the federal money to the town in 2010 as a loan that would become a grant once the town's second wind turbine project is complete. But with about a month until Falmouth's town meeting is scheduled to vote on whether to remove its two municipal turbines, the town has not filed paperwork with the DEP to certify the second one as a completed project.

The town is possibly facing millions of dollars in costs to remove its two 1.65-megawatt turbines, Wind 1 and Wind 2, from the wastewater treatment plant on Blacksmith Shop Road. The turbines have become a flashpoint because some town residents say they cause health problems.

Selectmen are scheduled Monday to vote on their recommendations for warrant articles for the annual and special town meetings on April 8 and 9. Three of the articles would collectively order the decommissioning and removal of the turbines.

Town Manager Julian Suso has estimated it will cost \$5 million to \$15 million to remove them, partly depending on whether money received under the American Recovery and Reinvestment Act, or so-called stimulus funds, have to be repaid. But even as the town discusses dismantling them, it is still in the process of finalizing contracts and payments with contractors who worked on the Wind 2 project, said wastewater Superintendent Gerald Potamis, who oversees the two turbines.



"We want the project to be closed out," said Potamis, who said he hopes to file paperwork with the DEP next week. "It's my hope that we have that closed out by town meeting." At a closed-door meeting between state and town officials last month, town officials were told Falmouth may be responsible for paying back the stimulus money, said officials who attended.

The state's seemingly lukewarm reaction toward town officials' request for loan forgiveness and financial support to take down the turbines left an uneasy feeling with Selectman Kevin Murphy, board chairman. "The state appears to be very guarded and kind of, not as enthusiastic as some folks had said the state would be," said Murphy. "We have to realize we might not get as much financial assistance from the state as we thought."

In an email statement, state Department of Energy Resources Commissioner Mark Sylvia, who attended the meeting, said it was part of an ongoing dialogue and that his department will continue to engage with Falmouth.

Suso, who also attended, said state officials have not committed to a timeline in determining when they will decide how much assistance they will provide Falmouth and if Falmouth will be charged for the stimulus money.

Without any comparable examples to Falmouth's situation, how much state assistance the town should receive in taking the turbines down is a question without an easy answer, Suso said. The possibility of the town removing the turbines also complicates the question of whether the stimulus funds should be repaid. "Bottom line, this seems to be a different set of circumstances than what was expected," Suso said.

Unless state officials announce details by Monday, the selectmen likely will indefinitely postpone issuing recommendations, Murphy said. In that case, selectmen will make their official decision on whether to endorse the articles on the town meeting floor.

Suso said Wednesday that he hopes to have more information soon from state officials, but there is no guarantee. "We certainly all are equally anxious about this."

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Coal-fired Mass. power plant sold

Associated Press, 3/12/13

SOMERSET, Mass. (AP) — A Massachusetts power plant frequently cited as one of the most polluting in the state has been sold.

Virginia-based Dominion announced Monday that the coal-fired Brayton Point power plant in Somerset is one of three plants nationwide being sold to Energy Capital Partners, a private equity firm with offices in New Jersey and California.

The price was not disclosed.

Dominion bought the Somerset plant in 2005.

The sale, which requires approval of the Federal Energy Regulatory Commission, is expected to close in the second quarter.

Brayton Point topped the Environmental Protection Agency's list for most toxic emissions in Massachusetts in 2011.



A Dominion spokesman says Brayton Point meets federal and state clean air standards and the company invested \$1 billion in environmental controls for the facility.

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AG wants utility chief's pay revealed

Boston Globe, 3/8/13

Massachusetts Attorney General Martha Coakley on Thursday called on the Securities and Exchange Commission to eliminate a reporting technicality that allowed Northeast Utilities to withhold a full accounting of chief executive Thomas J. May's pay in 2012.

May led NStar until early April, when the Boston utility merged with Northeast Utilities of Hartford and May became chief executive of the combined company. Since NStar no longer exists as its own public company, SEC rules say the company need not disclose what May earned in his last three months at NStar, including any bonuses or the millions in accelerated stock awards he was expected to receive as a result of the merger.

"While requirements over compensation filings lie with the SEC, we believe this loophole should be closed so that shareholders and the public can know the full compensation involved," Coakley, the state's ratepayer advocate, said in a statement.

Massachusetts Senate President Therese Murray said through a spokesman that Northeast Utilities' refusal to detail all of May's 2012 earnings shows that regulators should have given more scrutiny to the merger before approving it.

