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Via Electronic Mail & Hand Delivery

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

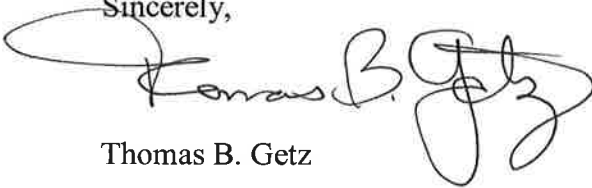
**Re: Site Evaluation Committee Docket No. 2015-06
Joint Application of Northern Pass Transmission LLC and Public Service Company
of New Hampshire d/b/a Eversource Energy (the "Applicants") for a Certificate of
Site and Facility
Applicants' Objection to SPNHF's Motion to Strike**

Dear Ms. Monroe:

Enclosed for filing in the above-captioned docket, please find an original and one copy of Applicants' Objection To SPNH's Motion To Strike Portions Of The Applicants' Forward NH Plan.

Please contact me directly should you have any questions.

Sincerely,



Thomas B. Getz

TBG:slb

cc: SEC Distribution List

Enclosure

**STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE**

SEC DOCKET NO. 2015-06

**JOINT APPLICATION OF NORTHERN PASS TRANSMISSION LLC &
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY
FOR A CERTIFICATE OF SITE AND FACILITY**

**APPLICANTS' OBJECTION TO SPNHF'S MOTION
TO STRIKE PORTIONS OF THE APPLICANTS' FORWARD NH PLAN**

NOW COME Northern Pass Transmission LLC (“NPT”) and Public Service Company of New Hampshire d/b/a Eversource Energy (“PSNH”) (collectively the “Applicants”), by and through their attorneys, McLane Middleton, Professional Association, and respectfully submit this Objection to the Society for the Protection of New Hampshire Forests’ (“SPNHF”) Motion to Strike Portions of the Applicants’ Forward NH Plan (“Motion”), filed in the above-captioned proceeding on March 29, 2017.

I. Introduction

1. SPNHF seeks to strike testimony provided by the Applicants concerning certain benefits that will be delivered by the proposed Northern Pass Project (the “Project”), arguing that the benefits are not relevant. SPNHF incorrectly argues that some of the Project’s benefits are “unrelated to the Project” and therefore may not be considered by the Site Evaluation Committee (“SEC” or in this case “Subcommittee”) in its deliberations in this proceeding. In fact, all of the elements of the Forward NH Plan are directly linked to the Project. As explained below, SPNHF has created an artificial limitation on the benefits the Subcommittee may consider when determining whether a proposed energy facility would serve the public interest.

II. Background

2. The Applicants filed an Application to construct a 192-mile electric transmission line with associated facilities on October 19, 2015. As required by RSA 162-H and NH Code Admin. R. Site 301.03(h)(7), the Applicants described how the construction and operation of the Project would be in the public interest. As set forth in the Application at pages ES-4 to ES-5:

While the provision of 1,090 MW of clean, competitively priced, renewable hydropower to customers in New Hampshire and the rest of New England is the most direct benefit of the Project, Northern Pass provides other significant public benefits as well. The Project is the enabling element of the Forward New Hampshire Plan (“Forward NH” or “Plan”), an initiative that will provide approximately \$3.8 billion in benefits to the State, including more than \$80 million annually in lower energy costs, a \$2.2 billion increase in Gross Domestic Product, the creation of more than 2,600 jobs, an estimated \$600 million in tax revenues over the first 20 years of operation, more than 3.3 million tons per year in reduced carbon emissions, a more diversified regional power supply, and enhanced electric system reliability, while moving the State closer to achieving its energy and environmental objectives. The specific benefits of Forward NH include the following:

