

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD**

**IN RE: Application of Invenergy Thermal
 Development LLC's Proposal for
 Clear River Energy Center**

Docket No. SB-2015-06

**INVENERGY THERMAL DEVELOPMENT LLC'S OBJECTION
TO THE TOWN OF BURRILLVILLE AND THE CONSERVATION
LAW FOUNDATION'S JOINT MOTION REQUESTING A STAY**

Invenergy Thermal Development LLC ("Invenergy" or "Applicant") hereby responds to the misrepresentations, erroneous and improper conclusions and outright fabrications set forth in the Joint Motion of Conservation Law Foundation ("CLF") and Town of Burrillville ("Town") For a Stay Pending Outcome of a FERC Lawsuit (the "Motion").¹ The Motion is devoid of any reasonable grounds for the requested stay and would serve only to unnecessarily delay the process and waste the Rhode Island Energy Facility Siting Board's ("Board's") (and the many participants') time and resources.

It is painfully obvious that CLF's entire motive in filing its now two motions to stay was to delay the Project in order to kill it – which presumably the Board knows already – but that CLF is pursuing its intent by repeating facts it knows to be inaccurate, misleading and/or irrelevant to the Board's determination.

A. Movants' Motion is Moot

As an initial matter, the Motion is moot. On January 26, 2018, in accordance with a statutorily imposed deadline,² the Federal Energy Regulatory Commission ("FERC") issued an order accepting the Clear River Energy LLC ("Clear River") Large Generator Interconnection Agreement ("LGIA") for filing, effective January 29, 2018, and disposing of all other issues

¹ CLF and Town are referred to collectively herein as "Movants."

² 16 U.S.C. § 824d

before it as regarded the LGIA. Certainly, Movants' counsel knew or at least should have known of this deadline, of the decision's imminence and the fact, then, that even if in theory there conceivably could have been any merit to its asking the Board to issue a stay pending FERC's decision on the LGIA – which, as fully explained below, there demonstrably was not – Movants need only have waited a day to file their Motion. Instead they chose to use the “pending” FERC proceeding as an excuse to further muddy the issues before the Board, again to misstate Invenergy's positions as to its development schedule, and again to malign Invenergy's motives and veracity before the Board, the parties on the EFSB service list and the Rhode Island ratepayers.

Furthermore, Movants filed their unnecessary Motion despite their stated prediction that, as to the LGIA proceeding, “ISO would win; Invenergy would lose,” a conclusion which, in their counsel's opinion, did not take much “legal acumen” and their self-described near certain knowledge that FERC's pending decision would “moot” their Motion. *See* January 28, 2018 Blog Posting, authored by Jerry Elmer and January 26, 2018 Blog Posting, attached as **Exhibit A**. But this is not at all surprising given that Movants real motive is to do whatever they can – proper or improper, fair or unfair – to slow down the Board's consideration of Invenergy's application in the belief that this would kill the Project. This is clear from this article's language and tone. *See id.* Invenergy respectfully submits, then, that the Board should reject Movant's strategy to throw a lot of rubbish against the wall to see what might stick.

In any event, in light of FERC's decision last Friday, the pendency of the LGIA proceeding no longer can be urged as grounds for a stay and, therefore, for this reason alone, the Motion must be denied. Unfortunately, however, even though the LGIA proceeding did not bear

on the Board's decision here, in light of the inaccurate, misinformed and misleading information now placed in the record, Invenergy is compelled to file this brief, targeted, response.

B. Movants' Motion Misrepresents the Record

1. Movants falsely style the LGIA proceeding as the "ISO Lawsuit," as if this proceeding were somehow at odds with how interconnection arrangements normally are consummated. *See* Motion, at 2. But ISO-NE *is required* to have FERC approve any agreement providing for FERC jurisdictional services. To meet its regulatory obligations, then, ISO-NE submitted the proposed LGIA for FERC approval. Moreover, under the rules for LGIA filings, regardless of who files them, if the parties were unable to resolve all necessary terms, the remaining issues are to be presented to and resolved by FERC, which then accepts the LGIA for filing as modified, or not, in FERC's order. Importantly, then, the outcome of the FERC proceeding was *always* irrelevant to the proceeding here because the Project *already agreed to move forward under the LGIA as approved by FERC*.
2. Movants falsely and, again, misleadingly state that Invenergy told FERC that Invenergy is not willing to comply with Tariff requirements even if ordered to do so by FERC, and that Invenergy has made a "promise" to abandon the Project if FERC accepted the LGIA as proposed by ISO-NE. Motion, at 3, 6 and 7. Movants know that neither Invenergy nor Clear River ever made such a statement. In any event, again, all Clear River did, as permitted under ISO-NE's Tariff, was to request that the Commission resolve certain LGIA provisions upon which the parties could not agree during negotiations. Competent and conscientious counsel would have known this. There was nothing ambiguous about the Tariff rules; about the FERC procedures

whereby parties to an unexecuted LGIA present their views on unresolved terms; about the fact that ultimately FERC will rule on these issues; or about the fact that the parties, by virtue of the LGIA's having been filed in the first place, already had agreed to be bound by such terms as ultimately FERC determined. Now that FERC has issued its order on the LGIA, Invenergy will proceed in accordance with the LGIA as approved.

3. Movants also falsely and, again, misleadingly state that Invenergy had asked FERC to allow Clear River to post security after the "date required by the ISO Tariff."

Motion, at 2-3. This is untrue. . The dates for issuing a notice to proceed (which trigger the requirement to post discrete portions of security for discrete activities to be undertaken by the Transmission Owner) are a matter of negotiation among the parties to the LGIA. As was clear in the LGIA proceeding, and as Movants knew – because this was why the LGIA was filed unexecuted – the parties were at an impasse in their negotiations and, until FERC ruled on the areas of disagreement, those dates would not be finalized.

