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John S. Howard
Director FERC Hydro Compliance
Chief Dam Safety Engineer

August 30, 2013

Via Electronic Mail

Ms. Kimberly Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Northfield Mountain Pumped Storage Project, FERC Project No. 2485
Turners Falls Hydroelectric Project, FERC Project No. 1889
Impact on Relicensing Studies and Schedule due to Reported Closing of the Vermont
Yankee Nuclear Project, Vernon, VT, Connecticut River

Dear Ms. Bose:

FirstLight Hydro Generating Company (FirstLight), a subsidiary of GDF SUEZ Energy North America, is the Licensee of the Turners Falls Hydroelectric Project (FERC No. 1889) and the Northfield Mountain Pumped Storage Project (FERC No. 2485). Both facilities are located on the Connecticut River in Massachusetts, approximately 20 miles downstream of the Vernon Hydroelectric Project (FERC No. 1904) and Dam in Vermont (see Figure 1), operated by TransCanada Hydro Northeast Inc. (TransCanada).

FirstLight is currently in the process of relicensing its two facilities with the Federal Energy Regulatory Commission (FERC or Commission) using the Integrated Licensing Process (ILP). Relative to the ILP schedule, comments on FirstLight's Revised Study Plan (RSP) were due to FERC by August 29, 2013. FERC is slated to issue its Study Plan Determination Letter (SPDL) by September 13, 2013. The ILP schedule calls for two field seasons of studies, in 2014 and 2015, with the Final License Application due by April 29, 2016.

FirstLight has learned through various media outlets, including ISO-New England (see Attachment 1) that the Vermont Yankee Nuclear Project (VY) is planning to close by the end of 2014. VY, located on the bank of the Vernon Dam impoundment (see Figure 1), uses the Connecticut River as cooling water, which impacts the temperature regime in the Connecticut River below Vernon Dam. The closure of VY at the end of 2014 will change the existing environmental conditions in the Connecticut River and thus affect the baseline conditions for

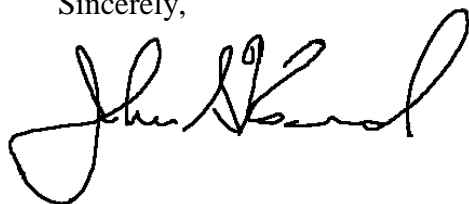
purposes of FERC's National Environmental Policy Act analysis for relicensing the Turners Falls Hydroelectric Project and Northfield Mountain Pumped Storage Project.

Although there is a great deal of variability year to year with regard to the timing and magnitude of river flow, water temperature, air temperature, and other factors, FirstLight nonetheless believes that the VY closure and change in baseline conditions could impact the implementation or results of the some of the studies proposed in the RSP. For example, in its RSP, FirstLight proposed to conduct Study 3.2.1, the Water Quality Monitoring Study, in 2014. However, upon learning of the reported VY shutdown, FirstLight would now propose to delay this study until 2015 to account for the "new" environmental baseline. FirstLight needs additional time, however, to determine if other studies proposed in the RSP could be impacted. Specifically, FirstLight would like to consult with the operator of VY to more fully understand the timing and effects of the closure. For example, although generation will reportedly cease in late 2014, it is unclear if water withdrawals will continue for a period thereafter for cooling purposes. FirstLight also needs to consult with TransCanada, with whom FirstLight had agreed to coordinate efforts on a number of relicensing studies. Accordingly, FirstLight requests 30 days from the date of this letter to re-submit any study plans that may need to be modified in light of the new environmental baseline. This request aligns with the similar request filed by TransCanada on August 28.

FirstLight understands that this request may impact the timing of Commission Staff's SPDL, which is expected to be issued on September 13, 2013. However, FirstLight believes that the unexpected closure of VY is a sufficiently unusual circumstance to warrant modification of the ILP schedule.

If you have any questions regarding this letter, please feel free to call me.

