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E-mail: Pamela.Monroe@sec.nh.gov

New Hampshire Site Evaluation Committee

Pamela Monroe, Administrator

**21 South Fruit Street, Suite 10
Concord, NH 03301**

To the attention of the NH Site Evaluation Committee:

Thank you for this opportunity to address the project known as "The Northern Pass."

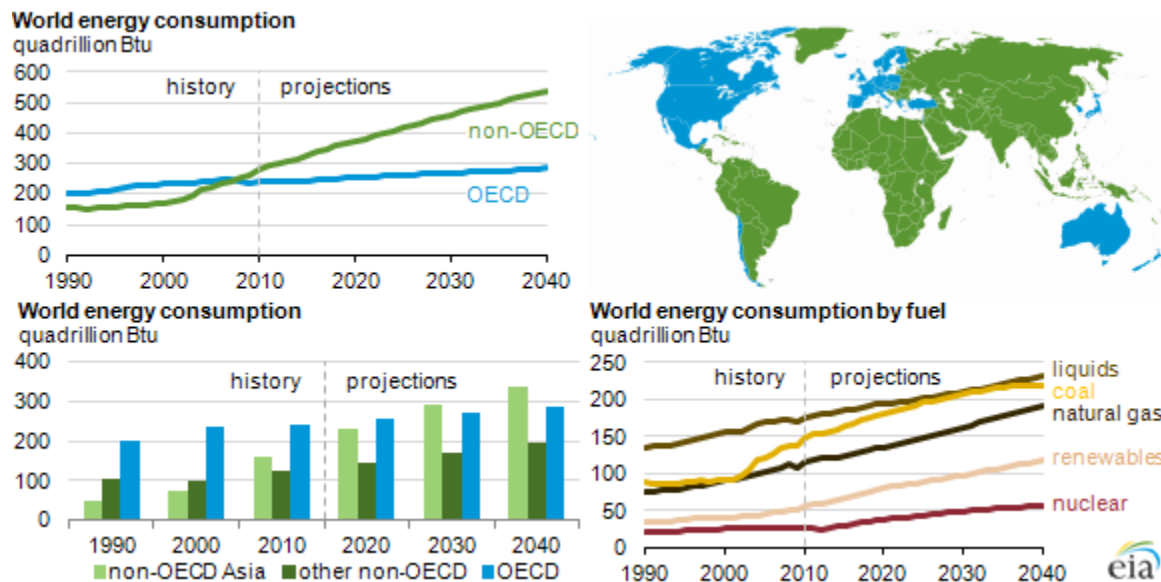
My name is R. Sean O'Kane. I reside at 11 Long Hill Road, Hollis, New Hampshire.

As an introduction, I am a former Commissioner of the NH Department of Resources and Economic Development, which has the responsibility of overseeing and managing the Divisions of Economic Development, Tourism and Travel Development, State Forests and Lands and State Parks. Prior to my service in State Government, I enjoyed a very successful 23-year career in hospitality management, seven years of which were here in NH, being recognized nationally as the Outstanding General Manager of the Year by the American Hotel and Lodging Association; the NH Innkeeper of the Year by the NH Lodging and Restaurant Association and; as the NH Travel Leader of the Year by the NH Travel Council. Subsequent to my government service, I spent six years working for the energy efficiency global leader, Schneider Electric, as the Global Director of Thought Leadership. In that capacity, I worked with the senior leadership of several of the major global hotel chains, specifically focused in twelve countries, on energy efficiency initiatives and technologies in the effort of reducing CO2 emissions and energy waste.

I write in support of The Northern Pass project. I view this proposed project as essential to addressing the electric generation capacity needs of our state and region.

Over the past short period, our region has experienced the closing of several large power generating plants. These include the 745-megawatt coal and oil-fueled Salem Harbor Power Station, the 605 megawatt Vermont Yankee nuclear facility and now face the upcoming closure of the 1,520 megawatt Brayton Point power plant. In the interim, our region has not implemented new capacity generation to fill the gap that has been created. ISO-NE has addressed energy purchases through 2017, through their energy auctions, but has warned the diminished energy generation capacity poses very serious challenges to our region beyond that time frame. The two proposed projects calling for the expansion of existing natural gas lines and the building of additional natural gas lines are many years away from becoming a reality, if at all. There are no other power projects currently in the pipeline that can address this significant generation gap. If ISO-NE's warning about inadequate generation capacity to carry us beyond 2017 without interruption is accurate, our region faces serious challenges and the potential for disruption of services and business. The Northern Pass project can become a reality much sooner than any other opportunity and provides a valuable renewable resource, which helps address a number of issues we face.

