

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

In re: RHODE ISLAND LFG GENCO, LLC

Docket No. SB-2009 - 1

**PRE-FILED TESTIMONY OF
GREG KLABON**

ON BEHALF

OF

RHODE ISLAND LFG GENCO,

AN AFFILIATE OF

RIDGEWOOD RENEWABLE POWER, LLC

March 19, 2010

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1 **Q. Please state your name, title and business address.**

2 A. My name is Greg Klabon and I am a Principal Engineer with Energy Initiatives Group
3 LLC, located at 176 Worcester – Providence Turnpike, Suite 102, Sutton, MA 01590.
4 My background qualifications and resume are attached as Exhibit "A".

5 **Q. Are you the same Greg Klabon that testified at the previous hearing in this siting**
6 **board proceeding on April 1, 2009?**

7 A. Yes I am.

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of my testimony is to provide for the Siting Board's ("EFSB's or "Siting
10 Board's") review the documents that the EFSB required Ridgewood to submit so that the
11 EFSB could finalize its review of the proposed 115 kV transmission lines to interconnect
12 with the National Grid transmission system.

13 **Q Please summarize the documents that the EFSB required Ridgewood to submit for**
14 **further review.**

15 A. In its May 14, 2009 Decision and Order ("Order"), the EFSB ruled that in order to
16 determine whether the 115 kV transmission project will not result in a significant impact
17 on the public health, safety and welfare, the EFSB must first review the System Impact
18 Study and the Interconnection Agreement that I previously described in my testimony at
19 the hearing held in Johnston, Rhode Island. See Order at pg. 6. The EFSB specifically
20 ordered Ridgewood to provide these documents, when they were ready for review, so that
21 the EFSB could conduct a limited hearing within 30 days of submission and that the

1 “hearing shall be limited to the issue of reliability and the interconnection with National
2 Grid’s transmission line . . .” Order at pg. 6.

3 **Q. Are the System Impact Study and the Interconnection Agreement available for the**
4 **EFSB to review?**

5 A. Yes. As I will discuss below, National Grid has completed its System Impact Study and
6 submitted the document to ISO-NE. Also, Ridgewood and National Grid have filed an
7 unexecuted Interconnection Agreement with ISO – NE for delivery to FERC, in order for
8 FERC to arbitrate three unresolved issues. These issues are: 1) cost recovery for
9 transmission network upgrades, 2) tax markup on Contributions In Aid Of Construction
10 (CIAC), and 3) terms of an easement Ridgewood would convey to National Grid for the
11 115 kV switchyard site. As I will explain below, while the FERC resolves the remaining
12 contract issues, the terms of the remainder of the Interconnection Agreement are binding
13 on the parties and are required to be implemented.

14 **Q. Before turning to these documents, has the EFSB already reviewed the critical need**
15 **for the project and the environmental and renewable energy benefits associated**
16 **with the project?**

17 A. Yes. These details were described in Ridgewood’s initial Notice, filed with the EFSB on
18 February 10, 2009 and summarized in the EFSB Order. Ridgewood appreciates that the
19 Order identifies Ridgewood’s description of the project, particularly recognizing that the
20 expansion of the existing Central Landfill necessitates the decommissioning of one of
21 Ridgewood’s existing facilities and the establishment of an alternative 41 megawatt
22 facility with a need to interconnect the new facility to the existing National Grid

1 transmission system. Order at 3. The Order further recognized the need for the project,
2 as a critical project to accommodate the expansion of the Central Landfill, and recognized
3 the project's goal of promoting the development of renewable energy resources. Order at
4 3-4. Consequently, my testimony will be limited only to the documents that the EFSB
5 required for purposes of its limited hearing on the issues of reliability and interconnection
6 with National Grid's transmission lines.

