



*The Commonwealth of Massachusetts*  
*Executive Office of Energy and Environmental Affairs*  
*100 Cambridge Street, Suite 900*  
*Boston, MA 02114*

Deval L. Patrick  
GOVERNOR

Timothy P. Murray  
LIEUTENANT GOVERNOR

Ian A. Bowles  
SECRETARY

Tel: (617) 626-1000  
Fax: (617) 626-1181  
<http://www.mass.gov/envir>

August 10, 2007

CERTIFICATE OF THE SECRETARY OF ENERGY AND ENVIRONMENTAL AFFAIRS  
ON THE  
NOTICE OF PROJECT CHANGE

PROJECT NAME : IPA Blackstone Expansion Project  
PROJECT MUNICIPALITY : Blackstone  
PROJECT WATERSHED : Blackstone River  
EEA NUMBER : 11208/14054  
PROJECT PROPONENT : IPA Mill, LLC  
DATE NOTICED IN MONITOR : July 11, 2007

Pursuant to the Massachusetts Environmental Policy Act (M.G. L., c. 30, ss. 61-62H) and Section 11.10 of the MEPA regulations (301 CMR 11.00), I hereby determine that this project change **requires** the preparation of a Supplemental Environmental Impact Report (EIR).

Project Description

The original project consisted of the construction of a 580 MW<sup>1</sup> combined cycle natural gas power plant and associated infrastructure including extension of natural gas pipelines transmission lines to the site. A MEPA Certificate issued on July 17, 1998 indicated that the Final EIR adequately and properly complied with MEPA and its implementing regulations.

As described in the Environmental Notification Form (ENF),<sup>2</sup> the project change consists

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<sup>1</sup> The completed project has a capacity of 540 MW.

<sup>2</sup> The proponent submitted an Environmental Notification Form (ENF) describing this project. Because it appears that the project will require one or more revised permits for the original facility (reviewed under MEPA as EOE #11208) in order to construct the proposed expansion project, it was determined to be a project change and reviewed as a Notice of Project Change (NPC).

of the expansion of the existing Blackstone Energy Company power plant through construction of a 170 megawatt (MW) natural gas fired peaking power facility. The project will be constructed entirely within the property boundaries of and adjacent to the existing 540 MW baseload electric generating plant. The Environmental Notification Form (ENF) indicates that the project is proposed in response to the regional Independent System Operator New England (ISO-NE) 2008 Forward Capacity Market (FCM) auction. The facility will operate primarily during summertime days but the proponent will seek to minimize potential licensing restrictions to allow operating flexibility throughout the year. The project consists of construction of a combustion turbine, air intake filter, continuous emissions monitoring equipment, a single exhaust stack (approximately 125 feet tall), step-up and auxiliary transformers, fin fan cooler and auxiliary equipment. The NPC indicates that work associated with extending and upgrading the electric transmission lines and natural gas pipeline will be limited to the site. The project will use natural gas exclusively and, therefore, does not require the construction of associated fuel tanks.

The site is located in the northeast corner of the town of Blackstone at 204 Elm Street. It consists of the 540 MW plant and associated infrastructure, including access drives and the stormwater management system. The expansion site is a level, unvegetated area used for equipment laydown and parking during construction of the original plant. The site is bounded to the west and northwest by woods and the Mill River, and to the north by wooded areas up to the Blackstone/Mendon town line. Residential areas exist beyond the Mill River to the west, beyond the Blackstone/Mendon town line to the north and to the east along the Blackstone side of the Blackstone/Bellingham town line. A sand and gravel operation is located to the south.

### Jurisdiction and Permitting

The original project initiated MEPA review prior to the revision of the MEPA regulations in 1998. It was subject to MEPA review and required the preparation of an EIR pursuant to 301 CMR 11.25 (25) because it required a state permit and consisted of an energy facility capable of generating in excess of 100 MW of electricity. The original project required numerous federal, state and local permits including review by the Energy Facilities Siting Board (EFSB). It required a 401 Water Quality Certificate, air quality permits and an industrial wastewater permits from the Department of Environmental Protection (MassDEP). It required approval from the Department of Public Safety and the Fire Marshall for proposed fuel oil storage. Also, it required an Order of Conditions from the local conservation commission and a National Pollutant Discharge Elimination System (NPDES) permit from the US Environmental Protection Agency (EPA).

