

NORTH COUNTRY TRANSMISSION COMMISSION

January 22, 2010

Public Utilities Commission Hearing Room A

MINUTES

Commission Member Attendees:

Senator Martha Fuller Clark	NH Senate
Representative William J. Remick	NH House of Representatives
Representative Naida Kaen	NH House of Representatives
Amy Ignatius	Commissioner, NH Public Utilities Commission
Michael Harrington	Senior Policy Advisor, NH Public Utilities Commission
Hon. Frederick W. King	for US Senator Judd Gregg
Richard Ober	Chair, Energy Efficiency and Sustainable Energy Board
Joanne O. Morin	Director, Office of Energy and Planning
Laura Richardson	ARRA Coordinator for SEP, Office of Energy & Planning
Stephen Barba	Plymouth State University
Terron Hill	National Grid
Joseph Staszowski	Northeast Utilities

Other Attendees:

Tom Colgan	Wagner Forest Management
Lynn Fabrizio	Staff Attorney, NH Public Utilities Commission
Ken Traum	NH Office of Consumer Advocate
Cleve Kapala	TransCanada
Lisa Shapiro	Gallager, Callahan & Gartrell
Donna Gamache	Public Service Company of NH
Bill Gabler	Clean Power Development
David Shulock	Brown, Olson & Gould
Deb Hale	National Grid
Chuck Henderson	Office of Senator Shaheen
Max Makaitis	Androscoggin Valley Economic Development
Douglas Patch	Orr & Reno P.A., for Wagner Forest Management
Rick Tillotson	Tillotson Corporation
Michael Giaimo	ISO-NE
Heather Manypenny	New Hampshire Electric Coop
Barbara Tetreault	Berlin Daily Sun
Edith Tucker	Coos County Democrat/Salmon Press

Agenda Item 1: Welcome and Introductions

Senator Martha Fuller Clark opened the meeting of the Transmission Commission (Commission) at 1:16 P.M. Attendance was taken and old business was discussed, including Minutes for the December meeting. See link to the meeting agenda: [North Country Transmission Meeting Agenda](#).

Agenda Item 2: Brief Status Reports on North Country Renewable Power Projects

Clean Power Development Biomass: Bill Gabler, project manager for the project being developed by Clean Power Development (CPD) in Berlin, reported that they are waiting for the final permit, a wetlands permit. The only issue with that permit is mitigation. They are hoping to have that permit by the end of the month or early February, 2010. The ISO-NE feasibility study is complete. They are moving forward and looking forward to breaking ground. The scope of the project is a 29 MW biomass and combined heat and power project adjacent to the Berlin Wastewater Treatment plant. 35 to 40% of the energy is reserved for steam supply to the paper mill, the rest will be sent to the wholesale grid. Once complete there will be 23 permanent jobs in the plant once completed and 100 to 150 foresters, loggers, and truckers to deliver the wood fuel.

Laidlaw Energy Project: Michael Harrington Senior Policy Advisor with the NH Public Utilities Commission, reported that the Laidlaw project is another biomass generation proposal in Berlin, this one for 70 MW on the site of the former pulp mill in downtown Berlin. Laidlaw filed for site evaluation review and under the statute a sub-committee will be formed to consider the application. Laidlaw projects permanent 40 jobs in the plant once complete and 150-180 jobs related to the wood supply.

Granite Reliable Power Windpark: Douglas Patch of Orr & Reno P.A., updated the Commission regarding the Granite Reliable Power Windpark project, a 99 MW wind project that has been approved by the Site Evaluation Committee. The SEC approval has been appealed to the NH Supreme Court.

Balsam Wind Project: Rick Tillotson, Tillotson Corporation, reported on preliminary work on a wind facility of 21 to 27 MW. It will be reviewed by the Coos County Planning Board as it is located in an unincorporated township.

North Country Wind Project: Tom Colgan of Wagner Forest Management updated the Commission on the Wagner Forest Management project.

Hydro-Quebec/Brunswick: Mr. Harrington gave a brief update on this project.

Groton NH Project: Amy Ignatius, Commissioner with the NH Public Utilities Commission, reported on a potential 50 MW wind project in Groton. She has not heard directly from the company, but understands they are close to making a filing to the Site Evaluation Committee. The developer is Iberdrola, the developer of the 24 MW wind facility in Lempster, NH. According to Joe Staszowski of Northeast Utilities, the project would connect into PSNH's

facilities around Ashland. and would not have an impact on the Coos Loop, though it remained to be seen if the project would have an impact on the transmission system in general.

Another wind project in the Groton area, proposed at 66 MW by a different developer, is in the exploratory stage.

