SEC Joint Agency Hearing
Belknap County

Mill Falls at the Lake, Church Landing
281 Daniel Webster Highway
Meredith, NH
March 1, 2016
Discussion Outline

- Energy Challenge
- Clean Energy RFP
- New Hampshire Benefits
Energy Challenge

Non Gas-Fired Plants Closing

4,200 MW have retired or will retire in less than 5 years

- Closed or retiring
- At risk of retiring

Heavy Reliance on Natural Gas

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil</th>
<th>Coal</th>
<th>Natural Gas</th>
<th>Nuclear</th>
<th>Hydro and Other Renewables</th>
<th>Pumped Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2%</td>
<td>3%</td>
<td>13%</td>
<td>1%</td>
<td>22%</td>
<td>4%</td>
</tr>
<tr>
<td>2015</td>
<td>2%</td>
<td>3%</td>
<td>15%</td>
<td>1%</td>
<td>18%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: ISO-New England
Diminishing Supply = Higher Prices

Incentive Payouts to Generators

Total capacity market cost: $1B

Value of Incentive Payouts
Matching Energy Supply to Demand

Energy Market Cost

$$
Genereation Cost

Internal Combustion Units
Pumped Storage (Hydro)
Oil
Coal
Natural Gas
Large Scale Hydro
Nuclear
Renewables (including Small Hydro)

Energy Supply

Customers’ Energy Demand
Clean Energy RFP (3 State)

- CT, MA & RI seeking projects to increase supply of clean energy
- Northern Pass project bid identical to SEC project application
- Bid well-positioned to help lower prices and meet clean energy goals
  - HQ commits to firm delivery of clean energy when customers need it at market prices
项目关系

诺顿帕斯传输，LLC (NPT)

- NPT 构建、融资并拥有传输线路
- NPT 向 HQ 提供传输服务

传输服务协议

Hydro-Québec (HQ)

- HQ 补偿 NPT 用于成本和投资回报
- HQ 通过向新英格兰市场销售来收回成本
## New Hampshire Economic and Environmental Benefits

<table>
<thead>
<tr>
<th><strong>$3.8 Billion in NH Economic Benefits</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOWER ENERGY COST</strong></td>
</tr>
<tr>
<td>- $80 million a year - lower energy costs</td>
</tr>
<tr>
<td><strong>FORWARD NH FUND</strong></td>
</tr>
<tr>
<td>- $200 million - economic development, tourism, community betterment, and clean energy initiatives</td>
</tr>
<tr>
<td><strong>NH JOBS &amp; ECONOMIC BENEFITS</strong></td>
</tr>
<tr>
<td>- $30 million annually in property taxes</td>
</tr>
<tr>
<td>- 2,600 construction jobs</td>
</tr>
<tr>
<td>- North Country Job Creation Fund</td>
</tr>
<tr>
<td>- $2.2 billion increase in NH GDP</td>
</tr>
</tbody>
</table>

## Significant Environmental Benefits

<table>
<thead>
<tr>
<th><strong>CLEAN ENERGY &amp; NATURAL RESOURCES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Carbon emissions reduced by about 3 million tons a year</td>
</tr>
<tr>
<td>- Partners for NH Fish and Wildlife program</td>
</tr>
<tr>
<td>- Mixed use of 5,000 acres in North Country</td>
</tr>
<tr>
<td>- Grid upgrades to improve North Country electric system and unlock up to 100 MW of existing small scale renewable energy</td>
</tr>
</tbody>
</table>