The growing global markets and competition for fuels to generate electricity are other serious concerns for our region. In my work globally with energy efficiency, I have a keen awareness what the global market is undergoing. The demand for electricity, and the resources necessary to generate these new capacity requirements, is being driven heavily by the global emerging economies. We are talking not just about expansion but bringing electricity to areas that have never had access to it.



Source: U.S. Energy Information Administration, [International Energy Outlook 2013](#).

EIA's [International Energy Outlook 2013 \(IEO2013\)](#) projects that world energy consumption will grow by 56% between 2010 and 2040, from 524 quadrillion British thermal units (Btu) to 820 quadrillion Btu. Most of this growth will come from non-OECD (non-Organization for Economic Cooperation and Development) countries, where demand is driven by strong economic growth.

While costs are not expected to rise in direct correlation with this increased demand, it is realistic to anticipate costs will escalate at some rate, and certainly demand for these resources will significantly increase, in response to the rapid and increased generation. Gas and oil prices are currently experiencing a downward trending. However, these prices are being manipulated on the global market and I believe it is a major error to think they will remain low for the long-term.

My understanding is nearly 60% of our current regional electricity generation is now fueled by natural gas. It is my opinion that such a heavy reliance on one generation resource is a long-term detriment to electric cost stability. I believe a better-balanced approach of mixing in more renewable sources is in our region's best short and long-term interests.

In addition to the costs, capacity, delivery, diversity and renewable issues, the matter of reducing CO2 emissions is also a critical discussion. Climate change is certainly a discussion that elicits much discussion and political opinion but, whatever the cause, is real. It is a real enough threat to cause the U.S. Navy concerns for rising sea levels, changing weather patterns and severity and potential for

damage to their port bases. Most climatologists will argue CO2 emissions do have an impact on the climate and the changes we are experiencing. I strongly believe it to be in our best interests to employ renewable resources as much as possible to help mitigate the amount of CO2 we put into our atmosphere. It also contributes to the CO2 reduction guidelines established by the recent COP 21 accords.

So, the reality facing us as a region is 1) we already are experiencing some of the highest kWh costs in the country, 2) we have suffered a significant loss of generation capacity that is not being replaced sufficiently to meet our current, let alone projected needs beyond 2017, 3) global trends that could likely impact our regional requirements and costs, 4) a growing over-reliance on natural gas, 5) the growing reality that we could soon face power shortages, possibly forcing rolling brownouts and 6) employing much greater emphasis on energy efficiency technologies and making greater use of renewable resources to reduce our carbon emissions and footprint.

From an economic development point of view, these challenges pose a very real threat to New Hampshire's ability to, not only attract new businesses to our state but, maintain our existing business base. Our currently high electric rates have proven to be a major hurdle for our businesses. I met with most of the major business groups in the state, while serving as Co-Chair for Governor Hassan's Transition Team, leading into her first term. It was made abundantly clear, by all of these organizations, that our energy costs were, by far, their top concern; even greater than taxes. These costs have led to some businesses relocating to other parts of the country. It has prohibited or limited expansion of others. The loss of generating capacity and the threats that presents only further enhances those concerns.

From a tourism perspective, I fully understand the argument being made that the new, proposed transmission lines will have a negative impact on visitor counts and tourism revenues for the State. I believe this is a very understandable, yet emotional, argument that is not supported by impact studies. It is quite easy to list numerous highly successful tourism venues throughout the country where transmission lines have not had a negative impact in visitation. A case in point here in New Hampshire is the Hampton Beach State Park, by far the largest generator of revenues to the State Park System. The Seabrook Nuclear Power Station, located just a few miles to the south of Hampton Beach, has not caused any adverse impact on visitation. Frankly speaking, I strongly believe the continued high costs of electricity and the potential for rolling brownouts pose a far more serious threat to businesses. Our ski industry struggles in years like this, with limited natural snow, to break even with the high costs of making man-made snow. Our summer season generates the greatest influx of visitor spending. The potential for brownouts is not going to be viewed favorably by visitors. It will have horrendous impacts on hotels, restaurants and visitor venues that rely on electricity to maintain operations and safe standards for food and beverage storage.

I would further add that all major meeting and convention planners are now asking venues for their energy efficiency policies, accomplishments and planning. It has become a critical component of the decision-making process of where to hold their events. States and regions with better performance abilities will see growth in these markets. Those who don't compete will lose.

I recognize EverSource has listened and responded to many of the concerns about the visual impacts that have been raised. The result has been to revisit their planning and now propose placing 60 miles of transmission lines underground through the White Forest National Park. They have also reduced the

height of the towers. I feel these are very positive steps towards working with the State and would strongly urge EverSource to continue to look for ways to address view shed concerns along the way. However, in the end, the need for the additional capacity and delivery is far more paramount to the State's best interests and needs.

I thank you for this opportunity to address my position and for your consideration.

Respectfully submitted,

R. Sean O'Kane