



October 11, 2017

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Office of Electricity Delivery and Energy Reliability (OE-20)
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**Re: Application for presidential permit OE Docket No. 371
Final Environmental Impact Statement – Northern Pass Transmission LLC**

Dear Mr. Mills,

The following is to provide additional information and rectification following the comments submitted by the Conseil des Innus de Pessamit (“the Pessamit Council”) in its letter dated August 30, 2017.

Hydro-Québec fully understands that DOE has previously stated that any issue raised during the public comment period held in the United States related to potential impacts to environmental, cultural and human resources in Canada would not be addressed by DOE for the following reasons:

“DOE has determined that such an analysis is outside the scope of this EIS because Canada has and will continue to apply its own sovereign laws to analyze potential impacts resulting from Canadian activities occurring in Canada, and because projects by Hydro-Québec raised by commenters will occur regardless of whether DOE issues a Presidential permit for the proposed Northern Pass Project international border crossing.”¹

However, for the benefit of the DOE and to set the record straight on hydropower development in Québec, Hydro-Québec wishes to contextualize some of the assertions made by the Pessamit Council in its letter of August 30.

First, the territory claimed by the Pessamit First Nation is located more than 370 miles from the proposed route of the Northern Pass project in Québec. The Pessamit Innu do not use nor live in the study area of the transmission project. In sum, the project will have no direct impact on this First Nation.

Second, the addition of a transmission link between the Québec system and the New England grid will not necessitate any changes in the rules governing operation of our generating stations, including those located on the territory claimed by the Pessamit Council, and therefore will not cause any impact to the hydraulic resources that are used for power generation.

¹ Final Environmental Impact Statement: Issues Outside the Scope of this EIS – Impacts in Canada (Section 1.5.4.1).

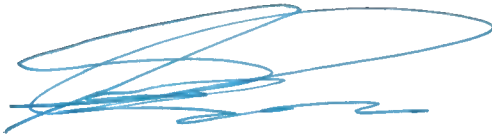
Finally, it is important to note that native claims, including the Pessamits Council's grievances, have been heard in a public hearing by the *Bureau d'audiences publiques sur l'environnement* (a governmental agency created pursuant to the *Quebec Environment Quality Act*). Such concerns were taken into account by the BAPE in their report to the Québec Government. The Québec Government is responsible for authorizing the Québec portion of this transmission line project.

Hydro-Québec maintains respectful and constructive relationships with the native communities hosting its facilities. Since 1975, Hydro-Québec has entered into approximately thirty agreements with various native communities throughout Québec. Through these agreements, local communities became active partners in projects, participate in environmental monitoring programs and benefit from economic spin-offs. Northern Pass Project will be no different: Hydro-Québec will put in place extensive measures to avoid, mitigate and compensate for the impacts on local communities.

Further points raised by the Pessamit Council will be explained in detail in the appendix attached to this letter.

Thank you for having taken the time to read our explanations, and please don't hesitate to contact me for any further information you may require on these points.

Yours truly,



Steve Demers

CC:

New Hampshire

Senator Jeanne Shaheen
Senator Margaret Hassan
Congresswoman Ann McLane Kuster
Congresswoman Carol Shea-Porter

Governor Chris Sununu
Ms. Pamela G. Monroe
Mr. Chris Aslin

Massachusetts

Senator Elisabeth Warren
Senator Edward Markey
Congressman Richard Neal
Congressman James McGovern
Congresswoman Niki Tsongas
Congressman Joseph Kennedy III
Congresswoman Katherine Clark
Congressman Seth Moulton
Congressman Michael Capuano

Congressman Stephen Lynch
Congressman William Keating
Governor Charlie Baker
Attorney General Maura Healey
Senator Harriette Chandler
Speaker Robert DeLeo
Secretary Matthew Beaton
Commissioner Judith Judson

Appalachian Mountain Club
Conservation Law Foundation
Sierra Club
Society for the Protection of New Hampshire Forests

Appendix

Hydro-Québec fully stands behind the content of the three letters previously sent to DOE concerning this project in which we explained how we operate and the extensive measures we take to avoid, mitigate and compensate for the impacts of our projects and activities. Please find below additional information related to the points raised by the Pessamit Council in its letter of August 30, 2017.

Hydro-Québec undertook a full consultation with all populations potentially affected by the Québec portion of the Northern Pass Project

The Pessamit Council claims that the Northern Pass Project would have an impact on the community of Pessamit. This assertion is false. The Québec portion of the Northern Pass transmission project has undergone a full environmental assessment by the relevant authorities in Québec, and the populations that would be impacted by the project were duly consulted. This consultation included exchanges with the Abénaki First Nation, whose hunting territory, as per agreement with the Québec government, extends into the project zone. No concerns were raised by this First Nations community.

Generating station operating rules, determined in collaboration with the Pessamit nation, will remain in effect whether a new transmission line is built or not

The Pessamit Council claims that “major modifications and operational changes to Hydro-Québec’s existing production facilities will be required for Northern Pass”. This assertion is also incorrect. The addition of this transmission link between the Québec system and the New England grid will not necessitate any changes in the rules governing operation of our generating stations, and therefore will not cause any impact to the hydraulic resources that are used for power generation.