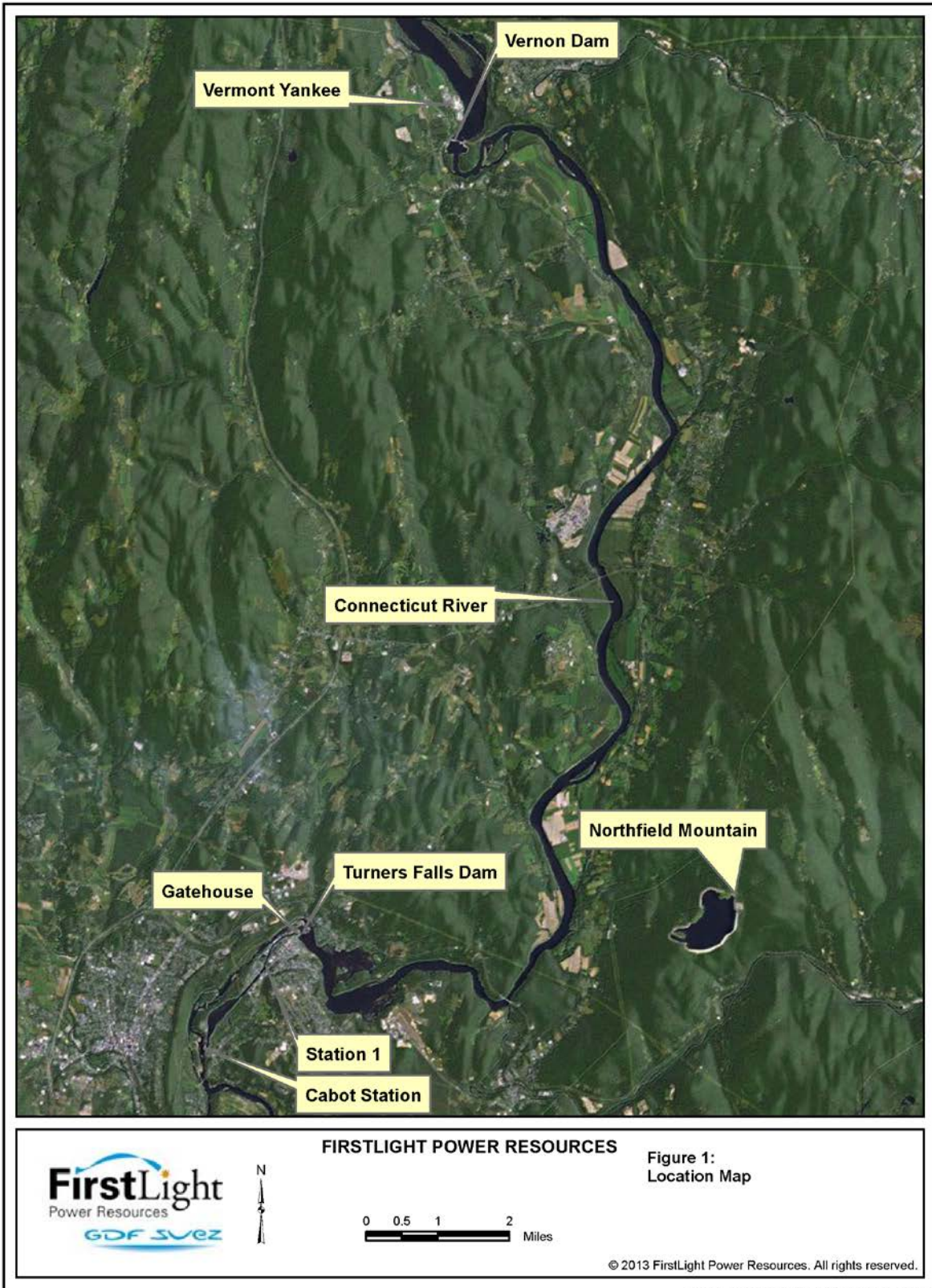
Sincerely,

A handwritten signature in black ink, appearing to read "John Howard". The signature is fluid and cursive, with a large loop at the end.

John Howard

Enclosed: Figure 1 and Attachment A

Figure 1: Location Map



Attachment A



press release

FOR IMMEDIATE RELEASE

Contact:

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ISO New England Issues Statement on Entergy's Announcement to Retire Vermont Yankee Nuclear Plant

Holyoke, MA—August 27, 2013—With the announcement today by Entergy Nuclear Power Marketing that it intends to retire its Vermont Yankee Nuclear Power Station next year, ISO New England Inc., operator of the region's high-voltage power grid and wholesale electricity markets, offers the following statement regarding the regional impacts of this decision. Entergy submitted its formal request to retire Vermont Yankee earlier today.

ISO New England has studied the needs of the high-voltage power system serving Vermont and New Hampshire for more than four years, including analyses of scenarios with and without Vermont Yankee in service. While earlier studies showed that reliability could be affected without Vermont Yankee, the most recent study in 2012 showed that the regional power grid could be operated reliably without Vermont Yankee. This was due to new system conditions including the development of some new resources acquired through the region's capacity market; completion of some previously planned transmission upgrades; and the demand-reducing effects of energy-efficiency measures. With Entergy's formal request to retire Vermont Yankee, this study will be updated.

Regardless of the outcome of these studies, the ISO does not have the authority to prevent a resource from retiring. With a maximum capacity of more than 600 megawatts, Vermont Yankee is among the region's largest power plants and is one of four nuclear stations providing baseload power to New England. Overall, nuclear generation produced 31% of New England's electricity in 2012.

Although the ISO, as the administrator of the region's wholesale electricity markets, does not favor any fuel or technology, the retirement of this large nuclear station will result in less fuel diversity and greater dependence on natural gas as a fuel for power generation. The ISO has identified New England's dependence on natural gas for power generation and the potential retirement of generators as [key strategic risks](#), and is developing solutions to address these and other strategic challenges.

Natural gas generated more than 52% of the energy produced in New England last year, and the price of natural gas has declined significantly in New England with increasing production of natural gas from the Marcellus shale in New York and Pennsylvania. With falling natural gas prices, wholesale electricity prices in New England fell in 2012 by nearly 23%, to their lowest levels since 2003, when markets in their current form were launched.

Lower natural gas prices have resulted in lower electricity prices and less revenue for resources in the energy market, while excess supply has dampened prices in the capacity market. These fundamental economic dynamics demonstrate that these markets are competitive. While lower prices are beneficial for consumers, resource owners must base their business decisions on whether to continue to compete based on their specific circumstances.

These economic forces are pushing other older, fossil-fuel-fired generators toward retirement, which will only increase the region's dependence on natural gas. The ISO is working with market participants and the New England states to develop potential market enhancements, including a pay-for-performance market mechanism that will create strong financial incentives for generators to assure that they have adequate fuel arrangements to be able to produce electricity when called on by the ISO.

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