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February 20, 2013

E-FILING

New York State Department of Public Service
3 Empire State Plaza
Albany, New York 12223-1350

Re: Comment with respect to development of an Indian Point Contingency Plan
(Case 12-E-0503)

Commissioners;

This office is Special Counsel to the Town of Huntington, New York. We respectfully submit this comment in connection with the Commission's Order of November 30th which directed Consolidated Edison, with the assistance of NYPA, to develop a contingency plan for the potential closure of Indian Point upon the expiration of its existing licenses by the end of 2015. We have reviewed the submission of Consolidated Edison and NYPA, dated February 1, 2013, and offer the following comment as an alternative source of power should Indian Point close.

A. The Existing Plant and the Stone & Webster Study

The 1500 MW Northport Power Station, owned by National Grid, is wholly located within the Town of Huntington. In 2009, the Long Island Power Authority ("LIPA") and Northport's owner National Grid commissioned a study by Stone & Webster Consulting (The S&W Study) - now The Shaw Group - to explore the possibilities of re-powering Northport which would result in increased MW generation, energy efficiency, and lower costs (all goals set out by the New York Energy Highway RFI). A copy of the Stone & Webster Consulting Report is annexed hereto and submitted herewith as Exhibit A. The Town of Huntington believes that it is in the best interest of the residents of the Town, Long Island and New York State for Northport to be re-powered. The re-powering would increase Northport's output and efficiency and allow the ratepayers in the Town of Huntington and Long Island to benefit from lower energy costs. It would also have the effect of making over 1000MW of replacement power available in the event of the closure of Indian Point in 2015.

The Northport Power Station is located in NYISO Zone K. This facility consists of four 375 MW units on a nominal 250 acre site. Unit 1 started operation in 1967, Unit 2 started in 1968, Unit 3 started in 1972 and Unit 4 started in 1977. Each unit has a Combustion Engineering

tangentially fired boiler and a General Electric G-2 type steam turbine generator. The units are dual fuel (i.e. natural gas and No. 6 fuel oil). There is also a black start gas turbine onsite. An

offshore unloading platform, approximately two miles from the site, on Long Island Sound, allows No. 6 fuel oil deliveries from barges and oil tankers to an onsite tank farm consisting of five fuel oil storage tanks. The Iroquois gas pipeline, and its associated Eastchester extension, crosses onto Long Island at Northport. An Iroquois metering and emergency vent system is located onsite. A National Grid pressure regulator and gas heater facility supplies natural gas to each Northport unit via an individual unit meter and control station. The step-up transformers and onsite electrical substation are owned by LIPA. The site currently uses once-through cooling utilizing an intake lagoon and discharge canal that connects to Long Island Sound. Northport is 38 miles east of Indian Point.

The S&W Study evaluates the options available for re-powering Northport with combined-cycle technology and considered both traditional “hybrid” re-powering scenarios utilizing the existing steam turbines and “backyard” or site re-powering scenarios utilizing stand-alone new combined cycle units. The S&W Study consisted of two phases; the first phase considered the number of existing units which could be re-powered and the maximum incremental 440 MW of capacity which could be added to the site given the existing physical, technical, regulatory and other constraints of the site. The second phase of the Study examines the selected two re-powering cases in more detail. The 444 MW increase, standing alone, would qualify as the fifth largest new MW generation addition of all proposed future generation projects in New York (*See* NYISO 2011 Load Capacity and Data “Gold Book”).

B. Long Island Load Requirements

Long Island (Zone K) has a demand of 5,494 MW (Summer Peak 2011 Forecast) and is expected to require 5,845 MW by the year 2020. Long Island is unique in that it must generate a set percentage (101 percent of the peak load) of its power domestically or “on island” (Zone J, New York City has a similar requirement). Currently Long Island’s does not have any additions in the NYISO interconnection queue. If no other generation projects are added between now and 2020 on Long Island, Long Island may not be able to meet its 101 percent peak load requirement. Since the re-powering of Northport could add 444 MW of power, it alone could make up the on-island MW shortage possible in 2020.

C. Compensating for losses from Indian Point

In addition, the surplus from Northport could be sold into the grid to other zones to help ease the 2000 MW loss from Indian Point. LIPA is currently importing cheap power from as far away as Nine Mile Point, outside Oswego, New York. Re-powering Northport could erase the need and market conditions for importing power from Nine Mile Point, thus making Nine Mile Point’s MW available to meet increased demand in places like Westchester County and New York City arising from the retirement of Indian Point. This would also meet the New York Energy Highway objective of freeing up space on transmission lines throughout the state. Re-powering Northport allows for a multitude of options to serve NYCA’s generation needs. Upon

information and belief, LIPA has exercised its Ramp Down option under the still existing Power Supply Agreement with National Grid. (The new PSA is awaiting approval by the Comptroller's Office.) The current ramped down capacity ratio is 33% LIPA and 67% National Grid. See Article II – Capacity Ramp Down at pages 118 and 119 of the PSA attached as Exhibit B.

