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March 6, 2009

Thomas S. Burack, Commissioner
NH Department of Environmental Services
Chairman, NH Site Evaluation Committee
29 Hazen Drive
Concord, NH 03302-0095

***Re: Motion for Declaratory Ruling Regarding Modifications to Merrimack Station
Electric Generating Facility***

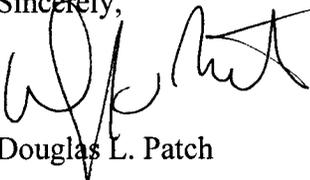
Dear Chairman Burack:

On behalf of the Campaign for Ratepayers Rights, the Conservation Law Foundation, Freedom Logistics LLC, Granite Ridge Energy, LLC, Halifax-American Energy Company LLC, TransCanada Hydro Northeast Inc., and the Union of Concerned Scientists (“the Moving Parties”) we are filing with the New Hampshire Site Evaluation Committee, in accordance with Admin. Rule Site 203.01, an original and 15 copies of a Motion for Declaratory Ruling Regarding Modifications to Merrimack Station Electric Generating Facility.

As noted in the Motion, the Moving Parties are seeking a ruling on whether the modifications to Merrimack Station constitute a “sizeable addition” under RSA 162-H:5 and depending on the ruling on the Motion, to take such other action as may be appropriate, just and reasonable.

Please let me know if you have any questions. I have included an extra copy of the cover letter so that it may be date stamped as received and returned to me.

Sincerely,



Douglas L. Patch

cc. Public Service Company of New Hampshire
Office of the Attorney General of New Hampshire

542273_1.DOC

STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE

Docket No. 2009-

**RE: MOTION FOR DECLARATORY RULING
REGARDING MODIFICATIONS TO MERRIMACK STATION ELECTRIC
GENERATING FACILITY IN BOW**

Motion for Declaratory Ruling

NOW COME the Campaign for Ratepayers Rights, the Conservation Law Foundation, Freedom Logistics LLC, Granite Ridge Energy, LLC, Halifax-American Energy Company LLC, TransCanada Hydro Northeast Inc., and the Union of Concerned Scientists (“the Moving Parties”) pursuant to N.H. Admin. Rule Site 203.01, and respectfully request that the New Hampshire Site Evaluation Committee (the “Committee”) issue a declaratory ruling as to whether it has jurisdiction over mercury scrubber modifications to Merrimack Station, the 433 MW Public Service Company of New Hampshire (“PSNH”) electric generating station in Bow, New Hampshire (“Merrimack Station”), because said modifications would constitute a “sizeable addition” to the existing facility within the meaning of RSA 162-H:5, I. In support of this Motion, the Moving Parties state as follows:

Background

1. PSNH has made and currently is making modifications to Merrimack Station that are currently projected to cost at least \$457 million. According to PSNH President Gary Long in the February 8, 2009 *Concord Monitor*, the project “is already

half done.” See Attachment A. The scrubber modifications have been the subject of an abbreviated proceeding at the New Hampshire Public Utilities Commission (“Commission”), Docket No. DE 08-103, Order No. 24,914, which has been appealed to the New Hampshire Supreme Court. The installation of scrubber technology and related additions and changes to the Bow facility, including the replacement of Merrimack Unit 2’s turbine and generator,¹ are extensive and costly additions to the existing facility. See slide entitled “PSNH Merrimack Station – 2013,” excerpted from PowerPoint presentation by Michele Andy at January 15, 2009 public hearing on PSNH’s temporary air permit application at NH Department of Environmental Services, Attachment C. In addition, although it is difficult to discern this from the information about the modifications provided to date, it seems likely that the water consumption required for a modified Merrimack Station would increase significantly.

2. It is the Moving Parties’ understanding that Unit 1 of Merrimack Station began commercial operation in 1960 and Unit 2 in 1968, prior to the enactment of either the current site evaluation law, RSA 162-H (enacted in 1991), or the original site evaluation law, RSA 162-F (enacted in 1971).

Authority for Declaratory Ruling

3. The Committee’s rules provide for the opportunity for “any person” to submit a motion for declaratory ruling. N.H. Admin. Rule Site 203.01. See also RSA

¹ The generating capacity issues related to the modifications at Merrimack Station are the subject of a separate proceeding at the Commission, DE 08-145, in which an order of notice has been issued and a pre-hearing conference held. To date, the Merrimack Unit 2 generating capacity expansion to accommodate the scrubber has cost \$11.4 million; that cost is not included in the \$457 million projected cost of the scrubber. See February 20, 2009, PSNH Response to Data Request TS-01, PUC Docket No. De 08-145, Attachment B.

541-A:1,V (“‘declaratory ruling’ means an agency ruling as to the specific applicability of any statutory provision or of any rule or order of the agency.”) .

4. The Moving Parties include non-profit ratepayer and environmental organizations, merchant generators, and competitive energy suppliers operating in New Hampshire. Some of the Moving Parties and other owners of New Hampshire electric generating stations have recently requested similar rulings from the Committee as to whether the “sizeable addition” provision in RSA 162-H:5, I would apply to proposed modifications to their facilities.

Issue Presented

5. Under RSA 162-H:5,I, “[n]o person shall commence to construct any bulk power or energy facility within the state unless it has obtained a certificate pursuant to this chapter...” and “...certificates are required for sizeable additions to existing facilities.” Merrimack Station meets the definition of “bulk power facilities.” *See* RSA 162-H:2,II (“[e]lectric generating station equipment and associated facilities designed for, or capable of, operation at any capacity of 30 megawatts or more”). “Commencement of construction” is defined in RSA 162-H:2, IV as including “any clearing of land, excavation or other substantial action that would adversely affect the natural environment of the site of the proposed facility.” RSA 162-H:19 imposes civil and criminal penalties for violating the chapter.

6. The purpose of the site evaluation law is laid out in the statute, RSA 162-H:1, II: “...all entities planning to construct facilities in the state should be required to provide full and complete disclosure to the public of such plans.” This statute also says,

...the siting of electric generating plants and high voltage transmission lines should be treated as a significant aspect

of land-use planning in which all environmental, economic and technical issues should be resolved in an integrated fashion, so as to assure the state an adequate and reliable supply of electric power in conformance with sound environmental utilization.”

RSA 162-H:1, II. In reviewing bulk power, energy and renewable energy facilities under this chapter, the Committee “after having considered available alternatives and fully reviewed the environmental impact of the site or route, and other relevant factors bearing on whether the objectives of this chapter would be best served by the issuance of the certificate,” is required to evaluate whether the applicant has “adequate financial, technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate,” whether the facility will “not unduly interfere with the orderly development of the region with due consideration having been given to the views of municipal and regional planning commissions and municipal governing bodies,” whether the facility will “not have an unreasonable adverse effect on aesthetics, historic sites, air and water quality, the natural environment, and public health and safety,” and whether “[o]peration is consistent with the state energy policy established in RSA 378:37.” RSA 162-H:16, IV.