The project change is undergoing MEPA review and subject to preparation of a Supplemental Draft EIR pursuant to Section 11.10 (6) and Section 11.03 (7)(a)(2) because it consists of a significant project change, requires a state permit and will expand an electric generating facility by 100 or more MW. The project requires an Air Approval Plan for a non-major source from the (MassDEP) and an Approval to Construct from the EFSB. The existing facility is in the process of obtaining a Sewer Connection Permit from MassDEP for a connection to the Blackstone municipal sanitary sewer collection system for treatment and discharge at the Woonsocket Wastewater Treatment Plant. Also, it will require a NPDES General Permit for Stormwater.

The subject matter of the EFSB approval is sufficiently broad in scope, including socioeconomic impact analysis and quality of life issues, to confer broad scope jurisdiction to the MEPA Office to all aspects of the project that may cause Damage to the Environment.

Potential environmental impacts are associated with the alteration of 3.1 acres of land, creation of 1 acre of new, impervious surfaces and emission of air pollutants associated with energy generation. The expansion will generate a minimal amount of wastewater and use a minimal amount of water.

### SCOPE

The EIR should follow Section 11.07 of the MEPA regulations for outline and content, as modified by this scope. It should include a copy of this Certificate and all comment letters.

#### Project Description

The Supplemental Draft EIR should include a thorough description of the proposed project and all project elements and phases including as much information as possible on lighting, grading and landscaping. The EIR should include an existing conditions and proposed conditions plan at a suitable scale (e.g. 1" = 40'). The Supplemental Draft EIR should describe operations of the existing plant, provide information and data on air emissions, noise and stormwater and describe the project's compliance with applicable environmental regulations.

The Supplemental Draft EIR should describe the proposed facility, and include supporting schematics and diagrams, in terms of structural design, the power generation process and its parameters and the pollution control system. It should identify the maximum annual hours of operation and identify how they were developed. The Supplemental Draft EIR should include perspectives to illustrate how the project will fit into the existing environment and identify any potential visual or aesthetic issues. It should include a stormwater management plan that clearly illustrates how the stormwater system will be expanded to support this project consistent with the MassDEP Stormwater Management Policy.

The Supplemental Draft EIR should briefly describe each state permit required for the project and should demonstrate that the project meets applicable performance standards. The EIR should include an update on local permitting. In accordance with section 11.01 (3)(a) of the MEPA regulations, the EIR should also discuss the consistency of the project with any applicable local or regional land use plans, and address the requirements of Executive Order 385 (Planning for Growth) and the Commonwealth's Smart Growth Principles.

#### Alternatives Analysis

The Supplemental Draft EIR should describe in more detail the demand for the within the

context of the project's consistency with applicable state regulations, policies and plans. This should include a discussion of ISO New England's most recent Regional System Plan and other relevant studies of the region's projected future electrical energy demands. It should address the project's contribution to the region's projected future electrical energy demands relative to other peak power generating facilities and the projected regional demand for more peaking power resources for Massachusetts. The Supplemental Draft EIR should identify criteria used to select the project site, identify alternative sites considered and compare associated environmental (including public health and safety) impacts. The Supplemental Draft EIR should identify how the proposed fuel and combustion technology were selected and identify alternative fuels/technologies that could meet demand while further minimizing emissions of air pollutants.

### Air Quality

As noted previously, the project will require an Air Plan Approval for a non-major source. The Supplemental Draft EIR should demonstrate that the project will not have significant impacts on air quality and should include relevant modeling and analysis to demonstrate consistency with regulatory standards. The EIR should include air dispersion modeling, prepared consistent with MassDEP guidance, to demonstrate compliance with applicable Massachusetts and National ambient air quality standards. This section should include a Best Available Control Technology (BACT) analysis to demonstrate how air emissions will be controlled consistent with regulatory requirements.

As a natural gas plant with a capacity greater than 25 MW, the project will be subject to the Regional Greenhouse Gas Initiative (RGGI). RGGI is a cap-and-trade program aimed at stabilizing and then reducing carbon dioxide (CO<sub>2</sub>) emissions from large fossil-fuel-fired electric generating facilities. Any power plants above nameplate capacity of 25 megawatts will be subject to RGGI carbon dioxide implementation mechanisms. The Supplemental DEIR should include projections of annual carbon dioxide emissions.

