#### **STATE OF MAINE**

### PUBLIC UTILITIES COMMISSION

#### CENTRAL MAINE POWER COMPANY

Request for Approval of CPCN for the New England Clean Energy Connect Consisting of the Construction of a 1,200 MW HVDC Transmission Line from the Québec-Maine Border to Lewiston (NECEC) and Related Network Upgrades

BRIEF OF NATURAL RESOURCES COUNCIL OF MAINE

February 1, 2019

Docket No. 2017-00232

### I. INTRODUCTION AND SUMMARY

In this Brief, the Natural Resources Council of Maine (NRCM) recommends that the Commission find that there is no public need for Central Maine Power Companyøs (CMPø) proposed New England Clean Energy Connect (NECEC) and deny CMPøs request for a Certificate of Public Convenience and Necessity (CPCN) under Title 35-A M.R.S. § 3132.

CMP is requesting this CPCN to build a 145-mile high voltage direct current (HVDC) transmission line from Quebec to Lewiston in response to a request for proposals (RFP) from investor-owned electric distribution companies in Massachusetts<sup>1</sup> (collectively the õMassachusetts EDCsö). The transmission line would transport 1090 MW of Incremental Hydropower Generation, as defined in the RFP from Hydro-Quebec (HQ or HRE) and Hydro-Quebec would purchase transmission rights for the remaining 110 MW of transmission capacity on the NECEC for a total of 1,200 MW of capacity.

CMP asserts that this line would provide benefits to Maine but entirely fails to acknowledge the multiple negative impacts of the line which would outweigh any claimed benefits. CMP also exaggerates claimed benefits to Maine and has failed to provide information to substantiate the claimed benefits.

<sup>&</sup>lt;sup>1</sup> The Massachusetts EDCs include Fitchburg Gas & Electric Light Company d/b/a Unitil; Massachusetts Electric Company d/b/a National Grid; Nantucket Electric Company d/b/a National Grid; NSTAR Electric Company d/b/a Eversource; Western Massachusetts Electric Company d/b/a Eversource.

#### II. STANDARD OF REVIEW

When a utility files for a CPCN to construct a transmission line the utility must present evidence showing there is a public need for the proposed transmission line. Title 35-A M.R.S. § 3132(6) states that

In determining public need, the commission shall, at a minimum, take into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management.

The Commission $\alpha$  regulations closely follow the statute and state that the determination should be based on the electrical need for the line and that a public need is established when õratepayers will benefit by the proposed transmission line. $\ddot{o}^2$ 

Benefits are determined based upon the electrical need for the line, taking into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management. The proposed transmission line must be reasonable compared to the other alternatives.<sup>3</sup>

The rule goes on to clarify that while cost is an important consideration, õpublic need can be established for a proposed transmission line that is not the least cost alternative because aesthetic, environmental or other factors justify a reasonable cost increase.ö<sup>4</sup>

A petition for a CPCN must include

A. A description of the effect of the proposed transmission line on public health and safety and scenic, historic, recreational and environmental values and of the proximity of the proposed transmission line to inhabited dwellings;

B. Justification for adoption of the route selected, including comparison with alternative routes that are environmentally, technically and economically practical; and

C. [repealed]

D. A description of the need for the proposed transmission line.<sup>5</sup>

<sup>&</sup>lt;sup>2</sup> Chapter 330, Filing Requirements for Petitions for Certificates of Public Convenience and Necessity for Electric Transmission Facilities and Standards for Granting Certificates, § 9(B).

<sup>&</sup>lt;sup>3</sup> Id.

 $<sup>^4</sup>$  Id.

<sup>&</sup>lt;sup>5</sup> 35-A M.R.S. § 3132(2-C).

In evaluating alternatives to construction of a transmission line, Chapter 330 § 6(J) of the Commissionøs rules direct the applicant to õstate what alternatives, including conservation, distributed generation or load management to the proposed transmission line project were investigated.ö

The petition shall include all studies, reports, or other data relied upon in the investigation of such alternatives and shall clearly state the process by which Petitioner decided upon the proposed construction, rebuilding, or relocation project. Specifically, the Petitioner should state the purposes and benefits of the proposed project (such as the promotion of reliability and line loss reduction) and whether cost-benefit analyses have been performed.

The analysis of a CPCN application must also include

an investigation by an independent 3rd party . . . of nontransmission alternatives to construction of the proposed transmission line. The investigation must set forth the total projected costs of the transmission line as well as the total projected costs of the alternatives over the effective life of the proposed transmission line.<sup>6</sup>

õA petitioner has the burden of proof to establish that granting the CPCN is in the public convenience and necessity, i.e., has some benefit to the public and not merely its own business interest.ö<sup>7</sup> Here, CMP bears the burden of proof that the NECEC is in the public interest and is not merely in its own business interest.

# III. NRCM RESPONSE TO HEARING EXAMINERS' QUESTIONS

A. HOW SHOULD THE ÕPUBLIC NEEDÖ STANDARD PURSUANT TO SECTION 3132(6) BE CONSIDERED AND EVALUATED IN THE CONTEXT OF THE NECEC AS OPPOSED TO THE MORE TYPICAL RELIABILITY TRANSMISSION PROJECT?

There is nothing in 35-A M.R.S. § 3132(6) that exempts a project like the NECEC from the requirements of this section that a õmore typical reliability transmission projectö would have to comply with. The primary difference between NECEC and a more typical reliability transmission project is that the NECEC was not developed to provide reliability for Maine

<sup>&</sup>lt;sup>6</sup> 35-A M.R.S. § 3132(2-D).

<sup>&</sup>lt;sup>7</sup> Enhanced Communs. of Northern New Eng., Inc. v. PUC, 2017 ME 178; 169 A.3d 408, at 416. (citing See In re Chapman, 151 Me. 68, 71, 116 A.2d 130, 132 (1955) ("[T]he convenience and necessity, proof of which the statute requires, is the convenience and necessity of the public, as distinguished from that of any individual, or group of individuals." (quoting In re Stanley, 133 Me. 91, 93, 174 A. 93, 94-95 (1934)). Such a standard is a lawful requirement that comports with the statute, regulation, and federal law. See Level 3 Commc'ns of Va. v. State Corp. Comm'n, 268 Va. 471, 604 S.E.2d 71, 75 (Va. 2004) (rejecting argument that a broad public interest standard gave the Commission "unfettered discretion" to deny a CPCN petition and concluding that such a broad standard did not amount to an unlawful barrier pursuant to 47 U.S.C.S. § 253(a) (LEXIS)).ö See also, CMP, Petition for CPCN for Proposed Purchase of Generation Capacity and Energy from Hydro-Québec, Dkt. 88-111, p. 29.

electricity customers but was instead developed in response to a request for proposal from the state of Massachusetts. There are no exceptions or exemptions in 35-A M.R.S. § 3132(6) for projects that do not have reliability components, such as NECEC. Therefore, the Commission should evaluate õpublic needö as it does for other CPCN projects.