7. Because neither RSA 162-H, nor the Committee’s rules, N.H. Admin. Rules Site Chapters 100, 200 and 300, provide any further definition of what constitutes a “sizeable addition,” it is appropriate to request a declaratory ruling on whether the proposed mercury scrubber modifications constitute a “sizeable addition.” The Committee has handled a number of similar requests for determinations as to its jurisdiction under this statute in the recent past.

8. Seabrook Station. In 2003, FPL Energy Seabrook LLC notified the Committee of its plans to modify and replace certain equipment at Seabrook Station (moisture separator reheaters, the high pressure turbine, condensate pump impellers, and feedwater heater control valves) so as to increase the plant's power output by as much as 6.7%. FPL asked the Committee to confirm that Committee approval of the proposed power uprate project was not required. *See* Letter from Mitchell S. Ross to Michael Nolin, Chairman NH Site Evaluation Committee (June 25, 2003), Attachment D-1. Chairman Nolin replied for the Committee on January 26, 2004, Attachment D-2. Noting that FPL had made a presentation to the Committee in public session on December 1, 2003, and based on the representations in the June 23, 2003 letter and two supplemental filings, he indicated that "The Committee ... understands that any and all construction necessary to the proposed upgrade will occur *within the footprint of the presently existing facility*" (emphasis added) and that accordingly "there will be no impact on the orderly development of the region, and ...no unreasonable adverse impacts on aesthetics, historic sites, air and water quality, the natural environment, or public health and safety." The letter concluded that the Committee did not find the upgrade to be a sizeable change or addition to the facility, but noted that the decision "should not be considered a precedent." By contrast with the 2004 Seabrook power uprate, the proposed mercury scrubber modifications at Merrimack Station will enlarge the footprint of the existing plant by some 40%. *See* Attachment C. In addition, FPL represented to the Committee that the estimated cost of the uprate project would be \$46 million, while the estimated cost of the PSNH mercury scrubber project now stands at \$457 million, ten times that amount.

9. Schiller Station. In 2004 the Committee also approved a request from PSNH for a determination that the conversion of Unit 5 at Schiller Station in Portsmouth from a coal-fired to a wood-fired boiler was not a sizeable addition. *See* Letter from Michael P. Nolin, Chairman NH Site Evaluation Committee, to Christopher J. Allwarden (January 29, 2004), Attachment E-1. The Committee issued this letter in response to a request from PSNH for a ruling on whether the Committee had jurisdiction over the modification to Schiller Station. *See* Letter from Christopher J. Allwarden to Michael P. Nolin (September 3, 2003), Attachment E-2. While the Committee concluded that it did not have jurisdiction over the Schiller modification because it was not a “sizeable addition,” the Committee rejected PSNH’s argument that Schiller Station was “grandfathered” because it was constructed and began operation prior to the enactment of the original site evaluation law: “Nothing contained in this letter should be construed as an adoption of your theory that the Schiller Generating Station is somehow ‘grandfathered’ and therefore excluded from the statutory framework of RSA 162-H.” Nolin letter at page 2. The Committee’s 2004 ruling that the conversion of Schiller Unit 5 did not constitute a “sizeable addition” was based on several considerations which do not apply in the present case:

- (a) The new Schiller Unit 5 was “of similar size to the retired coal burner.” By contrast, the mercury scrubber installation at Merrimack Station will involve construction of a number of additional buildings or other auxiliary facilities at the Bow site (including limestone rail unloading docks, a limestone storage silo, a limestone conveyor system, a Flue Gas Desulphurization (FGD) building with an absorber tower and chimney,

process storage tanks, a substation for the FGD power input, a gypsum storage building, a service water pump house, and a wastewater treatment plant). All told, these additional facilities will increase the size of the Bow plant's footprint by close to 40%. See Attachment B.

- (b) The new Schiller Unit 5 was of "similar operating capacity" to the old coal-fired unit. By contrast, in the present case, in order to serve the mercury scrubber's "parasitic load," PSNH will be increasing operating capacity by an as-yet-unspecified amount (PSNH has publicly suggested that the capacity increase could be in the range of 6 to 13 megawatts, but a January 31, 2009 ISO-New England list of Interconnection Requests suggests that it could be as great as 28 MW).
- (c) The Committee's 2004 ruling on Schiller Unit 5 was "based upon the representations made by PSNH," which included representations about the cost of the conversion. In this case, PSNH represented in 2006 that the mercury scrubber installation would cost \$250 million (*see* letters from DES Commissioner Michael Nolin to the Legislature in 2006, Attachments F-1 and F-2), but it now plans to go forward with the project at a presently estimated cost of \$457 million, approximately six times the book value of the entire Merrimack Station generating facility and almost twice the cost represented to the Legislature in 2006.

10. Given the size, extent, and cost of the modifications to Merrimack Station, the Moving Parties believe that PSNH should have submitted to the Committee either an application for approval of the modifications, as required by RSA 162-H:5,I as noted

above, or a request for a determination that the modifications to Merrimack Station do not constitute a “sizeable addition,” as it did with Schiller. *See also* Comments of PSNH’s Terry Large to the Legislature in 2006 (“this is a monumental project in terms of size”), Attachment G .

11. RSA 125-0:13,I, a section of the statute that the Legislature passed in 2006 authorizing the installation of the scrubber technology at Merrimack Station, required PSNH to obtain “all necessary permits and approvals from federal, state and local regulatory agencies and bodies” for the installation of the scrubber technology. The Moving Parties respectfully suggest that this should include review and approval by the Committee under RSA 162-H:5, I.

Conclusion

12. For the reasons noted above, the Moving Parties believe there is a significant question as to whether PSNH has complied with the site evaluation law and RSA 125-O:13,I, and whether the modifications to Merrimack Station are a “sizeable addition” that requires a full review by the Committee. In addition, the Committee should evaluate whether any further action should be taken against PSNH in light of its failure to abide by the provisions of RSA 162-H and RSA 125-O:13, I. See e.g., RSA 162-H:19.

Wherefore, the Moving Parties respectfully request that the New Hampshire Site Evaluation Committee issue a declaratory ruling as to whether the modifications to Merrimack Station constitute a “sizeable addition” within the meaning of RSA 162-H:5,I, and to take such other action as may be appropriate, just and reasonable.