4. Movants falsely and misleadingly claim that in the LGIA proceeding, Invenergy asked FERC to require National Grid to incur costs prior to receiving security or support from Invenergy and that Invenergy was, therefore, asking FERC to shift significant cost risks to Rhode Island customers. Motion, at 3 and 5. Another fabrication. Clear River made it abundantly clear in its pleadings in the LGIA proceeding that it was not asking FERC to require National Grid to undertake any work *or to do anything* before such time as Clear River posted appropriate security. See Clear River's December 20, 2017 Motion to Intervene and Protest in FERC

Docket No. ER18-349-000, at 16. The issue presented to FERC concerned only the date upon which Clear River should be required both to issue a notice to proceed and post security.

5. Movants claim the LGIA was submitted to FERC as a so-called “Compliance Filing of the type that FERC routinely approves.” This claim, too, is wrong and irrelevant. As regards FERC, the term “Compliance Filing” refers to submissions responsive to a specific Commission directive issued in a prior order. The purpose of the Compliance Filing is simply to implement the FERC’s plain instructions, and if such instructions are followed, the submission will be approved. By contrast, the LGIA was not filed in compliance with any prior FERC order. Instead, it was the initial filing by ISO-NE of a proposed rate schedule, with respect to which, in order to secure Commission approval, ISO-NE was obligated to show that its filing was just and reasonable. As noted above, if there are disagreements among the parties, FERC resolves those issues. Of course, it would not be so bad if Movants’ statement had been made in good faith and could simply be chalked up to counsel’s general unfamiliarity with FERC regulatory practice. In fact, though, it looks much more likely that Movants pushed the erroneous notion that the LGIA was a “Compliance Filing under the FPA of the type that FERC routinely approves,” in order to give the Board the false impression that National Grid’s right to build the interconnection line was a foregone conclusion and, therefore, “[t]his makes it virtually impossible that the plant will have a COD date of June 2021, given National Grid’s projections.” Motion, at 4 & 6.

C. Issues Raised in FERC Docket EL18-31 Have Been Rendered Moot

Lastly, Movants state that in the FERC Docket EL18-31, Invenergy was also attempting to shift costs to ratepayers. Another untruth. First, the proceeding was not an attempt to shift costs, but to request that FERC determine whether it was legal under the Federal Power Act for Clear River to be required to make payments with respect to certain O&M costs associated with certain upgrades that Clear River will fund (the “O&M Costs”). Indeed, Invenergy was prepared to demonstrate to the Board why there would be no expected increase in O&M Costs to ratepayers as a result of Invenergy’s funding \$60 million of network upgrades to the National Grid system. For starters, with one exception, all the upgrades required either that existing equipment be replaced by newer equipment or relocated only a matter of feet away. Moreover, as a consequence of the newer equipment being installed, the O&M Costs that Invenergy sought to avoid would, if paid by ratepayers, have been lower than the costs the ratepayers already had been paying for the replaced and/or relocated equipment.

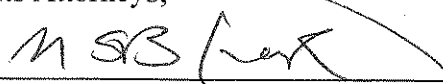
Clear River knew that ultimately it could demonstrate these points to the Board. But Clear River was compelled to withdraw its request to modify the ISO-NE Tariff only because Movants had used the occasion to make false claims about ratepayer impacts; and their continuing to do so risked a further delay in the Board’s resolution in this proceeding. In any event, it should not go unnoticed that even prior to the complaint’s withdrawal, Movants did not, and could not, adduce a shred of real evidence in support of its “cost shift” claim – and certainly not for something of the magnitude they falsely asserted. The fact that their dilatory tactics, unsupported facts and misleading arguments might have contributed to Clear River’s decision to walk away from its complaint does not make Movants conduct any less deplorable. *See Notice*

of Withdrawal filed with the FERC in Docket No. EL18-31 and filed with the Board on Jan. 24, 2018.

For all of the foregoing reasons, Invenergy requests that the Motion be denied. Further, in an effort to restore some semblance of civility and honesty to this process, Invenergy requests that the Board direct Movants and their counsel to refrain from further misrepresentations, and confine their assertions to the facts.

INVENERGY THERMAL DEVELOPMENT LLC

By its Attorneys,



Michael S. Blazer (*Pro Hac Vice* Attorney)
One South Wacker Drive, Suite 1800
Chicago, Illinois 60606
T: 312-224-1400



W. Mark Russo (#3937)
FERRUCCI RUSSO P.C.
55 Pine Street, 3rd Floor
Providence, RI 02903
Tel.: (401) 455-1000
Fax: (401) 455-7778
E-mail: mrusso@frlawri.com
Dated: January 31, 2018

CERTIFICATE OF SERVICE

I hereby certify that on January 31, 2018, I delivered a true copy of the foregoing document via electronic mail to the parties on the attached service list.



SB-2015-06 Invenergy CREC Service List as of 01/10/2018

Name/Address	E-mail	Phone/FAX
File an original and 10 copies with EFSB: Todd Bianco, Coordinator Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888 Margaret Curran, Chairperson Janet Coit, Board Member Assoc. Dir., Div. of Planning Parag Agrawal Patti Lucarelli Esq., Board Counsel Susan Forcier Esq., Counsel Rayna Maguire, Asst. to the Director DEM Catherine Pitassi, Asst. to. Assoc. Dir. Plann. Margaret Hogan, Sr. Legal Counsel	Todd.Bianco@puc.ri.gov ;	401-780-2106
	Kathleen.Mignanelli@puc.ri.gov ;	
	Patricia.lucarelli@puc.ri.gov ;	
	Margaret.Curran@puc.ri.gov ;	
	janet.coit@dem.ri.gov ;	
	Catherine.Pitassi@doa.ri.gov ;	
	Margaret.hogan@puc.ri.gov ;	
	susan.forcier@dem.ri.gov ;	
	rayna.maguire@dem.ri.gov ;	
	Parag.Agrawal@doa.ri.gov ;	
Parties (Electronic Service Only, Unless by Request)		
Invenergy Thermal Development LLC Alan Shoer, Esq. Richard Beretta, Esq. Elizabeth Noonan, Esq. Nicole Verdi, Esq. Adler, Pollock & Sheehan One Citizens Plaza, 8 th Floor Providence, RI 02903	ashoer@apslaw.com ;	401-274-7200
	rberetta@apslaw.com ;	
	enoonan@apslaw.com ;	
	nverdi@apslaw.com ;	
	jniland@invenergylle.com ;	
John Niland, Dir. Of Business Development Tyrone Thomas, Esq., Asst. General Counsel Mike Blazer, Esq., Chief Legal Officer Invenergy Thermal Development LLC One South Wacker Drive, Suite 1900 Chicago, IL 60600	Tthomas@invenergylle.com ;	312-224-1400
	mblazer@invenergylle.com ;	
	generalcounsel@invenergylle.com ;	
Town of Burrillville Michael McElroy, Esq., Special Counsel Leah Donaldson, Esq., Special Counsel Schacht & McElroy PO Box 6721 Providence, RI 02940-6721	Michael@mcelroylawoffice.com ;	401-351-4100
	leah@mcelroylawoffice.com ;	
William Dimitri, Esq., Acting Town Solicitor	dimitrilaw@icloud.com ;	401-273-9092
Conservation Law Foundation Jerry Elmer, Esq. Max Greene, Esq. 235 Promenade Street Suite 560, Mailbox 28 Providence RI, 02908	Jelmer@clf.org ;	401-351-1102
	Mgreene@clf.org ;	