For example, in CMPøs request for a CPCN for the construction of 115 kV transmission facilities in Lewiston, Docket Number 2011-00420, the Commission identified numerous public benefits supporting the finding of a public need for the 115 kV Solution, none of which have been demonstrated in the present case. The Commission determined that the project would:

- Provide a more robust transmission system in the Lewiston/Auburn area with greater capacity to support the economic development efforts of the City of Lewiston and the surrounding areas now and into the future;
- Facilitate the replacement of the 95+ year old Lewiston Substation, which will improve distribution-level reliability and provide environmental and economic development benefits;
- Provide greater line loss savings;
- Avoid further delays associated with the vetting of an alternative solution through the ISO-NE stakeholder review and approval processes; and
- Reduce the risk of loss and severity of loss of load events due to transmission outages.<sup>8</sup>

The Commission also noted that õ[t]he 115 kV Solution also has the strong support of the City of Lewiston and numerous civic, community and business leaders within the Lewiston/Auburn area and no Intervenor in this proceeding or abutter or other transmission customer has expressed any opposition to CMP's construction of the 115 kV Solution as proposed in CMP's petition.ö<sup>9</sup>

In contrast, in the present case CMP has not demonstrated any of the benefits articulated by the Commission in docket 2014-420. Furthermore, numerous Intervenors and municipalities, as well as countless members of the public, have expressed a wide range of concerns in opposition to CMPøs proposed transmission project.

The NECEC should be evaluated for a demonstration of public need like any other reliability transmission project. CMP must prove that a public need exists and that its proposed NECEC is not reasonably likely to adversely affect any transmission and distribution utility or its customers.

B. BASED UPON THE ASSUMPTION THAT THE LEGISLATURE DID NOT INTEND THAT THE COMMISSION DUPLICATE THE FUNCTIONS OF THE DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP), HOW SHOULD THE REQUIREMENT IN SECTION

<sup>&</sup>lt;sup>8</sup> Central Maine Power, Stipulation in Request for CPCN for the Construction of 115 kV Transmission Facilities in Lewiston, Dkt. 2011-420 p. 5-6.

<sup>&</sup>lt;sup>9</sup> *Id.* (emphasis added).

3132(6) THAT THE COMMISSION CONSIDER ÕPUBLIC HEALTH AND SAFETY, SCENIC, HISTORIC AND RECREATIONAL VALUESÖ BE INTERPRETED AND APPLIED? IS THE INTERPRETATION AND APPLICATION OF THIS REQUIREMENT DIFFERENT IN THE CONTEXT OF THE NECEC AS OPPOSED TO A RELIABILITY TRANSMISSION PROJECT?

Section 3132(6) directs the Commission to evaluate how the proposed project will impact economics, reliability, public health and safety, scenic, historic, and recreational values, and state renewable energy generation goals. Instead of evaluating whether or not the impacts to public health and safety, scenic, historic and recreational values are allowed under DEP laws (for example, whether or not the project would have an unreasonable adverse impact on a specific natural resource), the Commission should look at how the NECEC could impact each Section 3132(6) factor to determine whether or not there is an overall public interest or public need for this project.

Where the NECEC is not a transmission reliability project, it will not provide reliability benefits to weigh against the negative impacts to public health and safety or Maineøs scenic, historic, and recreational resources. Instead, the only benefits CMP is claiming are reduced electricity rates, short-term jobs, local property tax payments, and a reduction in greenhouse gas emissions. All of those purported benefits have been challenged as being either exaggerated (jobs and property tax payments) or illusory and unsubstantiated (greenhouse gas emissions reductions) or both (reduced electricity rates). Furthermore, questions have been raised about whether the NECEC could actually divert staff and resources away from CMPøs core business of providing reliable electricity service in Maine, thereby adversely impacting CMP and its customers.

As noted above, nothing in 35-A M.R.S. § 3132 provides any exemption from this analysis for a non-reliability project. Therefore, the NECEC project should be evaluated like any other reliability transmission project. In a transmission reliability project, the lowest-cost reliability solution would be the preferred option. Here, there is not the same increased cost associated with a typical reliability project. However, a simple reduction in rates should not be given the same weight as an improvement in reliability regulation. Instead, any perceived economic policy objective, but the latter is a core concern of utility regulation. Instead, any perceived economic benefit from the project should be carefully weighed against the potential harms. Because reliability is not a component, and the project is not designed to meet any specific public need, the potential harms in order to satisfy the public need standard. All else being equal, a benefit to CMP is not sufficient to satisfy the public need requirement.

C. HOW SHOULD SECTION 3132(2-D), WHICH STATES THAT THE COMMISSION SHALL CONSIDER THE RESULTS OF AN INDEPENDENT THIRD PARTY INVESTIGATION OF NONTRANSMISSION ALTERNATIVES TO THE PROPOSED TRANSMISSION PROJECT, BE CONSIDERED IN THE CONTEXT OF THE NECEC AS OPPOSED TO A RELIABILITY TRANSMISSION PROJECT? Title 35, section 3132(2-D), states

In considering whether to approve or disapprove all or portions of a proposed transmission line pursuant to subsection 5, the commission shall consider the results of an investigation by an independent 3rd party, which may be the commission or a contractor selected by the commission, of nontransmission alternatives to construction of the proposed transmission line. The investigation must set forth the total projected costs of the transmission line as well as the total projected costs of the alternatives over the effective life of the proposed transmission line.

Nothing in this section exempts a project with no reliability component, like the NECEC, from the requirement to conduct a nontransmission alternatives investigation. Therefore, the Commission or a contractor selected by the commission should conduct a nontransmission alternatives investigation prior to the decision on whether or not to grant CMP a CPCN for the NECEC project.

Alternatively, if the Commission determines that a nontransmission alternatives investigation is not necessary for the 1090 MW bid into the MA RFP process, the Commission should still require a nontransmission alternatives investigation on the remaining 110 MW portion.

D. HOW SHOULD THE REQUIREMENT IN SECTION 3132(6) THAT THE COMMISSION CONSIDER ÕSTATE RENEWABLE ENERGY GOALSÖ BE CONSIDERED IN THE CONTEXT OF THE NECEC?

The Commission should evaluate whether or not the NECEC helps or hinders Maineøs achievement of its õstate renewable energy goals.ö Because this project does not have a reliability component and does not promote a specific public need, it is critical that this project advance, and not hinder, Maineøs state renewable energy goals. It is critical that this project advance Maineøs state renewable energy goals because CMP has claimed that this project supports Maineøs renewable energy and greenhouse gas goals as justification for a õpublic needö for this project. If CMP cannot prove that this project would support these goals in a meaningful way, a CPCN should not be granted.

1.<u>Referring to the definitions of õrenewable capacity resourceö in section</u> 3210(2)(B-3) and of õrenewable resourceö in section 3210(2)(C), should the hydroelectric generation to be transmitted over the NECEC be considered õrenewableö for purposes of promoting õstate renewable energy goalsö under Maine law?