Respectfully submitted,

CAMPAIGN FOR RATEPAYERS RIGHTS

HALIFAX-AMERICAN ENERGY CO., LLC

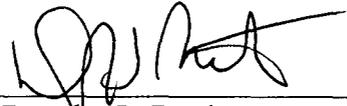
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for Patrick J. Arnold
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patrick.arnold2@hotmail.com

By: _____
N. Jonathan Peress
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Respectfully submitted,

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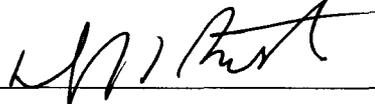
Dated: March 6, 2009

Certificate of Service

A copy of this Motion and Application has been served by first class mail this 6th day of March, 2009 on Public Service Company of New Hampshire and the Office of the Attorney General.

March 6, 2009

Date



Douglas L. Patch

542272_1

SUNDAY MONITOR

FEBRUARY 8, 2009 **D3****MY TURN****Need for Bow scrubber project is real**

Alternative energy
can be pursued as well

By **GARY A. LONG**
For the Monitor

New Hampshire can and must transition to a clean energy future. This transition is necessary to avoid the worst effects of climate change, and to reduce our dependence on foreign oil and gas.

That said, we have a lot of work to do. Today, only about 13 percent of New England's electricity comes from renewable resources (PSNH's fuel mix is about 17 percent renewable, by comparison). Increasing that number to 25 or 50 or 80 percent will take many years and a huge amount of investment; but if we work together, it can be done, and Public Service of New Hampshire is putting real money behind its ideas to lead the way.

In fact, PSNH is pursuing an arsenal of strategies to advance clean energy in New Hampshire. We're expanding our energy-efficiency programs, piloting alterna-

tive energy sources at our facilities, investing in small-scale renewable energy projects in New Hampshire and forwarding a proposal to bring clean hydroelectric power down from Canada.

We're also investing in our existing power plants to make sure they're as clean as possible. At Merrimack Station in Bow, we're currently halfway through a six-year project to install "scrubber technology" that will significantly cut emissions of mercury and sulfur dioxide. This project is an important middle step in the transition to a clean energy future.

Cutting emissions at PSNH's largest power plant is critical because we will need it to serve as a "bridge" over the next 10 to 20 years while alternative energy sources are developed and built on a much larger scale. The scrubber will make Merrimack Station one of the cleanest coal plants in the nation.

Many businesses, utilities and other organizations are working to advance renewable projects in New Hampshire, but the challenges are great, and the transition

will not occur overnight. In the meantime, Merrimack Station is an ideal "bridging" power plant to invest in. It is a major asset to our state because it runs on coal, not natural gas, which the New England region is becoming hugely over-reliant on as a fuel source for electric generation.

Coal makes Merrimack Station much less vulnerable to spikes in energy prices and fuel shortages. It gives New Hampshire something to fall back on when other fuel sources are too expensive, or in short supply. Even with the cost of the scrubber, Regional Greenhouse Gas Initiative credits, and all other known state and federal environmental regulations included, Merrimack Station will continue to produce electricity for consumers at below-market prices.

PSNH has shown through projects like Northern Wood Power and its power supply agreement with the Lempster wind farm that it is very much in support of renewable energy. The scrubber installation at Merrimack Station will in no way prevent renewable energy development in New Hamp-

shire. There is an enormous demand for more renewable energy in the region to address climate change issues and meet Renewable Portfolio Standard requirements. PSNH would be building more renewable resources itself, if state law allowed.

The choice we face today is not between Merrimack Station and renewable energy development; it is between action and inaction.

We can invest in technology that is required by state law, and supported by PSNH, that will significantly clean up one of New Hampshire's most reliable and cost-effective power plants. And we can work together to escalate renewable energy projects at the same time.

Or, we can spend our time and resources second-guessing a project that is already half done, and paralyze real progress toward a cleaner energy future, indefinitely, as researchers debate what the future will bring.

(Gary A. Long is president and chief operating officer for Public Service of New Hampshire.)

**Public Service Company of New
Hampshire
Docket No. DE 08-145**

Data Request TS-01

**Dated: 02/03/2009
Q-STAFF-001
Page 1 of 1**

**Witness: William H. Smagula
Request from: New Hampshire Public Utilities Commission Staff**

Question:
Please provide the total cost and components of the turbine project.

Response:
The total cost of the turbine project is \$11.4 million. The Contractor may be entitled to a performance payment upon final performance testing.

The turbine components included the HP/IP rotor with integral shroud rotating blading, integral shroud stationary blading, nozzle block, inner and outer cylinder casings, associated seals and piping, inspection ports.

PSNH Merrimack Station - 2013

PUBLIC SERVICE OF NEW HAMPSHIRE
MERRIMACK CLEAN AIR PROJECT



**FPL Energy**

AN FPL GROUP COMPANY

ATTACHMENT D-1

Writer's Direct Dial
(561) 691-7126

June 25, 2003

RECEIVED

JUN 30 2003

DEPARTMENT OF
ENVIRONMENTAL SERVICES

Mr. Michael Nolan
Chairman
New Hampshire Site Evaluation Committee
c/o Department of Environmental Services
6 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Re: Notice of Proposed Power Uprate of Seabrook Station

Dear Chairman Nolan,

FPL Energy Seabrook, LLC ("FPL Energy"), the majority owner and operator of Seabrook Station, hereby notifies the New Hampshire Site Evaluation Committee (the "Committee") that FPL Energy is engaged in an effort to make certain minor in-plant modifications and replacements to certain Seabrook Station equipment in order to increase the power output of that plant. FPL Energy believes that Committee approval of the proposed increase in power output is not required under RSA 162-H. The proposed plant modifications required to implement the uprate and the rationale for our conclusion that Committee approval for the uprate are not required is described below.

Given the objectives of FPL Energy and the joint owners of Seabrook Station,¹ we request a letter from the Committee confirming FPL Energy's understanding that Committee approval of the proposed uprate project is not required.

Background

On November 1, 2002, FPL Energy acquired an 88.23% ownership interest in Seabrook Station and became the managing agent with operational authority over the plant. FPL Energy's acquisition of a controlling interest in Seabrook Station followed receipt of a letter from the Committee dated June 21, 2002, in which the Committee advised FPL Energy that it was not necessary for the Committee to approve the transfer of the Certificate of Site and Facility for Seabrook Station (originally issued to Public Service Company of New Hampshire on January 29, 1974) to FPL Energy.

¹ The balance of Seabrook Station is owned by the Massachusetts Municipal Wholesale Electric Company, Taunton Municipal Lighting Plant, and Hudson Light & Power Department.

Mr. Michael Nolan
June 25, 2003
Page 2 of 3

Summary of Uprate Project

FPL Energy intends to make minor in-plant modifications and certain equipment changes at Seabrook Station to increase the power output of the plant. Following implementation of these plant modifications, FPL Energy expects to realize a maximum increase in output of 6.7 %. The uprate will have positive environmental impacts, by displacing more costly carbon-emitting fossil fuels with lower cost nuclear-fueled generation.