D. Financial

The following chart excerpted from the above mentioned S&W Study is a cost estimate for two of the re-powering options for Northport.

Capital Cost Estimate for Northport Options

	Hybrid Option ³	Backyard Option ³
Project Cost ¹	\$825 million ⁶	\$1.14 billion ⁷
Gas, Electrical and Other Costs ²	\$760 million	\$762 million
Total Cost	\$1.6 billion	\$1.9 billion
MW	763 ⁴	815 ⁵
\$ kW	\$2076	\$2332

¹Includes engineering, procurement, and construction cost, demolition, existing equipment upgrades, and contingency. Project cost could range between ±10%.

²Includes switchyard upgrades, transmission upgrades, VAR support, natural gas tie-in, permitting, project development & management, spare parts, and start-up.

³2008 dollars and does not include the financing costs

⁴Results in 388 MW incremental increase in site capacity

⁵Results in 440 MW incremental increase in site capacity

⁶Includes \$0.72 million demolition cost

⁷Includes \$0.13 million demolition cost

E. Permit/Approval Process

The adoption of the Power NY Act of 2011, which codified a statewide permitting process for the siting of major electric generating facilities, has streamlined the permitting process for the re-powering of existing electric generation facilities. This development is very beneficial for a re-powering project such as the one advocated for in this submission, and could reduce the associated costs of the project.

Article 10 outlines a permitting process that requires any new power plant and/or re-powering of an existing power plant to file a preliminary scoping statement which outlines the proposed facility and any potential environmental and health impacts. Once the pre-application procedures are complete the actual application process begins which includes an amplification of the preliminary scoping statement in addition to a security plan for construction and operation of the facility, an analysis of environment justice issue, an air quality impact analysis, a comprehensive demographic, economic and physical description of the community where the facility will be located, an analysis on the potential impact that the facility will have on the

wholesale generation markets and a statement demonstrating that the facility is reasonably consistent with the most recent state energy plan. Northport is uniquely qualified to meet the Article 10 application requirements because many of those requirements are already met. As outlined herein, the re-powering of Northport fits with the most recent New York State energy plan, Northport is currently operating and has a security plan for operation in place, the community the facility is located in already accommodates a major electric generation facility and constructing a 440 plus MW of power at an alternative location isn't reasonable with the Northport location already fully operational, not to mention the location would have to be on Long Island to meet load capacity standards in Zone K. Also most of the environmental impact analysis has been completed in part during the commission of the S&W Study; requiring less work during the pre-application phase.

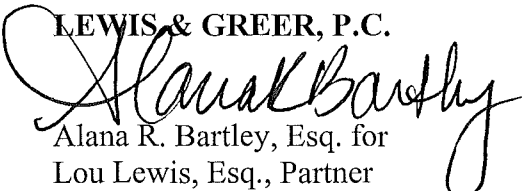
F. Projected In-Service Date and Project Schedule:

Regardless of whether the Hybrid or Backyard re-powering option is used to re-power Northport, the interval from the initial bidding until commercial operation will take approximately 2 to 2 ½ years. The recent adoption of Article 10 for the siting of Major Electric Generation Facilities will considerably reduce the permitting process timeline cutting years off the estimated completion date put forward in the S&W Study. According to Article 10, once the New York State Board of Electric Generation Siting has determined that the application for the facility has been complete a final board decision of the approval or disapproval of the proposed re-powering must be complete within (6) months. When you factor in Article 10, along with the fact that the negotiations of the purchase power agreement between LIPA and National Grid have already been completed, the timeline set out by the S&W Study decreases dramatically and the commercial operation should be possible within 2 ½ years.

Re-powering Northport is a necessary step in maintaining the reliability of the power grid in New York and Long Island. The re-powering will provide much needed MW to help capacity requirements on Long Island and alleviate the pressure of the New York power grid in the event that Indian Point is not relicensed. Re-powering Northport can accomplish the above mentioned goals and do so in a way which is consistent with current state energy policy, by having a minimal environmental impact while providing efficient affordable energy. We therefore respectfully request that the Public Service Commission issue an Order directing National Grid to make such additional submissions as may be necessary to up-date the Stone & Webster Report and select an option for repowering Northport.

Respectfully submitted,

LEWIS & GREER, P.C.


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ARB/cv

Enclosure

cc: Neil H. Butterklee – Con Ed
Glenn D. Haake – NYPA