No, the hydroelectric generation to be transmitted over the NECEC should not be considered õrenewableö for purposes of promoting õstate renewable energy goalsö under Maine law. It should not be considered õrenewableö as it would not qualify as a õrenewable capacity resourceö

under section 3210(2)(B-3) or as a õrenewable resourceö under section 3210(2)(C).<sup>10</sup> In both instances qualifying generation is limited to capacity below 100 MW for hydroelectric generators. HQE $\alpha$  generation portfolio includes capacity resources of a variety of sizes, most well exceeding 100 MW. Because CMP and HQ have been unwilling or unable to identify the specific generation capacity resources that would provide power for the project, there is no question that NECEC would entirely fail to qualify under section 3210(2)(B-3) and (C).

Furthermore, aside from a vague statement that this project would õsupportö this law,<sup>11</sup> CMP has not claimed that the NECEC would qualify as a renewable resource for purposes of Maine law.<sup>12</sup> Therefore, the NECEC should not be considered õrenewableö for purposes of promoting õstate renewable energy goalsö under Maine law.

2.<u>Referring to the õState¢ goals for reduction of greenhouse gas emissions</u> within the Stateö contained in Title 38, section 576, is this provision relevant to the consideration of the NECEC proposal and the associated hydroelectric power located in Canada?

Any action that could impact õgreenhouse gas emissions within the Stateö is relevant to Title 38, section 576. At issue here is energy being transmitted from Canada to Massachusetts through Maine. Maine¢s only role is as a conduit between Canada and Massachusetts. While NRCM believes that this project will not reduce greenhouse gas emissions at all and could even result in an increase in greenhouse gas emissions, even if greenhouse gas emission reductions were certain to occur as a result of this project, it would not be appropriate for Maine to õdouble countö emission reductions that were already being õclaimedö in another jurisdiction. In this instance, Massachusetts passed a law, An Act to Promote Energy Diversity<sup>13</sup> (the Energy Diversity Act), directing Massachusetts EDCs to solicit proposals for õClean Energy Generationö in the amount of 9.45 TWh, subject to the approval of the Massachusetts Department of Public Utilities. Any actual reduction in greenhouse gas emissions, however unlikely, as a result of this project would be attributable to Massachusetts, not Maine.

However, as explained in greater detail in Section IV(D)(1) below, NRCM believes that the NECEC could make it more difficult for Maine to achieve its greenhouse gas reduction goals because the NECEC could suppress Maineøs renewable energy industry, reducing the number of low and no carbon energy resources generating in the state.

<sup>&</sup>lt;sup>10</sup> NextEra Russo Direct, p. 5-6.

<sup>&</sup>lt;sup>11</sup> CMP Petition Volume I, p. 29.

<sup>&</sup>lt;sup>12</sup> CMP Dickinson Rebuttal, 18 (õThe Petition did not assert that the NECEC or the hydropower generation resources associated with the NECEC will qualify as new renewable capacity resources (Class I) under the RPS statute. CMP makes no such claim in this rebuttal testimony.ö).

<sup>&</sup>lt;sup>13</sup> 2016 MASS. ACTS Ch. 188.

## 3. Are there other Maine statutory provisions that are relevant to the <u>Commissionøs consideration of õstate renewable energy goalsö in this</u> <u>proceeding?</u>

Yes, both the Maine Solar Energy Act, 35-A M.R.S. § 3472 et. seq., and the Maine Wind Energy Act, 34 M.R.S. § 3402 et. seq., are relevant to the Commissionøs consideration of õstate renewable energy goalsö in this proceeding.

The Maine Solar Energy Act advances the goals of õ[e]nsuring that solar electricity generation, along with electricity generation from other renewable energy technologies, meaningfully contributes to the generation capacity of the State through increasing private investment in solar capacity in the State.ö<sup>14</sup> In furtherance of these and other goals, the Act creates a state policy of õencourag[ing] the attraction of appropriately sited development related to solar energy generation, including any additional transmission, distribution and other energy infrastructure needed to transport additional solar energy to market . . . for the benefit of all ratepayers.ö<sup>15</sup>

Similarly, the Maine Wind Energy Act creates a state policy of õencourag[ing] the attraction of appropriately sited development related to wind energyö<sup>16</sup> and establishes Maineøs in-state wind goals of at least 3,000 MW of installed wind by 2020, and 8,000 MW of installed wind by 2030.<sup>17</sup> Currently, however, Maine only has approximately 900 MW of wind installed.<sup>18</sup>

The NECEC is likely to make it more difficult for renewable energy projects, including solar and wind electricity generation, to enter Maineøs energy market, in contravention of both the Maine Solar Energy Act and the Maine Wind Energy Act.<sup>19</sup>

E. REFERRING TO TITLE 35-A, SECTION 707 GOVERNING AFFILIATE TRANSACTIONS AND ASSUMING THAT THE NECEC PROJECT IS TRANSFERRED TO A SPECIAL PURPOSE ENTITY (SPE), HOW SHOULD THE COMMISSION APPLY SUBSECTION 3(G) THAT SPECIFIES ÕFOR ANY CONTRACT OR ARRANGEMENT EXPECTED TO INVOLVE THE USE BY AN AFFILIATED INTEREST OF UTILITY FACILITIES, SERVICES OR INTANGIBLES, INCLUDING GOOD WILL OR USE OF A BRAND NAME, THE COMMISSION SHALL DETERMINE THE VALUE OF THOSE FACILITIES, SERVICES OR INTANGIBLES.Ö SPECIFICALLY, HOW SHOULD THE COMMISSION DETERMINE THE VALUE OF: (1) UTILITY FACILITIES, INCLUDING EXISTING CORRIDORS AND EXISTING TRANSMISSION INFRASTRUCTURE; (2) SERVICES; AND (3) INTANGIBLES, INCLUDING GOOD WILL OR USE OF A BRAND NAME, IN THE CONTEXT OF THE NECEC, AND HOW SHOULD SUCH

<sup>&</sup>lt;sup>14</sup> 35-A M.R.S. § 3474(2)(A).

<sup>&</sup>lt;sup>15</sup> 35-A M.R.S. § 3474(1).

<sup>&</sup>lt;sup>16</sup> 35-A M.R.S. § 3404(1).

<sup>&</sup>lt;sup>17</sup> 35-A M.R.S. § 3404 2(B) and (C).

<sup>&</sup>lt;sup>18</sup> NextEra Russo Direct, p. 7 (citing <u>https://windexchange.energy.gov/states/me</u>).

<sup>&</sup>lt;sup>19</sup> NextEra Russo Surrebuttal, p.4 (õl observe, however, that granting the full capacity of the line to one party with no intent to develop local renewables in Maine strikes me as incongruous with the renewable energy goals of Maine.ö).

VALUES BE CONVEYED FROM THE SPE TO MAINE (AND OTHER REGIONAL) RATEPAYERS?

The Commission should use fair market value to determine the value of (1) utility facilities, including existing corridors and existing transmission infrastructure; (2) services; and (3) intangibles, including good will or use of a brand name, in the context of the NECEC.

F. WITH RESPECT TO CHAPTER 820 OF THE COMMISSION & RULES, IS THE CONSTRUCTION AND OPERATION OF THE NECEC A CORE UTILITY SERVICE PURSUANT TO CHAPTER 820, SECTION 2(C)?