FPL Energy is required to obtain approval from the U.S. Nuclear Regulatory Commission ("NRC") before implementing the proposed uprate. NRC approval is required to change the maximum authorized power limitation in the current operating license for Seabrook. The NRC will conduct a nuclear safety review and a review of the radiological and non-radiological environmental impacts associated with the proposal. Other than changes to the NRC operating license for Seabrook, no changes to any federal, state, or local permits are expected for the uprate. No specifically prescribed protective actions associated with ~~endangered wildlife~~ will be required.² FPL Energy will continue to comply with all applicable Federal, State, and local agency environmental protection requirements.

The proposed minor in-plant physical modifications will enable the plant to generate additional power. The equipment proposed to be modified includes the moisture separator reheaters, the high pressure turbine, the condensate pump impellers, and the feedwater heater level control valves. All of this equipment is at the Seabrook site within the plant. No modifications to the Seabrook substation or any offsite locations are contemplated by the proposed uprate project.

Schedule

FPL Energy is in the process of contracting for the goods and services required to implement the uprate project. FPL Energy plans on submitting a license amendment application to the NRC for authority to implement the uprate project by the second quarter of 2004. Assuming timely receipt of NRC approval to implement the project, FPL Energy will make plant modifications during the Spring 2005 refueling and maintenance outage and return the plant to service with an uprate of 5.2 percent. Subsequently, during the Fall 2006 refueling and maintenance outage, FPL Energy will make minor modifications to feedwater flow instrumentation to improve its accuracy. These modifications will result in an additional uprate of 1.5 percent, bringing the total planned uprate to 6.7 percent.

² It is notable that the environmental impact statement (EIS) issued by the NRC for the initial licensing of Seabrook Station analyzed the environmental impacts of two operating nuclear units at the site (3411 Mwt each with a total output of 6822 Mwt). Therefore, any incremental environmental impacts resulting from a 6.7 percent uprate to the single operating unit at Seabrook are bounded by the environmental impacts as analyzed in the NRC's EIS.

Mr. Michael Nolan
June 25, 2003
Page 3 of 3

Analysis

Under New Hampshire law, the Committee has jurisdiction to review "sizeable additions to existing facilities" for which a siting certificate was issued. Given the statutory purposes of the NHSEC, and because the proposed Seabrook uprate consists of relatively small-scale internal plant modifications that will not result in significant environmental impacts, the proposed uprate does not involve a "sizeable addition" to the generating capacity of Seabrook Station.

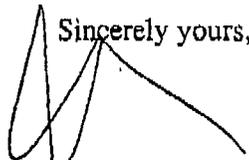
Based on a plain reading of the purposes of the statute creating the NHSEC, the legislature contemplated that Committee review is reserved for projects of a larger scale than the proposed Seabrook uprate. The siting law was enacted to create a single Committee to streamline a comprehensive review of large energy facility construction projects, not to review relatively small upgrades to existing generation projects. The proposed 6.7 percent uprate is an alteration or modernization of an existing facility rather than a large-scale project, or "sizeable addition." The magnitude of the upgrade is apparent when the estimated cost of the project (approximately \$46 million) is compared with the billions of dollars spent on the construction of Seabrook Station.

Moreover, the uprate will be reviewed by other regulatory agencies. The nuclear safety aspects and environmental impacts of the uprate will be reviewed by the NRC. The environmental impacts of routine plant operations are regulated by other agencies and authorities. Additionally, FPL Energy has not identified any Committee decisions or orders where the Committee sought review of a project solely due to a modest uprate of an existing facility.

Based on the foregoing, FPL Energy hereby requests a letter from the Committee confirming FPL Energy's understanding that Committee approval of this request is not required. For planning purposes, FPL Energy respectfully requests that such a letter be issued at the earliest possible time, but in no event, later than August 1, 2003.

Please contact us if there are questions regarding this submittal.

Sincerely yours,



Mitchell S. Ross
Senior Attorney

MSR:las

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The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

January 26, 2004

Mitchell S. Ross
Senior Attorney
FPL Energy, LLC
PO Box 14000
Juno Beach, Florida 33408-0420

Dear Mr. Ross:

On December 1, 2003, the New Hampshire Site Evaluation Committee (Committee), in public session, considered the jurisdictional inquiry contained in your letter of June 25, 2003. As you know FPL Energy, LLC (FPL) was permitted to make a presentation to the Committee at that meeting. The Committee also considered questions raised by various agencies and the public regarding the inquiry.

After careful consideration the Committee voted to allow me to respond to your request in the following fashion.

Based upon the representations contained in your letter of June 25, 2003; the information contained in your supplemental filings of September 19, 2003 and December 11, 2003; and the information provided at the public meeting on December 1, 2003; it appears that the proposed upgrade of the Seabrook Station nuclear power facility does not trigger the jurisdiction of the Committee under RSA 162-H. The Committee understands that FPL intends to replace and/or upgrade certain equipment throughout Seabrook Station, which will increase the overall production capacity of the facility by approximately six percent (6%). Seabrook Station has a present generating capacity of 1206 MWe. The proposed uprate will increase that generating capacity to 1308 MWe.

The Committee further understands that any and all construction necessary to the proposed upgrade will occur within the footprint of the presently existing facility. Thus, there will be no impact on the orderly development of the region, and there will be no unreasonable adverse impacts on aesthetics, historic sites, air and water quality, the natural environment or public health and safety. More specifically you have represented that the plant will continue to operate within the terms and conditions of its National Pollutant Discharge Elimination System (NPDES) permit and that no amendment of that permit will be necessary.

Given the overall existing capacity of the facility, the Committee does not find that the upgrade detailed in your request is a sizeable change or addition to the facility requiring the filing of a formal application and compliance with the statutory mandates of

Mitchell S. Ross
January 26, 2004
Page 2

RSA 162-H. The Committee recognizes that the existing unit was only certificated for a generating capacity of 1100 MWe. To the extent necessary, the Committee authorizes the increase in generating capacity.

You should be advised that the Committee's action in this regard is based upon the representations made by FPL. Should a change of circumstances occur the Committee might, indeed, advise FPL that a formal application and compliance with the requirements of RSA 162-H is required. Please note that the decision contained in this letter should not be considered as precedent and may not be relied upon by FPL with regard to future upgrades or construction at Seabrook Station or any other facility.

Please note that nothing contained in this letter should be construed to relieve FPL from the applicable requirements of other existing state, federal and local regulatory agencies, including but not limited to the United States Nuclear Regulatory Commission, the United States Environmental Protection Agency, the State of New Hampshire Department of Environmental Services, and the Town of Seabrook.