7 **System Impact Study**

8 **Q. Has the System Impact Study been completed?**

9 A. Yes. Attached to my testimony as Exhibit B and C are the documents described as
10 "FINAL - ISO-NE Queue # 262 Project System Impact Study – Transient Stability
11 Analysis" (September 2009) and "FINAL - ISO-NE Queue # 262 Project System Impact
12 Study –Steady State Analysis" (October 2009). These documents represent the Final
13 System Impact Study documents prepared by representatives of National Grid for
14 submission to ISO-NE. This study is required by ISO New England Inc. FERC Electric
15 Tariff No. 3 Open Access Transmission Tariff Schedule 22 – Large Generator
16 Interconnection Procedures Section 7 Interconnection System Impact Study and is
17 applicable to interconnection of generation facilities that exceed 20 MW.

18 **Q. What is the scope of a FERC required System Impact Study?**

19 A. The general System Impact Study process is outlined in ISO New England Inc. FERC
20 Electric Tariff No. 3 Open Access Transmission Tariff Schedule 22 – Large Generator
21 Interconnection Procedures Section 7. Interconnection System Impact Study. Briefly
22 described, the Interconnection System Impact Study is a rigorous assessment designed to

1 ensure that new generation added to the region's transmission system would not
2 adversely impact its reliability or operating characteristics. The System Impact Study
3 evaluates the generation interconnection project considering certain system
4 configurations, contingencies, and various NEPOOL load conditions. These
5 configurations, contingencies, and load conditions are then tested under a series of
6 sensitivity analysis with other proposed (or "in Queue" in the words of the Study)
7 transmission and generation projects. Included in the study are certain thermal, voltage,
8 and short circuit evaluations of the impact on the regional transmission system with the
9 proposed Ridgewood generation (49.2 MW) facility. See System Impact Study, Steady
10 State Analysis document, at pg. 10; System Impact Study Transient Analysis document,
11 at pg. 10. In short, the System Impact Study evaluates the impact of the interconnection
12 of the proposed generation on the reliability and operating characteristics of the regional
13 transmission system, while considering all other interconnected generation and/or
14 transmission projects that may have an impact on the project, have a pending higher
15 queued Interconnection Request, or have no queue position but have executed an LGIA.

16 **Q. Please describe the conclusions reached by National Grid in the final System Impact**
17 **Study documents that you describe.**

18 A. On page 22 of the System Impact Study – Steady State Analysis document National Grid
19 concludes: "There are no thermal, voltage or short circuit concerns with the proposed
20 interconnection" of the proposed Ridgewood generation facility to the transmission grid.
21 On page 23 of the System Impact Study – Transient Analysis document National Grid
22 similarly concludes that the project may proceed, provided that certain high speed

1 protective relay systems shall be provided for the project and upgrades shall be made to
2 certain protective relay systems at remote substations on the 115 kV transmission system.

3 **Q. Has National Grid submitted the Final System Impact Study that you describe and**
4 **that is provided as Exhibit B and C to ISO-NE?**

5 A. Yes. As required upon completion of the study, National Grid submitted these
6 documents to ISO-NE. Subsequently, ISO-NE, National Grid, and Ridgewood held a
7 teleconference on November 3, 2009, during which all parties determined the System
8 Impact Study to be final.

9 **Large Generator Interconnection Agreement**

10 **Q. Please describe the Large Generator Interconnection Agreement that you are**
11 **providing for the EFSB review.**

12 A. Attached to my testimony is Exhibit D. This is the Standard Large Generator
13 Interconnection Agreement By and Among ISO New England Inc. and Rhode Island
14 Central Genco, LLC and New England Power Company d/b/a National Grid.
15 (“Interconnection Agreement”).

16 **Q. Has this agreement been submitted to ISO - NE for delivery to FERC?**

17 A. Yes. As indicated by the terms of the Agreement, Ridgewood and National Grid are in
18 substantial concurrence with the terms of the Agreement Ridgewood and National Grid
19 filed an unexecuted Interconnection Agreement with ISO – NE for delivery to FERC, in
20 order for FERC to arbitrate three unresolved issues. These issues are: 1) cost recovery
21 for transmission network upgrades, 2) tax markup on Contributions In Aid Of

1 Construction (CIAC), and 3) terms of an easement Ridgewood would convey to National
2 Grid for the 115 kV switchyard site.

