

NE Edge transfers Waterford data center rights to new company

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Waterford — The Board of Selectmen voted 2-1 Wednesday to give proposed data center developer NE Edge LLC permission to assign the host fee agreement it signed with the town in 2023 to a subsidiary company.

Belmont, Mass.-based NE Edge has sought to build a data center consisting of two two-story buildings and a switchyard on 55 acres of the Millstone Power Station property. But so far it's had trouble getting approval to do so.

In order for the project to proceed through town boards and commissions for approval, Dominion Energy Nuclear Connecticut has to petition the Connecticut Siting Council, which oversees power-generating facilities in the state, to host the data center on its property. Dominion's first petition was denied without prejudice by the council last year, meaning it can resubmit the project.

Dominion has not announced any plans to resubmit a plan and no petition is listed on the Siting Council's website.

Attorney William McCoy, who represents NE Edge and will now also represent the subsidiary, NE Edge Waterford LLC, provided an update at the meeting Wednesday saying NE Edge has devoted thousands of hours to moving the project forward and has already completed "a fair amount" of engineering work.

"In all honesty, one of the reasons why it hasn't been presented to the town in a formal application is we have to await the siting council issues in Hartford. We don't have control over that, because that is solely controlled by Dominion, which is the owner of the real estate," McCoy said.

He added that although he did not want to speak for Dominion, "there is a plan in place" to address the siting council issue very quickly.

Susan Adams, a spokesperson for Millstone, said Wednesday there has been continued interest from developers for a data center on the Millstone property, but she had no update on the project.

After McCoy's comment about Dominion, Town Attorney Nick Kepple reminded the board that getting a project update was not the issue at hand.

Rather, what was before the board Wednesday was the assignment of the host fee agreement to a new LLC. Selectman Greg Attanasio voted against the transfer because he wanted assurances that NE Edge would have to limit sound created by the data center. Kepple said the agreement already contains such an assurance.

The host fee agreement opened the door for the town to host NE Edge data center at Millstone and called for NE Edge to pay the town \$231 million over 30 years.

The selectmen, Kepple and residents were all curious as to why NE Edge needed approval for the reassignment to the new entity so quickly.

"Why now?" First Selectman Rob Brule asked. "I think that's a fair question for all of us, including me."

McCoy said it's because parties interested in the project have set deadlines for certain things to happen in order for them to sign agreements to move the project forward.

He explained that because NE Edge LLC has other assets and projects, a specific entity was created that holds the host fee agreement with the town. He said NE Edge LLC and NE Edge Waterford LLC have the same ownership.

According to records filed with the Secretary of the State's Office, NE Edge Waterford, based in East Greenwich, R.I., was created Tuesday, with NE Edge CEO Thomas Quinn as the manager.

Kepple pointed out that the agreement allows NE Edge to assign it to an entity it designates with the permission of the town. McCoy said under the agreement, NE Edge has until March 2026 to obtain building permits for the project.

"So we're operating on an extremely tight timeframe to get all that accomplished in our accordance with our responsibilities under the host fee agreement," he said.

McCoy said he could not describe the particulars of the negotiations over the past several weeks with the unidentified Fortune 500 companies interested in the data center, nor was he at liberty to answer why Dominion has not renewed its petition with the siting council.

He did say there are "ongoing activities" both with Dominion and major contractors who would build the project.

"In a project of this magnitude, there are negotiations and contracts that are entered into to move these projects along that require some sophistication. And unfortunately, they also require nondisclosure and confidentiality agreements," he said.

The project has received continued criticism from a group of residents of this town and East Lyme with concerns such as noise, quality of life and the environment.

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