STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE

November 17, 2017 - 2:24 p.m. DAY 61 AFTERNOON
49 Donovan Street PUBLIC/REDACTED SESSION
Concord, New Hampshire

{Electronically filed with SEC on 11-29-17}

IN RE: SEC DOCKET NO. 2015-06
Joint Application of Northern Pass Transmission, LLC, and Public Service Company of New Hampshire d/b/a Eversource Energy for a Certificate of Site and Facility.
(Hearing on the merits)

PRESENT FOR SUBCOMMITTEE/SITE EVALUATION COMMITTEE:

Chrmn. Martin P. Honigberg (Presiding as Presiding Officer)	Public Utilities Comm.
Cmsr. Kathryn M. Bailey	Public Utilities Comm.
Dir. Craig Wright, Designee	Dept. of Environ. Serv.
Christopher Way, Designee	Dept. of Resources & Economic Development
William Oldenburg, Designee	Dept. of Transportation
Patricia Weathersby	Public Member

ALSO PRESENT FOR THE SEC:

Michael J. Iacopino, Esq., Counsel to the SEC
(Brennan, Caron, Lenehan & Iacopino)
Pamela G. Monroe, SEC Administrator

(No Appearances Taken)

COURT REPORTER: Susan J. Robidas, NH LCR No. 44

I N D E X

WITNESS: WILLIAM FOWLER

(CONFIDENTIAL SESSION [Pgs. 1 through 27]
SUBMITTED UNDER SEPARATE COVER)

* * * * *

PUBLIC/REDACTED SESSION

(Hearing resumed at 2:53 p.m.)

CHAIRMAN HONIGBERG: Mr. Pappas, you may proceed.

MR. PAPPAS: Thank you, Mr. Chairman.

CROSS-EXAMINATION

BY MR. PAPPAS:

Q. Good afternoon, Mr. Fowler, again. I'm going to skip around a little bit because much of what I was going to ask you has already been covered. I want to start by following up on something you testified about this morning under CASPR. And you indicated that the year a resource enters the Forward Capacity Market has some impact on the price in this second auction. Do you recall that?

A. Yes.

Q. Okay. Would I be correct in saying that if in the second auction under CASPR, if a resource such as Northern Pass comes in with

1,000 megawatts, it's going to replace something that's retiring of 1,000 megawatts? Right?

A. Right.

Q. So in that situation, would it have any impact on the price in the Forward Capacity Auction?

A. In that specific auction, the way this works, it shouldn't have any price on it in that auction.

Q. So if Northern Pass comes in on the second auction with 1,000 megawatts and replaces 1,000 megawatts and has no impact on price, would that mean that there would be no capacity market benefits, if that's how Northern Pass gets into the Forward Capacity Auction?

A. If it is just swapping one for one, then the total amount of capacity stays the same on the system, so there would be no large benefits from that.

I think I mentioned to Mr. Anderson that there could be some effects down the road as we have now a price-taking generator in years

4, 5 or 10 that may be offering at less than an existing resource that might be retiring. But the bulk of the impact is eliminated through CASPR.
Q. And if Northern Pass came in over a period of years, let's say it came in, you know, at 330 megawatts in year 1 and 330 in year 2 and the rest in year 3, would that delay the full capacity market benefits from Northern Pass entering the Capacity Market?
A. Absolutely, yes. Yeah.
Q. Okay. Let me ask you a couple questions to follow up on your testimony regarding capacity deliverability.
Now, if ISO-New England does the test you described and it's determined that a new resource like Northern Pass, in order to run and have all the other generators run as well, if it can't run fully, and the other generators also run fully, can one of two things occur: Either Northern Pass does some transmission upgrades to allow it and the other generators to run fully -- is that one option?

A. Yes.
Q. And a second option would be that perhaps not all 1,000 megawatts would qualify, but let's say some amount less, whatever amount less, in order to allow all the generators to run fully; correct?
A. Yes. Correct.
Q. Okay. Now, under that first option, if after ISO-New England does the test and it's determined that in order for Northern Pass to enter the Capacity Market it has to do some upgrades, would, in your opinion, the cost of those upgrades be included in the MOPR calculation to determine Northern Pass's minimum bid?
A. Yes, they would.
Q. Okay. And you indicated this morning that you thought, in your opinion, you thought it was unlikely that all 1,000 megawatts from Northern Pass would be able to enter and have all the other generators run at full capacity; correct?
A. Correct.
Q. Have you done any analysis to determine

perhaps if or what transmission upgrades
would be necessary in order to allow Northern
Pass, at 1,000 megawatts, to run and all the
other generators to run?
A. I have not done any specific analysis on
that. But it would require changes to the
large interface, I believe, "North-South
Interface" it's called, kind of the
Massachusetts, New Hampshire, Vermont border.
Q. Do you have any sense of what that might
cost?
A. No, I don't.
Q. Okay. And am I correct that it's ISO-New
England who would do this test that you
talked about?
A. Correct.
Q. All right. Let me just follow up on this
cost issue in the MOPR, make sure I
understand your testimony.
Would I be correct in saying you believe
the following costs for Northern Pass would
have to be included in the MOPR: Certainly
the cost to build the northern transmission
line in New Hampshire; correct?

A. Yes.
Q. How about the cost to build the transmission line in Canada to connect to Pittsburgh, New Hampshire?
A. Yes.
Q. And in the System Reliability Study that was done, were any additional costs identified in that, that you know of?
A. There were quite a few upgrades required just to do the minimum interconnection that I spoke of earlier.
Q. Would those costs be included?
A. They should be included, yes.
Q. The cost of any upgrades for the Deliverability Study as well?
A. Correct.
Q. And you said a moment ago the cost if new generation is needed to support the surplus.
A. Correct.
Q. All right. Are there any other costs that you think should be included in the MOPR that have not been included in the Applicant's analysis?
A. No, those are the ones that I'm aware of.

Q. Okay. Finally, let me just ask you a few
questions about another topic you mentioned
in your prefiled testimony, and that's the
non-performance penalty.
A. Okay.
Q. So am I correct that in the Applicant's
analysis, LEI assumed that shippers would be
price-takers in the Forward Capacity Auction?
A. I believe that's how they modeled it, yes.
Q. And as a result, they didn't consider the
risk or any cost for the non-performance
penalty in their MOPR analysis; is that
right?
A. I don't know if that was in the MOPR analysis
or not. I think that would just be in the
risk assessment for the overall project.
Q. Okay. Now, as I understand it, if there's a
reserve shortage at any time, and let's say
Northern Pass is in the Forward Capacity
Market, they have a CSO. If they can't
provide during that time, that's when the
penalty is assessed.
A. Correct.
Q. The first bid -- or the first Forward

Capacity Auction that Northern Pass could bid into would be probably February of 2019?