1. *Design modifications.* Modification of the Project design to include an additional 52 miles of underground construction, for a total of over 60 miles. This additional underground construction avoids or minimizes potential visual impacts to the most sensitive scenic resources in the State, including areas in and around the White Mountain National Forest, Franconia Notch area, the Rocks Estate area, and along the Appalachian Trail. Alternative structure designs have also been incorporated to minimize potential effects along the overhead parts of the Project route.
2. *No Cost to New Hampshire Customers.* All costs of siting and constructing Northern Pass will be paid by the Project, at no cost to New Hampshire customers.
3. *Power Purchase Agreement.* As described above, the PPA will permit the delivery to New Hampshire of approximately 100 MW of firm, on-peak, renewable hydroelectric power together with the potential environmental attributes, and will provide greater price stability at estimated customer cost savings totaling \$100 million over 20 years.
4. *Energy Cost Suppression.* Delivery of 1,090 MW of energy will suppress wholesale energy prices leading to estimated annual savings greater than \$80 million for New Hampshire businesses and residential customers who are currently subject to some of the highest energy rates in the country.
5. *Forward NH Fund.* Commitment of \$200 million to fund important New Hampshire priorities – controlled by an advisory board structure – that will include community betterment, clean energy innovation, economic development and tourism with emphasis

on the host communities and the North Country in particular.

6. *Coös Loop Transmission Upgrade*. A transmission upgrade of the Coös Loop, which will relieve existing constraints and unlock up to 100 MW of renewable generation.

7. *New Hampshire First*. A commitment to a “New Hampshire first” approach to hiring construction workers for the Project. This approach will help create more than 2,600 direct and indirect jobs, both union and non-union, during peak construction. This element of the Plan also includes the establishment of an innovative partnership with the International Brotherhood of Electrical Workers (“IBEW”) and National Electrical Contractors Association (“NECA”) and national contractors to create highly desirable career training and job opportunities for New Hampshire residents.

8. *Natural Resource Preservation and Tourism*. Dedication of approximately 5,000 acres in existing land holdings to natural resource preservation, recreational activities and additional mixed uses that are important to the North Country's future.

9. *North Country Jobs Creation Fund*. Sponsorship of the \$7.5 million North Country Jobs Creation Fund, which will be directed by local individuals and dedicated to important economic development and job creation opportunities in the region.

10. *Increased Property Tax Revenue*. Northern Pass will, on average, generate approximately \$30 million per year in local, county and State property tax revenues, or \$600 million over the first 20 years of operation.

11. *NFWF Partnership*. Establishment of a \$3 million partnership with the National Fish and Wildlife Foundation (“NFWF”) to pursue environmental conservation and research activities in New Hampshire through collaboration with environmental organizations, government agencies and research universities, including the University of New Hampshire.

12. *Economic Growth*. Create a significant increase in New Hampshire’s Gross Domestic Product, estimated to be \$2.2 billion over the Project’s construction period and in the first 10 years of operation.

13. *Reduced CO₂ Emissions*. Reduction of carbon dioxide emissions in New England by more than 3.3 million tons annually. This reduction will support the goals of the New Hampshire Climate Action Plan, the Regional Greenhouse Gas Initiative (“RGGI”) and the New England Governors’ Renewable Energy Blueprint.

III. Discussion

3. SPNHF seeks to limit the benefits that the Subcommittee will consider in its deliberations, based on a distinction that is neither express nor implied in the SEC governing

statute or rules. It argues that items no. 5, the Forward NH Fund; no. 6, the Coos Loop Transmission Upgrade; no. 9, the North Country Jobs Creation Fund (“NCJCF”); and no. 11, the National Fish and Wildlife Foundation Partnership (“NFWFP”) are not relevant and should not be considered by the Subcommittee because they are not “natural benefits” of the Project.

4. While it is fair to say, as Mr. Quinlan did, that some of the benefits identified above occur naturally, or flow more directly, from the delivery of the power from the Hydro Québec system, it is patently wrong to say that the Forward NH Fund, the Coos Loop Upgrade, the NCJCF, and the NFWFP are not related to the Project or otherwise not relevant. As noted in the Application, “the Project is the enabling element of the Forward New Hampshire Plan” and therefore the Project and the Plan are part and parcel of the same initiative. Accordingly, Mr. Quinlan testified, first, that the Project will lower energy costs, create jobs, increase Gross Domestic Product, pay taxes, and reduce emissions, and, second, that the Plan “recognizes that New Hampshire, as host to the Project, deserves to receive unique and direct benefits.” Pre-filed Direct Testimony, p. 2.

