

STATE OF MAINE
SUPREME JUDICIAL COURT
SITTING AS THE LAW COURT

LAW COURT DOCKET NO. CUM-20-181

AVANGRID NETWORKS, INC.,
Plaintiff/ Appellant

INDUSTRIAL ENERGY CONSUMER GROUP and
MAINE STATE CHAMBER OF COMMERCE
Plaintiff-Intervenors/ Appellants

v.

MATTHEW DUNLAP, in his official capacity as
Secretary of State for the State of Maine
Defendant/ Appellee/ Cross Appellant

MAINERS FOR LOCAL POWER and NINE MAINE CITIZENS
Defendant-Intervenors/ Appellees/ Cross-Appellants

NEXTERA ENERGY RESOURCES, LLC
Defendant-Intervenor/ Appellee

On Appeal from Cumberland County Superior Court
Docket No.: CV-2020-206

APPENDIX

John J. Aromando, Bar No. 3099
Jared S. des Rosiers, Bar No. 7548
Joshua D. Dunlap, Bar No. 4477
Sara A. Murphy, Bar No. 5423
Pierce Atwood LLP
Merrill's Wharf
254 Commercial Street
Portland, Maine 04101
(207) 791-1100
Attorneys for Plaintiff/ Appellant
Avangrid Networks, Inc.

Sigmund D. Schutz, Bar No. 8549
Preti Flaherty
PO Box 9546
Portland, ME 04112-9546
(207) 791-.3000
Attorney for Plaintiff-Intervenor/ Appellant
Industrial Energy Consumer Group

(continued on inside cover)

Gerald F. Petruccelli, Bar No. 1245.
Petruccelli, Martin & Haddow, LLP
Two Monument Square, Suite 900
PO Box 17555
Portland, ME 04112-8555
(207) 775-0200
*Attorney for Plaintiff-Intervenor/ Appellant
Maine State Chamber of Commerce*

Phyllis Gardiner, Bar No. 2809
Thomas A. Knowlton, Bar No. 7907
Office of the Attorney General
6 State House Station
Augusta, Maine 04333-0006
207-626-8800
*Attorneys for Defendant/ Appellee/ Cross-
Appellant The Secretary of State*

Christopher Roach, Bar No. 8122
Roach Ruprecht Sanchez & Bischoff, PC
527 Ocean Ave, Ste 1
Portland, ME 04103
207-747-4870
*Attorney for Defendant-Intervenor/ Appellee
Nextera Energy Resources, LLC*

David Michael Kallin, Bar No. 4558
Elizabeth C. Mooney, Bar No. 6438
Adam R. Cote, Bar No. 9213
Drummond Woodsum
84 Marginal Way, Suite 600
Portland, ME 04104
207-772-1941

Paul W. Hughes,
admission pro hac vice pending
Andrew Lyons-Berg,
admission pro hac vice pending
McDermott Will & Emery
500 North Capitol Street, NW
Washington, DC 20001-1531
202-756-8979

*Attorneys for Defendant-Intervenors/ Appellees/
Cross-Appellants Mainers for Local Power and
nine Maine citizens*

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AVANGRID NETWORKS INC - PLAINTIFF

SUPERIOR COURT
CUMBERLAND, ss.
Docket No PORSC-CV-2020-00206

Attorney for: AVANGRID NETWORKS INC
JOHN AROMANDO - RETAINED
PIERCE ATWOOD
MERRILLS WHARF
254 COMMERCIAL ST
PORTLAND ME 04101

DOCKET RECORD

Attorney for: AVANGRID NETWORKS INC
JARED DESROSIERS - RETAINED
PIERCE ATWOOD
MERRILLS WHARF
254 COMMERCIAL ST
PORTLAND ME 04101

Attorney for: AVANGRID NETWORKS INC
SARA A MURPHY - RETAINED
PIERCE ATWOOD
MERRILLS WHARF
254 COMMERCIAL ST
PORTLAND ME 04101

Attorney for: AVANGRID NETWORKS INC
JOSHUA DUNLAP - RETAINED
PIERCE ATWOOD
MERRILLS WHARF
254 COMMERCIAL ST
PORTLAND ME 04101

vs

MATTHEW DUNLAP - DEFENDANT
DEPT OF SECRETARY OF STATE, 112 SEWALL ST
AUGUSTA ME 04330

Attorney for: MATTHEW DUNLAP
PHYLLIS GARDINER - RETAINED 06/16/2020
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA ME 04333-0006