No, the construction and operation of the NECEC is not a core utility service pursuant to Chapter 820, section 2(C).

G. REGARDLESS OF WHETHER THE NECEC IS A CORE UTILITY SERVICE PURSUANT TO CHAPTER 820, IF THE NECEC RESIDES IN AN SPE, DO THE PROVISIONS OF CHAPTER 820(4) APPLY AND, IF SO, HOW SHOULD THE VALUES SET FORTH IN SECTIONS (4)(B) THROUGH (4)(F) BE CALCULATED AND CONVEYED?

Yes, the provisions of Chapter 820(4) should apply and the Commission should use fair market value to determine the values set forth in sections (4)(B) through (4)(F). NRCM does not have a position on how the values should be conveyed.

# IV. ARGUMENT

There is no public need for this project. CMPø purported benefits are inflated and/or illusory and are significantly outweighed by the negative impacts of the project. The NECEC will harm Maineø renewable energy industry and prevent Maine from reaching its clean energy goals. The economy of the region is dependent on its scenic character which would be degraded. Property tax benefits to towns would only be a small fraction of the amount asserted by CMP. NECEC could strain CMP resources and result in less reliability and worse ratepayer experience. NECEC would harm Maineø environmental and scenic resources. CMPø alternatives analysis is inadequate and no nontransmission study has been completed. For all of these reasons, this application should be denied.

A. THERE IS NO PUBLIC NEED FOR THIS PROPOSED PROJECT

CMP has failed to articulate any public need in Maine that the NECEC addresses. In its Petition, CMP first alleges that Massachusetts has a õpublic need to meet its [Global Warming Solutions Act] GHG emissions reduction goalsö and that õthe NECEC Transmission Project was developed specifically to respond to this public need and its selection by the Massachusetts EDCs under the RFP will demonstrate that Massachusetts considers the NECEC necessary to meet this need.ö<sup>20</sup>

<sup>&</sup>lt;sup>20</sup> CMP Petition Volume I, p. 28.

Later in its Petition, in attempting to articulate a rationale for not requiring a nontransmission alternatives analysis, CMP states that õthe public need for the NECEC is to transmit up to 1,200 MW of energy from Québec to New England.ö<sup>21</sup>

First, the Global Warming Solutions Act (GWSA) is not a Maine law but is instead a 2008 Massachusetts law.<sup>22</sup> Second, the GWSA was not the trigger for CMP proposing to build the NECEC project. It was Massachusettsøs passage of An Act to Promote Energy Diversity (the Energy Diversity Act) in 2016 that directed Massachusetts EDCs to solicit proposals for 9,450,000 MWh of clean energy generation.<sup>23</sup> The Energy Diversity Act did not mandate, as suggested by CMP, that proposals must õtransmit up to 1,200 MW of energy from Quebec to New England.ö In fact, of the forty-six bids submitted in response to the Massachusetts Clean Energy RFP, only three proposed to transmit only hydroelectricity from Quebec to New England.<sup>24</sup> Therefore even the public need *for Massachusetts* could not be defined so narrowly as to õtransmit up to 1,200 MW of energy from Quebec to New England.ö

Instead, as CMP notes in its Petition,

The Energy Diversity Act mandates that the MA DPU regulations require that proposals for clean energy resources meet the following criteria:

- Provide enhanced electricity reliability within Massachusetts;
- Contribute to reducing winter electricity price spikes;
- Are cost effective to electric ratepayers in Massachusetts over the term of the contract taking into consideration potential economic and environmental benefits to the ratepayers;
- Avoid line loss and mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers;
- Allow long-term contracts for clean energy generation resources to be paired with energy storage systems;
- Guarantee energy delivery in winter months;
- Adequately demonstrate project viability in a commercially reasonable timeframe; and
- Where feasible, create and foster employment and economic development in Massachusetts.<sup>25</sup>

While some of the criteria listed above may result in benefits flowing to Maine and other New England states, the Energy Diversity Act criteria are clearly aimed at ensuring that Massachusetts

<sup>&</sup>lt;sup>21</sup> *Id.* at 87.

<sup>&</sup>lt;sup>22</sup> 2008 MASS. ACTS Ch. 298.

<sup>&</sup>lt;sup>23</sup> 2016 MASS. ACTS Ch. 188.

<sup>&</sup>lt;sup>24</sup> OPA Attachment 1.

<sup>&</sup>lt;sup>25</sup> CMP Petition Volume I, pp. 10-11 (citing 2008 MASS. ACTS Ch. 169 § 83D(d).).

and Massachusetts ratepayers receive the benefits of any energy procured through this process. It is an untenable assertion that a project specifically designed to provide benefits to another state, in direct response to a law in that state, creates a public need in Maine.

Furthermore, even if the larger regional goals of, for example, reducing greenhouse gas emissions or increasing winter generation reliability were determined to be public needs in Maine, CMP¢s proposed project should then be evaluated based on that broader articulation of the need and not CMP¢s constrained desire to õtransmit up to 1,200 MW of energy from Quebec to New England.ö If the Commission were to conclude that transmitting 1,200 MW of energy from Quebec to New England were a õneed,ö the Commission would fail to determine the best way to address Maine¢s genuine public needs, such as reducing greenhouse gas emissions or increasing winter generation reliability. The CPCN analysis should instead look at whether CMP¢s proposed NECEC is the best and least cost solution to achieve greenhouse gas emissions reductions or increased winter reliability. In both instances NRCM would argue that it is not.

In its Petition, CMP also alleges that the NECEC supports Maine policies to encourage renewable energy resources, reduce greenhouse gas emissions, and lower electricity prices.<sup>26</sup> First, NRCM has demonstrated that the NECEC is unlikely to support any of these policies and is likely to make it more difficult to achieve renewable energy goals (see Section III.D) and reduce greenhouse gas emissions (see Section IV.C(1)) and is unlikely to lower electricity prices through capacity markets as alleged by CMP (see Section IV.C(2)). Second, any purported benefits from this project are merely secondary to CMPøs primary purpose which is to respond to the Massachusetts RFP. If addressing a real public need in Maine were the goal, the proposed solution would be dramatically different.

The fact that this project does not address a discernable public need can also be seen in the mismatch between CMPøs stated public need and its proffered benefits. If CMP were promoting this project to address a transmission and distribution reliability concern, such as frequent and severe outages, the expected benefit would be a decrease in the frequency and severity of outages for its customers. However, for this project, the purported benefits directly correlate to the purported need. Instead, CMPøs purported benefits are more in line with the types of benefits that might accompany any large construction project. If the real õneedö was lower energy rates, increased jobs for Mainers, reductions in greenhouse gas emissions, or greater fuel security and winter reliability, there are many different ways to achieve those õneedsö with significantly greater certainty and fewer harms than CMPøs proposed project. Thatøs because the project was not designed to achieve those goals, it was designed to help CMP win the RFP in Massachusetts to meet that stateøs need.