Ms. Bess B. Gorman, Esq. Assistant General Counsel and Director Legal Department, National Grid 40 Sylvan Road Waltham, MA 02451 Mark Rielly, Esq. Senior Counsel	<u>Bess.Gorman@nationalgrid.com;</u>	781-907-1834
	<u>Mark.rielly@nationalgrid.com;</u>	
Office of Energy Resources Andrew Marcaccio, Esq. Nick Ucci, Chief of Staff Chris Kearns, Chief Program Development One Capitol Hill Providence, RI 02908 Ellen Cool Levitan & Associates	<u>Andrew.Marcaccio@doa.ri.gov;</u>	401-222-3417
	<u>Nicholas.Ucci@energy.ri.gov;</u>	401-574-9100
	<u>Christopher.Kearns@energy.ri.gov;</u>	
	<u>egc@levitan.com;</u>	
	<u>Brenna.McCabe@doa.ri.gov;</u>	
Rhode Island Building and Construction Trades Council Gregory Mancini, Esq. Sinapi Law Associates, Ltd. 2374 Post Road, Suite 201 Warwick, RI 02886	<u>gmancinilaw@gmail.com;</u>	401-739-9690
Residents of Wallum Lake Road, Pascoag, RI Dennis Sherman and Kathryn Sherman Christian Capizzo, Esq. Partridge Snow & Hahn, LLP 40 Westminster St., Suite 1100 Providence, RI 02903	<u>cfc@psh.com;</u>	401-861-8200
	<u>kags8943@gmail.com;</u>	
Residents of Wallum Lake Road, Pascoag, RI Paul Bolduc and Mary Bolduc Joseph Keough Jr., Esq. 41 Mendon Avenue Pawtucket, RI 02861 Paul and Mary Bolduc 915 Wallum Lake Road Pascoag, RI 02859	<u>jkeoughjr@keoughsweeney.com;</u>	401-724-3600
	<u>oatyssl@verizon.net;</u>	401-529-0367
Abutter David B. Harris Michael Sendley, Esq. 600 Putnam Pike, St. 13 Greenville, RI 02828	<u>msendley@cox.net;</u>	401-349-4405
Town of Charleston Peter Ruggiero, Esq., Town Solicitor David Petrarca, Esq., Asst. Town Solicitor Ruggiero Brochu & Petrarca 20 Centerville Road Warwick, RI 02886	<u>peter@rubroc.com;</u>	401-737-8700
	<u>david@rubroc.com;</u>	
Entities with Pending Intervention (Electronic Service Only)		

Tribal Council of the Narragansett Indian Tribe Shannah Kurland, Esq. 149 Lenox Avenue Providence, RI 02907	Skurland.esq@gmail.com ;	401-439-0518
Interested Persons (Electronic Service Only)		
Harrisville Fire District Richard Sinapi, Esq. Joshua Xavier, Esq. 2347 Post Road, Suite 201 Warwick, RI 02886	ras@sinapilaw.com ;	401-739-9690
	jdx@sinapilaw.com ;	
Residents of 945 Wallum Lake Road, Pascoag, RI (Walkers) Nicholas Gorham, Esq. P.O. Box 46 North Scituate, RI 02857	nickgorham@gorhamlaw.com ;	401-647-1400
	edaigle4@gmail.com ;	
Peter Nightingale, member Fossil Free Rhode Island 52 Nichols Road Kingston, RI 02881	divest@fossilfreeri.org ;	401-789-7649
Sister Mary Pendergast, RSM 99 Fillmore Street Pawtucket, RI 02860	mpendergast@mercycne.org ;	401-724-2237
Patricia J. Fontes, member Occupy Providence 57 Lawton Foster Road South Hopkinton, RI 02833	Patfontes167@gmail.com ;	401-516-7678
Burrillville Land Trust Marc Gertsacov, Esq. Law Offices of Ronald C. Markoff 144 Medway Street Providence, RI 02906 Paul Roselli, President Burrillville Land Trust PO Box 506 Harrisville, RI 02830	marc@ronmarkoff.com ;	401-272-9330
	proseli@cox.net ;	401-447-1560
Rhode Island Progressive Democrats of America Andrew Aleman, Esq. 168 Elmgrove Avenue Providence, RI 02906	andrew@andrewaleman.com ;	401-429-6779
Fighting Against Natural Gas and Burrillville Against Spectra Expansion Jillian Dubois, Esq. The Law Office of Jillian Dubois 91 Friendship Street, 4 th Floor Providence, RI 02903	jillian.dubois.esq@gmail.com ;	401-274-4591

