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In the Works

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In The Works is a monthly newsletter providing Environment, Health and Safety (EH&S) news and regulatory updates. The newsletter is provided by Loureiro Engineering Associates, Inc. of Plainville, Connecticut. In this Issue you will find links to the following articles:

NATIONAL

EPA Announced Recently that Automakers Outperformed Greenhouse Gas Emissions Standards for the Fourth Consecutive Year

Passenger vehicles in the United States achieved record high fuel economy while outperforming greenhouse gas emission standards in model year 2015, according to two new reports released by EPA. The GHG Manufacturer Performance Report for 2015 Model Year finds automakers went beyond the model year (MY) 2015 standards by an average 7 grams of CO₂ per mile, equivalent to 0.9 miles per gallon (mpg), even as the fleet-wide standard became more stringent by 13 grams of CO₂ per mile. All large manufacturers have met the standards through MY 2015.

CONNECTICUT

Connecticut DEEP Announces Action on Energy Procurement RFPs

Natural Gas RFP Canceled

Clean Energy Projects Selected to Move to Next Stage

Connecticut's Department of Energy and Environmental Protection (DEEP) recently announced a series of actions related to three Requests for Proposals (RFPs) for the procurement of energy resources that can help to reduce our dependence on natural gas generation, and keep the state on track to meet our commitments to reduce carbon emissions and support renewable generation.

The Actions Include:

- Natural Gas RFP – DEEP has cancelled an RFP that sought proposals for natural gas resources, including liquefied natural gas, natural gas pipeline capacity and natural gas storage.
- The Notice of the Cancellation of the Natural Gas RFP has been posted.

- Three State Clean Energy RFP – DEEP has selected projects submitted in response to an RFP issued jointly by Connecticut, Massachusetts, and Rhode Island for large-scale hydropower, Class I renewables above 20 megawatts (MW) in size, and associated transmission. The selected projects will now advance to negotiate power purchase contracts with Connecticut’s two electric distribution companies – Eversource and United Illuminating (UI), and will be subject to regulatory approval by Public Utilities Regulatory Authority (PURA).
- A listing of the bidders/projects selected to move forward in the Three State RFP has been posted here.
- Small Resources Clean Energy RFP – This week, DEEP expects to select projects submitted in response to an RFP issued for small-scale clean energy projects, including Class I renewables 2-20 MW in size, energy efficiency, and energy storage. Once selected, the projects will advance to power purchase contract negotiations with Eversource and UI, and will be subject to regulatory approval by PURA.

“Our actions on the three energy procurement RFPs will protect the interests of Connecticut’s ratepayers while moving our state forward to best address the energy challenges that we face,” said DEEP Commissioner Robert Klee. “While we are not selecting projects under the natural gas RFP at this time, we are taking steps to secure additional clean energy resources that address gaps in our energy infrastructure. Bringing these projects online will also play a real part in helping us achieve this state’s carbon reduction targets for 2020 and beyond, which will continue Connecticut’s leadership in efforts to address Climate Change.”

Cancellation of Natural Gas RFP

As authorized by Public Act 15-107, DEEP issued an RFP for natural gas resources on June 2, 2016, seeking to procure natural gas resources to be utilized by natural gas generators in the New England region to improve the affordability and reliability of regional electric supply. The RFP was open to incremental natural gas pipeline capacity, LNG, and natural gas storage. Seven bids were submitted into this RFP.

While the evaluation of bids was underway at DEEP, administrative decisions and a court ruling in other New England states limited the likelihood that the costs of projects would be shared among a substantial portion of the region’s ratepayers. DEEP has consistently asserted that the problem of inadequate gas infrastructure is greater than one state can solve alone. Regional investment is necessary to ensure that no one state disproportionately bears the costs of addressing what is a problem endemic to our regional electric system. As a result, DEEP moved to cancel this RFP.

DEEP does, however, retain its authority to issue future RFPs to procure natural gas resources as needed to provide more reliable electric service for the benefit of the state’s electric ratepayers and to meet Connecticut’s energy and environmental goals and policies. DEEP will monitor conditions in the ISO New England market and proceedings of other New England states to determine whether to reissue this gas RFP.

Clean Energy RFPs

Connecticut DEEP is making selection decisions on two RFPs for clean energy projects that can help to reduce our dependence on natural gas generation, and keep the state on track to meet our commitments to reduce carbon emissions and support renewable generation.

Connecticut DEEP joined with Massachusetts and Rhode Island in requesting bids for long-term contracts for large-scale hydropower, Class I renewables projects greater than 20 megawatts in size, and transmission projects needed to deliver those resources to the New England grid. Projects with co-located energy storage and renewables balanced with existing hydropower were also eligible to respond to the so-called Three State RFP. More than 50 bids were submitted into the Three State RFP in January 2016 including six transmission projects to deliver clean energy from Maine, Canada and New York.

Connecticut DEEP issued a companion “small resources” clean energy RFP for long term contracts for Class I renewables under 20 MW and energy efficiency and energy storage projects of any size. More than 100 bids were submitted into the Small Resources Clean Energy RFP on May 4, 2016, including 82 bids for projects located in Connecticut.

