

**STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION
IN THE MATTER OF**

Central Maine Power Company)	APPLICATION FOR NATURAL RESOURCES PROTECTION ACT PERMIT AND SITE LOCATION OF DEVELOPMENT ACT PERMITS
New England Clean Energy Connect)	
25 Municipalities, 13 Townships/Plantations, 7 Counties:)	IECG SUBMISSION IN RESPONSE TO FIRST PROCEDURAL ORDER, PARAGRAPHS 19 AND 20
#L-27625-26-A-N)	
#L-27625-TG-B-N;)	
#L-27625-2C-C-N;)	
#L-27625-VP-D-N; and)	
#L-27625-IW-E-N)	

Pursuant to the Department’s First Procedural Order, issued August 13, 2018, the Industrial Energy Consumer Group (“IECG”) hereby responds to the Department’s directive in Paragraph 19. Specifically, the Department states:

To begin the process of narrowing the issues that will be addressed at the hearing, by **Monday, August 27, 2018**, the Intervenors must submit the following: a specification of the statutory and regulatory criteria that they wish to address at the public hearing; the specific, significant or contentious topics or subject matters under those criteria relating to the project that they wish to address; and whether the Intervenor is generally in favor of, or against a permit being issued for the proposed project, or neither for nor against the proposed project being permitted. The parties should be mindful that the limited hearing time should be devoted to an in-depth examination of the issues most likely to elicit conflicting evidence or technical testimony that warrants a closer examination than could be had on documents alone. Intervenors may request additional time if review of certain additional information identified in paragraph 13 of this order is necessary for making these submissions. The list of statutory and regulatory criteria the Department will be considering for this project can be found in Appendix B.

First Procedural Order, at 7. Additionally, IECG hereby notifies the Department that it does not plan to consolidate voluntarily pursuant to the Department’s directive in Paragraph 20. IECG addresses each of the Department’s requests below.

1. IECG is Generally in Favor of a Permit Being Issued for the New England Clean Energy Connect Project (Project).

IECG’s mission is to diversify the sources and lower the costs of energy (including electricity) in New England through well designed and monitored competitive energy markets

that benefit energy users and the environment. Reasonably priced and reliable electricity supply is critical to the success of IECG’s members. IECG is in favor of permitting the Project because it is being proposed at a time of extreme electric and gas market dysfunction in New England, with only costly, out-of-market “band-aid” solutions on the horizon. See IECG Petition to Intervene, at 2-6. The Project, however, is a transformational, long-term solution based on its specific purpose and need.¹ The Project will (1) diversify New England’s energy supply; (2) lower energy costs, especially in winter; (3) enhance reliability (which is costly to attain and even costlier to forego), especially in winter; (4) facilitate the efficient and reliable integration of increasing amounts of renewable energy in New England; and (5) help to fulfill regional environmental policies. Critical to IECG, for a representative large Maine industrial consumer the Project is expected to create savings of about \$350,000/year. Such savings cannot come soon enough.

2. IECG Wishes to Address the Following Statutory and Regulatory Criteria at the Public Hearing.

IECG wishes to address the following statutory and regulatory criteria at the public hearing, based on what it now knows and perceives to be important and within its area of expertise—energy:

¹ See generally, *NECEC Natural Resources Protection Act Application*, Section 2.2-2.3 (September 27, 2017) (“The purpose of the NECEC Project is to deliver up to 1,200 MW of Clean Energy Generation from Québec to the New England Control Area via a High Voltage Direct Current (HVDC) transmission line, at the lowest cost to ratepayers. This Project is proposed in response to the Request for Proposals for Long-Term Contracts for Clean Energy Projects dated March 31, 2017 (RFP) issued by the electric distribution companies of the Commonwealth of Massachusetts and the Massachusetts Department of Energy Resources. ... The NECEC project is expected to reduce regional CO₂ (greenhouse gas) emissions by over one million metric tons per year in Massachusetts, which is a direct benefit to neighboring states, including Maine. This amount would help achieve the stated goals of the Regional Greenhouse Gas Initiative (RGGI) by reducing the total amount of CO₂ emissions from the power sector of the six New England states, and Delaware, Maryland, and New York. The NECEC’s ability to deliver reliable, renewably-generated electricity from Québec will help alleviate the need to build new non-renewable generation plants, and may allow retirement of older, less efficient fossil fueled power plants. ... Further, the no-action alternative, if no alternative projects are built, would not reduce greenhouse gas emissions, would not reduce the wholesale cost of electricity for the benefit of retail customers across the region, and would not enhance electric reliability, particularly in winter months when natural gas supply and transfer constraints have occurred in recent years.”).

Site Location of Development Act

- **38 M.R.S. §484(3)** – The Project will “not adversely affect existing uses” etc.
 - *06-096 Ch. 375 §14* – The Project will have “no unreasonable adverse effect” on scenic character based in part on its location and design.
- **38 M.R.S. §487-A(4)** – There are no “proposed alternatives” that would provide benefits “without unreasonably increasing cost.”