Burrillville Town Council c/o Louise Phaneuf, Town Clerk 105 Harrisville Main Street Harrisville, RI 02830	lpbaneuf@burrillville.org ;	401-568-4300
Christine Langlois, Deputy Planner Town of Burrillville 144 Harrisville Main Street Harrisville, RI 02830 Joseph Raymond, Building Official	clanglois@burrillville.org ;	401-568-4300
	jraymond@burrillville.org ;	
Michael C. Wood, Town Manager Town of Burrillville 105 Harrisville Main Street Harrisville, RI 02830	mcwood@burrillville.org ;	401-568-4300 ext. 115
Mr. Leo Wold, Esq. Department of Attorney General 150 South Main Street Providence, RI 02903	LWold@riag.ri.gov ;	401-274-4400
Public Utilities Commission Cynthia Wilson Frias, Esq., Dep. Chief of Legal Alan Nault, Rate Analyst	Cynthia.Wilsonfrias@puc.ri.gov ;	401-941-4500
	Alan.nault@puc.ri.gov ;	
Division of Public Utilities and Carriers John J. Spirito, Esq., Chief of Legal Steve Scialabba, Chief Accountant Tom Kogut, Chief of Information	john.spirito@dpuc.ri.gov ;	401-941-4500
	steve.scialabba@dpuc.ri.gov ;	
	thomas.kogut@dpuc.ri.gov ;	
Matthew Jerzyk, Deputy Legal Counsel Office of the Speaker of the House State House, Room 302 Providence RI, 02903	mjerzyk@rilin.state.ri.us ;	401-222-2466
Hon. Cale Keable, Esq., Representative of Burrillville and Glocester	Cale.keable@gmail.com ;	401-222-2258
Nick Katkevich	nkatkevich@gmail.com ;	
Avory Brookins	abrookins@ripr.org ;	
Joseph Bucci, Acting Administrator Highway and Bridge Maintenance Operations RI Department of Transportation	joseph.bucci@dot.ri.gov ;	
Kevin Nelson, Supervising Planner Statewide Planning Program Jennifer Sternick Chief of Legal Services RI Department of Administration	kevin.nelson@doa.ri.gov ;	
	Jennifer.sternick@doa.ri.gov ;	
Doug Gablinske, Executive Director TEC-RI	doug@tec.ri.org ;	

Tim Faulkner ecoRI News 111 Hope Street Providence, RI 02906	tim@ecori.org ;	401-330-6276
Sally Mendzela	salgalpal@hotmail.com ;	
Keep Burrillville Beautiful Paul LeFebvre	acumenriskgroup@gmail.com ;	401-714-4493
Mark Baumer	everydayyeah@gmail.com ;	
Nisha Swinton Food & Water Watch New England	nswinton@fwwatch.org ;	
Kaitlin Kelliher	Kaitlin.kelliher@yahoo.com ;	
Joe Piconi, Jr.	jiggzy@hotmail.com ;	
Hon. Aaron Regunberg Representative of Providence, District 4	Aaron.regunberg@gmail.com ;	
Paul Ernest	paulwernest@gmail.com ;	
Skip Carlson	scarlson@metrocast.net ;	
Kathryn Scaramella	kscaramella@outlook.com ;	
Diana Razzano	Dlrazzano13@verizon.net ;	
David Goldstein	tmdgroup@yahoo.com ;	
Douglas Jobling	djobling@cox.net ;	
Claudia Gorman	corkyhg@gmail.com ;	
Curt Nordgaard	Curt.nordgaard@gmail.com ;	
Colleen Joubert	Colleenjl@cox.net ;	
Matt Smith Food & Water Watch	msmith@fwwatch.org ;	
Christina Hoefsmit, Esq. Senior Legal Counsel RI Department of Environmental Management	Christina.hoefsmit@dem.ri.gov ;	
Steven Ahlquist, RIFuture	atomicsteve@gmail.com ;	
Pascoag Utility District William Bernstein, Esq. Michael Kirkwood, General Manager Robert Ferrari, Northeast Water Solutions, Inc.	mkirkwood@pud-ri.org ;	
	Wlblaw7@gmail.com ;	
	rferrari@nwsr.net ;	
Russ Olivo Woonsocket Call	rolivo232@gmail.com ;	
Suzanne Enser	svetromile@gmail.com ;	
Rhode Island Student Climate Coalition	riscc@brown.edu ;	
Tom Kravitz	tkravitz@nsmithfieldri.org ;	

Barry Craig	barrygcraig1@gmail.com ;	
Joanne Sutcliffe	Josut321@cox.net ;	
Eli Sherman	sherman@pbn.com ;	

EXHIBIT A

HOME > NEWS > ENERGY > EFSB > INVENERGY > A
busy week in the Invenergy case

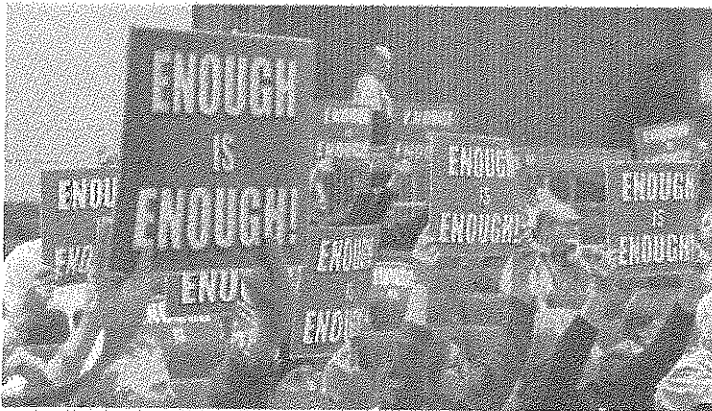
DONATE TO UPRISE RI

BECOME A PATRON

Donate



January 28, 2018 Jerry Elmer Invenergy 0



This has been a busy week in the Invenergy case, culminating in a **Federal Energy regulatory Commission (FERC)** ruling on Friday late afternoon in the second of the two pending lawsuits pertaining to Invenergy. This e-mail reviews the events of the past week, suggests what those events mean for opponents of Invenergy, and looks ahead to next steps.

On Monday, January 22, Invenergy informed the **Energy Facilities Siting Board (EFSB)** that it (Invenergy) had cancelled its water contract with the **Narragansett Indian Tribe**.

On Wednesday, Jan. 24, Invenergy informed the EFSB that it (Invenergy) had withdrawn its lawsuit at FERC seeking to shift hundreds of millions of dollars in interconnection costs to ratepayers.