<sup>&</sup>lt;sup>26</sup> CMP Petition Volume I, p. 29.

B. THE STATUTORY REQUIREMENTS OF THE CPCN APPLICATION HAVE NOT BEEN SATISFIED

# 1. CMPøs alternative analysis was inadequate because it failed to consider routes that were buried, an alternating current line, or alternate arrangements for the 110 MW of remaining transmission capacity.

As explained above, 35-A M.R.S. § 3132(2-C) requires that a CPCN application include a õ[j]ustification for adoption of the route selected, including comparison with alternative routes that are environmentally, technically and economically practical.ö Section III.A explains how CMP has failed to articulate a legitimate public need for this project and has deliberately tried to define the public need so narrowly as to exclude all other alternatives that do not include a transmission line from Quebec to New England through Maine. However, assuming, arguendo, that a Massachusetts law is sufficient to trigger a public need in Maine, and that the only way to satisfy CMPøs articulated public need is to build a transmission corridor from Québec to New England, through Maine, CMPøs alternatives analysis is still severely deficient.

Under these assumptions, CMPøs alternatives analysis is deficient because it did not consider building an AC line instead of a DC line, burying any portion of the line, or any alternative use for the 110 MW of remaining transmission capacity. It only compared its preferred route with two different overhead HVDC routes, one of which had already been rejected by the Commission. CMP Petition Volume II, pp. 36-60.

First, CMP did not prepare any alternatives analysis considering an HVAC transmission line, instead evaluating only an HVDC transmission line configuration in the two alternatives considered by CMP. Only evaluating alternative routes with an HVDC configuration was not reasonable given that an HVDC transmission line was not a necessary component of the Massachusetts RFP and CMPøs other 83D bid utilized an HVAC transmission line.<sup>27</sup> As NextEra witness Stephen Whitley testified, an HVAC transmission line õshould have been evaluated from an economic and reliability perspective as well as a õrisk managementö perspective.ö<sup>28</sup> Whitley testified that HVDC configuration õis not conducive to the interconnection of Maine-based renewables, as each of a group of renewables would need to pay for an AC to DC converter station, which is north of \$200 million when compared to an AC substation that is more in the range of \$35 million.ö<sup>29</sup> Witness Whitley further testified that the AC configuration would give the project greater flexibility and adaptability if conditions in the future do not track with CMPøs assumptions.<sup>30</sup>

<sup>&</sup>lt;sup>27</sup> NextEra Whitley Direct, p 18.
<sup>28</sup> NextEra Whitley Direct, p 12-13.

<sup>&</sup>lt;sup>29</sup> NextEra Whitley Direct, p 14-15.

<sup>&</sup>lt;sup>30</sup> *Id.* at 14-15.

Second, CMP did not evaluate burying the line in its alternative analysis.<sup>31</sup> HVDC lines like the NECEC are rarely placed overhead and instead are placed underground or on the seabed in over 90% of projects.<sup>32</sup> CMP¢ parent company, Avangrid, has proposed underground HVDC transmission lines in other project proposals, just not here.<sup>33</sup> It is unreasonable for CMP to have failed to evaluate an underground HVDC transmission line in an alternatives analysis when this technology is routinely buried underground and the above-ground placement was anticipated to be highly controversial due to recreational, environmental, and scenic impacts.

Third, CMP did not evaluate any alternative uses for the remaining 110 MW of transmission capacity purchased by HQ. Obviously, in the current configuration as an HVDC, it would not be possible for a Maine renewable energy project to subscribe to the proposed line even if it were not fully subscribed. However, combined with converting the line to an HVAC configuration, allowing Maine-based renewable generators to purchase transmission capacity on the line could have provided some benefit to Maineøs renewable energy goals instead of making it more difficult for new renewable projects to enter the market.

#### 2. No nontransmission alternatives investigation has been completed.

As explained above, 35-A M.R.S. § 3132(2-D) requires the Commission to õconsider the results of [a nontransmission alternatives] investigation by an independent 3rd party, which may be the commission or a contractor selected by the commission.ö Nothing in this section exempts a project with no reliability component, like the NECEC, from the requirement to conduct a nontransmission alternatives investigation. Therefore, the Commission or a contractor selected by the Commission alternatives investigation alternatives investigation prior to granting CMP a CPCN for the NECEC project.

In its Petition, CMP alleges that

the public need for the NECEC is to transmit up to 1,200 MW of energy from Québec to New England. No NTA can address this identified public need because no distributed generation, demand response, or conservation alternative will have the technical capability of transmitting 1,200 MW of energy from Québec to New England.<sup>34</sup>

CMP further argues that the project will be paid for by the Massachusetts EDCs and their customers and that therefore on NTA can meet the identified public need (even if technically

<sup>&</sup>lt;sup>31</sup> Tech Tr. 11-28-18, p. 37; Hearing Tr. 1-9-19, p 5.

<sup>&</sup>lt;sup>32</sup> Hearing Tr. 1-10-19, p. 14.

MR. MURPHY: VSC technology. You also know that the use of that technology throughout the world, not just in this region, is probably above 90 percent underground or undersea cable, correct? MR. TRIBBET: Correct.

<sup>&</sup>lt;sup>33</sup> NextEra Exhibit 25, p.1.

<sup>&</sup>lt;sup>34</sup> CMP Petition Volume I, p 87.

feasible) at a lower cost to Maine customers, as required by 35-A M.R.S. § 3132(5). Thus, the Commission cannot legally prefer any NTA to the NECEC in this proceeding.ö *Id*.

As discussed above in NRCMøs response to Examinersøquestions, CMPøs articulation of the õpublic needö as õtransmit[ting] up to 1,200 MW of energy from Québec to New Englandö subordinates legitimate public needs in Maine to a bidding process set in motion by a Massachusetts law. By this logic, any Maine utility proposal selected in a neighboring state sponsored energy program would be exempt from Maineøs NTA evaluation (because the other state would pay) and would automatically be meeting a public need (the other stateøs public need). This cannot be the case. Instead, the Commission should conduct a NTA analysis.

In the alternative, if the Commission determines that an NTA would not be necessary for the 1090 MW portion of the line because it is a necessary component of the winning bid in Massachusetts, the Commission should consider requiring an NTA analysis on the remaining 110 MW of transmission capacity. As noted in the section above, CMP did not have to agree to sell the remaining transmission capacity to HQ. A NTA analysis could investigate whether or not there were nontransmission alternatives for the remaining 110 MW that are able to address the identified Maine need for the proposed transmission line at lower total cost to Maine ratepayers.

C. CMP\$ ALLEGED BENEFITS ARE ILLUSORY AND INSUFFICIENT TO DEMONSTRATE PUBLIC NEED

1. NECEC provides no greenhouse gas emission benefit.

Despite CMPøs claims that this project will reduce CO2 emissions in New England by approximately 3.1 million metric tons per year,<sup>35</sup> this project is unlikely to reduce greenhouse gas emissions and may cause an increase in greenhouse gas emissions overall.<sup>36</sup> While increasing generation from non-fossil fuel sources is often associated with reducing emissions from fossil-fuel plants operating on the margin, decreasing greenhouse gas emissions in one area without increased generation, with the result of increasing emissions in another area does not provide any public benefit to Maine.