5. SPNHF makes the bald assertion that the language of RSA Chapter 162-H “clearly states that the *relevant* impacts and benefits of a proposed energy facility are those impacts and benefits occasioned by the facility itself.” (emphasis supplied) Motion, p.2. It then cites RSA 162-H:1 and RSA 162-H:16, IV as bases for the assertion. In the first instance, SPNHF takes a partial legislative finding out of the larger context of the Purpose section as it relates to the establishment of SEC review, and makes the leap of logic that a reference to decisions about siting energy facilities was meant to limit SEC review to so-called natural benefits. In the second instance, SPNHF offers the unhelpful tautology that only so-called natural benefits are relevant because the SEC only considers relevant information. In neither

case does the language of the statute, expressly or impliedly, limit the type or kind of benefits the SEC may consider or create a test for relevance. To the contrary, all of the benefits identified by the Applicants are relevant because they tend to prove that the Project will serve the public interest.

6. SPNHF relies too heavily on the distinction based on “benefits naturally occurring from the delivery” of the power from the Project. The distinction may have some usefulness from an engineering or economic perspective for explaining how certain benefits arise and how they will be felt, but the distinction is not useful from a legal perspective and is not a basis for determining relevance.

7. SPNHF also relies on a narrow and self-fulfilling construction of the language of Site 301.16 to argue that the rule “requires relevant public benefits to be related to the actual energy facility.” The rule, however, merely says that in determining whether a facility will serve the public interest the SEC will consider a number of factors, beginning with the welfare of the population. There is no limitation, express or implied, in the language of the rule that would support the “natural benefits” test, thereby excluding other benefits associated with the Project.

8. The Forward NH Plan, which encompasses all of the Project’s benefits, is inherently tied to the siting, construction, and operation of the Project. Without the Project, there would be no benefits whatsoever. In other words, but for the construction and operation of the Project, the Forward NH Plan would not exist and the State of New Hampshire would not realize more than \$3 billion in benefits. The majority of the benefits of the Forward NH Fund, moreover, will be realized over a 20-year period. Furthermore, the operation of the Project generates the revenue to make possible the Forward NH Fund, the NCJCF, and the NFWF Partnership.

A. Forward NH Fund

9. The \$200 million Forward NH Fund is inextricably linked to the construction and operation of the Project. The fund is targeted to support community betterment, clean energy innovation, tourism, and economic development and will be paid out over the course of 20 years, at \$10 million a year. “The emphasis for the Fund will be on host communities, and in particular, host communities in the North Country.” Pre-Filed Testimony of William Quinlan, at 6.¹ While the Fund is designed to benefit the region as a whole, there will be a specific emphasis on the North Country and host communities with respect to funding the identified priorities.

10. SPNHF also argues that the Forward NH Fund should not be considered because communities other than host communities could benefit. However, SPNHF fails to acknowledge that the rules do not limit the Committee to considering the benefits of the Project only on host communities but is more expansive. See, e.g., Site 301.16 (a), the welfare of the population, (c), the location and growth of industry, (d), the overall economic growth of the state, and (e), the environment of the state. The Forward NH Fund addresses each of these criteria and is therefore relevant to the public interest.

¹ See also Draft By-Laws of the Forward NH Fund, Attachment C to the Pre-Filed Testimony of William Quinlan, at 1–2 (March 24, 2017) (“The purposes of the [Forward NH Fund] shall be to promote the economic well-being of the State of New Hampshire by supporting programs associated with *stimulating economic development* in economically distressed areas, including enterprise zones, urban renewal areas, *the North Country of New Hampshire*, targeted industrial development areas and low income neighborhoods; improving employment and job skills training for low-income, young or unemployed persons; providing financial assistance in the form of grants, loans and investments to businesses that can contribute to increased employment for New Hampshire citizens, including within the *tourism industry*; working in partnership with state and local governments and other non-profit economic development organizations to achieve their economic goals within New Hampshire; providing technical, administrative and management assistance to businesses operating within economically distressed areas, including facilitating the adoption of *clean energy technologies* and innovations across all economic sectors; in each case in a manner that will serve to lessen the burdens on state, county and local governments within New Hampshire and to promote the social welfare of New Hampshire citizens.”) (emphasis added); Articles of Agreement of NH Non-Profit Corporation, Attachment A to the Pre-Filed Testimony of William Quinlan, at 1 (March 24, 2017).