Sincerely,



Michael P. Nolin, Chairman
New Hampshire Site Evaluation Committee

MPN/hyv

cc: Site Evaluation Committee Members
G. Dana Bisbee, Pierce Atwood
Jennifer Patterson, Attorney General's Office

ATTACHMENT E-1

Michael P. Nolin
Chairman

Thomas B. Getz, Esquire
Vice-Chairman

The State of New Hampshire
Site Evaluation Committee



January 29, 2004

Christopher J. Allwarden, Esq.
Senior Legal Counsel
Public Service of New Hampshire
780 North Commercial Street
Manchester, N.H. 03101

**Re: PSNH/Schiller Wood Conversion Project
SEC Docket No. 2003-02**

Dear Mr. Allwarden:

On September 3, 2003, the New Hampshire Site Evaluation Committee (Committee) received a letter from you concerning the proposal of Public Service Company of New Hampshire (PSNH) to replace a coal fired electric generating unit at the Schiller Generating Station in Portsmouth with a wood burning unit utilizing a fluidized bed technology (Replacement Unit). The Replacement Unit would be capable of burning either wood or coal. Your letter advised the Committee that the proposal did not trigger the jurisdictional requirements of RSA 162-H.

On December 1, 2003, the Committee considered your proposal at a public meeting. Further consideration of the proposal was deferred until January 23, 2004. On January 20, 2004, you filed additional information regarding the proposal and a memorandum of law supporting your position. On January 23, 2004, at a public meeting, the Committee again considered the proposal. As you know, PSNH was permitted to make presentations to the Committee at both public meetings.

After careful consideration, the Committee voted to allow me to respond to your request in the following fashion.

Based upon the representations contained in your letter of September 3, 2003; the material filed by you on January 20, 2004; and, the information provided at the public meetings on December 1, 2003, and January 23, 2004, it appears that the replacement of one coal-burning unit with the proposed wood burning unit at the Schiller Generating Station, does not trigger the jurisdiction of the Committee under

P. O. Box 95, 29 Hazen Drive, Concord, NH 03302-0095
Telephone: (603) 271-3503 · Fax: (603) 271-2867 · Web site: <http://nhsec.state.nh.us>

Environmental Services • Fish and Game • Health and Human Services • Office of State Planning and Energy Programs
Public Utilities Commission • Resources and Economic Development • Transportation

Christopher J. Allwarden, Esq.

January 29, 2004

Page 2

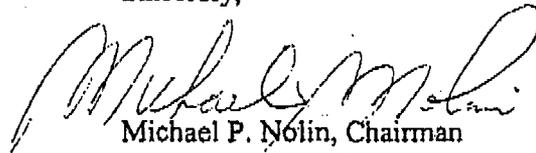
RSA 162-H. The Committee understands that PSNH intends to retire boiler unit number 5 which is presently a coal fired unit and replace it with a new fluidized bed boiler which will be capable of burning either wood or coal. The new unit will be of similar size to the retired coal burner and will have a similar operating capacity. The Committee further understands that any and all construction necessary to the proposed conversion will occur within the confines of the presently existing site. Since the facility will not sizably increase either in size or in generating capacity, the Committee does not find that the replacement detailed in your request is a sizeable addition to the facility requiring the filing of a formal application and compliance with the statutory mandates of RSA 162-H.

Nothing contained in this letter should be construed as an adoption of your theory that the Schiller Generating Station is somehow "grandfathered" and therefore excluded from the statutory framework of RSA 162-H.

You should be advised that the Committee's action in this regard is based upon the representations made by PSNH. Should some change of circumstances occur, the Committee might, indeed, advise PSNH that a formal application and compliance with the requirements of RSA 162-H is required. Please note that the decision contained in this letter should not be considered as precedent and may not be relied upon by PSNH with regard to future construction at Schiller Station or any other facility.

Please note that nothing contained in this letter should be construed to relieve PSNH from the applicable requirements of other existing state, federal and local regulatory agencies, including but not limited to regulations administered by the United States Environmental Protection Agency, the State of New Hampshire Department of Environmental Services, and the City of Portsmouth.

Sincerely,



Michael P. Nolin, Chairman
New Hampshire Site Evaluation Committee



**Public Service
of New Hampshire**

ATTACHMENT E-2

PSNH Energy Park
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P.O. Box 990
Manchester, NH 03105-0330
(603) 669-4000
www.psnh.com

The Northeast Utilities System

September 3, 2003

RECEIVED

SEP - 5 2003

**DEPARTMENT OF
ENVIRONMENTAL SERVICES**

Michael P. Nolin, Chairman
Site Evaluation Committee
Department of Environmental Services
6 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Re: PSNH/Schiller Station Wood Conversion Project

Dear Chairman Nolin:

The purpose of this letter is (1) to inform the Site Evaluation Committee ("SEC") of the project plans of Public Service Company of New Hampshire ("PSNH") to convert one of the three existing units at PSNH's Schiller Generating Station in Portsmouth, New Hampshire, from a coal-burning unit to a wood-burning unit, and (2) to respectfully request the SEC's written concurrence that the fuel conversion project at Schiller is not subject to the SEC's jurisdiction. As is more fully explained below, the proposed project does not qualify for jurisdictional consideration by the SEC. Confirmation that the project does not fall under the SEC's jurisdiction is needed to assure certainty so that project engineering, and the environmental and other permitting aspects of the project, may move forward without delay.

Background of Schiller Station

PSNH's Schiller Generating Station ("Schiller") is located along the Piscataqua River, in Portsmouth, New Hampshire. Completed in 1949, Schiller is PSNH's third largest fossil fuel-burning generating plant. The station was initially comprised of three generating units: two mercury units and one steam. Additional units were added in 1952 (Unit 4), 1955 (Unit 5) and 1957 (Unit 6). Units 4 & 5 were originally designed to burn coal, but within six months were converted to burn oil, while Unit 6 was designed to burn oil originally. In 1968, the two mercury units (Units 1 & 2) were retired, and the steam unit (Unit 3) was converted to an oil-fired generator. Unit 3 was subsequently retired in 1991. In 1984, Units 4, 5 & 6 were converted from burning oil to burning coal as their primary fossil fuel source, while retaining the capability to burn oil as a secondary fuel option.