Hydro-Quebec and CMP were very clear in their applications that no new generation resources will be created to provide energy to the NECEC. For example,

- The HQ Hydropower Resources are already in service and require no further procurement (HRE Section 83D Application, p. 6).
- This Proposal offers a viable, low cost Clean Energy Generation delivery project with limited risk, because (i) there is no construction risk related to the generation resources which are already in service . . . (*Id.* at p. 4).

<sup>&</sup>lt;sup>35</sup> CMP Petition Volume I, p 50.

<sup>&</sup>lt;sup>36</sup> GINT Speyer Direct, p. 7.

• Because no new hydroelectric generation projects will be required, there will be no incremental environmental impacts from hydroelectric generation as a result of this Proposal (*Id.* at p. 56).

Furthermore, HQ has no significant new resources under construction identified in Exhibit A to the power purchase agreements that will be in commercial operation prior to the start of this contract.<sup>37</sup> Despite CMPøs rebuttal testimony that Hydro-Quebec plans to add additional hydropower capacity in the future<sup>38</sup> none of this new capacity is directly attributable to the NECEC. Instead, these are build outs and upgrades that have been in process for many years, long before the 2016 passage of the Energy Diversity Act or the 83D RFP issued by Massachusetts EDCs.

HQ¢s export license from the National Energy Board in Canada also limits its ability to use new capacity resources to fulfill NECEC.<sup>39</sup> If HQ were to build new capacity for purposes of exports, the licensing process would be more difficult and would require environmental studies regarding the impact of the new facilities and reservoirs.<sup>40</sup> Therefore, no new facilities are being built or are likely to be built to supply energy to NECEC.

HQøs system is highly interconnected to other markets and intertie capacity is not a constraining factor for HQ exports. There is no evidence in the record that increasing transmission capacity from Quebec will result in increased generation of hydroelectric or renewable energy. Instead, Hydro-Quebec would supply energy to NECEC by diverting energy that it would otherwise export across other interties.

The Quebec system includes expansive reservoirs that allow HQ to carefully control when to generate or increase storage, as well as when to import or export. This storage allows for HQ to õarbitrageö between markets.<sup>41</sup> The ability to trade between markets to maximize revenue was identified as a õkey motivatorö for NECEC by the Commissionøs consultant.<sup>42</sup> Export sales to New York, as represented by future prices in the range of \$20-\$40/MWh, would be worth much less than the NECEC contract prices of \$50 to more than \$80/MWh.<sup>43</sup> Therefore, Hydro-Québec would have the incentive to õshuffleö energy from other markets, or even New England itself, into NECEC to supply energy under the contracts.

Even if HQ builds more capacity over time, and the energy from this capacity becomes part of the portfolio, it would not be incremental because of NECEC. Such capacity would be built with or without NECEC<sup>44</sup> as supported by HQøs proposal which stated no new capacity was being built for NECEC. There is no evidence that the output from these plants would be different with

<sup>&</sup>lt;sup>37</sup> NextEra Stoddard Surrebuttal at 7 (citing CMP Rebuttal Testimony of Dickinson et al. at 29-30.). Romaine-4 is not listed as a source of energy for the NECEC contracts.

<sup>&</sup>lt;sup>38</sup> CMP Dickinson Reubttal, p. 28.

<sup>&</sup>lt;sup>39</sup> Attachments to Response to IECG-007-003

<sup>&</sup>lt;sup>40</sup> Ibid.

<sup>&</sup>lt;sup>41</sup> HQ Annual Report 2017, p. 48,

<sup>&</sup>lt;sup>42</sup> Technical Session Tr 9-19-18, pp. 21-25

 <sup>&</sup>lt;sup>43</sup> Energyzt Report, õGreenwashing and Carbon Emissions: Understanding the True Impact of New England Clean Energy Connect (October 2019), Exhibit F submitted at the Hallowell Public Witness Hearing at B-15 ó B16.
 <sup>44</sup>Hearing Tr. 1-11-2019, p. 107.

or without NECEC, and HQ has every incentive to sell the maximum amount of energy that it can. Therefore, increased generation capacity by HQ would not substitute for diversion of power from markets such as New York, as evidenced by CMPøs statements about no new construction and supported by substantial increased domestic capacity requirements.<sup>45</sup>

The signed contracts with Massachusetts EDCs also do not require Hydro-Québec to deliver incremental energy from its existing hydroelectric projects. Instead, if it is economic or strategic to do so, Hydro-Québec can choose to not deliver incremental energy and pay penalties instead.<sup>46</sup>

### 2. NECEC provides no Capacity Benefit

The NECEC is highly unlikely to provide any capacity market benefits.<sup>47</sup> This is because the NECEC will likely have to obtain any capacity supply obligation using the new ISO-NE Forward Capacity Market (öFCMö) rules. The Minimum Offer Price Rule (MOPR) was created by ISO-NE to protect the energy market from price suppression caused by resources receiving out-of-market subsidies, such as the subsidies available to the NECEC through the 83D contract in Massachusetts and Canadian subsidy.<sup>48</sup> The MOPR is calculated by the Internal Market Monitor (IMM) to take full account of those out-of-market subsidies. Any resource that the IMM determines cannot offer a true market price at or below the MOPR would not receive any capacity payments, meaning that its effect on state and regional capacity prices would be \$0, and must enter the FCM through a secondary substitution auction process called the Competitive Auctions with Sponsored Resources (CASPR).<sup>49</sup>

Here, because the NECEC would receive significant out-of-market revenues because of its selection in the Massachusetts 83D solicitation process, it would be highly unlikely to satisfy the MOPR.<sup>50</sup> Instead, the most likely outcome is that the NECEC would have to obtain a Capacity Supply Obligation ( $\tilde{o}$ CSO $\tilde{o}$ ) through the new CASPR substitution auction, which would require the permanent retirement of an equal number of MWs of existing generation in Maine for the number of MWs the NECEC wished to clear in the FCO.<sup>51</sup> Any retirements would result in some loss of jobs and tax revenues in the state.<sup>52</sup>

In evaluating bids into the Massachusetts RFP process, the Massachusetts EDCs did not calculate capacity benefits for different projects because of the difficulty in forecasting capacity market prices and because the new FCM rules, such as CASPR, were likely to make it more difficult for

<sup>&</sup>lt;sup>45</sup> Exhibit FBS-9, 2017 NERC Long-Term Reliability Assessment, at 55-56.

<sup>&</sup>lt;sup>46</sup> Technical Session Tr 8-1-18, pp. 28-35.

<sup>&</sup>lt;sup>47</sup> GINT Fowler Direct, pp. 7-8; NextEra Stoddard Surrebuttal, p.5 (õthe most likely outcome is that the Project will have no impact on capacity prices in Maine.ö).

<sup>&</sup>lt;sup>48</sup> GINT Fowler Direct, p.6.

 $<sup>^{49}</sup>_{50}$  Id.