Natural Resources Protection Act

- **38 M.R.S. §480-D(1)** – The Project will “not unreasonably interfere” with existing uses.
 - *06-096 Ch. 315 §4* – The Project will not cause “unreasonable adverse visual impacts” given its purpose and the context in which it is proposed.
 - *06-096 Ch. 315 §9* – There are no “practicable alternatives” to the Project.
- **38 M.R.S. §480-D(3)** – The Project will “not unreasonably harm” wetland habitats.
 - *06-096 Ch. 310 §5(A)* – The Project will not cause an “unreasonable impact” on wetlands due to the existence of a “less damaging” “practical alternative.”
 - *06-096 Ch. 310 §5(D)* – The Project will not cause an “unreasonable impact” because there is “no practicable alternative” and the Project will cause public and commercial benefits of a significant degree.
 - *06-096 Ch. 310 §9(A)* – There is no “less environmentally damaging practicable alternative” that could meet the Project’s “purpose,” considering its size, scope, configuration and the public need it would meet.
- **38 M.R.S. §480-D(3)** – The Project will “not unreasonably harm” significant wildlife habitats.
 - *06-096 Ch. 335 §3(A)* – The Project will not cause an “unreasonable impact” on wildlife due to the existence of a “less damaging” “practical alternative.”
 - *06-096 Ch. 335 §3(C)* – The Project will not cause “an unreasonable impact on protected natural resources or the subject wildlife.”
 - *06-096 Ch. 335 §5(A)* – There is no “practicable alternative” that would be “less damaging to the environment” that could meet the Project’s purpose, considering its size, scope, and configuration.

- **38 M.R.S. §480-D(8)** – There is no “reasonable alternative” to the Project “which would have less adverse effect” with respect to crossing the Kennebec River.

The breadth and depth of IECG’s participation at the public hearing, and in the proceeding generally, to some extent will be dictated by the arguments made by other parties, and IECG wishes to preserve its right to offer and test evidence relevant to any applicable statutory or regulatory criterion, not just the criteria highlighted above. Those criteria primarily relate to “reasonableness” and “practicable alternatives,” which at this point, appear the most germane to IECG’s energy expertise. Given the similarities between the above-listed criteria and to the extent they overlap, IEGC may be able to address them categorically, at least partially, at the public hearing. IECG may also wish to address such criteria, and others, through written direct and rebuttal testimony.

3. IECG Wishes to Address the Following Specific, Significant or Contentious Topics or Subject Matters Under the Abovementioned Criteria.

IECG wishes to address at the public hearing the following specific topics or subject matters that it currently perceives to be significant or contentious:

- Whether impacts are “reasonable” given the Project’s purpose, need, and public benefits in context of New England’s current energy circumstance.
- Whether a “practicable alternative” exists given the Project’s purpose, need, and public benefits in context of New England’s current energy circumstance.
- The Kennebec River Crossing and alternatives thereto.

4. IECG Does Not Plan to Voluntarily Consolidate with Other Parties.

IECG recognizes that certain intervenors appear in favor of permitting the Project based on its assessment of their petitions to intervene, namely: (1) City of Lewiston (Lewiston); (2) Western Mountains & Rivers Corporation (WM&RC), (3) IECG; (4) IBEW Local 104 (IBEW); and (5) Maine State Chamber of Commerce (Maine Chamber). Within this group, IECG is the only intervenor that has significant energy market experience and represents exclusively Maine’s

largest and most sophisticated energy consumers. Therefore, IECG believes it can provide a unique and valuable perspective and should be allowed to remain an independent intervenor. The other intervenors supporting the Project have different interests and areas of expertise. Lewiston, a governmental entity, appears primarily concerned in local investment and tax benefits associated with the Project. IBEW, a union, appears primarily concerned in the construction benefits aspect of the Project. The Maine Chamber, a not-for-profit, appears primarily interested in the economic development and growth potential provided by the Project. WM&RC, a public benefit corporation, appears primarily interested in the conservation and recreation opportunities afforded by the Project. Though each of these intervenors either is an energy consumer or is comprised of individual energy consumers, its consumption of energy is incidental to its primary purpose. If involuntarily consolidated with these intervenors, IECG fears that its energy expertise may be diluted and that these other entities' respective, tax, construction, economic, and conservation expertise may be weakened as well. Moreover, each intervenor would need to devote time and resources to educating the others about its specific concerns related to its primary area of expertise, leading to overall inefficiency. IECG notes that the Land Use Planning Commission preliminarily consolidated a group of intervenors opposing the Project, but did not preliminarily consolidate IECG with any other Intervenor.

5. Conclusion

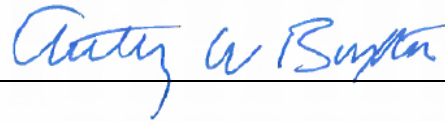
IECG respectfully provides this submission in response to the Department's directives in Paragraphs 19 and 20 of the First Procedural Order. IECG reiterates that the lists of relevant criteria and significant topics provided herein are not intended to be exhaustive. Rather, knowing what IECG knows today, these lists appear to be representative of areas where IECG can best apply in energy expertise to aid the Department in its decision-making. IECG looks

forward to working with the Department and the parties to the proceeding, beginning at the pre-hearing conference on September 7, 2018.

DATED: August 27, 2018

Respectfully submitted,

INDUSTRIAL ENERGY CONSUMER GROUP



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