Attorney for: MATTHEW DUNLAP
THOMAS A KNOWLTON - RETAINED 06/16/2020
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA ME 04333-0006

MAINE VOTERS - INTERVENOR

Attorney for: MAINE VOTERS
VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY

-
- -

Attorney for: MAINE VOTERS

VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY
-
- -

Attorney for: MAINE VOTERS
VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY
-
- -

Attorney for: MAINE VOTERS
DAVID KALLIN - RETAINED 06/04/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

Attorney for: MAINE VOTERS
ELIZABETH MOONEY - RETAINED 06/04/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

Attorney for: MAINE VOTERS
ADAM COTE - RETAINED 06/04/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

NEXTERA ENERGY RESOURCES LLC - INTERVENOR

Attorney for: NEXTERA ENERGY RESOURCES LLC
CHRISTOPHER ROACH - RETAINED 05/18/2020
ROACH, RUPRECHT, SANCHEZ & BISCHOFF, PC
527 OCEAN AVE, UNIT 1
PORTLAND ME 04103

INDUSTRIAL ENERGY CONSUMER GROUP - INTERVENOR

Attorney for: INDUSTRIAL ENERGY CONSUMER GROUP
SIGMUND D SCHUTZ - RETAINED 05/14/2020
PRETI FLAHERTY BELIVEAU PACHIOS LLP
ONE CITY CENTER
PO BOX 9546
PORTLAND ME 04112-9546

MAINERS FOR LOCAL POWER - INTERVENOR

Attorney for: MAINERS FOR LOCAL POWER
VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY
-
- -

Attorney for: MAINERS FOR LOCAL POWER
VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY

-
- -

Attorney for: MAINERS FOR LOCAL POWER
VISITING ATTORNEY - RETAINED 06/17/2020
VISITING ATTORNEY

-
- -

Attorney for: MAINERS FOR LOCAL POWER
DAVID KALLIN - RETAINED 05/21/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

Attorney for: MAINERS FOR LOCAL POWER
ELIZABETH MOONEY - RETAINED 05/21/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

Attorney for: MAINERS FOR LOCAL POWER
ADAM COTE - RETAINED 05/21/2020
DRUMMOND WOODSUM
84 MARGINAL WAY SUITE 600
PORTLAND ME 04101-2480

MAINE STATE CHAMBER OF COMMERCE - INTERVENOR

Attorney for: MAINE STATE CHAMBER OF COMMERCE
GERALD F PETRUCCELLI - RETAINED 05/14/2020
PETRUCCELLI, MARTIN & HADDOW, LLP
2 MONUMENT SQUARE SUITE 900
PO BOX 17555
PORTLAND ME 04112-8555

Filing Document: COMPLAINT
Filing Date: 05/12/2020

Minor Case Type: DECLARATORY JUDGMENT

Docket Events:

05/12/2020 FILING DOCUMENT - COMPLAINT FILED ON 05/12/2020
VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF WITH EXHIBIT A

05/14/2020 Party(s): AVANGRID NETWORKS INC
ATTORNEY - RETAINED ENTERED ON 05/12/2020
Plaintiff's Attorney: JOHN AROMANDO

05/14/2020 Party(s): AVANGRID NETWORKS INC

ATTORNEY - RETAINED ENTERED ON 05/12/2020
Plaintiff's Attorney: JARED DESROSIERS

05/14/2020 Party(s): AVANGRID NETWORKS INC
ATTORNEY - RETAINED ENTERED ON 05/12/2020
Plaintiff's Attorney: JOSHUA DUNLAP

05/14/2020 Party(s): AVANGRID NETWORKS INC
ATTORNEY - RETAINED ENTERED ON 05/12/2020
Plaintiff's Attorney: SARA A MURPHY

05/14/2020 Party(s): AVANGRID NETWORKS INC
MOTION - MOTION PRELIMINARY INJUNCTION FILED ON 05/12/2020
PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION WITH INCORPORATED MEMORANDUM OF LAW WITH
INCORPORATED MEMORANDUM OF LAW

05/14/2020 Party(s): AVANGRID NETWORKS INC
MOTION - MOTION FOR RELIEF FILED ON 05/12/2020
PLAINTIFF'S MOTION FOR RELIEF FROM COURT ORDERS RELATED TO COVID-19, FOR EXPEDITED
BRIEFING SCHEDULE AND FOR RELIEF FROM MANDATORY ADR PURSUANT TO M.R.CIV.P. 16(B)(B)(9)
WITH PROPOSED ORDER