<sup>&</sup>lt;sup>50</sup> Id.

<sup>&</sup>lt;sup>51</sup> *Id.* at 5, 10; NextEra Stoddard Surrebuttal, p. 4.

<sup>&</sup>lt;sup>52</sup> GINT Fowler Direct, p. 5, 11-12.

state sponsored resources, such as the NECEC, to impact capacity clearing prices.<sup>53</sup> The Commission should follow suit and ascribe zero benefits to potential capacity price suppression effects.

- D. THE PROPOSED LINE IS REASONABLY LIKELY TO ADVERSELY AFFECT TRANSMISSION AND DISTRIBUTION CUSTOMERS. THE PROPOSED LINE WOULD HAVE SIGNIFICANT NEGATIVE IMPACTS ON MAINE THAT HAVE NOT BEEN ADEQUATELY ACCOUNTED FOR AND THAT WILL MORE THAN SURPASS ANY PURPORTED BENEFITS FROM THE PROPOSED PROJECT.
  - 1. The NECEC will harm Maineøs renewable energy industry and prevent Maine from reaching its clean energy goals

The NECEC is likely to limit or halt the development of Maine renewables, adversely impacting emissions in Maine, hindering Maineøs progress towards achieving clean energy goals, and forgoing potential job and economic benefits from the growth of in-state renewable industry. The NECEC is likely to harm Maineøs renewable energy industry because the project will utilize all remaining headroom at Surowiec-South, depress energy prices in Maine, and could increase congestion, making it more costly for Maine renewable generators to reach the market.

The evidence supporting this conclusion is extensive:

- Witness Russo testified: õNew, local renewables (which are precluded to use CMP¢s Project) would provide Maine with low-cost and emissions free generation, reducing Maine¢s electric customer prices, as well as creating lasting tax and other revenues for the local economy, which I detailed in my Direct Testimony.ö<sup>54</sup>
- Witness Fowler testified: õAccording to ISO-NE¢ MRIS Study, if upgrades to Surowiec-South are constructed, then ISO-NE could potentially qualify (for the FCM) an additional 800 MW of capacity resources north of Surowiec. If NECEC constructs these upgrades and is awarded this capacity credit (or is able to attain the 1,200 MW that CMP suggests is available with supplemental upgrades), that leaves no room for future projects. I do not see how any new renewable or other generation projects north of Surowiec could be built and receive capacity credit, without either prematurely retiring existing generation, or

<sup>&</sup>lt;sup>53</sup> NextEra Exhibit # 41 (õAs discussed in Exhibit JU-6, it is difficult to accurately forecast the capacity market price impact of individual resource additions. Also discussed in Exhibit JU-6 is the fact that ISO-NE changes to Forward Capacity Market rules, specifically Competitive Auctions with Subsidized Policy Resources, reduce the ability of state sponsored resources to impact capacity clearing prices. Additionally, the language in the Section 83D Request for Proposals did not specifically obligate bidders to obtain a Capacity Supply Obligation (õCSOö) in the FCM, and attempting to measure the capacity market price impact of any proposal or portfolio would assume that all proposals obtain a CSO.ö).

<sup>&</sup>lt;sup>54</sup> NextEra Russo Surrebuttal, p.3.

developing yet more, and currently unknown, additional transmission which might be prohibitively expensive.ö<sup>55</sup>

- õIf the 1200-megawatt NECEC project were to qualify for and clear 1200 megawatts in • the FCM, it would consume all the available current capacity headroom and all the headroom created by the project upgrades, leaving the system without any remaining headroom on the interface.ö<sup>56</sup>
- õQualification of 1,200 megawatts of NECEC capacity will result in no new capacity • qualifications for Maine renewable energy projects north of Surowiec unless offsetting retirements occurred or additional, and likely costly, upgrades are made to the Surowiec-South interface by subsequent interconnecting projects. In determining public need, the Commission must consider the implications of the NECEC line based on a host of factors including Maineøs renewable energy goals and the economics and the reliability for the transmission system. 35-A M.R.S. §3132 (6). This capacity situation will put new Maine renewable generation at a disadvantage in competitive solicitations for renewable energy compared with new renewables in southern New England that will be able to qualify in the capacity market due to favorable system conditions.ö<sup>57</sup>
  - 2. The NECEC will harm Maine in multiple other ways.
    - A. The economy of the region is dependent on its scenic character which would be degraded.

Countless guides, outfitters, lodge owners, and retail businesses in the region where the new 53 mile corridor would be cleared and line would be constructed depend on the beauty of the region for their businesses. oThe visitors who come here who sustain our tourist economy may come to hunt and fish, to take canoe trips, climb mountains, enjoy the peace and quiet of a lakeside campsite; but while they're doing all those things, they're soaking up the beauty of the mountains they climb and the rivers they fish and canoe. Beauty is surely a value that is hard to quantify and put a price on, but the folks that come back to the Maine woods year after year know it when thev see it.ö<sup>58</sup>

The scenic beauty of the area is the foundation for virtually the entire economy of the region. õI sell real estate in the area. I can tell you why people come and purchase land there, why people make their primary homes there, why people buy their second homes and bring their money into the state is because of the pristine nature. It's because of the wildlife. It's because of our night sky. Nobody's talked about that. It's because of the view. Route 201 is a national scenic byway.

<sup>&</sup>lt;sup>55</sup> GINT Fowler Direct, p. 19.
<sup>56</sup> RENEW Direct, p. 3.
<sup>57</sup> RENEW Direct, pp. 3-4.

<sup>&</sup>lt;sup>58</sup> Hearing Tr. 9-14-18, pp. 68-69.

You don't get that designation easily. I'm in these woods, on these roads seven days a week for work and for pleasure. It [NECEC transmission line] will impact us.ö<sup>59</sup>

> B. Property tax benefits to towns would only be a small fraction of the amount asserted by CMP.

Many towns along the route of the proposed line wrote letters of support based on CMP¢ assertions of significant tax benefits to the towns. However, it is now abundantly clear that CMP projections of the amount of future tax benefits prior to receiving their permits greatly exceed the actual tax benefits received by towns once a new line has been constructed.

Garnett Robinson is a certified Maine assessor and licensed appraiser. He has worked as an assessor for at least 17 Maine municipalities. He testified that in his experience, the amount of tax payments CMP paid to towns once a line was constructed ranged from only 17.7% to 35% of what was promised prior to CMPøs receipt of their permit to build the line.<sup>60</sup>

In addition, the Caratunk Select Board expressed strong opposition to the project, noting that it would likely have a negative impact on the towngs tax revenues. õShould this project go forth as stated, Maine energy would be locked up and prevented from engaging in any future renewable energy generation projects. Caratunk has already twice supported NextEra for a solar farm within its boundaries. This DC line blocks access to solar or other energy projects in Caratunk and Somerset County. One such solar project lost in direct competition to this NECEC. The valuation benefit from CMP & additional transmission lines does not even compare to a large solar project in Caratunk. Caratunk is against the NECEC project if it prevents future renewable energy opportunities that provide for a huge tax benefit to all landowners and significantly increase the Caratunk valuation. Therefore, Caratunk sees this project as reducing its tax revenue.ö<sup>61</sup>

> C. Maine would lose the opportunity for in-state renewable generation. In-state renewable projects would provide greater jobs, tax revenues, and economic benefits than this project

NECEC would likely make it harder for new renewable energy generation to connect to the grid. First, the NECEC project would use all of the technologically feasible upgrades to come up with 1200 MW of additional capacity at Suroweic-South, making it unlikely that new generators of any type would be able to tie into the grid north of that point.