Also on Wednesday, **Conservation Law Foundation (CLF)** asked the EFSB not to cancel the **Show Cause Hearing** schedule for next Tuesday, January 30, because there was still a very important second



Uprise RI
last Wednesday



Click here to support Do
Lilian Gordillo was detained by ICE v
GOFUNDME.COM

3 Comment Share

**SUBSCRIBE TO OUR
MAILING LIST**

Email Address

SUBSCRIBE

STAY CONNECTED

lawsuit pending at FERC that could affect the outcome of the EFSB Docket. We were unsuccessful; the EFSB cancelled the January 30 Show cause Hearing, saying that the hearing was moot due to the cancellation of the water contract with the Narragansett Indian Tribe and the withdrawal of one of the FERC cases.

Litigation always has its ups and downs, and the foregoing events were not helpful for the anti-Invenenergy side. Invenenergy's filing its lawsuit at FERC, seeking to shift hundreds of millions of dollars in interconnection costs to ratepayers, was a very stupid move on Invenenergy's part for several reasons. It allowed CLF to hammer Invenenergy mercilessly in the press, and it looked like the EFSB was going to stay the entire case until Invenenergy's lawsuit was resolved, which would have taken over a year. That delay would probably have killed Invenenergy. Unfortunately, Invenenergy recognized this fact as well as we did, which led Invenenergy to withdraw its lawsuit. While this made Invenenergy look "not yet ready for prime time," it also makes a further stay unlikely.

Nevertheless, on Friday morning, CLF and **Burrillville** filed a motion for new stay (after a Show Cause Hearing) based on the continued pendency of the second lawsuit at FERC. In that Motion, we were pretty bold in asserting the likely outcome of the still-pending FERC case: ISO would win; Invenenergy would lose. (Our prediction did not take much legal acumen. The standard of the **Federal Power Act** (Section 205) that the ISO had filed the case under is very, very, very deferential to the ISO.)

Also on Friday, the EFSB issued a schedule for the **Final Hearing** for dates running from April through August.

And, on Friday evening, FERC issued its **ruling in the second case** (and, yes, the ISO won, just as we said it would). (This is the technical, legal citation for FERC's ruling: **ISO New England, Inc.** 162 FERC ¶ 61,058, Jan. 26, 2018.) Specifically, here is what FERC ruled:

- Invenenergy lost its request to self-build the interconnection. [FERC Order, p. 16, ¶ 38.] Remember that Invenenergy had said it could build the interconnection faster than **National Grid** could. But FERC ruled that Grid would build the interconnection. This means that it is now impossible for Invenenergy to be operational on June 1, 2021, as it promised the EFSB. (This will hurt Invenenergy if the case goes to a Final Hearing.)



TWITTER

Tweets by @UpriseRI



Uprise RI
@UpriseRI

3/4 "Putting that kind of money into the military blindly eliminates the possibility of funding for [veteran care], eliminates the possibility of us having health care for all... No, no," said a constituent to @SenWhitehouseupriseri.com/news/elections...

Sheldon Whitehouse ans...
Rhode Island Senator She...
upriseri.com

41m



Uprise RI
@UpriseRI

2/4 "And it's not about protecting

Embed

View on Twitter

META

Log in

Entries [RSS](#)

Comments [RSS](#)

- Invenergy also said it could build the interconnection less expensively than Grid could do, so there is now added expense for Invenergy. (Remember, these are the expenses that Invenergy had tried, but failed, to shift to ratepayers.)
- Invenergy lost its argument that it did not want to post the bond at the same time that it issues the **Notice To Proceed (NTP)** to National Grid (that is, proceed with designing and building the interconnection). [FERC Order, p. 10, ¶ 24.] Invenergy will have to post the bond when it issues the NTP, just as the ISO Tariff requires, just like every other generator in New England.
- FERC reminded everyone that Invenergy and National Grid are free to renegotiate the timing for signing the **Large Generator Interconnection Agreement (LGIA)** and posting the bond. [FERC Order, p. 10, ¶ 25.] (Invenergy and National Grid have already done this, because, under the original schedule, Invenergy should have signed the LGIA (and posted the bond) long ago.

So what will happen next?

In light of FERC's ruling late on Friday, Invenergy is now at a crossroads. Specifically, Invenergy has to decide between four options going forward:

Option One: Invenergy could choose to appeal the FERC decision to the **Circuit Court of Appeals for the District of Columbia**. This is probably the least likely option of all, for several reasons. First, Invenergy's chance of prevailing in the Circuit Court would be approximately zero. Second, the fact that FERC has now ruled in the case effectively moots CLF's newly filed Motion for a Stay (filed just this past Friday). We asked the EFSB for a stay pending the outcome of this FERC case. Now we have the outcome. Right now, time is of the essence to Invenergy; the worst thing that could happen to Invenergy now is that the EFSB issues a stay. FERC's ruling took away CLF's argument in favor of a stay, but Invenergy appealing to the D.C. Circuit would give CLF that argument back. Invenergy is unlikely to do that.

Option Two: Invenergy could immediately issue the NTP and post the required bond of tens of millions of dollars. This is highly unlikely. Invenergy has said that no reasonable developer would post such a huge bond in advance of securing all major permits. Because I do not trust what Invenergy says, I have verified independently the fact that

WordPress.org

RECENT COMMENTS



LINDA UJIFUSA
ON Support
Rhode Island
single payer



KEEVEN LEX
(@KEEVEN_LEX)
ON Sheldon
Whitehouse

answers tough questions at
Woonsocket Town Hall campaign
kick-off



GREG GERRITT
ON Support
Rhode Island
single payer



GREG GERRITT
ON Police are
NOT the law:
They shouldn't

have to be reminded



STEVE AHLQUIST
ON Providence
Police Union
blames uptick in

gun violence on Community
Safety Act; advocates and police
commissioner disagree

ADVERTISEMENT

this is true. If Invenenergy took this course, it would certainly strengthen Invenenergy's case at the upcoming Final Hearing, but this is highly improbable.