3 **Q. Please elaborate on the effectiveness and applicability of an unexecuted**
4 **Interconnection Agreement for EFSB purposes, pending the arbitration of the open**
5 **issues at FERC.**

6 A. As noted, Ridgewood, ISO-NE, and National Grid agree on all terms of the LGIA except
7 for two financial issues and one real estate issue. The first issue is described as follows:
8 Whether or not Ridgewood's facilities should be treated as Network Upgrades subject to
9 cost recovery. Ridgewood claims that the Network Upgrades provide system benefits
10 and thus should be eligible for cost recovery. ISO-NE disagrees with Ridgewood's
11 position. The second issue is whether Ridgewood should be required to post financial
12 security to cover the possibility that certain federal income taxes could be assessed
13 against NGRID at some time in the future as a result of the interconnection to be
14 constructed. The third issue regards the term for an easement that Ridgewood would
15 convey to National Grid for the switchyard site. National Grid is seeking a perpetual
16 easement and Ridgewood is offering an easement that would extend for the duration of
17 the life of the plant, as long as the plant is or is capable of generating electric energy from
18 the landfill gas on an economic basis.

19 **Q. Under FERC procedures must the parties comply with the terms of the Agreement**
20 **that are not in dispute in order to begin the financing, design and construction**
21 **phases?**

1 A. Yes. Even though three issues remain open for resolution at FERC it is my
2 understanding that FERC rules and ISO-NE procedures require the parties to implement
3 the terms of the agreement that are not in dispute.

4 **Q. Please explain.**

5 A. It is my understanding that the filing of an unexecuted Large Generator Interconnection
6 Agreement with the FERC allows the parties to the Agreement to proceed with design,
7 procurement, and construction of facilities and upgrades under the agreed upon terms of
8 the unexecuted Agreement, pending Commission action. See Order No. 2003,
9 *Standardization of Generator Interconnection Agreements and Procedures*, 104 FERC ¶
10 61,103 at par. 240 (July 24, 2003). According to this Order No. 2003, "pending FERC
11 action", the parties to the unexecuted Agreement are required to comply with the
12 unexecuted Agreement "to the extent they can proceed under the agreed upon terms." *Id.*
13 at par. 296.

14 Similarly, ISO New England's Large Generator Interconnection Procedures provide that
15 "Upon submission of an unexecuted LGIA, the System Operator, Interconnection
16 Customer and Interconnection Transmission Owner shall promptly comply with the
17 unexecuted LGIA, subject to modification by the Commission." ISO New England,
18 FERC Electric Tariff No. 3, Open Access Transmission Tariff, 1st Rev. Sheet No. 5187,
19 Schedule 22, Section 11.4.

20 **Q. Do FERC rules require the parties to abide by the terms of the remainder of the**
21 **agreement?**

1 A. Yes. Given the open items for review and determination at the FERC that I have
2 described above, the parties (in this case National Grid and Ridgewood) are required by
3 FERC rules and ISO – New England procedures to go forward with the design,
4 procurement, and construction of the facilities and upgrades while the dispute remains
5 pending before the Commission. When the Commission (FERC) ultimately takes action
6 on the open items, the parties will be required to make any refunds to one another as are
7 necessary to reflect the Commission's holdings on the disputed issues. In any event I do
8 not believe that any of these open items implicate the EFSB concerns over the reliability
9 and technical arrangements for interconnection with the National Grid transmission
10 system. On the contrary, the LGIA submitted to ISO-NE reflects an agreement on the
11 key provisions that the EFSB is concerned about to prove that the parties are in
12 agreement as to the technical specifications and engineering of the transmission
13 interconnection.

