

**Testimony in Support of LD 640
by Nick Bennett of
Natural Resources Council of Maine**

March 15, 2019

(Supplemental Evidence)



**Testimony in Support of LD 640, “Resolve, To Require a Study of
Greenhouse Gas Emissions Reductions from the Proposed
Central Maine Power Company Transmission Corridor”**

By Nick Bennett, Staff Scientist

March 15, 2019

Senator Carson, Representative Tucker, and distinguished members of the Environment and Natural Resources Committee. My name is Nick Bennett, and I am the Staff Scientist at the Natural Resources Council of Maine (NRCM). NRCM is Maine’s largest environmental advocacy group with more than 20,000 members and supporters. I am testifying in strong support of LD 640.

We believe this bill is necessary to determine whether the Central Maine Power (CMP) transmission corridor would result in significant reductions in greenhouse gas emissions.

NRCM is skeptical of CMP’s claims that its proposed corridor (euphemistically called the New England Clean Energy Connect or “NECEC”) through Maine’s North Woods would provide any benefits for the climate. Members of this Committee, and the Maine Legislature as a whole, should be skeptical as well.

The New Hampshire Site Evaluation Committee (SEC) faced this same question of whether a transmission line from Hydro-Quebec (HQ) through New Hampshire to Massachusetts (called “Northern Pass”) would reduce greenhouse gas emissions. After years of study, the SEC concluded that there was no evidence that Northern Pass would have any greenhouse gas benefits. Specifically, it stated:

As to the savings associated with a decrease in carbon emissions, we agree with Counsel for the Public that no actual greenhouse gas emission reductions would be realized if no new source of hydropower is introduced and the power delivered by the Project to New England is simply diverted from Ontario or New York. The record is unclear as to whether the hydropower is new or will be diverted from another region.¹

In the case of NECEC, the record is now clear that HQ will build no new hydropower facilities for generating electricity to send to Massachusetts. HQ stated the following in its application for a contract with the Massachusetts Department of Public Utilities:

¹ New Hampshire Site Evaluation Committee. 2018. Decision and Order Denying Application for Certificate of Site and Facility. March 30. P. 161. Accessed at https://www.nhsec.nh.gov/projects/2015-06/orders-notices/2015-06-2018-03-30_order_deny_app_cert_site_facility.pdf.

This Proposal offers a viable, low cost Clean Energy Generation delivery project with limited risk, because (i) there is no construction risk related to the generation resources which are already in service... ***Because no new hydroelectric generation projects will be required, there will be no incremental environmental impacts from hydroelectric generation as a result of this Proposal.***² (emphasis added)

Because HQ has stated that it will build no new generation specifically for NECEC, HQ will have to shift sales of energy to Massachusetts from other customers. Massachusetts ratepayers and Maine's North Woods would pay the price for this HQ electricity shell game.

Just last month, a witness for the Massachusetts Attorney General (AG), Dean M. Murphy, submitted rebuttal testimony in ongoing contract hearings at the Massachusetts Department of Public Utilities echoing our concern that HQ could meet its contractual obligations to NECEC by shifting electricity away from existing HQ customers, such as New York and New Brunswick. Because Massachusetts would pay more for HQ's electricity under the proposed contracts for CMP's corridor, HQ has a substantial incentive to do this. In his initial testimony in December 2018, Mr. Murphy stated that HQ and CMP could meet the requirements of these contracts:

through resource shuffling—reassignment of a fixed amount of clean energy so as to increase the clean energy delivered to a particular destination without increasing the total amount of clean energy overall. For instance, with the new NECEC transmission link, if HQ increased deliveries into New England by the contracts' 9.55 TWh relative to historical New England deliveries, this would achieve full incrementality as defined in the RFP. ***But if HQ accomplished this by reducing its exports to other neighboring regions rather than by increasing clean energy generation overall, then global GHG emissions would not necessarily be reduced. Diverting clean energy from other regions to New England would enable a reduction in fossil generation and emissions within New England, but the reduced deliveries to other regions may need to be replaced by additional fossil generation in those regions. This would effectively substitute fossil generation in other regions for fossil generation in New England, shifting emissions from one region to another, without causing a material decrease...***³ (emphasis added)

The Massachusetts AG's witness stated that for any project to reduce greenhouse gas emissions it must be "additional," meaning that it provides greenhouse gas emissions reductions that would not occur without the project in question. This is important, because ratepayers should not pay

² HRE Section 83D Request for Proposal Application Form. Pp. 4, 56. Accessible at <https://www.nrcm.org/wp-content/uploads/2019/01/HRERequestforProposal.pdf>.