Furthermore, the operating rules for stations on the Betsiamites River, located on the territory claimed by Pessamit, were developed in collaboration with the Pessamit community and approved by the community. Research on salmon in the 1990s led to the establishment of these operating rules, which include an ecological flow regime designed to protect the environment and preserve the salmon populations in the river.

Hydro-Québec, with the collaboration of the Pessamit community, carried out a program to restore salmon in the Betsiamites River. A committee of independent experts acknowledged that the program resulted in a significant increase in returns of salmon and underscored the importance of the Pessamit community's compliance with a fishing plan to ensure the long-term sustainability of a salmon population in that river.

To maintain salmon populations in the river, Hydro-Québec continues to manage the outflow from its generating stations located on the Betsiamites River by rigorously following the parameters agreed upon with the Pessamit Council. Hydro-Québec considers that any fluctuation in the population of large salmon is related to regional climatic factors and to the fishery practices of the community. Consequently, regardless of electricity demand, Hydro-Québec follows and will follow the same strict operating rules for each of its 62 hydroelectric generating stations across Québec.

Finally, the Northern Pass Transmission Project is not linked to any specific generating facility. It will create a new transmission corridor between Québec and New England to provide electricity

generated by Hydro-Québec's entire fleet of generating stations spread widely across Québec's territory.

Hydro-Québec's plans to add 500 MW of capacity in existing generation facilities have no impact on generating facilities on the Pessamit territory

The Pessamit Council asserts that an addition of 500 MW of capacity, announced by Hydro-Québec in its 2016-2020 Strategic Plan, led to Hydro-Québec increasing water levels in the Manicouagan Reservoir, located on the territory claimed by Pessamit.

The increased installed capacity mentioned in the letter from the Pessamit Council has nothing to do with water levels in the Manicouagan Reservoir. This increased capacity will come from refurbishments within certain generating stations that will improve the electrical characteristics of alternators.

It is true that the Pessamit Council has contested increased water levels in the Manicouagan River and this question is currently before the courts in Québec. Filling and operations of the Manicouagan Reservoir, which has been in operation for more than 50 years, are carried out in accordance with its operating limits and rules, and Hydro-Québec will continue to abide by these rules. However, the commissioning of the Northern Pass transmission line will have no bearing on these operations.

The Micoua-Saguenay 735-kV transmission line is required for Québec load, not for Northern Pass

Contrary to the assertion made by the Pessamit Council, the 735-kV Micoua-Saguenay transmission line is not required for increased deliveries to Massachusetts. Micoua-Saguenay is not required either to bring to market the energy from the two generating stations currently under construction on the Romaine River. Rather, the Micoua-Saguenay transmission project is a reliability project made necessary by the decrease of the electricity consumption in the Côte-Nord region and the closure of thermal and nuclear generating stations in southern Québec.

These changes resulted in an increase in electricity transmission along the Manic-Québec corridor, from northern generating stations towards the major consumption areas in the south. The new transmission line will also allow carry electricity that will be generated by the future Apuiat wind farm, in which the Innu nation, including Pessamit, is a partner alongside a private project developer.

A public consultation process is underway for this project, and both the concerns raised during this consultation and environmental considerations will be taken into account when determining the exact line route.

For example, in sensitive areas frequently used by woodland caribou, the proposed route has been designed to stay mainly in habitats that are already used for various human activities, thus reducing the introduction of new disturbance. In untouched forests, Hydro-Québec will propose mitigation measures, such as wooded corridors, to facilitate the caribou migration.

Consultations are ongoing with the Innu nation, including the Pessamit community, and a working group on forest caribous has been created with representatives from Pessamit, Hydro-Québec,

Ministry of Forests, Wildlife and Parks and Ministry of Sustainable Development, Environment and Fight against Climate Change.

Hydro-Québec and First Nations: a win-win relationship

Hydro-Québec maintains respectful and constructive relationships with the native communities hosting its facilities. Since 1975, Hydro-Québec has entered into approximately thirty agreements with various native communities throughout Québec. Through these agreements, local communities became active partners in projects, participate in environmental monitoring programs and benefit from economic spin-offs.

The Innus of Pessamit have benefitted and still benefit today from agreements related to past Hydro-Québec projects, such as the partial diversion of the Sault-aux-Cochons, Portneuf and Manouane rivers, the construction of Toulmoustouc generating station and its connection to the Hydro-Québec grid. Overall, Hydro-Québec has provided the community with financial compensation of nearly CA\$ 80 million since 1999. In the future, Pessamit will continue to receive substantial amounts as part of this partnership.

Part of the energy produced by the two generating stations located on the Betsiamites River belongs to the Innu community of Pessamit. As per our agreement with the Pessamit Innu, a share of the proceeds from our sales on both domestic and outside markets is returned to them.

As a responsible company, Hydro-Québec carries out its activities with due respect for the environment and makes a significant contribution to the economic, social and cultural growth of the society in which it operates. Hydro-Québec's ultimate goal is to supply clean and renewable energy to meet electricity needs in a sustainable way by using available resources wisely and preserving the quality of the environment for future generations.

Since its creation in 1944, Hydro-Québec has always respected the laws and the regulations in place in Québec that govern the construction and operation of generation or transmission projects.