14 **Q. Can you summarize the items in the Interconnection Agreement that have been**
15 **agreed upon?**

16 A. Yes. Putting aside this cost recovery item, the terms of the Interconnection Agreement
17 related to all the other subjects of the Agreement are in force and agreed upon. These
18 terms are contained in the Agreement and are summarized in the Table of Contents to the
19 document. For the EFSB concerns, the main agreement is the standardized FERC
20 approved provisions, while the Appendices contain information that is specific to this
21 project. For example, Appendix A describes the particular interconnection facilities,
22 network upgrades and distribution upgrades; Appendix B relates to certain milestones;

1 Appendix C contains the Interconnection Details; Appendix D contains the Security
2 Arrangements details. The other key dates and references will be determined upon FERC
3 review.

4 **Q. What are you recommending?**

5 A. Given that the System Impact Study has been completed by National Grid and filed with
6 ISO-New England, and given that the Interconnection Agreement has been submitted to
7 ISO- New England for delivery to FERC, I am recommending that the EFSB authorize
8 this transmission project to proceed.

9 **Q. Do the EFSB Rules allow an Order approving the project while the FERC reviews**
10 **and decides the few open issues?**

11 A. Yes. First, as I discussed above, I believe the EFSB should treat the Interconnection
12 Agreement as final for purposes of EFSB review since the Interconnection Agreement
13 has been submitted to the FERC and is made enforceable as to the undisputed terms
14 under applicable FERC and ISO – New England procedures. Second, the EFSB Rules
15 allow the EFSB to request that Ridgewood file additional information at any time such
16 that when the FERC decides the issues in the Interconnection Agreement Ridgewood can
17 file this document with the EFSB for information purposes. See Rule 1.6(j). Also, while
18 this proceeding is being reviewed under the expedited process of Rule 1.6 and not the full
19 proceedings and hearings contained in Rules 1.9 and 1.10, I do note that even a full
20 review allows the EFSB to grant its license conditioned upon the receipt of other federal
21 permits. See, e.g., Rule 1.13(e). However, in no event should the fact that there are on-
22 going FERC proceedings stop the EFSB from ruling that the transmission project will not

1 have any adverse impact on the health, safety or welfare of the citizens of Rhode Island.

2 The EFSB should allow the project to proceed.

3 **Q. Are there other reasons why the EFSB should allow the project to proceed now that**
4 **the System Impact Study is finalized and the Interconnection Agreement is with the**
5 **FERC?**

6 A. Yes. As explained in the pre-filed testimony of Mr. Galowitz the ability of Ridgewood to
7 finance this project is dependent upon the receipt of the EFSB authorization to allow the
8 project to proceed. This project is an important project for the health, safety and welfare
9 of the citizens of Rhode Island both as a means to allow the much needed expansion of
10 the Central Landfill, as well as the development of new forms of renewable energy to
11 support the growing Green Economy initiatives of state policy-makers and legislators.
12 For these additional reasons, the EFSB should allow the project to proceed without the
13 need for further EFSB proceedings.

14 **Responses to EFSB Data Requests**

15 **Q. Are there any other documents that you are presenting to the Siting Board?**

16 A. Yes. The Siting Board also issued a set of Data Requests on April 28, 2009, seeking
17 other plans and documents related to the project. These documents were not completed
18 at that time but are now available and are attached to my testimony as Exhibit E.

19 **Q. Please describe what documents you are providing in response to the EFSB Data**
20 **Requests.**

21 A. These other documents concern detailed plans and drawings of the proposed project,
22 including structures, proposed pole locations and sizing, as well as boundaries of the

1 easement that Ridgewood has obtained from Rhode Island Resource Recovery. In
2 addition, the documents include the authorizations from RIRRC to grant the easement,
3 and the proposed legal language of the easement that is required to connect Ridgewood's
4 proposed generation facilities to the transmission network of National Grid.

5 **Q. Does that conclude your testimony?**

6 A. Yes.

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