A. It's possible they're in there for February of 2018. That's confidential. I don't know, so --

Q. All right. That's fair enough. But if they're in February 2018, the non-performance penalty would kick in 3-1/2 years later.

A. Correct.

Q. And that would be $3,500 per megawatt hour?

A. Right.

Q. Okay. So, for every megawatt hour -- let's say they couldn't deliver a 1,000 megawatts for an hour. It would cost them $3.5 million?

A. That sounds right, yeah.

Q. All right. Now, you had testified in your direct testimony about a couple events, one in 2013 and one in 2014, when HQ had curtailed deliveries to New England. Do you recall that?

A. Yes.

Q. At that time there was no non-performance penalty that would apply; correct?

A. Correct. Well, there was a different construct in effect on that date, but it was not the same one. It wasn't the $3500.
Q. Okay. Now, you also testified that you would expect HQ to service first its customers in Canada and curtail exports if necessary. Do you recall that?
A. Yes.
Q. Is that -- are you aware of any documents that require HQ to service first its domestic obligations?
A. No.
Q. That's an assumption you make?
A. That's right.
Q. Okay. Are you aware of whether or not HQ would incur any penalty in Canada if it had to curtail its domestic obligations in favor of exports?
A. No, I'm not aware of any.
Q. Okay. Now, when you said or testified that NPT would likely factor in to its -- factor in a non-performance penalty, if you will, the risk or cost of that, are you aware -- do you have any rule of thumb in mind or any

sense of what others do to factor that in?
A. Generally you would look at your own risk of non-performance, how likely it would be that you could not deliver in some certain time frame, and then you could quantify the potential penalties associated with that and then just do a risk assessment around that. But that's very, very project-specific.
Q. So it's essentially your testimony that you would factor that in, but you don't have any quantification of that.
A. Correct.
Q. Okay. Fair enough.
Finally, you were asked this morning questions about potential retirement of capacity resources. Do you recall that?
A. Yes.
Q. And you weren't asked, and I'm not going to ask you to identify any potential resources. But do you have in mind, or do you have a view of sort of the magnitude of retirement if Northern Pass were to clear and qualify in the Capacity Market?
A. Sure. So if they could qualify and get

through all the hurdles involved to do that and they clear, you know, then the result of the market is the price going down in that region. And, you know, a 1,000 megawatts swing in Northern New England could easily swing the price by $4 or $5, and it would be a very substantial change on its own.

So, you know, what's the price response to that? Well, you know, again, that's very project-specific. And individual companies will have to decide that on their own. But there's quite a few megawatts of relatively old and inefficient resources located in the three northern New England states. So there could easily be 1,000 megawatts that retire in response to that. You know, that's an easy order of magnitude.

Q. Okay. And those are located in Maine, New Hampshire and Vermont?

A. Correct.

Q. And you had indicated that obviously if they retired, the locations they're in, there would be some job loss, some revenue loss and tax loss.

A. That would be the expectation, yeah.
Q. Okay. Are you able in a public session to narrow that geographic scope beyond northern New England? And if you aren't, that's fine.
MR. NEEDLEMAN: Mr. Chair, before we go any further, I'll just object to this because I think this is essentially calling for a new analysis at this point. This is certainly something that could have and should have been done.
CHAIRMAN HONIGBERG: Mr. Pappas.
MR. PAPPAS: I don't think it's a new analysis. I think it's simply following up on what he testified this morning.
CHAIRMAN HONIGBERG: Let's get an answer to the limited question that you asked, whether it could be done non-confidentially.
A. Yeah, I think that there are -- if you try to look at the oldest, most inefficient plants on the system in northern New England, there are certainly those primarily in New Hampshire and Maine that would fall into that bucket. I think Vermont has less because

they really don't have much generation on their system at all to begin with. So I'd say most of that would be New Hampshire and Maine.

BY MR. PAPPAS:

Q. Okay. Thank you very much.

MR. PAPPAS: I have no other questions.

CHAIRMAN HONIGBERG: Who has questions? Anyone from the Municipal Group? I see heads shaking.

MR. WHITLEY: None, Mr. Chair.

CHAIRMAN HONIGBERG: Mr. Reimers? He's shaking his head. Cat's got everybody's tongues.

Mr. Cote?

MR. COTE: Yes, I do have questions. Should I proceed?

CHAIRMAN HONIGBERG: Oh, yes, you may.

CROSS-EXAMINATION

BY MR. COTE:

Q. Hello, again, Mr. Fowler.

MR. COTE: And Dawn, could I

have Apple TV, please?
BY MR. COTE:
Q. Mr. Fowler, do you see something on your monitor?
A. I do.
Q. So I'd like to start by taking a look at -- this is supplemental prefiled testimony of Mr. Quinlan. And in particular, I have a couple of questions about this paragraph, starting with Line 13. And he's discussing opportunities for NPT to enter the -- bring low-cost hydro power, and then he mentions the Mass. RFP as one of those opportunities. And I assume you're generally familiar with the Mass. RFP.
A. Yes, I am.
Q. So with respect to this paragraph, how does the delivery of low-cost power, I assume to Massachusetts residents, affect the rest of the market, assuming that they do sell some or all of their power into the Mass. RFP?
A. So it depends on a lot of things. First, you know, does it qualify for a Capacity Credit and can it get into the Capacity Market? So,

just because they get a Massachusetts contract doesn't mean they can overcome the hurdles that I mentioned before on becoming a capacity resource. So if they were a capacity resource, then, yes, they would have those, the impacts on the Capacity Market that we've been discussing.

On the energy side, you know, that depends again on how the contracts are structured. And I'm not too sure how they are going to be structured. The impact on energy prices, you know, there could be a couple very big ones. First there's the contract costs and how much money is being paid under those contracts. Presumably that money would come from Massachusetts ratepayers. That's my presumption, at least. And then the impacts on the rest of the system would depend on how the actual energy was offered into the daily markets. And if they offered very low, then that could have an impact on pushing prices down; if they offered high, it would go the other direction. I have no idea what the requirements of that contract are for energy offers, if there are any at all. So it would depend on how they offered into the daily markets on whether there is any impact and what it would be like.

Q. So you don't read that as the low-cost energy would benefit only the Massachusetts customers?

A. Yeah, I can't really speculate on what they were trying to say here. I think that -- yeah, it may be high cost, it may be low cost. I can't really tell that at this point.