05/14/2020 CASE STATUS - CASE FILE LOCATION ON 05/13/2020
SENT TO 2ND JUSTICE FOR REVIEW

05/14/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
MOTION - MOTION TO INTERVENE FILED ON 05/14/2020
UNOPPOSED MOTION TO INTERVENE OF MAINE STATE CHAMBER OF COMMERCE

05/14/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
SUPPLEMENTAL FILING - COMPLAINT FILED ON 05/14/2020
PLAINTIFF-INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S COMPLAINT

05/18/2020 ASSIGNMENT - SINGLE JUDGE/JUSTICE ASSIGNED TO JUSTICE ON 05/18/2020
THOMAS D WARREN , JUSTICE

05/18/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
MOTION - MOTION TO INTERVENE FILED ON 05/14/2020
CONSENTED-TO MOTION TO INTERVENE BY INDUSTRIAL ENERGY CONSUMER GROUP AND INCORPORATED
MEMORANDUM OF LAW WITH PROPOSED ORDER AND PROPOSED PLAINTIFF/INTERVENOR'S COMPLAINT.

05/18/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
SUPPLEMENTAL FILING - COMPLAINT FILED ON 05/14/2020
PLAINTIFF-INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S COMPLAINT.

05/18/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
ATTORNEY - RETAINED ENTERED ON 05/14/2020
Attorney: GERALD F PETRUCCELLI

05/18/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
ATTORNEY - RETAINED ENTERED ON 05/14/2020
Attorney: SIGMUND D SCHUTZ

05/19/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
OTHER FILING - OTHER DOCUMENT FILED ON 05/18/2020
INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S PROPOSED ORDER ON MOTION TO INTERVENE.

05/19/2020 Party(s): NEXTERA ENERGY RESOURCES LLC
ATTORNEY - RETAINED ENTERED ON 05/18/2020
Attorney: CHRISTOPHER ROACH

05/19/2020 Party(s): NEXTERA ENERGY RESOURCES LLC
MOTION - MOTION TO INTERVENE FILED ON 05/18/2020
NEXTERA ENERGY RESOURCES LLC'S CONSENTED-TO MOTION TO INTERVENE WITH INCORPORATED
MEMORANDUM OF LAW ALONG WITH PROPOSED ORDER.

05/19/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
MOTION - MOTION TO INTERVENE GRANTED ON 05/19/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 05/19/20.

05/19/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
MOTION - MOTION TO INTERVENE GRANTED ON 05/19/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 05/19/20.

05/20/2020 HEARING - OTHER HEARING SCHEDULED FOR 05/22/2020 at 02:00 p.m.
TELEPHONIC STATUS CONFERENCE REGARDING PENDING MOTIONS, ETC. PARTIES NOTIFIED BY CLERK
VIA EMAIL.

05/26/2020 Party(s): NEXTERA ENERGY RESOURCES LLC
MOTION - MOTION TO INTERVENE GRANTED ON 05/26/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 05/26/20.

05/26/2020 HEARING - OTHER HEARING HELD ON 05/22/2020
THOMAS D WARREN , JUSTICE
Defendant's Attorney: PHYLLIS GARDINER
Plaintiff's Attorney: JOHN AROMANDO
THOMAS KNOWLTON AAG, GERALD PETRUCCELLI ESQ, SIGMUND SCHUTZ ESQ, CHRISTOPHER ROACH ESQ AND
DAVID KALLIN ESQ ALSO APPEARED ON BEHALF OF THEIR CLIENTS. TELEPHONIC CONFERENCE HELD.
NO RECORDING MADE. ORDER TO ISSUE.

05/26/2020 CASE STATUS - CASE FILE RETURNED ON 05/26/2020

05/26/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 05/21/2020
Attorney: DAVID KALLIN

05/28/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
OTHER FILING - OTHER DOCUMENT FILED ON 05/28/2020
INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY INJUNCTION AND JUDGMENT.

06/01/2020 Party(s): MAINERS FOR LOCAL POWER
MOTION - MOTION TO INTERVENE FILED ON 05/21/2020

MAINERS FOR LOCAL POWER'S CONSENTED-TO MOTION TO INTERVENE ALONG WITH PROPOSED ORDER.