In addition, to address growing concern about the impacts of climate change and development of solutions, MEPA recently drafted a Greenhouse Gas Policy that is undergoing public review. This Policy will require a quantitative analysis of greenhouse gas emissions and associated mitigation measures. Currently, MEPA is requiring a qualitative analysis of greenhouse gas emissions and mitigation measures from a specific class of projects including those that are required to develop an EIR and require an air permit. The Supplemental Draft EIR should identify the project's greenhouse gas emissions and identify measures to avoid, minimize and mitigate these emissions. The proponent may refer to the Draft EEA Greenhouse Gas Policy for guidance in developing this analysis.

I encourage the proponent to consult with MassDEP prior to the filing of the Supplemental Draft EIR to discuss permit requirements and ensure that the information and analysis included in the Supplemental Draft EIR will adequately address its requirements.

### Noise

The EIR should include an analysis of noise impacts and should demonstrate consistency with MassDEP regulations and policies regarding noise (i.e. CMR 7.09 and Policy 90-001). It should analyze existing and proposed conditions. MassDEP comments indicate that background ambient noise level used for evaluation should consist of the noise levels prior to construction of the existing IPA Blackstone plant.

The Supplemental Draft EIR should discuss mitigation measures associated with the existing power plant and discuss its effectiveness. The proponent should commit to implementing all feasible noise attenuation measures to mitigate the project's potential noise impacts to existing residences in the project area.

### Water Use/Wastewater

As noted previously, the project will use minimal amounts of water (720 gallons per day) and will not require any additional water for cooling, pollution control or other process needs. The ENF indicates that water will be provided by the Town of Blackstone water system.<sup>3</sup> As requested by MassDEP, the EIR should include documentation from the Blackstone Water Department demonstrating that adequate hydraulic capacity is available consistent with the Public Water System's Water Management Registration and/or Permit requirements. Additional consideration for requirements for fire flow, minimum distribution pressure, storage capacity, etc., should also be adequately addressed.

The Supplemental Draft EIR should provide additional information regarding the treatment and discharge of existing wastewater flows and the status of the Sewer Connection Permit.

### Construction

The Supplemental Draft EIR should present a discussion on potential construction period impacts (including but not limited to noise, vibration, dust, and traffic maintenance) and analyze feasible measures, which can avoid or eliminate these impacts.

Participation in the MassDEP Diesel Retrofit Program is a way to mitigate adverse construction-period impacts from diesel emissions. I encourage the proponent to work with MassDEP to implement construction-period diesel emission mitigation, which could include the addition of after-engine emission controls such as oxidation catalysts or particulate filters. Additional information is available at: <http://www.mass.gov/dep/water/wastewater/diesel.pdf>. In addition, the proponent should consider requiring contractors to use on-road low sulfur diesel (LSD) fuel in their off-road construction equipment.

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<sup>3</sup> The ENF form indicates that the project required a New Source Approval. This was in reference to air permits, not a New Source Approval for water supply.

Mitigation

The Supplemental Draft EIR should include a separate chapter on mitigation measures. It should identify mitigation commitments required for construction and operation of the existing plant and provide an update on their completion and/or implementation. This section should include a Draft Section 61 Finding for all state permits. The Draft Section 61 Finding should contain a clear commitment to mitigation, an estimate of the individual costs of the proposed mitigation, and the identification of the parties responsible for implementing the mitigation. A schedule for the implementation of mitigation should also be included.

Response to Comments

The Supplemental Draft EIR should contain a copy of this Certificate and a copy of each comment received. The Supplemental Draft EIR should respond to the comments received, to the extent that the comments are within MEPA subject matter jurisdiction. I defer to the proponent as it develops the format for this section, but the Response to Comments section should provide clear answers to questions raised. The Supplemental Draft EIR should present additional narrative and/or technical analysis as necessary to respond to the concerns raised.

Circulation

The Supplemental Draft EIR should be circulated in compliance with Section 11.16 of the MEPA regulations and copies should also be sent to the list of "comments received" below and to each state and local agency from which the proponent will seek permits or approvals. In addition, copies should be provided to local officials in Mendon and Bellingham. A copy should be made available for public review at the public libraries in Blackstone, Mendon and Bellingham.

August 10, 2007

Date



Ian A. Bowles

## Comments received:

7/18/07      Department of Environmental Protection/Central Regional Office  
(MassDEP/CERO)

IAB/CDB/cdb