Q. Okay. I'd like to discuss a little bit more about clearing prices. And this exhibit is when Ms. Frayer was here on Day 15. Looks like June 13. And regarding her most recent report that was released or prepared in December of 2016 and then FCA 11 that I believe occurred shortly after her report was issued, the difference in her prediction and the actual clearing prices was approximately a dollar. Does that sound right to you, from what you recall?

A. Yeah, I don't have the whole context of this discussion in front of me. But that probably sounds reasonable.

Q. I could go back and look, but I believe she predicted FCA 13 was going to be $6.23, and it was approximately $5.20-something.

A. Okay.

Q. So how difficult is it to actually predict ahead clearing prices in the Forward Capacity Auctions?

A. Well, you know, there's a lot of different schools of thought on that. I think to start with, yes, it is difficult to make that prediction accurately. There's a lot of factors that go in and out of that. But some of them are definitely indicative that when you go short, then prices go high, and when the pool is long in surplus, then prices go low. I think that economists would also say that over the long run, as you get to equilibrium, if we ever get there -- we've been at this for 15 years and still haven't got there -- but if we ever get to equilibrium, then the economists would say

the market should clear around Net CONE,
which is about $8 for our market right now.
But as far as, you know, individual
predictions of any one year, it's very
difficult. You can use these indicative
ideas and kind of move the ICR curves and
demand curves around and get, you know, some
indicative thoughts on that. But otherwise,
you have to predict what everybody in the
market is going to bid, how they're going to
react to things, and that actually is very
difficult.

Q. Okay. The Forward Capacity Market is a large
chunk of money over the course of a year,
isn't it?

A. Absolutely.

Q. So, as far as economic predictions, how much
does a difference of $1 make over the course
of a year and the dollar value of that
market?

A. One dollar across our pool -- and you can do
this math pretty easily. We have about
34,000 megawatts of capability that we pay
for. So if we're paying $1 per kilowatt --

and that's 34 million kilowatts -- so, it's
$34 million a month times 12. So that's
about $370 million a year.
Q. There was also discussion, and I won't really
bring up the exhibits, but the Forward
Capacity Market is somewhat tied to the
Installed Capacity Requirement?
A. Yes.
Q. And would you agree that that number is
influenced by "behind-the-meter" photovoltaic
installations?
A. Absolutely. Yes.
Q. Are you familiar with the CELT report on
photovoltaic predictions?
A. I've certainly seen them, yes.
Q. And the trend over the last few years has
been that those predictions are, even if you
look out five years, are being regularly
revised and trending upward, even for the
same year significantly different.
So do you think that there is the
potential for underestimating the effect of
distributed energy resources such as that,
that may be also underestimated in some of

the projections looking ahead in the energy markets?

MR. NEEDLEMAN: Objection. I think this is calling for new opinions.

CHAIRMAN HONIGBERG: Mr. Cote.

MR. COTE: Well, those projections were the subject of my previous questions to both Ms. Frayer and the Brattle Group in this forum, so I thought it was fair to raise the same question with this energy expert.

CHAIRMAN HONIGBERG: Mr. Needleman.

MR. NEEDLEMAN: My recollection is they were objected to at that time.

CHAIRMAN HONIGBERG: Yeah, I'm going to sustain the objection.

MR. COTE: Okay. Well, that's it for my questions.

CHAIRMAN HONIGBERG: Any other intervenor groups have questions for Mr. Fowler?

[No verbal response]

CHAIRMAN HONIGBERG: Seeing

none, Mr. Needleman.

CROSS-EXAMINATION

BY MR. NEEDLEMAN:

Q. Hello, Mr. Fowler. I'm Barry Needleman. I represent the Applicants in this matter. Let me just start quickly with the purpose of your testimony.

You describe your testimony by saying that you'll discuss several major issues relating to projected capacity savings described in the public testimony of Julia Frayer. And then you go on to say that, with respect to her work, you said that LEI's estimates of wholesale market benefits, particularly for capacity, were derived from flawed analysis and unrealistic assumptions, leading to a significant exaggeration of those benefits; is that right?

A. I don't have it in front of me, but that sounds right.

Q. I thought you had your testimony there.

A. Do you want me to turn to the page? I can verify that if you'd like. That sounds right.

Q. Okay. If at any point you want me to direct
you to specific pages, I'm happy to do that.
A. That sounds right.
Q. Okay. And I want to get into some of the
specific opinions you offer in connection
with the purpose of your testimony. But
before I do, you submitted your testimony on
December 30th, 2016; is that right?
A. Okay. Yeah.
Q. And at the time you submitted your testimony,
you weren't a party to the Confidentiality
Agreements with the Applicants; correct?
A. Correct.
Q. And so at the time you wrote your testimony,
you didn't have access to the redacted
version of LEI's testimony and report;
correct?
A. Correct.
Q. And after you filed your testimony, LEI
updated its report in February of 2017 and
then revised it again in March of 2017;
right?
A. Yes.
Q. And then Ms. Frayer submitted supplemental

testimony in April of 2017 with her accompanying rebuttal report; is that right?
A. Correct.
Q. And you didn't file any supplemental testimony in this proceeding; correct?
A. I did not.
Q. So the testimony you have on record doesn't address any of those subsequent filings; correct?
A. The testimony I submitted back in December does not address things that happened after that. That's correct.
Q. And you didn't actually sign the Confidentiality Agreement with the Applicants until May 24th, 2017; is that right?
A. That sounds right.
Q. So the first time you would have had any access to any of the confidential information that LEI was relying on was in May, well after that deadline for supplemental testimony and all this work had been done; is that correct?
A. Okay. Yeah.
Q. Now, in your analysis, you lay out a variety

of concerns that you have, and I want to take these issue by issue.

So, on Page 10, Lines 1 through 4 of your testimony, you say that LEI should use the correct Forward Capacity Market design when making any capacity-related calculations. Do you remember saying that?

A. Yes.

Q. And this issue came up because ISO-New England changed the rules governing the Forward Capacity Market after LEI submitted its initial report; right?

A. I don't remember the timing of when they filed or not. But I'll take your word for that.

Q. And I think you and I, or maybe you and the Applicants discussed this at our technical session. Do you remember that?

A. Yes.

Q. And LEI updated the analysis that it did afterward to account for the correct market design; is that right?

A. Yes.

Q. So am I correct, then, that this first criticism you have is no longer applicable here?

A. Yeah, I believe that's right.

Q. Okay. Your second issue is on Page 10, Lines 4 an 5. You said, "LEI should have addressed how and why they believe that a capacity sale over NPT could pass ISO-New England's MOPR"; correct?