Today, each of Schiller's three steam units operates with dual capability to burn coal and/or oil, with each having a rated generating capacity of 45 net

Megawatts (MW) (50 MW gross output). The coal and oil supply for Schiller is received from ocean-going vessels at Schiller's main dock on the Piscataqua River, and stored on site. Schiller's combined total output is currently rated at 153 net MW (170 MW gross output).¹

Description of Schiller Wood Conversion Project

For a number of reasons associated with the economic and environmental benefits of the project, PSNH is planning to convert Schiller's existing Unit 5 to burn wood as its primary fuel, while retaining the capability to burn coal as a secondary fuel. The conversion will involve the retirement of the existing Unit 5 coal and oil fired boiler, and its replacement with a similarly-sized, new Fluidized Bed (FB) boiler capable of burning wood or coal. FB boiler technology has been chosen because of its high efficiency at lower air emissions, and ability to accommodate a wider range of fuels. The FB boiler will be installed and housed in a new structure adjacent to the existing Schiller units. This will allow the existing Unit 5 boiler to remain in operation until the new FB boiler is ready to provide steam to the Unit 5 turbine generator, and will minimize the time Unit 5 will need to be taken out of service. An explanation of FB boiler technology, along with a schematic diagram showing a typical application of an FB boiler for steam generation, is enclosed for your information.

Low-grade wood chips supplied in part by New Hampshire's wood industry will be the primary wood fuel source. Storage of the wood fuel supply will be on site at Schiller. Wood storage facilities and associated wood fuel handling and conveying equipment will be newly installed within and adjacent to Schiller's existing coal storage facilities.

The conversion project will be completed entirely within the confines of the existing Schiller property site. No new site acquisition or expansion will be required.

Unit 5's existing steam turbine generator and associated power generating equipment will be coupled to the new FB boiler, and will not be changed. The conversion will not result in any change in Unit 5's existing rated capacity of 45 net MW or its electrical output. After the conversion, Schiller will have the same rated power generating capacity of 153 net MW as existed before the conversion.

The projected in-service date for the fuel conversion of Unit 5 is December, 2005. PSNH has publicly termed the project the "Northern Wood Power Project". The enclosed PSNH Northern Wood Power Project Fact Sheet provides a project overview, a summary of the reasons for the project, and a summary of the project's

¹ In addition to the three steam units totaling 135 net MW, Schiller also maintains a combustion turbine capable of burning jet fuel or natural gas, currently rated at 18 net MW (20 MW gross output).

economic and environmental benefits. A conceptual image of the planned project layout at Schiller is also included.

Absence of SEC Jurisdiction Over the Project

In our view, the Schiller wood conversion project does not come under the SEC's jurisdiction for the following reasons:

1. New Hampshire's siting statute (RSA Chapter 162-H) has as its fundamental purpose the selection and utilization of appropriate sites within the State for new bulk power and energy facilities. The conversion project at Schiller does not implicate a siting decision, as the entire project will take place on the existing Schiller site, at a location where there has been a bulk power generating facility in continuous operation since 1949. There will be no new or expanded use or development of any areas beyond the confines of PSNH's existing Schiller property.

2. Schiller and its existing generating units was sited, constructed and placed in operation well prior to 1971, when the State's first siting law (former RSA Chapter 162-F, Chapter 357 of the Laws of 1971) was enacted and the SEC first came into existence as an administrative body. Former RSA 162-F:6, I, specified that no certificate was required for bulk power facilities "already . . . in operation" on the effective date of the statute. Schiller is thus a "grandfathered" electric power generating facility not previously certificated, or required to be certificated, by the SEC. As such, it is clearly not subject to the SEC's jurisdiction over "sizeable changes or additions" to facilities previously certified under prior chapters of the siting law.²

3. RSA 162-H:5, I, prohibits the commencement of construction of any bulk power or energy facility within the State without a certificate of site and facility, and further specifies that such certificates are "required for sizeable additions to existing facilities." Neither the siting law nor the SEC's rules define what is, or is not, considered a "sizeable addition" to an existing bulk power facility. Regardless, PSNH's wood conversion project will not involve any addition to Schiller Station. No new generating capacity will be added. Unit 5's existing boiler will simply be replaced with another similarly sized boiler capable of burning an alternative fuel source. The existing turbine generator and related electric generating equipment associated with Unit 5 will not be changed or significantly altered, but will remain in place. There will be no net increase in or expansion of the power generating capacity of Unit 5 or Schiller as a result of the conversion project.

4. The proposed conversion of Unit 5 to wood-burning capability is no different, conceptually, than the 1984 conversions of Units 4, 5 & 6 at Schiller to coal-burning capability, or the 1992 conversion of PSNH's Newington Station 415 net MW rated unit to the capability to burn natural gas in addition to oil. None of

² See RSA 162-H:5, II, which declares that sizeable changes or additions to facilities certified pursuant to RSA 162-F or RSA 162-H prior to January 1, 1992, shall be certified under the current RSA 162-H.

these prior fuel conversions at existing PSNH generating stations were the subject of SEC review or approval.³

Project Permitting Plan

The fuel conversion project at Schiller will entail PSNH's compliance with multiple environmental and other permitting requirements, even without SEC review. PSNH would like to assure the SEC that PSNH intends to fully comply with all applicable permitting requirements as it moves forward with the project. Preliminarily, PSNH has determined that one or more of the following State and local permitting or approval requirements may be applicable to this project: Air emissions permitting (new source review/prevention of significant deterioration, hazardous air pollutants/MACT standards, new source performance standards, air pollution dispersion modeling); NPDES permit amendments (process/cooling water, storm water discharges, construction activity); Wetlands; Site Specific/Alteration of Terrain permitting; Industrial Discharge permitting; Coastal Zone Consistency Review; Shoreland Protection; and, City of Portsmouth local land use compliance (zoning, site plan, demolition and building permit requirements). In addition, the entire project will be subject to review and consideration in filings PSNH has recently made with the New Hampshire Public Utilities Commission, pertaining to approval of the Schiller Unit 5 wood fuel conversion and the regulatory treatment of cost recovery.

Conclusion

PSNH's Schiller Station is a "grandfathered" facility under the State's siting law, hence, the SEC's jurisdiction over sizeable changes or additions to previously certified facilities does not apply to the fuel conversion project. Moreover, as the proposed project involves principally a boiler replacement to enable the burning of an alternative fuel source with no net increase or expansion of generating capacity, there is not a sizeable addition to an existing facility which requires a certificate. Finally, the purposes of the siting statute and the absence of SEC review or approval of similar PSNH projects in the past combine to support the conclusion that the wood conversion project presently planned by PSNH does not fall under the SEC's jurisdiction. PSNH intends to proceed with the project and file the necessary applications for all required State and local regulatory and environmental permits and approvals.

Given the scope of the project, and to provide a degree of certainty on this subject, PSNH respectfully requests that the SEC confirm in writing to PSNH its concurrence that the fuel conversion project at Schiller is not subject to the SEC's jurisdiction.

³ Each of these conversion projects was subjected to regulatory review by the New Hampshire Public Utilities Commission under filings made by PSNH.