- 06/01/2020 Party(s): MAINERS FOR LOCAL POWER
MOTION - MOTION TO INTERVENE GRANTED ON 05/28/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 06/01/20.
- 06/02/2020 ORDER - COURT ORDER ENTERED ON 05/29/2020
THOMAS D WARREN , JUSTICE
ORDERED INCORPORATED BY REFERENCE AT THE SPECIFIC DIRECTION OF THE COURT. ORDER FROM
TELEPHONIC CONFERENCE HELD ON 05/29/20. COPIES SENT TO PARTIES/COUNSEL ON 06/02/20.
- 06/02/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
OTHER FILING - OTHER DOCUMENT FILED ON 06/01/2020
INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S MEMORANDUM IN SUPPORT OF PLAINTIFF AVANGRID
NETWORKS INC'S MOTION FOR INJUNCTIVE AND DECLARATORY RELIEF.
- 06/03/2020 Party(s): MATTHEW DUNLAP
SUMMONS/SERVICE - ACK OF RECEIPT OF SUMM/COMP SERVED ON 05/19/2020
OF PHYLLIS GARDINER AAG ON BEHALF OF DEFENDANT MATTHEW DUNLAP AS SECRETARY OF STATE.
- 06/03/2020 Party(s): MATTHEW DUNLAP
SUMMONS/SERVICE - ACK OF RECEIPT OF SUMM/COMP FILED ON 06/03/2020
- 06/09/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/04/2020
Attorney: DAVID KALLIN
- 06/09/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/04/2020
Attorney: ADAM COTE
- 06/09/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/04/2020
Attorney: ELIZABETH MOONEY
- 06/09/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 05/21/2020
Attorney: ADAM COTE
- 06/09/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 05/21/2020
Attorney: ELIZABETH MOONEY
- 06/09/2020 Party(s): MAINE VOTERS
MOTION - MOTION TO INTERVENE FILED WITH AFFIDAVIT ON 06/04/2020
INBTERVENOR MAINE VOTERS' MOTION TO INTERVENE ALONG WITH SUPPORTING DECLARATIONS (EXHIBITS
1-9) AND PROPOSED ORDER.
- 06/09/2020 Party(s): MAINE VOTERS
OTHER FILING - OTHER DOCUMENT FILED ON 06/09/2020

ORIGINAL

DECLARATION OF MATTHEW SMITH IN SUPPORT OF MOTION TO INTERVENE OF MAINE VOTERS.