The situation is "one of the reasons why the Senate president was opposed to rushing the merger through without full transparency and a complete understanding of its impact on ratepayers," said Murray spokesman David Falcone. "We've been upfront and open by clearly providing all reportable information from last year."

But few other state officials and legislators with jurisdiction over financial issues or utilities would address whether Northeast Utilities should fully disclose May's compensation. Governor Deval Patrick, whose administration played a major role in allowing the merger, declined to comment.

Senator Benjamin Downing and Representative John D. Keenan, chairmen of the Legislature's Joint Committee on Telecommunications, Utilities, and Energy, did not respond to requests for comment. Neither did state Senator Anthony Petrucci and state Representative Michael Costello, who chair the Joint Committee on Financial Services.

Secretary of State William Galvin, Massachusetts' top securities regulator, initially declined to comment. But his spokesman, Brian McNiff, later said: "His office, even though he regulates securities, it does not cover this sort of material. It doesn't mean he doesn't think you should be able to get this information: He just has no authority to get it."

Northeast Utilities, meanwhile, continued to refuse to disclose full details of May's 2012 NStar pay. A recent SEC filing showed May earned \$4.2 million in total compensation from April 10 to the end of the year from Northeast Utilities. That's less than half the \$9.2 million he earned from NStar in 2011.

But some financial documents suggest May did better than that in 2012. A 2011 SEC filing estimated May would garner roughly \$9.3 million in accelerated stock awards when the merger was finalized.

Michael Durand, a Northeast Utilities spokesman, defended the publicly traded company's reporting of just nine months of May's earnings. "We've been upfront and open by clearly providing all reportable information from last



year in our [SEC] filing," Durand said. "We will continue to follow all SEC reporting requirements as we have always done."

But Scott Hempling, a Washington-area lawyer who advises state utility regulators, questioned the resistance to disclosing May's total pay, even if it's not technically required by the SEC. First, going above and beyond reporting requirements sends a positive signal to investors and the public, he said.

Second, he said, utility regulators should have particular interest in full disclosure of executive compensation because it's their job to ensure the companies are operating as best and cost effectively as they can. They may want to know that the company is paying enough to get the best executives there," Hempling said, and "if the company has a culture of overpaying for its executives it could mean that it has a culture of not being overly disciplined [in its overall operations]."

Regulators at the Massachusetts Department of Public Utilities said earlier this week that they have kept close tabs on Northeast Utilities in the months after the merger and will take a close look at May's and other executives' pay when Northeast Utilities files a required report on the merger's effects in 2015.

Regulators, Coakley, and other watchdogs spent a year and a half reviewing the deal before it was approved with stipulations. On Thursday, the attorney general reiterated the protections her office helped win for ratepayers. "We ensured that any compensation resulting from the merger comes out of shareholders' profits, not ratepayers' pockets," she said.

Mark McDonald, president of the New England Gas Workers Association, a legislative and public safety group, said he considers NStar one of the "better and safer gas companies in Massachusetts," and that's what leaves him puzzled as to why Northeast Utilities would refuse to disclose the Boston utility's financials for the first three months of 2012.

"What is there to hide?" McDonald asked. "Clearly they're embarrassed by it — otherwise they would just disclose it."

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NEW ENGLAND/NORTHEAST

Spent fuel rods stored at Seabrook, other nuke plants under review

Hampton Union, 3/7/13

SEABROOK — In a ruling last year, the First District Court of Appeal in Washington said the U.S. Nuclear Regulatory Commission could no longer ignore the potential environmental effects of spent, but still highly radioactive nuclear fuel stored on site at the nation's nuclear power plants when making decisions on whether to extend the operating licenses of those plants. On Wednesday, the NRC announced that it would present for public comment a revised approach to analyzing those effects by the fall of 2014.

The NRC staff is working on a draft statement "to address deficiencies identified by the District of Columbia Circuit Court of Appeals in the agency's 2010 update of the Waste Confidence Rule, which addresses the safety of the long-term storage of spent nuclear fuel at U.S. nuclear power plant sites," wrote NRC Public Information Officer Neil Sheehan in an e-mail dated March 6. The final statement is expected by September 2014, he wrote.

Seabrook Station is one of the nuclear power plants that have substantial quantities of spent fuel on site. It is estimated that since it began operations in 1990, approximately 1,200 spent uranium fuel rod assemblies have been placed in storage.

There are 193 fuel rod assemblies in the plant's reactor and approximately one-third of them are removed every 18 months and placed in storage, initially in the plant's spent fuel pool and then in large, concrete casks on site.



