

5/13/02 Westchester County Bus. J. (N.Y.) 6
2002 WLNR 5180165

WESTCHESTER COUNTY BUSINESS JOURNAL (USA)
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May 13, 2002

Volume 41; Issue 19

Nuclear plant closing

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A.J. (Tony) Bondi has seen his property taxes more than quadruple in the six years since the Connecticut Yankee nuclear power plant in I Haddam Neck, Conn., began the process of decommissioning.

"My taxes have gone from \$1,400 to \$1,500 a year to \$6,500," said Bondi, who as first selectman is the chief elected official for the town of Haddam, a Connecticut River town of 7,200.

Bondi said his increase is steeper than others in a town that has seen its tax rate more than double from 14 to 34.5 "mills" or dollars per \$1,000 of assessed property value.

Only some of that increase can be blamed on Connecticut's law that requires communities to reassess properties every 10 years, he says. The rest reflects an equally steep decline in the property taxes paid by Connecticut Yankee since decommissioning began in December 1996, from \$5.3 million to \$1 million.

The number of employees has fallen from 450 in 1996 to 70 today, plant spokeswoman Kelley Smith said. In the first year alone, the work force fell to between 150 and 175 employees, she said.

Another 200 to 300 contract employees can also be found on-site for specific projects within the broader shutdown operation, set to end in 2008.

"It's going to be a difficult site to recreate the economics that Connecticut Yankee had for the community," said Larry McHugh, president of the Middlesex County Chamber of Commerce, a 2,100member business group. "It's a challenge."

Connecticut Yankee is the closest nuclear plant to Westchester to begin decommissioning. A bit further to the east along Long Island Sound is Millstone 1 in Watertown, Conn., a city of 18,000.

But Haddam, because of its smaller size and character, offers a more accurate glimpse at the challenges and issues that await Buchanan and its town of Cortlandt should Indian Point be decommissioned as sought by a coalition of anti-nuclear activists, environmental groups, residents and officials throughout Westchester.

Indian Point 2 and 3 produce a total 2,000 megawatts of power, enough for 2 million homes. In recent months, opponents have stoked fears that a Sept. 11-style commercial plane crash would kill millions living within 50 miles.

REZONING FOR GAS PLANT

Like much of Westchester, Haddam is a primarily residential suburban town with two pockets of retail and small commercial activity.

That explains what Bondi said is Haddam's keen interest in finding another commercial user for the Connecticut Yankee site.

Toward that end, the town rezoned the Connecticut Yankee site from residential use to an industrial zone that specifically allows power plants that use natural gas.

"There's been a strong feeling to hook the site up to gas and create a new energy plant there. But the timing has not yet been right," McHugh said.

That is because gas-fired plants have found their way to two other nearby communities, Meriden and Middletown.

Connecticut Light & Power won approvals in the late '90s to add gasfiring capability to its Middletown station. And in Meriden, NRG Energy Inc. is constructing a new plant set to open next year. The new gas fired plant will produce 544 mw, compared with the 590 mw generated by Connecticut Yankee.

"That's the free enterprise system. Whether a third plant will be economically feasible in Haddam, I don't know," McHugh said.

Bondi says Haddam would like its own gas plant where Connecticut Yankee now sits, but has struggled to find one. The town has spoken with two would-be operators in recent years - Applied Energy Services and Constellation Power - but plans have fallen through. AES wanted to proceed faster than Connecticut Yankee's schedule for decommissioning, set to be completed in 2005. Constellation balked after the nuclear plant's owners refused to indemnify the company in the event a link were detected between Connecticut Yankee and cancer.

LESSONS LEARNED

In the absence of a new gas plant, Bondi said Haddam has made local economic development more of a priority than before. The town rezoned its small downtown to allow a denser mix of businesses, and is now looking into the feasibility of accommodating their waste through a "super septic" system or larger-scale version of the septic systems in many residential areas.

"What we're looking for is to attract more upscale businesses, or businesses that would not have thought of coming here before.

One magnet for doing that, Haddam hopes, is through a new center within the town that will promote "ecotourism," or environmentally aware tourism - whether to the Connecticut River and nearby parks, or halfway around the world. The town's East Haddam section is home to some ecotourism businesses, like tour operator Classic Africa. Bondi said Haddam's experience during the decommissioning has brought with it some lessons he hopes other communities will take to heart.

"My advice to communities is to do your schools, your economic development, your roads and other infrastructure while you have a big plant operating. When they started to decommission Connecticut Yankee, we failed to do that, and now we're catching up to broaden our economic base," Bondi said.

"We really have our work cut out for us."

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---- INDEX REFERENCES ---

COMPANY: [NRG ENERGY INC](#); [CONSTELLATION ENERGY GROUP INC](#)

NEWS SUBJECT: (HR & Labor Management (1HR87); Business Management (1BU42); Layoffs (1LA48); Labor Relations (1LA21); Plant Closings (1PL71); Financially Distressed Companies (1FI85); Economics & Trade (1EC26))

INDUSTRY: (Construction (1CO11); Electric Utilities (1EL82); Utilities (1UT12); Industrial Construction (1IN90); Nuclear Electric Power (1NU69))

REGION: (Americas (1AM92); North America (1NO39); New England (1NE37); Connecticut (1CO13); USA (1US73))

Language: EN

OTHER INDEXING: (AES; APPLIED ENERGY SERVICES; CONNECTICUT; CONNECTICUT LIGHT POWER; CONNECTICUT YANKEE; CONNECTICUT YANKEES; CONSTELLATION; CONSTELLATION POWER; INDIAN POINT; NRG ENERGY INC; REZONING) (A.J. (Tony; Bondi; Kelley Smith; Larry McHugh; McHugh; Meriden; Middletown)

Word Count: 1039

5/13/02 WCBUSJ 6

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