- 06/11/2020 Party(s): MAINE VOTERS
MOTION - MOTION TO ADMIT VISIT. ATTY FILED WITH AFFIDAVIT ON 06/04/2020
UNOPPOSED MOTION TO ADMIT PAUL HUGHES, ANDREW LYONS-BERG AND MATTHEW WARRING PRO HAC VICE
ALONG WITH SUPPLEMENTAL VERIFIED APPLICATIONS OF EACH ATTORNEY AND PROPOSED ORDER.
- 06/12/2020 CASE STATUS - CASE FILE LOCATION ON 06/12/2020
THOMAS D WARREN , JUSTICE
TO REVIEW PENDING MOTIONS
- 06/12/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
MOTION - OTHER MOTION FILED ON 06/12/2020
CONSENTED TO MOTION FOR ADDITIONAL PAGES BY MAINERS FOR LOCAL POWER AND MAINE VOTERS WITH
PROPOSED ORDER
- 06/12/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
MOTION - OTHER MOTION GRANTED ON 06/12/2020
THOMAS D WARREN , JUSTICE
CONSENTED TO MOTION FOR ADDITIONAL PAGES BY MAINERS FOR LOCAL POWER AND MAINE VOTERS.
MAINERS FOR LOCAL POWER AND MAINE VOTERS MAY FILE A MEMORANDUM OF UP TO 30 PAGES ON
6/15/20, THE SECRETARY OF STATE MAY FILE A MEMORANDUM OF UP TO 25 PAGES ON 6/15/20, AND
AVANGRID NETWORKS INC, INDUSTRIAL CONSUMER ENGERY GROUP AND THE MAINE CHAMBER OF COMMERCE
MAY EACH FILE A REPLY MEMORANDUM OF UP TO 15 PAGES ON 6/22/20. COPIES TO PARTIES/COUNSEL
ON 6/12/20
- 06/15/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
MOTION - MOTION TO DISMISS FILED ON 06/15/2020
INTERVENORS MAINERS FOR LOCAL POWER AND MAINE VOTERS' MOTION TO DISMISS, MEMROANDUM BY
MAINERS FOR LOCAL POWER AND MAINE VOTERS (A) IN OPPOSITION TO PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION AND JUDGMENT AND (B) IN SUPPORT OF INTERVANOR'S CROSS-MOTION TO
DISMISS WITH TABLE OF CONTENTS AND TABLE OF AUTHORITIES AND PROPOSED ORDER.
- 06/15/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
OTHER FILING - OPPOSING MEMORANDUM FILED ON 06/15/2020
INTERVENORS MAINERS FOR LOCAL POWER AND MAINE VOTERS' MEMORANDUM IN OPPOSITION TO
PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION (WAS FILED AS AN INCORPORATED PART OF
INTERVENORS' MOTION TO DISMISS).
- 06/15/2020 Party(s): NEXTERA ENERGY RESOURCES LLC
OTHER FILING - OPPOSING MEMORANDUM FILED ON 06/15/2020
INTERVENOR NEXTERA ENERGY RESOURCES LLC'S OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY
INJUNCTION.
- 06/16/2020 Party(s): MATTHEW DUNLAP
OTHER FILING - OPPOSING MEMORANDUM FILED ON 06/16/2020
DEFENDANT'S RESPONSE TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION AND JUDGMENT WITH
INCORPORATED STATEMENT OF FACTS AND PROCEDURAL BACKGROUND.
- 06/16/2020 Party(s): MATTHEW DUNLAP
RESPONSIVE PLEADING - ANSWER & AFFIRMATIVE DEFENSE FILED ON 06/16/2020
OF PHYLLIS GARDINER AAG/THOMAS KNOWLTON AAG ON BEHALF OF DEFENDANT MATTHEW DUNLAP - ANSWER
AND AFFIRMATIVE DEFENSES TO PLAINTIFF'S COMPLAINT.

06/16/2020 Party(s): MATTHEW DUNLAP
RESPONSIVE PLEADING - ANSWER & AFFIRMATIVE DEFENSE FILED ON 06/16/2020
OF PHYLLIS GARDINER AAG/THOMAS KNOWLTON AAG ON BEHALF OF MATTHEW DUNLAP - ANSWER AND
AFFIRMATIVE DEFENSES TO INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S COMPLAINT.

06/16/2020 Party(s): MATTHEW DUNLAP
RESPONSIVE PLEADING - ANSWER & AFFIRMATIVE DEFENSE FILED ON 06/16/2020
OF PHYLLIS GARDINER AAG/THOMAS KNOWLTON AAG ON BEHALF OF MATTHEW DUNLAP - ANSWER AND
AFFIRMATIVE DEFENSES TO INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S COMPLAINT.

06/16/2020 Party(s): MATTHEW DUNLAP
ATTORNEY - RETAINED ENTERED ON 06/16/2020
Defendant's Attorney: PHYLLIS GARDINER

06/16/2020 Party(s): MATTHEW DUNLAP
ATTORNEY - RETAINED ENTERED ON 06/16/2020
Defendant's Attorney: THOMAS A KNOWLTON

06/18/2020 Party(s): MAINE VOTERS
MOTION - MOTION TO INTERVENE GRANTED ON 06/17/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 06/18/20.

06/18/2020 Party(s): MAINE VOTERS
MOTION - MOTION TO ADMIT VISIT. ATTY GRANTED ON 06/17/2020
THOMAS D WARREN , JUSTICE
COPIES TO PARTIES/COUNSEL ON 06/18/20.

06/18/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/18/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/18/2020 Party(s): MAINERS FOR LOCAL POWER
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/18/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/18/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/18/2020 Party(s): MAINE VOTERS
ATTORNEY - RETAINED ENTERED ON 06/17/2020
Attorney: VISITING ATTORNEY

06/19/2020 Party(s): MAINERS FOR LOCAL POWER, MAINE VOTERS

MOTION - MOTION FOR LEAVE FILED ON 06/19/2020
INTERVENORS MAINERS FOR LOCAL POWER AND MAINE VOTERS' MOTION FOR LEAVE TO FILE REPLY BRIEF
ALONG WITH PROPOSED ORDER AND PROPOSED REPLY MEMORANDUM.