A. Correct.

Q. And I think you're probably aware that this is something that's been discussed in great detail during this proceeding; right?

A. Indeed.

Q. And you're aware that LEI actually did a MOPR calculation in its April 17th supplement; correct?

A. Correct.

Q. And the number's confidential, but LEI did determine that the Project would clear the Forward Capacity Auction; right?

A. That's their conclusion.

Q. And with respect to your basic criticism that LEI didn't perform a MOPR analysis, that criticism has now been addressed as well;

correct?

A. They have performed one. Correct.

Q. And earlier on, I think when Mr. Anderson was questioning you, he mentioned a CASPR process. Do you recall that?

A. Yes.

Q. My understanding is that the CASPR process is only applicable in this case if Northern Pass wins the Mass. RFP and then doesn't clear the Forward Capacity Auction. Is that correct?

A. No, I don't think it's necessary to clear the Mass. RFP. I think that if they are denied -- if they do not pass the MOPR test, then, for whatever reason they want, they could potentially go in there. It doesn't need to be supported by the Mass. RFP. It could be supported by any other market revenue stream.

Q. Okay. But if they don't pass the MOPR test, then that's when CASPR would kick in; right?

A. Right. Yes.

Q. So if you do pass the MOPR test, CASPR is irrelevant; correct?

A. Correct.

Q. And are you aware that LEI testified that they believe that they will pass the MOPR test?
A. I believe that's what they said, yeah.
Q. In fact, Ms. Frayer said specifically that she was highly confident that it would. Did you see that?
A. Okay. I don't recall that, but I'll take your word for that.
Q. Were you also aware that Brattle said that under certain circumstances it would also pass the MOPR test?
A. No. I didn't read Brattle's testimony, so I don't know what Brattle said.
Q. Why didn't you read Brattle's testimony?
A. I wasn't directed by counsel to do that, my client.
Q. Don't you think in the course of the opinions you're offering here that it would be relevant to read that testimony as well?
MR. ANDERSON: Objection. I don't understand the relevancy of the Brattle testimony to Mr. Fowler and his testimony with respect to Ms. Frayer.

CHAIRMAN HONIGBERG: I think the question as phrased, though, he can answer. He may consider it not to have been useful. But the question is does he feel that it would be useful or relevant to him. He can answer that.

A. No, I didn't make that judgment. I do what my client asks me to do, and I wasn't asked to review that.

BY MR. NEEDLEMAN:

Q. Were you aware while you were doing your work in this proceeding that Brattle had actually submitted testimony on multiple occasions and provided a variety of analyses?

A. Yes.

Q. Did you ever -- I assume as an expert doing work, or as a professional doing work, part of what you try to do is to gather all of the information around you that you think would be useful in forming your opinions.

A. Typically I do that. But I am a consultant and I do what my client directs me to do.

Q. So, having been aware of the fact that Brattle did this work, did it ever occur to you that maybe having access to this and

reviewing it would be useful here in forming your opinions?
A. It could have been. I really didn't contemplate that. I was trying to answer the questions that have been asked of me and provide the testimony that my counsel asked me to put together. So this is a pretty immense record, and, no, I have not had the chance to review Brattle's or others out there. It's overwhelming, and this is not my full-time job.
Q. Does it surprise you that under certain circumstances Brattle agreed that NPT would actually pass the MOPR analysis?
A. Would it surprise me to read that Brattle thinks NPT would pass the MOPR analysis? That does surprise me.
Q. With respect to CASPR, is it also correct that it plays no role if the Project doesn't win the Massachusetts RFP, but it gets constructed anyway and still clears the MOPR?
A. Rephrase the question for me again? I'm trying to see where you're trying --
Q. Yeah. Sorry. I should have done that a

little bit better.
There's been a lot of focus on the Mass. RFP. I want you to assume for a minute the Project doesn't win the Mass. RFP, but it still gets constructed.
A. Okay.
Q. You're aware that Mr. Quinlan testified that the Project was not dependent on the Mass. RFP? Did you see that testimony?
A. I don't recall that, but I'll trust you.
Q. Okay. So, assuming that it doesn't win the Mass. RFP, but the Project does get constructed, CASPR would still have no bearing on this if it cleared the Forward Capacity Auction; right?
A. Correct.
Q. Okay. Now, the third criticism you had in your testimony that I wanted to talk about was on Page 10, Lines 5 through 7. You said LEI should investigate the ability of capacity to pass ISO-New England's deliverability standard. Do you recall that?
A. Yes.
Q. And I think we talked about that a little bit

earlier.

Now, with respect to this issue, you didn't do any independent analysis to determine whether NPT would in fact have deliverability constraints; right?

A. I did not, other than what I referenced in my testimony and what I discussed earlier today.

Q. And in your testimony, what you referenced was the 2013 System Impact Study; is that right?

A. Correct.

Q. And were you aware of the fact that when you wrote your testimony, the 2016 System Impact Study was available?

A. I don't recall whether I -- where I was at that point. So, no, I don't recall whether I remembered that or not.

Q. Have you ever reviewed the 2016 System Impact Study --

A. I have.

Q. -- in light of the criticisms you have here?

A. Yes.

Q. Okay. And at the tech session, I think we talked about this a little bit. And I asked

you whether you were aware of the changes between the 2013 and the 2016 study.
A. Hmm-hmm.
Q. And do you recall whether you were or not?
A. I was aware of that at the time. I don't recall how I answered that.
Q. So, one change was that the Project went from 1200 to 1090 megawatts; right?
A. Okay.
Q. Another relevant change was a change in technology for the converter terminal; correct?
A. Right.
Q. And another relevant change is that there had been additional transmission infrastructure that had been approved and was going to be under construction, like Merrimack Valley, for example; correct?
A. Okay.
Q. So, earlier on when you were talking to Mr. Pappas, you said you didn't do any analysis and had no sense of what the cost might be in connection with this upgrade; correct?
A. Correct.

Q. It's true, though, that ISO-New England is going to do this analysis, and they will identify any system upgrades that might be necessary to ensure deliverability; right?
A. If the Applicant applies to the Capacity Market, then that's part of that process.
Q. And are you aware of the fact that during the course of discovery, the Applicant provided confidential information to various parties about what the estimated cost of these upgrades were?
A. I'm not.
Q. So you never saw that information.
A. I did not.
Q. So, to the extent ISO-New England identifies any necessary upgrades, and HQ pays for those upgrades, there is no issue here; is that correct?
A. And these are deliverability upgrades you're talking about, not the System Impact Study upgrades.
Q. Correct.
A. And you have actually identified those?
Q. I'm asking you, based on the testimony you've

given here, whether in light of the information I just presented to you that's no longer an issue. And if you don't know, you can say that.