Second, the influx of that much power in Maine would likely cause increased congestion and losses at other points in the system, causing energy to pool back into Maine, decreasing the price

 <sup>&</sup>lt;sup>59</sup> Hearing Tr. 10-17-18, pp. 59-60.
 <sup>60</sup> Hearing Tr. 9-14-18, pp. 33-41.

<sup>&</sup>lt;sup>61</sup> Written comment, 8-13-18, {5B862E49-128F-408E-BF5E-1BC6C6C0B7DD} (3).doc

of energy, increasing delivery costs, and increasing the barrier for new Maine entrants to come into the market.

Third, the fact that this project is HVDC instead of HVAC means that it could never be tied into by renewables, even if the line were not fully used by HQ.<sup>62</sup> This transmission corridor runs parallel to several proposed renewable energy sites.<sup>63</sup> It would have been possible to configure the line to allow those projects to purchase the remaining 110 MW of capacity on this line. Alternatively, if CMP had decided to bury the line, it would have left overhead space on the transmission corridor for new renewable energy projects that would need an AC line to connect to.<sup>64</sup>

D. NECEC could strain CMP resources and result in less reliability and worse ratepayer experience.

The construction of a new, 145 mile long, HVDC transmission line would create additional strain on CMP¢s resources and personnel. For example, in a situation where the NECEC line and another CMP transmission line serving Maine customers both experience a permanent disruption, the higher voltage line would be fixed first. This means that the NECEC could receive priority over other CMP transmission lines serving Maine customers.<sup>65</sup>

The NECEC would also inject energy into a part of the grid where there is already a surplus. Further increasing the surplus would increase system losses, and stress other generating facilities

MR. TRIBBET: I guess first I would caveat it by saying that I'm not an expert on all the maintenance procedures of Central Maine Power. Taking that as it is, I would say that generally I agree with your assessment that typically restoration priority is given to higher-voltage lines. I guess I -- similarly to the discussion yesterday, I struggle with the concept of separating somehow this line from the other lines because, again, in my mind, they all are for the purpose of serving load and being part of an interconnected system. So I struggle to see the difference in the segregation of these lines, but, yes, I agree that higher-voltage lines typically would get priority for restoration, yeah.

MR. MURPHY: Thank you.

<sup>&</sup>lt;sup>62</sup> NextEra Whitley Direct, p 6, 9.

<sup>&</sup>lt;sup>63</sup> NextEra Whitley Direct, p 5.

<sup>&</sup>lt;sup>64</sup> NextEra Whitley Direct, p 5.

<sup>&</sup>lt;sup>65</sup> Hearing Tr. 1-10-18, pp. 23-24.

MR. MURPHY: Yes, a follow up on the system restoration questions. And, again, these questions really are for clarity of the record and based on my own experience. We talked about a distribution/transmission priority. I think the question was if you have a storm that comes through that takes out multiple bulk system transmission elements as well as distribution, is there a procedure in place on the prioritization of the bulk system restoration, which I consider to be 69 or a hundred kV and above, versus this line which is a -- as it was described yesterday, a competitive transmission line? So AC lines that serve load that are hundred kV and above versus this line, is there a procedure in place on the priority of restoration?

in Maine. The petitionøs claims of increased regional fuel security are speculative, and may indeed be a net negative, not positive.<sup>66</sup>

Finally, because it is likely that the NECEC would only obtain a CSO using CASPR, the NECEC would have to induce the retirement of the same amount MWs of capacity to attain a CSO. To secure any amount of CSO, NECEC would need to induce that same number of MWs of existing Maine generation to retire. One could argue that the most likely retirees would be older oil units like Wyman18 or perhaps Maine biomass plants that have been experiencing recent economic stress. There is only a limited amount of biomass generation in the state, and Wyman is the largest oil-capable station in Maine, with on-site fuel storage. If NECEC were to substitute for one or more of these generators through CASPR, we would be trading in-state resources with stored fuel for a long transmission line to Quebec. That would not help regional fuel security.<sup>67</sup>

E. NECEC would harm Maineøs environmental and scenic resources.

The route of the NECEC would disturb 53.5 new miles of habitat from Beattie Township to Caratunk as part of a total transmission line length of 146.5 miles. The NECEC would clear over 1,800 acres of land, cross 115 streams, disturb 263 wetlands covering 76.3 acres, and cross 8 deer wintering areas and 12 inland waterfowl and wading bird habitat areas.<sup>68</sup> The average pole height along the new transmission corridor would be one hundred feet tall.<sup>69</sup> The proposed line follows the general route of the Old Canada Road National Scenic Byway.

The NECEC is likely to have a permanent and dramatic impact to environmental and scenic resources, along the line, most notably along the 53 miles currently undisturbed by transmission lines. An overhead line along this route is not necessary as most other HVDC lines are buried, significantly reducing visual, recreational, and environmental impacts. While the Maine Department of Environmental Protection and Land Use Planning Commissions have not made a determination on environmental and scenic resources disturbed by this proposed project, initial evaluations raised significant concerns about the impact that this project could have and CMPøs failure to adequately evaluate those potential impacts.<sup>70</sup>

# V. CONCLUSION

NRCM respectfully requests that the Commission deny CMPøs request for a CPCN for its proposed NECEC project. CMP has failed to articulate a legitimate public need that that the NECEC project meets. Instead, this proposed project is simply a discretionary project that CMP has attempted to justify through a series of inflated and illusory claims about purported public benefits masquerading as public needs. Not only does this project not address any public need,

<sup>&</sup>lt;sup>66</sup> GINT Fowler Direct, p. 5.

<sup>&</sup>lt;sup>67</sup> GINT Fowler Direct, p. 20 (citations omitted).

<sup>&</sup>lt;sup>68</sup> CMP Petition Volume I, p. 44.

<sup>&</sup>lt;sup>69</sup> CMP Petition Volume II, p. 3.

<sup>&</sup>lt;sup>70</sup> See, generally, NECEC VIA Review and James Palmer Memo.

but CMPøs proposed transmission line would actually harm Maine ratepayers by causing significant negative impacts to Maineøs renewable energy industry, economy and environment. While there may be the potential for some minimal energy price suppression and limited job and tax revenues, those benefits are far too speculative and small when compared to the likely negative impacts from this proposed project. Therefore, the Commission should deny this CPCN petition based on a finding that the NECEC is reasonably likely to adversely affect CMP customers. This CPCN should also be denied because CMP has failed to do an adequate alternatives analysis under 35-A M.R.S. § 3132(2-C).

Respectfully submitted,

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