Each assembly is made up of about 360 individual fuel rods and measures about 13 feet long and 6 inches wide, according to industry data.

The NRC's Waste Confidence Rule originally stated that the agency was confident enough in the technology and availability of adequate storage for spent nuclear fuel that those contesting the licensing or the extension of the licenses of nuclear plants could not bring the waste issue up during hearings. That rule was contested by nuclear safety advocates across the country, including those opposed to the 20-year license extension being proposed for Seabrook Station.

The appeals court ruled, in an August 2012 decision, that the NRC had erred in making that assumption for two reasons.

First, in concluding that permanent storage will be available "when necessary," the NRC did not calculate the environmental effects of failing to secure permanent storage – "which is a possibility that cannot be ignored" in light of the Department of Energy's decision to terminate the Yucca Mountain Project and the absence of any other program, the court said. Second, in determining that spent nuclear fuel can be safely stored onsite at nuclear power reactors for 60 years after the expiration of a reactor license, the NRC failed to properly examine future dangers and key consequences of spent fuel pool leaks and fires.

Twelve NRC attorneys announced in June 2012, that they agreed with a petition filed by nuclear safety groups that asked the agency to delay nuclear plant licensing and license extensions there was a full investigation of the threats posed by storing highly radioactive, spent fuel rods at nuclear plants.

In August, the federal agency agreed with the nuclear safety groups and its own attorneys, and issued an order suspending any licensing or license extension decisions until the called-for investigation was completed. NRC spokesman David McIntyre attempted to provide some clarity on the NRC's decision in a blog post on the NRC Web site.

"Let's be clear: (the Aug. 7 court) order was not a 'full stop' to NRC's licensing process," McIntyre wrote. "The commission stated that licensing reviews should move forward — only final licensing was put on hold."

Alan Griffith, spokesman for Seabrook Station nuclear power plant, which is asking the NRC to extend its operating license 20 years until 2050, said the NRC decision will have little impact on that process. The NRC is also still working to determine the ability of plant personal to monitor and mitigate the ongoing degradation of concrete structures that is the result of groundwater intrusion at the facility and that process will most probably go on far longer than it will take for the NRC to come up with a new Waste Confidence Rule.

"The NRC has said the process can go forward, and there is no license decision required at this time (for Seabrook Station)," Griffith said. However, he recognized "the NRC has some work to do" on the issue of radioactive waste.

Sheehan's e-mail accompanied a report on public comments made from October 2012 through January 2013, on the waste issue and what the NRC should do about it. That report, called the "Waste Confidence Generic Environmental Impact Study Scoping Process," is available at www.nrc.gov by searching for "Waste Confidence Generic Environmental Impact Study Scoping Process."

Sheehan said later this year the NRC will "be looking for (public) feedback and comments on the NRC's analysis and preliminary conclusions."

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Connecticut regulators Say Energy Plan Would Raise Rates In Near Term

Hartford Courant, 3/7/13

The state's utility regulators said that parts of Gov. Dannel P. Malloy's new energy plan have the potential to raise energy rates.

"Many of the [Comprehensive Energy Strategy] proposals rely on assumptions that must be closely reviewed to avoid uneconomic outcomes," said comments from the state's Public Utilities Regulatory Authority filed on Monday. "Many costs are not considered when evaluating the appropriateness of investment, and details are not provided to support conclusions."

The strategy "enumerates many societal goals and concurrently has the potential to cost ratepayers more for service than they currently pay," the comments read.

PURA directed the comments to the draft version of the strategy, not the final version, which was released weeks ago. The utility regulators requested an extension on the comment period for the draft strategy, a request that the state Department of Energy and Environmental Protection denied.

The broad list of concerns raised about the state's pending energy plan that includes a centerpiece measure to expand the availability of natural gas zooms in on concerns relating to the impact on ratepayers, especially the ones who don't participate in any of the plan's initiatives.

The comments said that, though the plan lays out lower utility bills in the long-term, the near-term effects of the plan "will be to increase rates."

Issues raised by the utility regulators include, how there are insufficient number of crews to manage the proposed expansion of natural gas pipeline, how a new focus on in-state renewable generation could raise electricity rates, how costs of increased natural gas pipeline capacity on all customers and how a rate impact study that includes all programs is needed to adequately understand the total energy plan's impact on rates.

Questions aside, PURA called the strategy a "positive first step toward a comprehensive energy policy for the State of Connecticut" that "needs to be flexible both in design and execution."

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