Should there be any questions regarding this letter or the project itself, please do not hesitate to contact me at my direct dial extension, 634-2459. Thank you for your time and attention to this matter.

Respectfully,



Christopher J. Ahwarden
Senior Counsel, Legal Department

Encs.

cc: Timothy W. Drew/NHDES, Committee Staff
Michael J. Iacopino, Esq., Committee Counsel
Michael J. Walls, Esq./NHDES, Assistant Commissioner
Debra Howland, Executive Director & Secretary, NHPUC



The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

January 12, 2006

The Honorable Lawrence C. Ross, Chairman
New Hampshire House of Representatives
Science, Technology and Energy Committee
Legislative Office Building, Room 304
Concord, New Hampshire 03301

Re: HB 1673 - An Act Relative to Emission Reduction Standards as Required by the Clean Power Act

Dear Chairman Ross and Members of the Committee:

Thank you for the opportunity to provide testimony in support of HB 1673 which seeks to reduce mercury emissions from affected fossil fuel burning power plants within New Hampshire. In accordance with the requirements of RSA 125-O, the *"Multiple Pollutant Reduction Program"*, the New Hampshire Department of Environmental Services (DES) made a recommendation to the Legislature on March 31, 2004 to place a cap on mercury emissions from these facilities.

Last year, the NH Senate passed SB 128 which contained similar mercury reductions as those contained in HB 1673. During committee hearings in the NH Senate and in the NH House, the public outcry and the expert testimony for controlling mercury emissions from our state's coal-fired power plants sent a clear message that significant mercury emission reductions must be made, but there were questions as how to best accomplish this task. Over the summer, PSNH in consultation with DES, performed tests with carbon injection control technology and researched the facility's ability to install wet scrubber technology. The results of this work led to the conclusion that while carbon injection can produce quick mercury emission reductions, the installation of the wet scrubber technology produces superior environmental benefits. HB 1673 is the product of months of discussions between Public Service Company of New Hampshire (PSNH), DES, the Office of Energy and Planning, the New Hampshire Governor's Office, and environmental groups that sought aggressive levels of mercury reductions while minimizing cost impacts on electrical ratepayers.

In order to best protect our citizens and environment from excess mercury emissions and to address the biological "hot-spots" documented to exist within our state, we feel a successful mercury bill must meet three goals. First, it must reduce emissions as quickly as possible. Second, the chosen technology used must achieve the greatest mercury reduction technically feasible. And third, the technology must be implemented in a way that maintains our electrical reliability and affordability, without shifting production to upwind states.

HB 1673 meets these goals with the creative use of incentives and the aggressive application of technology. Early reduction will be achieved through additional testing of carbon injection technology with subsequent ongoing implementation on the most successful application of this technology. Critical to the success of this bill is the requirement that wet scrubber technology be installed on Merrimack Units 1 and 2

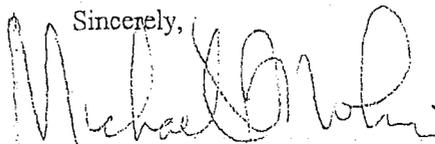
by July 1, 2013. The use of this technology not only reduces mercury very efficiently (greater than 90% in most applications), but it is highly effective in removing sulfur dioxide (SO₂) and small particles. This co-benefit of reducing three pollutants simultaneously with the same equipment reduces implementation costs by allowing PSNH to significantly reduce purchasing SO₂ emission allowances, saving greater than an estimated \$25 million per year (2005\$). Based on data shared by PSNH, the total capital cost for this full redesign will not exceed \$250 million dollars (2013\$) or \$197 million (2005\$), a cost that will be fully mitigated by the savings in SO₂ emission allowances. Finally, while the scrubber technology has been demonstrated to achieve higher levels of mercury reductions than initially called for in this bill, the bill contains a requirement that tightens the required reduction rate to the level that is actually achieved and is sustainable by the scrubber technology. Application of the requirements in this way reduces project risks while still achieving full environmental benefits.

Once completed, the mercury reduction requirements of HB 1673 should bring annual power plant emissions down to below 32 pounds per year and quite possibly below the 24 pound cap envisioned in the former SB 128. Further, HB 1673 is clearly more strict than the federal Clean Air Mercury Rule, that may have to be implemented here in New Hampshire with its own associated costs beginning in 2010, if no other alternative such as an enacted HB 1673 is proposed to EPA prior to November 2006. HB 1673 is consistent with state mercury programs in Connecticut, Massachusetts, New Jersey, and Indiana, as well as regional and national recommendations made by the State and Territorial Air Pollution Program Administrators and Association of Local Air Pollution Control Officials (STAPPA/ALAPCO), the Northeast States for Coordinated Air Use Management (NESCAUM), and the Ozone Transport Commission (OTC) for mercury Maximum Achievable Control Technology (MACT). Consistent with the amended SB 128, HB 1673 does not allow trading of mercury emission credits.

If passed, this bill will be technically challenging to implement because the existing configuration of the boilers, stacks, and air pollution control equipment at Merrimack Station does not easily lend itself to installation of additional equipment. Due to physical constraints, installation of additional equipment to optimally reduce mercury emissions would require major renovations. PSNH has worked hard to find creative solutions to these issues so that operations can be maintained while constructing and testing the required control equipment.

DES is committed to working with the Legislature to develop a prudent course of action to further reduce mercury emissions. Should any members have questions or need additional information regarding these recommendations, please feel free to contact Robert R. Scott, Air Resources Division Director, at 271-1088 or me at 271-2958.

Sincerely,



Michael P. Nolin
Commissioner

cc: HB 1673 Spousors
Science, Technology and Energy Committee Members



The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
 Commissioner

April 11, 2006

The Honorable Bob Odell, Chairman
 New Hampshire Senate
 Energy and Economic Development Committee
 Legislative Office Building, Room 304
 Concord, New Hampshire 03301

Re: HB 1673 - An Act Relative to Emission Reduction Standards as Required by the Clean Power Act

Dear Chairman Odell and Members of the Committee:

Thank you for the opportunity to provide testimony in support of HB 1673, which seeks to reduce mercury emissions from affected fossil fuel burning power plants within New Hampshire. HB 1673 is the result of several months of discussions between Public Service Company of New Hampshire (PSNH), DES, the Office of Energy and Planning, the New Hampshire Governor's Office, interested members of the General Court, and environmental advocacy organizations. DES's goal in these discussions was to seek aggressive levels of mercury reductions while minimizing cost impacts on electrical ratepayers. This bill achieves these goals, *and* provides additional environmental co-benefits of reduced local sulfur and particulate emissions.