A. I'm just confused as to how what you're saying is really possible. To identify the final impacts, you have to go through the qualification process at ISO-New England. And ISO-New England does the study, and then that becomes part of that whole record. And my understanding is Northern Pass had not gone through that process in qualifying for the FCA. So are you saying that has been done then?

Q. What I'm asking you is, based on the criticisms that you lodged here, these issues will be addressed by ISO-New England; isn't that correct?

A. Ultimately they will be addressed by ISO-New England.

Q. On Page 10, Line 7 through 10, you raise a concern saying that LEI should have recognized the obligations and penalty risks of non-performance if awarded a CSO, a

capacity supply obligation; right?
A. Okay.
Q. And we talked about this a minute ago. Mr. Pappas asked you about it. And you described in your testimony what those penalties would be. I think you said in June of 2021 it would be $3500 per megawatt hour; is that right?
A. Okay.
Q. And your position is, you said, quote, "Facing the extensive penalties of Pay For Performance, those who contract to bring energy from HQ into New England on NPT may not want to risk taking on a CSO when the supply of their energy is nearly 1,000 miles north of Boston"; right?
A. That's what I said, yeah.
Q. Now, you also said a moment ago that this is really an issue where someone has to look at their own risk profile and make a determination about essentially whether they want to tolerate that risk; right?
A. Correct.
Q. And do you know whether that internal risk

tolerance analysis has been done by the Project?

A. I do not know what they've done.

Q. So what's your specific criticism here? This isn't a criticism that in any way relates to their ability to qualify for capacity; right? It sounds like this is a criticism that you're saying with respect to the Project's own internal financial analysis.

A. No. My recollection of reviewing the original testimony was that it had been stated in there that the Project would be a price-taker into the Capacity Market. And if you're a price-taker, then that's assuming you're going to bid zero, which is inconsistent in my mind with the risk of penalty exposure. It's not going to be zero. It's some positive number. So that's what I was going to.

Q. So you noted two specific reliability events in your testimony where HQ curtailed supply into New England. And I think you were using those as evidence of potential penalty risk; right?

A. As an example.
Q. And you said that if one of these outages had occurred while HQ held the CSO, that the fine would have been $15.75 million in penalties for such an event; right?
A. I think you're paraphrasing, but that sounds about right.
Q. I think I am. Right.
So in Brattle's rebuttal report on Page 35, they calculated that for Forward Capacity Auction No. 11, with the clearing price that they were using, HQ would make $63.6 million for that 12-month-capacity commitment period. I assume you looked at that in supplemental testimony.
A. I did not. I haven't looked at Brattle's testimony.
Q. No, no. That's LEI.
A. Oh, I'm sorry. I thought you said Brattle. So say that again. You said they were --
Q. LEI calculated that for Forward Capacity Auction No. 11, using their clearing price that they had in their calculation for 1,000 megawatts CSO, HQ, in that period, would have

made $63.6 million for the 12-month capacity period. Did you --
A. Sixty-three million from what?
Q. Actually, you know what?
MR. NEEDLEMAN: Dawn, let's put it up.
BY MR. NEEDLEMAN:
Q. I don't want to -- I'm being unfairly confusing to you.
A. Thank you.
Q. It's Applicant's 102, Page 35. The paragraph begins, "More importantly..." Take a moment to read that, Mr. Fowler, just the first couple sentences.
(Witness reviews document.)
Q. Let me know when you're set.
A. Okay.
Q. So, assuming that the calculation is correct here that LEI did, the revenue that an entity would get for this capacity supply obligation is essentially certain once awarded; right?
A. Subject to the penalties, yeah.
Q. Right. Put the penalties aside for a moment. This revenue stream is certain if it's

awarded; right?
A. Correct.
Q. And if we take the penalties that you used in your example of $15.75 million, those penalties -- any penalties are uncertain; correct?
A. Yup.
Q. So you have a certain revenue stream and you have uncertain penalties; correct?
A. Okay.
Q. So, based on the analysis that LEI did here, don't you agree that it makes economic sense for an entity to take on $63 million in certain revenues in relation to the risk of maybe incurring something like $15 million of possible penalties?
A. If that was the only cost you had on that side, yes. But that's not the only cost you have with taking on a CSO. There's a whole long and longer list of obligations you have if you have a CSO that you are taking on in exchange for that $63 million. And those have a lot of value as well. So I guess I would agree with that.

Q. Well, except you didn't talk about that in this aspect of your testimony. You talked about the non-performance risk.
A. Okay.
Q. And that's what I'm focusing on, what you talked about, the non-performance risk; correct?
A. I was talking about the non-performance risk.
Q. And in fact, it's also true that if HQ -- that HQ could actually receive additional revenue for supplying power during shortage events; right?
A. It could, yeah.
Q. So that could actually enhance this revenue stream; correct?
A. It could.
Q. The next criticism you had was on Page 10, Lines 12 through 13. You said that LEI should have recognized that any material capacity sales by NPT will have significant impact on revenues and ultimate viability of other generators. Do you recall saying that?
A. Yeah.
Q. And in LEI's original and updated analysis,

do you recall that LEI modeled that no generators would retire in response to Northern Pass?
A. I remember them saying that, yeah.
Q. And you didn't do any analysis or modeling with respect to the market response to Northern Pass, did you?
A. I did not.
Q. So, outside of your own judgments that you're offering here on how the market might respond, you don't have any quantitative analysis to support your conclusion that it would be unrealistic to assume that generators won't retire in response to Northern Pass; is that correct?
A. That's correct.
Q. And again I'm going to ask you something about the Brattle testimony. You tell me whether this sounds familiar to you or not since you didn't see it.
But in their supplemental testimony, Brattle said, quote, "We incorporate several updates to our prior analysis, but two are most significant. First, we use information

from the recently concluded FCA 11 to update our capacity market supply curve. FCA 11 awarded new resources and demonstrated the willingness of existing resources to stay in the market at low prices." Do you remember Brattle saying that?

A. No, but I'll trust you. I didn't read that.

Q. Do you agree with that statement?

A. Yeah. Yeah, that makes sense.

Q. So the actual practical experience we had from that Forward Capacity Auction is that these resources have appreciable resiliency and are willing to stay in even at lower prices, according to Brattle; isn't that right?