A discussion took place regarding projects around the state, and Joseph Staszowski of Northeast Utilities inquired as to where this Commission's boundaries end. Senator Fuller Clark reminded the group that they were the North Country Transmission Commission charged with only that region and are not responsible for the entire state. Ms. Ignatius suggested that it is a worthwhile exercise to review other projects because they may impact the projects in the North Country. Senator Fuller Clark acknowledged and thanked the group for their interest in renewable energy around the state and especially in the North Country.

Agenda Item 3: Discussion and Finalization of Consultant RFP

A detailed discussion ensued regarding the RFP proposal. Joanne O. Morin, Director of the Governor's Office of Energy and Planning, advised the Commission regarding the development process of the RFP and areas which she believes needs the attention of the Commission. Key areas focused on were:

- Scope of RFP
- Community benefits/cost allocation (Task 2)
- Economic studies (Task 3)
- Scoring sheets and time logs
- Commission Deadlines
- Formation of an RFP Subcommittee

Community Benefits

Ms. Ignatius stated that the issue of community benefits is raised in the statute and how to build that into the RFP in an effective way needs to be addressed. She reminded the group that they do not want to become a regional planning board or pick "winners" and "losers" for a particular project, but to look at community benefits in terms of the statute. The statute charges that community benefits discussions are there to help inform the decision-making regarding cost allocation models and how those community benefits impact on allocation of costs of the development of the line.

Richard Ober, Chair of the Energy Efficiency and Sustainable Energy Board, stated that it was his interpretation of the statute that this Commission was restricted to the cost allocation issue of community benefits. Mr. King agreed that cost allocation and finding out the cost of upgrading the line was of the greatest importance.

Laura Richardson, ARRA Coordinator for SEP of OEP, read the statute, and discussion ensued.

Representative Naida Kaen moved to instruct the consultant to focus its efforts on cost recommendation. The motion was seconded; all in favor; none opposed.

Economic Studies

A discussion took place regarding Task 3. Ms. Ignatius stated that the first element of this Task, “impact on customers” is very important and recommended that the Commission keep the element and either delete or modify the elements in #2 of the Task. Senator Fuller Clark agreed that the impact on ratepayers and generators, and on the state, is very important. The Commission also discussed language modifications to the Task 3 introduction/ description. Senator Fuller Clark recommended that Mr. Harrington work with OEP regarding language designed to mitigate the risks to ratepayers.

Mr. Staszowski clarified the reference to the 400 MW upgrade in the RFP. It would be an upgrade in the Coos Loop area, to enable 400MW of power to interconnect. It would include a new line, separate from but parallel to the existing 115 kv line. The investment cost of the upgrades is expected to be approximately \$150 M, which would enable the following:

Noble/Granite Reliable (wind)	99 MW
Clean Power Development (biomass)	29 MW
Laidlaw Berlin (biomass)	70 MW
Balsams (wind)	25 MW
Wagner Forest (wind)	180 MW

Consultant-Related Deadlines

A discussion regarding the timeframe and tight agenda led to the following schedule:

RFP issued	February 24, 2010
RFP responses due	March 5, 2010
Select consultant and develop contract	March 19, 2010
Present Attorney General with signed contract	April 1, 2010
Present contract to Governor and Council	April 28, 2010

RFP Subcommittee

Finally, formation of a subcommittee to recommend and oversee the work of the consultant was discussed.

Mr. Ober moved to designate a Subcommittee to edit the RFP, in accordance with the discussion at the meeting, issue the RFP and receive responses, review applications, interview those best qualified and report to the full Commission its recommendation; to provide on-going oversight of the consultant; to review any draft reports; and provide other expertise as needed. The motion was seconded; all in favor; none opposed.

The Subcommittee members are: Senator Martha Fuller Clark, Representative William J. Remick, Michael Harrington, Joanne Morin, Hon. Frederick W. King, Richard Ober, Joseph

Staszowski, Palmer Lewis, Michael Brunetti and Donald A Tase, Jr., with the authority to adjust the membership as needed to meet the subcommittee's duties.

Agenda Item 4: Next Transmission Commission Meeting

Next meeting of the North Country Transmission Commission: To Be Announced.*

Agenda Item 5: Further Business

The Commission would like to hear from Hydro-Quebec at a future meeting.

Agenda Item 6: Adjourn

There being no further business, the meeting of the North Country Transmission Commission adjourned at 4:33 P.M.

* The next meeting of the Transmission Commission is now scheduled for Friday, March 26, 2010 at 1 PM at the Public Utilities Commission, Hearing Room A.