While DES can appreciate the concerns some have expressed for greater reductions in a shorter timeframe, we remain steadfast that this bill represents a thoughtful balance of environmental and economic concerns. It delivers significant, yet practicably achievable reductions in a reasonable timeframe, and includes meaningful incentives for additional reductions beyond the bill's specified minimum and/or early action to reduce emissions. Eliminating flexibility in the required reductions and schedule will do little to provide actual environmental benefit, and yet may be detrimental to project financing. We believe this package of an aggressive, yet realistic reduction target /schedule and economic incentives achieves our goals for meaningful environmental benefit, maintaining electricity supply stability, and reducing financial risk and subsequent ratepayer impact.

If passed, this bill will be technically challenging to implement because the existing configuration of the boilers, stacks, and air pollution control equipment at Merrimack Station does not easily lend itself to installation of additional equipment. Due to physical constraints, installation of additional equipment to optimally reduce mercury emissions would require major renovations. PSNH has worked hard to find creative solutions to these issues so that operations can be maintained while constructing and testing the required control equipment. We feel that 2013 represents a practicably achievable goal given these constraints. The specified technology has the potential to achieve reductions well beyond the minimum requirement of 80% from all affected sources (including PSNH's Schiller Station units). However, the bill contains significant incentives and safeguards to ensure higher reductions if achievable.

This bill ultimately results from the requirements of HB 284 (passed in the 2002 session), commonly referred to as the New Hampshire Clean Power Act. In accordance with the requirements of RSA 125-O (as established by HB 284) the "Multiple Pollutant Reduction Program", the New Hampshire Department of Environmental Services (DES) made a recommendation to the Legislature on March 31, 2004 to place a cap on mercury emissions from these facilities. In response, last year, the NH Senate passed SB 128 which contained similar mercury reductions as those contained in HB 1673.

During committee hearings in both the Senate and in the House, the public outcry and the expert testimony for controlling mercury emissions from our state's coal-fired power plants sent a clear message that significant mercury emission reductions must be made. There were questions, however, as to how best to accomplish this task. Over the summer, PSNH in consultation with DES, performed tests with carbon injection control technology and researched the facility's ability to install wet scrubber technology. The results of this work led to the conclusion that while carbon injection can produce quick mercury emission reductions, the installation of the wet scrubber technology produces superior environmental benefits at a lower overall cost.

In order to best protect our citizens and environment from excess mercury emissions and to address the biological "hot spots" documented to exist within our state, we feel a successful mercury bill must meet three goals. First, it must reduce emissions as quickly as possible. Second, the chosen technology used must achieve the greatest mercury reduction technically feasible. And third, the technology must be implemented in a way that maintains our electrical reliability and affordability, without shifting production to upwind states.

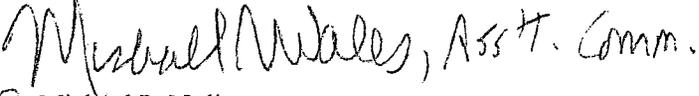
HB 1673 meets these goals with the creative use of incentives and the aggressive application of technology. Early reduction will be achieved through additional testing of carbon injection technology with subsequent ongoing implementation on the most successful application of this technology. Critical to the success of this bill is the requirement that wet scrubber technology be installed on Merrimack Units 1 and 2 by July 1, 2013. The use of this technology not only reduces mercury very efficiently (potentially greater than 90% in most applications), but it is highly effective in removing sulfur dioxide (SO₂) and small particles. This co-benefit of reducing three pollutants simultaneously with the same equipment reduces implementation costs by allowing PSNH to significantly reduce purchasing SO₂ emission allowances. Based on data shared by PSNH, the total capital cost for this full redesign will not exceed \$250 million dollars (2013\$) or \$197 million (2005\$), a cost that will be fully mitigated by the savings in SO₂ emission allowances. Finally, while the scrubber technology has been demonstrated to achieve higher levels of mercury reductions than initially called for in this bill, the bill contains a requirement that tightens the required reduction rate to the level that is actually achieved and is sustainable by the scrubber technology. Application of the requirements in this way reduces project risks while still achieving full environmental benefits.

Further, HB 1673 is clearly more strict than the federal Clean Air Mercury Rule, that may have to be implemented here in New Hampshire with its own associated costs beginning in 2010, if no other alternative such as an enacted HB 1673 is proposed to EPA prior to November 2006. HB 1673 is consistent with state mercury programs in Connecticut, Massachusetts, New Jersey, and Indiana, as well as regional and national recommendations made by the State and Territorial Air Pollution Program Administrators and Association of Local Air Pollution Control Officials (STAPPA/ALAPCO), the Northeast States for Coordinated Air Use Management (NESCAUM), and the Ozone Transport Commission (OTC) for mercury Maximum

Achievable Control Technology (MACT). Consistent with the amended SB 128, HB 1673 does not allow trading of mercury emission credits.

DES is committed to working with the Legislature to develop a prudent course of action to further reduce mercury emissions. Should your committee members have questions or need additional information regarding these recommendations, please feel free to contact Robert R. Scott, Air Resources Division Director, at 271-1088.

Sincerely,


for Michael P. Nolin
Commissioner

cc: HB 1673 Sponsors
Senate Energy and Economic Development Committee

Mr. Large: I would start by saying that there's a balance between time and money. Things can be done faster at substantially higher cost. If you've had familiarity with the Merrimack Station facility, the site, this is a monumental project in terms of that site. There will be multiple cranes. There will be lots of construction activity. They will remove essentially all of the remaining property that sits aside the existing boilers today, along side all the other pollution control equipment that's been added in the last ten years. Two hundred and fifty million dollars is an awful lot of money in PSNH's view. So, if more money were to be spent, could it be done more promptly? Possibly, but to be done well so that the plant can be operated and the maximum benefit from this technology can be derived, it would be best to take a prudent and low fall out approach, as opposed to trying to throw more money or throw more people and solve the issue. Doing it in an organized well thought out and planning for the long-term operation of this unit is the right way to go for everyone involved we believe.

Senator Robert J. Letourneau, D. 19: And just one last question. What is the overall cost of the rate payers on this?

Ms. Gamache: I ... Bob Scott from DES has some charts that he was going to pass out.

Senator Robert J. Letourneau, D. 19: Oh, that's going to be further testimony later on? That ... I can hold off on that.

Ms. Gamache: Okay.

Senator Robert J. Letourneau, D. 19: Thank you.

Senator Bob Odell, D. 8: Any other questions? If not, thank you both for being here. Appreciate your testimony.

Senator Peter H. Burling, D. 5: Mr. Chairman, I have a brief, I'm supposed to be in two places at once and it's across the street. I'll be right back.

Senator Bob Odell, D. 8: All right.

Senator Peter H. Burling, D. 5: I assume we have quite a few people left to do at this point.

Senator Bob Odell, D. 8: We are half way down the first sheet.

Senator Peter H. Burling, D. 5: Excellent.