B. North Country Job Creation Fund

11. The \$7.5 million NCJCF is intertwined with the construction and operation of the Project. While NPT has provided \$200,000 to the NCJC to-date, which has already created significant benefits, *see e.g.*, Attachment D to the Pre-Filed Testimony of William Quinlan (March 24, 2017), the remainder of the \$7.5 million will be paid after the Project receives all of its necessary permits and approvals. Once NPT receives its necessary permits and approvals, NPT will finance the NCJCF with \$1 million and commit another \$500,000 per year until the commitment is fulfilled. Similar to the Forward NH Fund, the NCJCF will be funded by the revenue the Project receives once placed into operation. The NCJCF is therefore relevant to the public interest because its future existence is fully dependent on the Project and because it will benefit the economy of the region.

C. National Fish and Wildlife Foundation Partnership

12. The \$3 million NFWFP is designed to pursue national resource initiatives aimed at restoring and sustaining healthy forests and rivers in New Hampshire. To date, Eversource has provided \$1.5 million in funds, and when added to other monies from federal partners and other matching funds, the Project will produce a total conservation impact of approximately \$4.7 million. Similar to both the Forward NH Fund and the NCJCF, the partnership will be funded by Project revenue. Furthermore, the Committee is required to consider “the environment of the state” when determining whether the Project will serve the public interest. Site 301.16(e). The NFWFP funds are therefore relevant to the public interest because they will benefit numerous fish and wildlife species. It should further be noted that the New Hampshire Department of Environmental Services recognized the NFWFP as additional mitigation associated with the Project.

D. Coos Loop Upgrades

13. As part of the Project, the Applicants have committed to upgrading the Coos Loop, which will relieve existing constraints and unlock up to 100 MW of renewable generation. Pre-Filed Testimony of William Quinlan, at 7. The Project will need to replace the D142 line and portions of the existing O154 line and also upgrade the remaining segments of the O154 line and a portion of the Q195 line. The re-build and upgrades would not occur without the Project. Once the upgrades are completed, the Coos Loop will be able to deliver additional renewable energy to the New England Power grid, further enhancing the location and growth of industry and the overall economic growth of the state as a whole. Site 301.16(c)–(d). Therefore, the upgrades are relevant to the public interest.

IV. Conclusion

14. SPNHF appears to be critical of certain benefits because “the Applicants have devised [them] to obtain support for the Northern Pass.” In addition, SPNHF refers to these benefits pejoratively as “sweeteners” and argues that the SEC’s consideration of these benefits “would allow for the State’s resources to be for sale to an applicant willing to spend.” The Motion is a transparent attempt to diminish the significant benefits that the Project would provide the State of New Hampshire. By its Motion, SPNHF seeks to discolor the Applicants’ good faith efforts to construct and operate an energy facility that will serve the public interest by providing numerous and varied benefits.

15. Finally, the inquiry for the Subcommittee is whether the proposed benefits, irrespective of how they are parsed or dissected, are relevant to the public interest finding. It is unassailable that, absent the construction and operation of the Project, the benefits described in

the Forward NH Plan would not exist. Simply put, all of the benefits are relevant because they are made possible by the Project and tend to prove that the Project will serve the public interest.

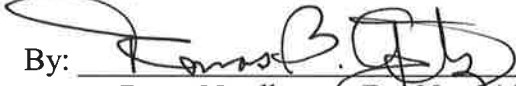
WHEREFORE, the Applicants respectfully request that the Site Evaluation Committee:

- A. Deny the Motion Strike Portions of the Applicants' Forward NH Plan; and
- B. Grant such further relief as is deemed just and appropriate.

Respectfully submitted,
Northern Pass Transmission LLC and
Public Service Company of New Hampshire d/b/a
Eversource Energy
By Its Attorneys,

McLANE MIDDLETON,
PROFESSIONAL ASSOCIATION

Dated: April 6, 2017

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Certificate of Service

I hereby certify that on the 6th of April, 2017, an original and one copy of the foregoing Objection was hand-delivered to the New Hampshire Site Evaluation Committee and an electronic copy was served upon the SEC Distribution List.


Thomas B. Getz