Option Three: Invenenergy could walk away from the project. When Invenenergy filed its permit application at the EFSB on October 29, 2015, Invenenergy fully expected to have its permit by March 2016 – with little or no opposition from Burrillville or the public. Things have not exactly worked out that way for Invenenergy. If Invenenergy does, at some point, decide to abandon its proposal, that decision will be driven by financial concerns. There are now several reasons why the finances for the project are less attractive for Invenenergy than it had planned.

- Invenenergy conceived this project when **Forward Capacity Auction (FCA)** clearing prices (in **FCA-8**) were over \$17/kW-month in this zone, and Invenenergy hoped and planned to clear both of its turbines at that very high price. But by the time Invenenergy participated in **FCA-10**, Invenenergy was only able to clear one turbine and the auction clearing price had crashed to \$7.03/kW-month (with no zonal price separation).
- Invenenergy's second turbine failed to clear again in **FCA-11**, and then was disqualified from even participating in **FCA-12** (to be held on February 5, 2018). It is possible that the factors that led the ISO to disqualify **Invenenergy's Turbine Two** from FC-12 will also get the turbine disqualified for **FC-13**.
- There is little profit margin on the energy side of the market, and power plant developers rely heavily on capacity payments to turn a profit. The ISO provides a seven-year price lock for developers that clear in an FCA – but Invenenergy has already lost three of those seven years.
- By withdrawing one of the two lawsuits at FERC last week, Invenenergy is going to have to pay hundreds of millions of dollars in interconnection costs that it was not counting on paying.
- And with the FERC ruling on Friday, Invenenergy lost its option to self-build the interconnection. Invenenergy said that it could build the interconnection much faster and much less expensively than National Grid could. But now Invenenergy is forced to pay the much higher costs of having Grid build the interconnection (and take longer into the bargain). Invenenergy won't be up and running in 2021, and it will lose a fourth year of the seven-year FCA price lock-in.

The combination of the foregoing suggests that Invenergy was probably reconsidering its commitment to this power plant over the last few days and weeks. Nevertheless, Invenergy probably is not yet ready to pull the plug and walk away. Invenergy is probably closer to walking away than it was a year (or even six months) ago; but Invenergy is probably not quite there yet.

That leaves one more possible route forward for Invenergy, and it is this route that is the most likely.

Option Four: As noted above, FERC invited the parties (mainly Invenergy and National Grid, but also the ISO) to negotiate a new schedule for when Invenergy issues the NTP and posts its bond. If Invenergy wants to go ahead with the Burrillville power plant, but does not want to issue the NTP and post the bond immediately, it can work out an entirely new schedule for doing so – a schedule that pushes the time table for the plant even further into the future.

Such a course would be good for Invenergy because it would provide a clear path forward for Invenergy to go to a Final Hearing, get an EFSB permit, and maybe even eventually build the plant. However, time is not on Invenergy's side; and in the eight months or so between now and the end of a Final Hearing, most of what is likely to happen is likely to hurt Invenergy:

- If Invenergy doesn't issue the NTP for eight to ten months, it won't be on line until 2022 at the earliest. Invenergy will lose another year of its seven-year FCA price lock-in.
- If Invenergy isn't up and running until 2022, it strengthens CLF's argument that Invenergy wasn't needed all along. Invenergy insisted that its electricity was urgently needed by the grid in 2019, but it is now obvious to everyone that Invenergy is not needed at all. This will hurt Invenergy at a Final Hearing.
- Moreover, lots more renewable energy is coming into the system every year, thereby lessening even further the need for Invenergy.
- In fact, it is entirely conceivable that the ISO will involuntarily terminate the **Capacity Supply Obligation (CSO)** that Invenergy acquired in FCA-10 as soon as it (the ISO) is able to do so under the Tariff, this summer (which would be before the end of the Final Hearing).

This fourth option — Invenergy negotiating a new schedule for building out the interconnection – is the most likely course of events

in the wake of Friday's FERC ruling. This route is also Invenergy's best way forward, because it keeps the project alive for another year. (And, of course, it forces Burrillville and CLF to continue to litigate against Invenergy.) But the passage of time also hurts Invenergy. If the ISO does involuntarily terminate Invenergy's CSO, that single action would almost certainly be the end of Invenergy. It would be the end of Invenergy politically, because Invenergy's only argument (flawed argument, but still an argument) in favor of the plant would be gone. It would also be the end of Invenergy economically, because that price lock-in from the auction is crucial to any developer turning a profit.

Nevertheless, for now, the bottom line is that opponents of Invenergy still have a fight ahead.

Series Navigation

<< Invenergy still trying to shift costs onto consumers
maintains CLF and Burrillville, new Show Cause hearing
requested

Share this:



Like this:

Loading...



BURRILLVILLE

CAPACITY SUPPLY OBLIGATION

CLF

CONSERVATION LAW FOUNDATION

CSO

EFSD

ENERGY FACILITIES SITING BOARD

FERC

FEDERAL ENERGY REGULATORY COMMISSION

FEDERAL POWER ACT

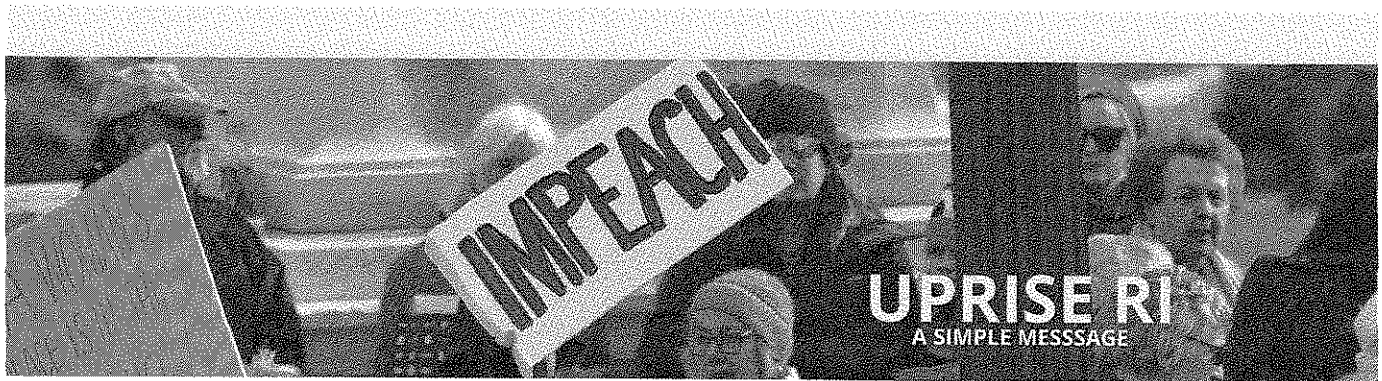
FERC

FORWARD CAPACITY AUCTION

INVENERGY

ISO NEW ENGLAND





[ABOUT UPRISE RI](#)

