MCLANE MIDDLETON

THOMAS B. GETZ Direct Dial: 603,230,4403 Email: thomas.getz@mclane.com Admitted in NH 11 South Main Street, Suite 500 Concord, NH 03301 T 603,226,0400 F 603,230,4448

July 25, 2017

Via Electronic Mail & Hand Delivery

Pamela Monroe, Administrator New Hampshire Site Evaluation Committee 21 South Fruit Street, Suite 10 Concord, NH 03301-2429

Re: Site Evaluation Committee Docket No. 2015-06 Joint Application of Northern Pass Transmission LLC and Public Service Company of New Hampshire d/b/a Eversource Energy (the "Applicants") for a Certificate of Site and Facility Power Purchase Agreement—Notice of Withdrawal

Dear Ms. Monroe:

As part of the Application filed in the above-captioned proceeding on October 19, 2015, the Applicants made a number of references to a Power Purchase Agreement ("PPA") between Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH") and Hydro Renewable Energy Inc. ("HRE") that was subsequently filed with the Public Utilities Commission ("PUC") in Docket No. DE 16-693. Among other things, the PPA was identified as one of the many benefits that would result from the Northern Pass Project.

The petition to approve the PPA was filed with the PUC on June 28, 2016. On October 25, 2016, the PUC issued an Order of Notice requiring two rounds of "briefs regarding the legality" of the PPA. The PUC issued Order No. 26,000 (March 28, 2017) dismissing the PPA, concluding that it lacked the authority under existing laws to approve it. PSNH sought clarification of Order No. 26,000, to answer the question whether a utility has the authority to enter a PPA if it does not entail ratemaking treatment. PSNH's request was denied by the PUC on July 17, 2017.

In parallel, proposed Senate Bill 128 sought to clarify the PUC's authority to approve measures, such as the PPA, that can reduce energy costs for New Hampshire consumers. However, Senate Bill 128 was retained by the Legislature during the 2017 legislative session and will not be acted upon prior to the conclusion of these proceedings.

Inasmuch as the PPA contains a condition precedent requiring PUC approval and that such approval will not be forthcoming during the pendency of these proceedings, the Applicants have determined that it is appropriate to withdraw the PPA from consideration in these proceedings.

NPT – PPA Withdrawal July 25, 2017 Page 2

To the extent necessary, the Applicants therefore withdraw any references to the PPA in the Application, testimony, or elsewhere, including, but not limited to, the Executive Summary to the Application at pp. ES-3 and 4; the Application at p. 93; the Pre-filed Testimony of Mr. Quinlan at p. 5; and, the Supplemental Testimony of Mr. Quinlan at p. 3. As shown in the attached press release, PSNH and HRE intend to replace the PPA with an alternative agreement to provide New Hampshire customers with environmental and potential future economic benefits, which they will pursue outside of the SEC proceeding.

In addition, notwithstanding the June 23, 2017 Order denying the New England Power Generators Association ("NEPGA") motion to strike the PPA and related testimony to the contrary, the Applicants believe as a result of the above that there is no longer any need for Mr. Ginetti to testify in this proceeding.

Please contact me directly should you have any questions.

Sincerely, Thomas B. Getz TBG:slb

Enclosure



News Release

PSNH and Hydro-Québec Reaffirm their Commitment to Bring Clean Energy Benefits to New Hampshire Customers

MANCHESTER, N.H. (July 24, 2017) – Public Service Company of New Hampshire (PSNH) d/b/a Eversource Energy and Hydro Renewable Energy Inc. (HRE), an indirect wholly-owned subsidiary of Hydro-Québec, have announced their intent to work to replace their existing Power Purchase Agreement (PPA) with an alternative agreement to provide New Hampshire customers with environmental and potential future economic benefits as part of the Northern Pass Transmission (NPT) project.

"We recognize the importance of delivering value to New Hampshire and are pleased to be cooperating with our partner on a new approach that will result in unique and significant benefits for the Granite State," said Bill Quinlan, president of Eversource operations in New Hampshire. "PSNH remains firmly committed to pursuing opportunities to lower energy costs for our customers above and beyond the \$62 million in annual energy cost savings for New Hampshire consumers."

"Hydro-Québec is committed to working with Eversource to provide the value of Quebec hydropower environmental attributes to the state of New Hampshire, in addition to the benefits associated with the operation of the Northern Pass Project," said Steve Demers, Vice-President – Business Development of Hydro-Québec.

In March, the NH Public Utilities Commission (PUC) dismissed the original PPA on the grounds that the agreement was not consistent with the state's electric restructuring law. A subsequent attempt by New Hampshire lawmakers to address issues raised by the PUC has yet to advance. Importantly, the commitment associated with today's announcement will be consistent with the PUC's decision and comes at no cost to New Hampshire customers.

Through the commitment announced today, the parties will work toward an agreement to provide to PSNH the environmental attributes associated with an annual volume of clean energy delivered into the New England region. PSNH would be able to utilize those attributes to satisfy future clean energy requirements and direct any benefits to New Hampshire customers.

There is a clear need to lower energy costs in New England, as well as a growing demand for additional sources of clean energy as the region faces the retirement of many older generating units and the need to achieve the region's environmental objectives. Together with the competitively-priced and abundant clean energy Northern Pass will provide, the commitment by PSNH and HRE announced today represents significant economic and environmental benefits for New Hampshire.



Eversource (NYSE: ES) transmits and delivers electricity and natural gas for more than 3.6 million electric and natural gas customers in Connecticut, Massachusetts and New Hampshire. Eversource harnesses the commitment of its more than 8,000 employees across three states to build a single, united company around the mission of delivering reliable energy and superior customer service. For more information, please visit our website (<u>www.eversource.com</u>) and follow us on Twitter (<u>@EversourceCorp</u>) and Facebook (<u>facebook.com/EversourceEnergy</u>).

CONTACT: Martin Murray 603-634-2228 <u>martin.murray@eversource.com</u>

###