Project 2015A Frequently Asked Questions

When is construction expected to start?
Construction is expected to begin in late 2021 and be completed in mid-2022.

What type of fuel is being used?
The primary fuel for the capacity resource is natural gas, with oil as a backup if natural gas is not available during extreme winter weather.

Does the project involve the construction of a new natural gas pipeline?
No, a new natural gas pipeline will not be built as part of Project 2015A.

Does the project include a gas compressor?
Yes. Due to the low pressures that can be experienced in existing pipelines during the winter months when more natural gas is used for home heating, Project 2015A does include a compressor powered by an electric motor. Because the compressor is powered by an electric motor, the compressor will not produce any air emissions. The purpose of the compressor is to provide adequate gas pressure for use in the capacity resource during the winter months and minimize the need to use oil as a backup fuel.

Will there be a smokestack as part of the project?
Yes, in order to better control emissions when operating, a 90-foot exhaust stack including sound attenuation will be part of the capacity resource.

How often will the project run?
As a capacity resource, not an energy resource, it is expected to run approximately 239 hours per year, or 2.72% of the time. It will run only when called upon by ISO New England during times of system stress or high energy usage. When the capacity resource does run, it will run mostly in the summer on natural gas, as New England's peak days occur during the summer.

How much emissions will result from this project?
It is estimated the capacity resource will emit 7,085 tons of CO2 per year. As an efficient, new turbine, this level is much lower than the emissions rate of resources with which it will directly compete in New England's wholesale electric markets. The capacity resource's emissions rate is **lower** than **94 percent** of fossil fueled peaking plants in New England. That means when the capacity resource is generating energy, it will be displacing a higher level of emissions (for the number of megawatt hours generated) from more polluting resources.

Why don't we just build more renewable resources?
Due to the intermittent nature of renewable energy resources, capacity resources such as 2015A will be necessary to meet Participant capacity requirements and to be available for New England system reliability. In order to incorporate more renewable energy resources such as wind and solar, there will a need for efficient capacity resources such as 2015A. Renewable energy resources provide very little capacity values, with capacity values of wind and solar between 0-34% of their nameplate energy ratings. In contrast, the Project 2015A capacity resource will be rated for 100% of its megawatts (MWs).

Therefore, in order to achieve the equivalent capacity value as Project 2015A through renewable energy resources, renewable energy resources with MW ratings of several hundreds to thousands of megawatts would need to be procured. On the other hand, the Project 2015A capacity resource helps the light departments maintain and expand a power portfolio with a diversified mix of energy resources including additional renewable energy resources that together will help get us to net zero emissions by 2050.

Will this type of project be needed years from now?
As more and more renewable energy sources come into the market, there will be a need for capacity resources such as Project 2015A (see answer to previous question). The Commonwealth's Interim Climate Plan for 2030 and Decarbonization Roadmap, released in December 2020, both make several references to the need for "reliability resources" and "gas fired thermal resources."

How much funding is necessary for the project?
In accordance with the requirements of MMWEC's statute, MMWEC has filed a petition with the Department of Public Utilities seeking authority to finance and refinance the cost of the project. The petition seeks a total of $170 million in authority comprised of: - $85 million, (including contingencies), in authority as the Initial Issuance, the proceeds of which will be used to fund the project; and $85 million in authority to refund and refinance the Initial Issuance when interest rates warrant refunding so as to lower the cost to the light department.

For how many years will the light department make payments on the project?
Currently, it is estimated that the light department will be making debt service payments on the project through 2050. However, that may change with Refunding Bonds.

Does the cost still make sense with current market pricing? Will the revenue the light department receives offset the cost?
Project 2015A is a capacity resource designed to provide a stable cost of capacity for the light department's capacity needs and purchases in ISO New England. Because it will have a fixed price, the capacity resource is a hedge against volatile capacity prices in the New England markets. In addition, current forecasts of capacity prices indicate the project's stable capacity price will reduce capacity costs over the expected 30-year life of the debt. During the very limited times when the project generates electricity for system reliability needs, the light department's cost of electricity will be reduced as a result of participating in Project 2015A.

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