



Business and Industry Association  
New Hampshire's Statewide Chamber of Commerce

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May 23, 2016

Martin Honigberg  
Chairman  
New Hampshire Public Utilities Commission  
21 South Fruit Street  
Concord, New Hampshire 03301

Dear Chairman Honigberg:

The Business and Industry Association has a strong interest in seeing New Hampshire overcome its electrical energy challenges. We also have a strong interest in the integrity of the state's regulatory review process, and how this process impacts the climate for job creation *and* job retention. That's why we were surprised and dismayed by the SEC's decision last week to extend the review process of the Northern Pass project to September 2017. While BIA neither supports or opposes this project, or any other energy infrastructure project, the fact remains that New Hampshire's electrical energy costs continue to be excessively high.

We've repeatedly warned that continued, extreme electrical energy prices present serious competitive challenges for New Hampshire businesses, challenges exacerbated by a very tight labor market. Employers facing the dual challenge of unreasonably high electricity costs and a shallow labor pool are beginning to explore options outside New Hampshire and New England. New Hampshire and New England need energy infrastructure solutions now.

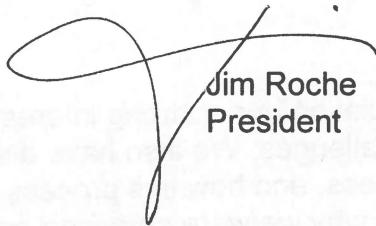
The most recent data from the US Energy Information Administration shows New Hampshire's electrical energy prices are more than 59% higher than the national average. This data is for February 2016, in the middle of the warmest winter on record in New England. High electrical energy prices did not abate last winter and continue to be a worrisome problem.

The BIA has previously expressed strong interest in seeing the SEC avoid succumbing to opponents of energy infrastructure projects whose clear strategy is to delay and complicate the review process in hopes of killing projects. Enabling this strategy is poor public policy and sets a terrible precedent. One can only imagine the higher cost of electricity in just a few years if the tactics of these opponents continue to carry the day. As you are well aware, New England ISO reports that 4,200 megawatts of electricity generation has recently or soon will retire, with another 6,000 at risk of retirement by 2020. Alarming, this represents nearly one-third of the region's electricity supply.

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When the Legislature reformed the SEC law just two years ago, it extended the project review period from nine to 12 months to allow adequate time for the SEC to do its work. The appropriate time to consider extending the review period further would be at or near the end of the review process, not now. The SEC's decision last week sends a distressing message to businesses, ratepayers, and anyone concerned with timely and orderly regulatory review. We urge the SEC to reconsider its decision, and we continue to urge policymakers to take notice of this serious situation.

Best regards,



Jim Roche  
President

C: Members, Site Evaluation Committee  
Governor Maggie Hassan  
Senate President Chuck Morse  
Speaker of the House Shawn Jasper  
Senate Democratic Leader Jeff Woodburn  
House Democratic Leader Steve Shurtleff