[EVENTS](#)



[NEWS TICKER >](#)

[January 30, 2018] Vigil/Protest for Lilian

SEARCH ...

[HOME](#) > [NEWS](#) > [ENERGY](#) > [EFSB](#) > [INVENERGY](#)

> Invenergy still trying to shift costs onto consumers
maintains CLF and Burrillville, new Show Cause hearing
requested

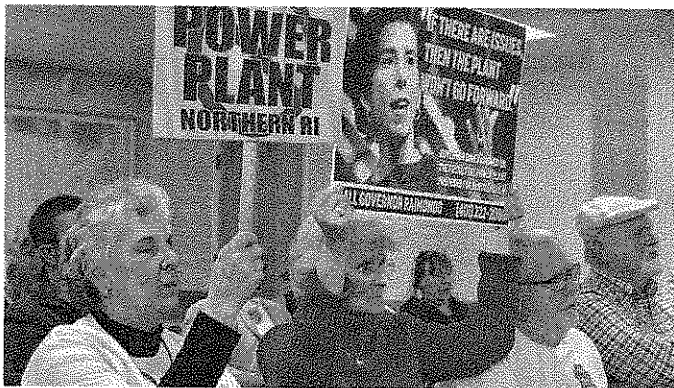
[DONATE TO UPRISE RI](#)

[BECOME A PATRON](#)

Invenergy still trying to shift costs onto consumers maintains CLF and Burrillville, new Show Cause hearing requested



January 26, 2018 Steve Ahlquist Invenergy 0



In response to the **cancellation** of next week's **Show Cause Hearing**, lawyers from **Conservation Law Foundation (CLF)** and the Town of **Burrillville** are **asking** the **Energy Facilities Siting Board (EFSB)** to suspend the Invenergy docket until the second **Federal Energy Regulatory Commission (FERC)** lawsuit is resolved, and to schedule a new Show Cause Hearing to address their request.

Invenergy seeks to build a \$1 billion fracked gas and diesel oil burning power plant in the heart of the pristine forests of north west Rhode Island.

"The EFSB has already shown that it is worried about Invenergy's attempts to shift cost risks onto ratepayers," said **Jerry Elmer**, senior attorney at CLF. "In today's filing, we are showing how the lawsuit against Invenergy that is still pending at FERC has tremendous potential to shift cost risks onto ratepayers. That's why we are asking the EFSB to suspend the Invenergy docket until the FERC lawsuit is resolved."

A key argument in the CLF/Burrillville Motion is that the still-pending FERC lawsuit contains significant potential for Invenergy to shift cost risks to ratepayers.

The lawsuit under discussion is being brought by National Grid, who maintain that Invenergy seeks to "effectively force

Uprise RI
 last Wednesday

Click here to support

Lillian Gordillo was detain...

GOFUNDME.COM

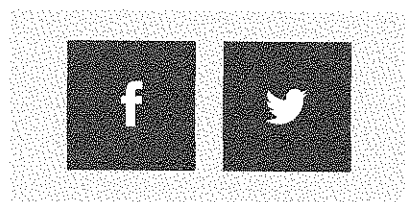
3
 Comment
 Share

SUBSCRIBE TO OUR MAILING LIST

Email Address

SUBSCRIBE

STAY CONNECTED



National Grid to incur substantial costs to facilitate the Clear River interconnection well before Clear River would provide security or other financial support for the interconnection. This would shift project development risk for Clear River's project to National Grid's captive ratepayers, undermining the purpose of the restructured electric industry in New England where generation developers assume the risks of their own projects."

"Invenergy continues to talk out of both sides of its mouth," maintains Elmer. "Invenergy says that its project will have no cost to ratepayers, but in the FERC lawsuit that is still pending Invenergy is still trying to shift cost risks to ratepayers. On December 20, Invenergy told FERC in no uncertain terms that if it doesn't get its way on changing the schedule for posting financial security for the interconnection, it will walk away from the Burrillville project; on Wednesday, Invenergy told the EFSB exactly the opposite. This fact is highlighted in the Motion, on page 7, the last paragraph before the Conclusion:

"The EFSB, CLF, Burrillville, and all the parties need to know whether Invenergy will keep its promise to abandon the project (as any reasonable developer would) if it is forced to follow the requirements of the ISO Tariff – or if Invenergy will keep its other promise, to proceed with the Project (as no reasonable developer would, according to Invenergy)."

In a second **motion** delivered to the EFSB today CLF and the Town of Burrillville object to the EFSB's cancellation of the original Show Cause hearing.

"The EFSB may not have been so willing to cancel the Show Cause Hearing on January 30 if the EFSB members had realized that Invenergy's withdrawal of its lawsuit was without prejudice," said Jerry Elmer. "This means that Invenergy can re-file the identical lawsuit any time it chooses, including after the EFSB grants it a possible permit. Given Invenergy's history of trying to hide its efforts to shift costs to ratepayers — and then lying about those efforts when they were caught — CLF

TWITTER

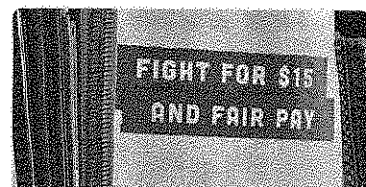
Tweets by @UpriseRI



Uprise RI
@UpriseRI



Announcing the campaign for a \$15 minimum wage and fair wagesupriseri.com/news/economics...@PPVotesRI@Rhodelsland_NOW@SEIU1199_NE@32BJSEIU@IBT251@WHEFRI@SenatorRuggerio@RISpeaker@RIHouseofReps@RISenate



Announcing the campai...