A. I can't comment on what Brattle is thinking. But I think that, you know, my assessment of that would be that at a one-year look of $5.30 that were cleared at, that, yeah, the bulk of the resources can sustain that. I don't think you can conclude from that what would happen at lower prices, or certainly if that same level of price was sustained for a long period of time. I don't think you can

draw that conclusion from that.
Q. Earlier today during your direct testimony, Mr. Anderson showed you Figure 3 from Ms. Frayer's supplemental testimony, which were those CSO curves. Do you remember that?
A. These are the pie chart with the pricing? Are we talking about the MRI curve? Which curves --
Q. No, the CSO curves.
MR. NEEDLEMAN: I think maybe we need to call that up, Dawn. Do we know where that is? Give us one second. It's Julia Frayer's supplemental report and we just need the page. Right, supplemental rebuttal. Sounds like it might be Page 18, Figure 3.
(Pause)
BY MR. NEEDLEMAN:
Q. So this is what I was talking about. Do you recall that discussion you had this morning?
A. Yes.
Q. And I think you suggested that a change in these curves would increase the chances of retirements; is that right?
A. If the curves are moved to the left, that

could increase the chance of retirement, yes.
Q. And do you understand that in its Base Case analysis, LEI actually modeled retirements?
A. I am.
Q. And the amount of the retirements they modeled are confidential. But you didn't do any analysis to quantify the supposed increase in the risk of retirements; right?
A. I did not.
Q. So the only thing that we have with respect to your view on this is the unsupported estimate that you offered to Mr. Pappas a short time ago.
A. That's my judgment.
Q. And there's no way to correlate that increased risk in retirement with what LEI modeled in its Base Case; isn't that correct?
A. I would not say there's no way to do that assessment. I'd have to think about that. There could be an analysis that could be done to look at that.
Q. There could be. But you haven't done it; right?
A. I have not done it.

Q. And so as you sit here today, you and LEI could actually be talking about exactly the same thing with respect to these retirements; isn't that correct?
A. You think that I could be coming up with the same conclusions as them? That just seems very unlikely to me. No, I don't believe that.
Q. No. When you say there's an increased risk of retirements, and we know LEI modeled retirements in its Base Case, you could actually both be talking about the same retirements, and we just don't know because you haven't done that analysis; correct?
A. I have not done the analysis. But LEI's assessment they did had prices and a look forward that were substantially more attractive higher prices than what I think is appropriate in light of what's changed here. So I would think that their assessment is not looking at the correct prices. So I don't get to that same conclusion as them.
Q. I'm not talking about the path to the conclusion. I'm talking about the endpoint.

And what I mean by that is that LEI didn't tie the assumption of retirements in its Base Case to particular events. They simply assumed the retirements. And you are assuming retirements based on this event. And what I'm saying is you have no information to make a determination about the retirements they assume correlating to these retirements. They could be the same thing and you just don't know, do you?

A. I don't know what they were doing.

Q. Okay. And just one other question on that topic. In terms of the effect of these curves moving here, the only way to actually know the effect on LEI's conclusions would be for them to rerun their model again; isn't that right?

A. Potentially. That's what I would do if I was them is rerun their model with the updated numbers.

Q. Because otherwise you're just speculating about what the impacts might be; right?

A. Hmm-hmm.

Q. Okay. And then just one last set of

questions. I want to assume for a moment that you're correct and that generators would actually retire in response to NPT being built. If that was the case, it would be because NPT was introducing a more competitive product into the marketplace, whether it's lower-priced power or something like that. That would be the reason; right?

A. I would not say that's more competitive. That would be a judgment based on the subsidiaries that are associated with it. If it is offering at a lower price, then that could, for whatever reason -- then, yeah, that could drive them out.

Q. But the subsidies really -- another way to frame the word "subsidies" here would be "state policy"; right?

A. Yeah.

Q. Okay. So it's as a consequence of state policy that, if Northern Pass were introduced, lower prices would displace these generators; correct?

A. Okay.

Q. And so in that circumstance -- well, you're

here on behalf of NEPGA. And NEPGA is made up in large part of incumbent generators; correct?
A. Correct.
Q. And so those incumbent generators actually, in this context, would be competitors of Northern Pass; is that correct?
A. Potentially, yeah.
Q. And so, to the extent that Northern Pass -- to the extent you are right and Northern Pass would displace those generators, your clients actually have something to lose in the marketplace based on that analysis; correct?
A. Okay.
Q. Do you agree with that?
A. Yeah.
Q. Okay. And so, in turn, your clients actually have an economic incentive to see NPT be unsuccessful; correct?
MR. ANDERSON: Objection.
CHAIRMAN HONIGBERG: Grounds.
MR. ANDERSON: I don't understand what that has to do with Mr. Fowler's testimony, Ms. Frayer's testimony or

anything in the scope of this proceeding.

CHAIRMAN HONIGBERG: I think Mr. Needleman can give us a few reasons.

MR. NEEDLEMAN: Goes to credibility and bias. If his clients stand to directly fail as a consequence of Northern Pass prevailing, then I would say that that's something the Committee should know about.

MR. ANDERSON: I don't think Mr. Fowler or anybody else can say that NEPGA members will fail. I don't know what Mr. Needleman means by "fail." But certainly it hasn't been established. There's no record of evidence that establishes that. So I don't understand the rationale for that question.

MR. NEEDLEMAN: I actually disagree. I think we just got three quarters of what we need here, which is Mr. Fowler admitting that they're competitors in the marketplace and that in this context, by being competitors in the marketplace, Northern Pass is a potential threat to that. So, really, the ultimate question is: If that's the case, don't they stand to lose something if NPT succeeds? And I think --

CHAIRMAN HONIGBERG: The objection's overruled. You can continue.

BY MR. NEEDLEMAN:

Q. So I'll ask the question again just so the record's clear, Mr. Fowler.

So the NEPGA members in this context have -- if NPT is successful, then they potentially face some sort of economic harm; correct?

A. Again, that depends on how NPT would offer into the markets. And I can't -- if NPT offered at very low prices, then that would push market prices down. If they offered at high prices, it would push them up. And I don't know how they're going to offer.

MR. NEEDLEMAN: Okay. I'm all set. Thank you.

CHAIRMAN HONIGBERG: Questions from the Committee. Commissioner Bailey, why don't you go first.

QUESTIONS BY SUBCOMMITTEE MEMBERS AND SEC COUNSEL:

BY COMMISSIONER BAILEY:

Q. Good afternoon.

A. Good afternoon.

Q. I have a couple of follow-ups to what you did with your own attorney, okay.

So, remember the discussion that you had that showed the table with the net Installed Capacity Requirement decreasing?