After an extensive evaluation process, which took into account both quantitative (price) and qualitative factors as directed by statute, DEEP is completing its selection of the projects in both RFPs that will be allowed to advance to contract negotiations with the two Connecticut electric distribution companies.

A final decision, reflecting the basis for DEEP’s selection as well as the results of the two clean-energy RFPs (including pricing, quantity, and identity of contracted projects) will be submitted to the Public Utilities Regulatory Authority after the conclusion of contract negotiations, expected in early 2017.

The RFPs are authorized under Public Act 15-107, which, together with an earlier statute, Public Act 13-303, authorizes the Department to seek proposals from a broad range of resources to help address energy infrastructure constraints in New England. Collectively, under these two Public Acts, DEEP has the authority to select clean energy projects to meet up to 15% of the state’s electric demand, and natural gas resources of at most 375,000 mmcf/day.

<http://www.ct.gov/deep/cwp/view.asp?A=4808&Q=587122>

MASSACHUSETTS

Massachusetts State and Federal Environmental Officials Propose an Additional \$500,000 for Land Protection and Habitat Conservation Projects in the Housatonic River Watershed

In the latest chapter of Massachusetts' Housatonic River restoration funded by a \$15 million natural resource damage settlement with General Electric, federal and state environmental officials have proposed to fund the most recent round of land protection and habitat conservation projects with \$1.28 million.

The Massachusetts SubCouncil of the Housatonic River Natural Resource Trustees (MA SubCouncil) has proposed to allocate up to \$500,000 more in grant funds that will support the projects that are part of the Housatonic River Watershed Restoration Program.

The MA SubCouncil, comprised of the U.S. Fish and Wildlife Service (USFWS) and the Executive Office of Energy and Environment Affairs (EEA), represented by the Massachusetts

Department of Environmental Protection (MassDEP), proposed the amendment to the Round 3 Restoration Plan/Supplemental Environmental Assessment for Land Protection and Habitat Conservation (Round 3 RP/SEA).

"The Commonwealth was pleased with the variety and strength of the proposals received for this round of funding under the Housatonic restoration program," said MassDEP Commissioner Martin Suuberg. "We believe that increasing the amount of funding available will allow for the protection of hundreds of additional acres of a variety of habitat that will benefit the fish and wildlife population, as well as recreational users."

"We would like to see these high-quality proposals receive funding," said Molly Spurduto, supervisor of the Service's Natural Resource Damage Assessment and Restoration program in New England. "By getting these projects on the ground we, in partnership with local organizations, will be able to conserve hundreds of acres for the benefit of fish and wildlife and for the people that live in and visit the Housatonic River area."

The Round 3 RP/SEA was released in May 2013 and outlines the MA SubCouncil's Round 3 approach for the restoration program to restore, rehabilitate, replace or acquire the equivalent of injured natural resources or the services provided by those resources. This effort will disburse approximately \$2 million for the implementation of land protection and habitat conservation projects through two subrounds of funding as part of the General Electric/Housatonic River Natural Resource Damage Assessment and Restoration case.

Under the first subround of Round 3 funding, the MA SubCouncil awarded a total of \$1,147,000 for three projects, resulting in conservation of more than 330 acres of wetland, stream, riparian and upland habitat within the Housatonic River Watershed in Massachusetts. After the first subround of funding, \$853,000 remains available for the second subround of Round 3 funding. Applications for the second subround of Round 3 funding were received on April 6, 2016, and are currently under review by the MA SubCouncil.

Following initial review of all proposals submitted for the second subround of Round 3 funding, the combined total cost of the proposed projects that the MA SubCouncil recommends for funding is \$1,287,000. This exceeds the remaining funds allocated for Round 3, and the proposed projects that are recommended by the MA SubCouncil will not be able to advance in the review process without approval of the proposed amendment to allocate an additional \$500,000 as part of Round 3.

The GE settlement, originally filed as a consent decree in 2000, provided more than \$15 million to compensate Massachusetts and Connecticut for natural resource damages caused by the release of polychlorinated biphenyls (PCBs) from GE's Pittsfield plant. PCB pollution affected aquatic wildlife and habitats, as well as waterfowl and predators that consume contaminated organisms. Massachusetts was awarded \$7.75 million of the settlement total.

In Round 1 of the restoration program, the MA SubCouncil awarded \$4 million for projects ranging from invasive species control and restoring river flow to implementing an environmental literacy program. In Round 2, the SubCouncil awarded \$1.3 million to five projects addressing habitat continuity restoration, wildlife resource protection, riparian buffer and floodplain forest restoration, invasive species control and educational programming. Following completion of Round 3, a fourth and final round of funding is anticipated. If the proposed amendment is

approved, approximately \$1.4 million will remain available for restoration projects in Massachusetts after the second subround of Round 3 projects are funded.

The MA SubCouncil representatives who administer settlement funds for Massachusetts are MassDEP NRD Coordinator Karen Peltó and USFWS NRD/Environmental Contaminants Supervisor Molly Spurduto.

The Round 3 RP/SEA and the proposed amendment plan are available online www.ma-housatonicrestoration.org and hard copies are available at the Lenox Library and other public libraries in the Housatonic River watershed in Massachusetts.

Information about the Housatonic River Watershed Restoration Program in Massachusetts is available online at: www.ma-housatonicrestoration.org.