Today marked the launch of a coordinated campaign to upriseri.com



23m



Uprise RI
@UpriseRI



Embed

View on Twitter

META

Log in

Entries RSS

believes that there is a real risk of Invenergy re-filing its FERC lawsuit at some time in the future."

This is argued in the attached motion on page 4 in the second paragraph.

Here's the part of the first motion that discusses the reasoning :

CLF and Burrillville respectfully submit that the EFSB (as well as all the parties to this proceeding) want and need to know the outcome of the ISO Lawsuit at FERC before this case proceeds to a Final Hearing – because that outcome will affect this proceeding in several meaningful ways.

First, and of perhaps greatest importance, is Invenergy's continuing effort to shift cost risks onto Rhode Island and New England ratepayers. The EFSB was rightly concerned with this issue in the case of a second lawsuit at FERC, EL18-31; the problem of Invenergy's attempt to shift cost risks to ratepayers is also present in the ISO Lawsuit, which is still pending at FERC.

There is an unfortunate pattern here in Invenergy's behavior. Invenergy did not inform the EFSB of its cost-shifting efforts in EL18-31; indeed Invenergy did not even inform the EFSB about the existence of that lawsuit until after CLF and the Town had done so. And Invenergy only withdrew EL18-31 when it was forced to do so as a result of the public outcry that resulted from the disclosure of the facts by CLF and the Town.

Respectfully, the EFSB should be equally concerned with Invenergy's improper attempt at cost risk shifting in the ISO Lawsuit, which is still pending before FERC.

Comments RSS

WordPress.org

RECENT COMMENTS



**LINDA
UJIFUSA ON**
Support
Rhode Island

single payer



KEEVEN LEX

(@KEEVEN_LEX) ON Sheldon Whitehouse answers tough questions at Woonsocket Town Hall campaign kick-off



**GREG
GERRITT ON**
Support
Rhode Island

single payer



**GREG
GERRITT ON**
Police are
NOT the law:

They shouldn't have to be reminded

STEVE

Second, if/when FERC approves the ISO's Section 205 Compliance Filing, it will be confirming the requirement of the Tariff that National Grid build the interconnection line. This makes it virtually impossible that the plant will have a COD date of June 2021, given National Grid's projections. Yet Invenergy has no proposal before the EFSB for a plant with a later COD.

Moreover, Invenergy's current, hoped-for COD is already its third. Invenergy's original proposal was for a plant with a COD of 2019. Invenergy's next proposal was for a plant with a COD for June 2020. Now Invenergy proposes a third COD, June 2021, but we know that if/when the ISO prevails in the ISO Lawsuit, even that will be virtually impossible given National Grid's time projections.

*Third, Invenergy told FERC that it is unwilling to proceed with the project if FERC upholds the current requirements of the ISO Tariff that apply to all power plant developers in New England. This was not a casual statement by Invenergy. It was in a filed legal pleading, signed by counsel, under the FERC analogue of Rule 11 in Federal Courts. FERC Rule 2101(c), 18 CFR **385.2101(c)**.*

Invenergy can, of course, argue that if/when it loses the ISO Lawsuit, it will nevertheless post the FA and issue the Notice To Proceed (NTP), despite having averred repeatedly that it is unwilling to do so. However, any such assertion would merely shows why a stay is needed in this Docket until the FERC lawsuit is resolved – so that the EFSB can see what Invenergy actually does, not what its public relations spokesperson asserts it might do.

Finally, the outcome of the FERC lawsuit may result in bringing clarity to the question of whether Invenergy will be



**AHLQUIST
ON**

Providence

Police Union blames uptick in gun violence on Community Safety Act; advocates and police commissioner disagree

ADVERTISEMENT

able to interconnect to the ISO-run electricity grid. While there is a separate EFSB docket pending on the interconnection issue (SB 2017-1), that question also has obvious relevance here. If there is no interconnection, there is no power plant.

The EFSB, CLF, Burrillville, and all the parties need to know whether (or not) Invenergy will be allowed to get away with its attempt to shift cost risks to ratepayers. We have a right to know this before the Final Hearing.

The EFSB, CLF, Burrillville, and all the parties need to know whether (or not) Invenergy's power plant can be operational in June 2021 – because that is the only evidence pending before the EFSB.

The EFSB, CLF, Burrillville, and all the parties need to know whether Invenergy will keep its promise to abandon the project (as any reasonable developer would) if it is forced to follow the requirements of the ISO Tariff – or if Invenergy will keep its other promise, to proceed with the Project (as no reasonable developer would, according to Invenergy).

Series Navigation

<< EFSB cancels Invenergy show cause hearing

A busy week in the Invenergy case >>

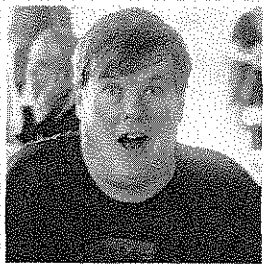
Share this:



https://www.foxprovidence.com/content/view/full/2017062801

Like this:

Loading...



About Steve Ahlquist >

189 Articles

Steve Ahlquist is a frontline reporter in Rhode Island. He has covered human rights, social justice, progressive politics and environmental news for half a decade. Uprise RI is his new

project, and he's doing all he can to make it essential reading.
atomicsteve@gmail.com



« PREVIOUS

Greg Gerritt's
State of the
Union

NEXT »

Providence
Police Union
blames uptick in
gun violence on
Community
Safety Act;
advocates and



police
commissioner
disagree

RELATED ARTICLES



CLF's Jerry Elmer:
Invenergy has a disclosure problem



Attorney General Kilmartin
opposes Invenergy's power plant plans



Invenergy: Not Ready for Prime Time!

BE THE FIRST TO COMMENT

Leave a Reply

Enter your comment here...

CIVIL RIGHTS