A. Correct.

Q. And there was one area that showed it was even lower than what was on the table.

A. Right.

Q. And what I understood that to mean is that if the Net ICR goes down, then the price of capacity would go down.

A. Right.

Q. Right? And wouldn't the price of capacity go down in both the Base Case and the Project case?

A. Yes.

Q. So what's the point that you were trying to make?

A. Is the model functioning properly if they're starting out with the right or wrong prices. So my understanding of how their model works is they look forward, and then there's entry

and exit based on what happens out in the market as the prices get to some certain level --
Q. Slow down. I can't keep up with you.
A. My apologies. As the market -- the market will respond to prices. And what you would expect as -- sorry, I lost my train of thought.
Q. I'm sorry. We were talking about if both the Base Case and the Project case prices are reduced, then the savings is the same.
A. Right. So that would assume -- I believe that would be correct in some ways, in the first year of the savings would change because now you're going to shift those whole curves over if the starting point is different. So in other words, they may show a savings of $10 in Year 10, but really that savings now may be in Year 11 or 12 because the differences moved out based on how the ICR has changed.
And the other piece is the internal functioning of the computer model that they have, in that that model takes loads, prices,

generation, and then it adds generation as prices go up and it retires generation as prices go down. And if the original prices are incorrect or shifted, then that behavior changes. So the underlying function of what's happening inside that model should change as the prices are different. And as the behavior of the market changes, then I don't know what that does to the price difference post-project and pre-project. We just have to rerun the model to see what that really does. So I can't say that that difference stays the same. I think the difference would move in years. And it would be different because the market behaves as you have new entry and exit based on what those prices are. Does that make sense? I don't know if I answered the question well.

Q. I think you answered my question. Thank you. My next question may take a second.

(Pause)

Q. How do you know that the capacity savings would be non-existent in the zonal price separation argument that you were making?

A. I need more context for that.

Q. Okay. I can't get there. Sorry.

CHAIRMAN HONIGBERG: We're going to take a five-minute break.

CMSR. BAILEY: Thank you.

(Recess was taken at 3:52 p.m. and the hearing resumed at 4:03 p.m.)

CHAIRMAN HONIGBERG: Commissioner Bailey.

CMSR. BAILEY: Thanks.

BY COMMISSIONER BAILEY:

Q. Okay. So, if Northern Pass gets a CSO through CASPR, you've said that there will be no capacity savings in the first year --

A. Correct.

Q. -- and that there will be price suppression in the years going forward.

A. In the long run there could be. Depends on how they offer. But yeah, there could be.

Q. Well, you said because more expensive generators, older generators will have retired.

A. Correct.

Q. So that we should see savings then going forward, even from CASPR -- is that right -- even if they get the capacity supply obligation from CASPR?

A. There would be potentially lower prices in the capacity market in the long -- over the longer term after that first year. Yeah, you could see that.

Q. Do you have any idea of the magnitude of those savings or, you know, the lower prices?

A. No. My belief is that they would be pretty minor. That's kind of a fundamental piece of the whole CASPR idea is, you know, do we want to -- how can we construct this mechanism that generally does not adversely affect price formation, economic efficiency in the markets. And to do that, there should be no price formation. The market price should always determine things. CASPR is imperfect, so we can't make that happen perfectly because of that, and that's kind of this issue I've said in the long run. I believe that the general thought is that that change in the long run will be relatively minor. If people thought that was going to be a very major change in the long-run prices, then that really wouldn't have the kind of broad support that CASPR seems to be gaining right now.

Q. Okay.

A. So I'd say minor.

Q. So, minor. Okay. So then there really wouldn't be very much price suppression from that either; right?

A. Correct.

Q. Okay. Thank you.

CHAIRMAN HONIGBERG: Other members of the Committee? Mr. Iacopino.

QUESTIONS BY MR. IACOPINO:

MR. IACOPINO: My first question is about CASPR. What's the status of that right now?

A. That is working its way through the stakeholder process at NEPOOL. So we've had an initial set of voting at the Markets Committee last week, and that will then proceed through another vote at the Participants Committee, which is the main governing body of NEPOOL, on December 8th.

And then following that, then we should have an idea of where that's going.
Q. So is that a final up or down vote on December 8th?
A. That will be, yeah, an up or down vote. If NEPOOL -- there may be more than one alternative and options considered at that vote. But, yeah, hopefully that is a -- we're going to be done with CASPR --
Q. On December 9th we'll know what it looks like.
A. We'll know what the filing looks like. There is a possibility that there actually may be more than one filing that goes in. We have some mechanism where that can happen. And depending on whether ISO is kind of in agreement with where all the stakeholders are, if ISO is in agreement, then it's one filing. If ISO thinks, you know, no, actually that's kind of crazy, I want to stick with this more pure idea, then there could be two filings that can go in to FERC, and then FERC has to decide which one they like.

Q. So the filings go in to FERC.
A. Right.
Q. And then how long before you get a FERC approval or non-approval, if you know?
A. Yeah, I think in this case there's a great desire to have an answer to this by mid-March. As we go into FCA 13, the auction in February of 2019, that's kind of the one that the general perception is we might start to see a lot of these out-of-market contracts coming in, particularly from the Mass. RFP. So, in March of '19, we have, you know, the qualification process for FCA 13 is going on. And in late March we have a deadline where, if you want to retire, you have to start providing ISO notification of that and cost structures and other things to the IMM.

So the idea is if we don't know by mid-March what is happening with CASPR, then it's very difficult for people to construct their retirement bids and how they might want to trade out in CASPR. So the thought is if we don't hear by mid-March, then we may miss FCA 13 altogether. So FERC is aware of that.

I think, you know, there's going to be a great drive to try to get an order out by, you know, mid-March.

Q. When you say there's going to be a "great drive," you mean by the folks at FERC? I don't practice in front of them, so I'm just trying to get an idea. Are they sort of participant-friendly like that, or could you be waiting another year?

A. We certainly could wait, you know, a long time. You know, they can take their time, however they want. But, you know, we have had a lot of interaction with FERC in this process, too. And my sense is that FERC really wants to get something done here. So the answer could be, yes, they could wait a long time, but my expectation is there's a great desire to get something done by then as well.

Q. I have one other question and it goes back to the discussion regarding the cost on the Canadian side and the Independent Market Monitor and what he or she will include.

Is there any type of commercial

arrangements that would prohibit the
Independent Market Monitor from including
costs incurred on the Canadian side of the
Project? In other words, could there be a
corporate structure or a contract design that
takes that out of consideration for the
Independent Market Monitor?

