

NORTH COUNTRY TRANSMISSION COMMISSION

October 4, 2010

White Mountain Community College, Berlin, NH

DRAFT MINUTES

Commission Member Attendees:

Senator Martha Fuller Clark	NH Senate
Representative William J. Remick	NH House of Representatives
Amy Ignatius	Commissioner, NH Public Utilities Commission
Michael Harrington	Senior Policy Advisor, NH Public Utilities Commission
Joanne O. Morin	Director, Office of Energy and Planning
Laura Richardson	ARRA Coordinator for SEP, Office of Energy & Planning
Joseph Staszowski	PSNH
Donna Gamache	Public Service Company of NH
Steve Kaminski	NH Electric Cooperative
Judy Gove	NH Electric Cooperative
Chuck Henderson	Office of Senator Jeanne Shaheen
Tom Colgan	Wagner Forest Management
Jeffrey Rose	NH BIA Representative
Michael Giamo	ISO-NE

Other Attendees:

Senator John Gallus	NH Senate
Representative Lyle Bulis	NH House of Representatives
Steve Conant	Anbaric Transmission/NE Ind. Transmission Company
Bill Andrews	BEDCO
Peter Benson	NH Charitable Foundation
Bill Gabler	
Richard Harris	Coos Community Energy Committee
Frederick W. King	Coos County Commission Representative
Benoit LaMontagne	DRED
Max Makaitis	Androscoggin Valley Economic Development
Heather Manypenny	New Hampshire Electric Cooperative
Tom McCue	City of Berlin
Pat MacQueen	City of Berlin
Jim Monahan	The Dupont Group
Peter Riviere	Coos Economic Development Corp.
Barbara Tetreault	Berlin Daily Sun
Edith Tucker	Coos County Democrat/Salmon Press
DS Tucker	Observer
David Van Houten	Coos County Energy
Brian G. Wiley	Brookfield Renewable Power/GLHA-NH
Yves Zornio	Fraser NH, LLC

For KEMA, Inc.:
Richard Wakefield
Jessica Harrison
Susan Weber

Agenda Item 1: Welcome and Introductions

Senator Martha Fuller Clark opened the meeting of the Transmission Commission (Commission) at 10:15 A.M. and welcomed Commission members and interested parties in attendance.

White Mountain Community College President Katherine Eneguess expressed her welcome to all attendees and guests. Senator John Gallus also welcomed everyone to Berlin. Senator Fuller Clark noted the presence of legislative representatives, including Commission member William Remick of Lancaster and Lyle Bulis of Littleton.

Commissioner Amy Ignatius outlined the primary purpose of the meeting to hear a presentation from KEMA, Inc. on its draft report and allow an opportunity for KEMA to hear firsthand the responses of Commission members and public attendees.

Agenda Item 2: Minutes

There being no quorum of voting members, who are defined by statute, consideration of prior meeting Minutes was deferred.

Agenda Item 3: Presentation of Cost Allocations Draft Report

Richard Wakefield and Jessica Harrison of KEMA, Inc. provided a detailed presentation of the draft Transmission Lines Action Plan. They circulated a power point presentation that is posted on the NCTC's portion of the PUC webpage. Points made in the powerpoint presentation will not be restated here. Comments from NCTC members and interested observers included the following:

- The report should clarify that despite some assertions to the contrary, electric rates are no higher in the North Country than in the State as a whole;
- There are both negative and positive effects of exporting power from the region;
- Other projects are under consideration that could bring tremendous new supply into New England (such as Hydro Quebec and Champlain Hudson) which raises the possibility of stranded costs for which ratepayers could be "on the hook";
- Any transmission upgrade will have to be available to all who can interconnect, not just preferred projects or preferred fuel sources, so that a new coal or gas plant would have equal rights to access the transmission line as a wind or biomass plant would;
- The return on equity that PSNH would receive for new transmission assets is set by the PUC, return on transmission assets owned by Northeast Utilities serving the region is set by FERC which tends to award far higher returns than does the PUC;
- The State could consider a loan guarantee, revenue bonds, or purchase of output as a way to take risk out of the hands of developers and spur the development of renewable power;

- A developer argued that even if they were assessed only 50% of the cost of an upgrade that is still prohibitively high, even with low debt or loan guarantees and they will not be able to develop projects;
- If we are serious about renewable power, we should act boldly even though it may increase rates, and the public will adapt;
- The Vermont Speed Project imposes a surcharge on electric rates which helps fund renewable power developers, an approach which is similar in some ways to a proposal now being studied as an outgrowth of HB 1337;
- Current electric generation is greater than current need in the region, and is likely to remain so for 5-10 years, and if the Hydro-Quebec line is built that surplus will increase, but if new environmental regulations are imposed that restrict emissions, there may be some generating units shut down that could change the supply picture

After discussion for over an hour, KEMA concluded by offering to accept written comments for another two weeks.

Agenda Item 4: Reports on North Country Renewable Power Projects

Clean Power Development Biomass: The Berlin biomass project being developed by Clean Power Development (CPD) continues to move forward, awaiting a purchase power agreement (PPA); all permits are in place and financing is arranged, subject to a PPA.

Laidlaw Berlin Biomass Project: The Laidlaw Berlin Biomass project on the site of the old Burgess Mill has been approved by the Site Evaluation Committee, subject to numerous conditions including PUC approval of the PPA.

North Country Wind Project: Tom Colgan of Wagner Forest Management stated that the 180 MW wind facility continues to conduct studies on bird and mammal populations, but because of the transmission constraints, it relinquished its position in the ISO-NE interconnection queue, rather than pay a new fee of \$250,000 in order to be told there is currently insufficient capacity on the Loop to serve the project.

Agenda Item 5: Next Transmission Commission Meeting

The next meeting of the NCTC was set for November 9, 2010 at 10:00 A.M. at the Public Utilities Commission in Concord.

Agenda Item 6: Adjourn

There being no further business, the meeting of the NCTC adjourned at 1:15 P.M.