³ Testimony of Dean W. Murphy (Brattle Group), Witness for the Massachusetts Attorney General. Petition for approval by the Department of Public Utilities of a long-term contract for procurement of Clean Energy Generation, pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c.169, as amended by St. 2016, c. 188, § 12, p. 15 of 27, Dec. 21, 2018. See Attachment A.

for a project that is going to happen anyway under business as usual scenarios. Specifically, the AG's witness stated:

For the 83D⁴ contracts, or any project, to reliably reduce GHG emissions, they would need to provide clean energy that is "additional." Additionality is a commonly-used concept in the climate change discussions; it refers to emissions reductions that occur because of a proposed action, reductions that would not have occurred otherwise under "business as usual".⁵

The AG's witness has even stated that the process that awarded contracts to CMP and HQ may have been unfair:

I am also concerned about the inclusion of bidders' affiliates in the Evaluation Team. This is generally considered inappropriate because it can bias the evaluation and selection process. Such concerns arose in multiple instances in the 83D evaluation process and were noted by the Independent Evaluator.⁶

I have attached Mr. Murphy's testimony from both February 2019 and December 2018 to my testimony as Attachment A.

NRCM has tried in meetings with representatives of CMP and Avangrid, and throughout the Maine Public Utilities Commission (PUC) process that is evaluating CMP's corridor, to gain information that would verify claims that the corridor would provide "additional" greenhouse gas reductions, as the Massachusetts AG has stated is necessary to guarantee real emissions reductions. CMP and HQ have refused to provide the specific information we have requested, such as:

- What facilities would HQ use to provide power to NECEC and where does power from these facilities currently go?; and
- What power sources would likely be used by existing customers if HQ reduces its exports to them in order to sell to Massachusetts?

These are the type of straightforward questions that HQ and CMP must to answer to prove that NECEC will reduce greenhouse gas emissions. They have refused, which is why passage of LD 640 is necessary. The Maine PUC consultant reports have also not looked at the impacts of NECEC on emissions from current Hydro-Quebec customers that would lose power as a result of NECEC.

NRCM also tried to make greenhouse gas emissions a hearing topic in DEP's Site Law hearing process, currently underway, for the proposed corridor. We described how CMP has made its claims about greenhouse gas reduction the key justification for putting a giant powerline through Maine's North Woods. Therefore, we argued, the topic of climate impacts should be relevant to

⁴ 83D is the section of law that requires Massachusetts to solicit bids for clean energy contracts.

⁵ Dean M. Murphy, *Op. Cit.*, p. 15 of 27.

⁶ *Ibid.*, P. 4 of 27.

whether DEP grants CMP a Site Law permit. CMP's attorney stated in his objection to NRCM's request to provide expert testimony on greenhouse gas emissions that NRCM:

asserts that CMP relies on the Project's GHG [greenhouse gas] reduction benefits as the Project's "purpose and need," and thus that the opposition intervenors should be able to rebut at the hearing CMP's statements concerning those benefits. In fact, *nowhere has CMP stated that the Project's purpose and need includes GHG emissions reductions.*⁷ (emphasis added)

DEP upheld CMP's objections and greenhouse gas emissions will not be a topic of expert testimony in the Site Law hearings.

CMP and HQ have successfully kept their claims of greenhouse gas reductions from regulatory scrutiny in Maine. They may do so in Massachusetts as well. That is why LD 640 is so important. The public and the Legislature have a right to know with certainty whether CMP's transmission corridor would result in real, additional greenhouse gas benefits or not. There should be a clear answer to this before Maine allows CMP to cut a 53-mile gash through Maine's Western Mountains. The PUC and the Department have made clear that they will not seek a definitive answer to this question as part of regulatory processes. Therefore, the Legislature must intervene to ensure that this question is answered—so that lawmakers, Maine people, and Massachusetts ratepayers know if CMP is engaged in false advertising. Substantial evidence shows that CMP is likely engaged in false advertising. This bill makes a highly reasonable request to resolve that question decisively. We urge you to vote Ought to Pass on LD 640.

I would be happy to answer any questions now and at work session.

⁷ 2019. Matthew Mannahan. Letter to Susanne Miller, Maine DEP, Re: NECEC – NRCM, AMC, and TU Request to Include Greenhouse Gas Impacts in Public Hearings. P. 3. January 29. See Attachment B.