A. I don't want to rule that out and say that's
impossible because I guess we'd have to see
what that was and what the IMM said. I will
say, you know, my experience with the Market
Monitor in the past has been that he tries to
push through that. I think, you know, this
is a -- the IMM is a very thorough watchdog
of how our markets work. And, you know,
there are lots of occasions where people
could try to use a corporate structure, not
necessarily for this, but really for lots of
different purposes in, you know, the whole
operation of our markets. And the IMM has
been really very consistent and thorough in
trying to push through those structures to
make sure they get to what the real costs
are. So I'd expect them to at least try to

do that if we were in that situation.

MR. IACOPINO: Thank you. I have no further questions.

CHAIRMAN HONIGBERG: Anything else from the Committee?

[No verbal response]

CHAIRMAN HONIGBERG: Mr. Anderson, do you have any redirect for the witness?

MR. ANDERSON: I do, just briefly, thanks.

REDIRECT EXAMINATION

BY MR. ANDERSON:

Q. Mr. Fowler, Mr. Needleman asked you some questions about passing the MOPR test, and in particular referred to testimony from Brattle, as well as from Ms. Frayer, with respect to passing the MOPR test. What did you understand that to mean, "passing the MOPR test"?

A. So that would mean that you go through the process with the IMM. The IMM will look at what you -- the numbers you provide, and he will, you know, either approve your numbers or say, no, that number is incorrect; I think the competitive number is Y. And passing MOPR, in my mind, would be he either approves the original number you came up with or he comes up with this known number. And that's, you know, typically a reduction -- or I'm sorry -- an increase to the number that the Applicant might have. And it may be that the Applicant is willing to accept that higher number, even though that's above what their first offer was. So I would interpret "passing" to be either one of those so that you end up with the Applicant is happy with the number that the IMM approves.

Q. Okay. But "passing the MOPR test" in no sense means any kind of guaranty of clearing the market. It just simply means that you have established an offer price different, or maybe it's not different from what the IMM came up with; is that right?

A. Yeah, that's right. You still need to pass the capacity deliverability test that I discussed this morning. And the other aspect, of course, is you ultimately have to clear. So that means your price has to be, you know, in that range that it clears.

Q. Okay. Also some questions Mr. Needleman asked -- or a question Mr. Needleman asked about the System Impact Studies. Do you recall answering that you were aware that between the time of the 2013 and the 2016 System Impact Studies that Northern Pass had made some changes to the Project design, including reducing capacity from 1200 to 1090 megawatts, as well as adding some transmission? Do you recall that?

A. Correct. Yes.

Q. And do those changes in the capacity on the line or the added transmission, does that change in any way your conclusions with respect to this System Impact Study between 2013 and 2016?

A. No, they didn't. And I think they actually exacerbated my concern because of the dispatch discussion that I had this morning. The 2016 study actually was even more restricted, as far as looking at dispatching plants outside of New Hampshire.

Q. Okay. Thank you.
With respect to the -- there's been some discussion of the penalties that are assessed for failure to deliver energy in reserves during system constraints and reserve deficits. It's known as the "Paper Performance Construct." And some questions from Mr. Needleman on that included establishing that $63.6 million was, in his words, "certain." Do you recall that discussion you just had with him?
A. Yes.
Q. Under the Paper Performance design, is there a "stop-loss mechanism"?
A. There is.
Q. And if you could, could you describe what that is, that stop-loss mechanism?
A. Right. So you have your Base Capacity payment, which would just be whatever the clearing price is times the megawatts you cleared, and then you have the penalty exposure that goes with it. These are the reserve shortages that we've been discussing, the $3500 in there. And there's a mechanism

in there that ISO put to try to insure that the penalties don't become overwhelming, in that the capacity -- ISO's original design just had an unlimited amount of penalties. For example, you could have $60 million of revenue, but $250 million of penalties in one year. And the thought was that that just introduced too much risk to the market. So we put what's called a "stop-loss mechanism" in there that basically says you can only lose so much, and that stop loss is still greater than your total revenue. Again, it's a complicated formula. But you could earn $65 million in the market as your Base payment, and your penalties could still be $70- or $80 million; you could still be net negative in that whole market. But the stop-loss market prevents it from going out to infinity.

Q. So you would agree, then, that ISO-New England, in developing this Paper Performance design, contemplated and recognized that losses due to penalties could actually exceed what were termed as "certain revenues" in the

Capacity Auction?
A. Correct.
Q. Okay. So in that sense, would you agree, then, that the -- actually, strike that.
So this Paper Performance design is also thought of as a "two-settlement design." Would you agree?
A. Yes.
Q. And the first settlement is considered the auction clear; correct? And the second settlement is the settlement of payments, or performance payments, as the case may be; is that right?
A. Correct.
Q. So would it be fair to say that the first settlement, those revenues are certainly not certain until you've accomplished the second settlement, particularly considering the stop-loss provision in --
A. Oh, absolutely, yeah.
Q. Okay. Just one more question. I believe earlier Commissioner Bailey asked you a question about how do we get to the point when there's no net benefit from Northern

Pass entry into northern New England. Do you recall a question kind of along those lines?

A. Right.

Q. And do you have an answer for that?

A. Yeah. And I'm not sure if I fully got it when we came back. But, you know, I thought a little bit about that still over a break as well, and it may have been related to the idea that -- and I put this in my original testimony -- to the extent Northern Pass comes in and suppresses price in a northern New England zone that is now heavily constrained, and then you do have retirements that are of that same order of magnitude, then there would be no net change to the capacity price. There would be no benefit to the capacity market. So that would happen if they came through CASPR in the way we discussed. It would also happen if they came through and passed the MOPR and didn't go through CASPR, but were offset by retirements of that same order of magnitude.

Q. Okay. Thank you, Mr. Fowler.

MR. ANDERSON: No further

questions.

CHAIRMAN HONIGBERG: Thank you, Mr. Fowler. I think we're done with you.

Nothing else we are doing this afternoon; correct? Then we will adjourn for the day and see everyone on Monday.

(Whereupon the Day 61 Afternoon Session was adjourned at 4:18 p.m. p.m., with the Day 62 hearing to resume on November 20, 2017, commencing at 9:00 a.m.)

C E R T I F I C A T E

I, Susan J. Robidas, a Licensed Shorthand Court Reporter and Notary Public of the State of New Hampshire, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of these proceedings taken at the place and on the date hereinbefore set forth, to the best of my skill and ability under the conditions present at the time.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action; and further, that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

Susan J. Robidas, LCR/RPR
Licensed Shorthand Court Reporter
Registered Professional Reporter
N.H. LCR No. 44 (RSA 310-A:173)

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