06/19/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
MOTION - MOTION FOR LEAVE DENIED ON 06/19/2020
THOMAS D WARREN , JUSTICE
COPIES SENT TO PARTIES/COUNSEL ON 06/19/20.

06/22/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
OTHER FILING - REPLY MEMORANDUM FILED ON 06/22/2020
INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S REPLY IN SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION AND JUDGMENT.

06/22/2020 Party(s): AVANGRID NETWORKS INC
OTHER FILING - REPLY MEMORANDUM FILED ON 06/22/2020
PLAINTIFF'S CONSOLIDATED REPLY IN SUPPORT OF ITS MOTION FOR PRELIMINARY INJUNCTION AND
JUDGMENT AND OPPOSITION TO MAINERS FOR LOCAL POWER'S MOTION TO DISMISS.

06/22/2020 Party(s): AVANGRID NETWORKS INC
OTHER FILING - OPPOSING MEMORANDUM FILED ON 06/22/2020
PLAINTIFF'S OPPOSITION TO MAINERS FOR LOCAL POWER'S MOTION TO DISMISS (WAS FILED AS AN
INCORPORATED PART OF PLAINTIFF'S CONSOLIDATED REPLY IN SUPPORT OF IT'S MOTION FOR
PRELIMINARY INJUNCTION AND JUDGMENT).

06/23/2020 HEARING - OTHER HEARING SCHEDULED FOR 06/24/2020 at 02:30 p.m.
ORAL ARGUMENTS VIA ZOOM PLATFORM. PARTIES NOTIFIED BY WRITTEN ORDER FROM JUSTICE WARREN.

06/24/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
OTHER FILING - REPLY MEMORANDUM FILED ON 06/24/2020
INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S REPLY TO DEFENDANT AND DEFENDANT INTERVENORS'
BRIEFS.

06/25/2020 HEARING - OTHER HEARING HELD ON 06/24/2020
THOMAS D WARREN , JUSTICE
Defendant's Attorney: PHYLLIS GARDINER
Plaintiff's Attorney: JOHN AROMANDO
THOMAS KNOWLTON AAG ALSO APPEARED ON BEHALF OF SEC OF STATE. GERALD PETRUCCELLI ESQ
APPEARED OBO INTERVENOR MAINE STATE CHAMBER, SIGMUND SCHUTZ ESQ APPEARED OBO INTERVENOR
INDUSTRIAL ENERGY CONSUMER GROUP, CHRISTOPHER ROACH ESQ APPEARED OBO INTERVENOR NEXTERA
ENERGY, DAVID KALLIN ESQ AND PAUL HUGHES ESQ (PRO HAC) APPEARED OBO INTERVENORS MAINERS
FOR LOCAL POWER AND MAINE VOTERS. ARGUMENT RECORDED IN PORTLAND CR#8 (02:42PM-04:10PM).

06/29/2020 CASE STATUS - CASE FILE RETURNED ON 06/29/2020

06/29/2020 Party(s): AVANGRID NETWORKS INC
MOTION - MOTION FOR RELIEF GRANTED ON 05/26/2020
THOMAS D WARREN , JUSTICE
COPIES SENT TO PARTIES/COUNSEL ON 05/26/20.

06/29/2020 Party(s): AVANGRID NETWORKS INC
MOTION - MOTION PRELIMINARY INJUNCTION OTHER DECISION ON 05/26/2020
THOMAS D WARREN , JUSTICE

COPIES SENT TO PARTIES/COUNSEL ON 05/26/20.

- 06/29/2020 ORDER - COURT ORDER ENTERED ON 05/26/2020
THOMAS D WARREN , JUSTICE
ORDERED INCORPORATED BY REFERENCE AT THE SPECIFIC DIRECTION OF THE COURT. PROCEDURAL
ORDER AFTER CONFERENCE OF COUNSEL ON 05/22/20. COPIES SENT TO PARTIES/COUNSEL ON
05/26/20. (CORRECTIVE ENTRY)
- 06/29/2020 HEARING - OTHER HEARING HELD ON 05/29/2020
THOMAS D WARREN , JUSTICE
Defendant's Attorney: PHYLLIS GARDINER
Plaintiff's Attorney: JOHN AROMANDO
THOMAS KNOWLTON AAG APPEARED ON BEHALF OF DEFENDANT. GERALD PETRUCCELLI ESQ APPEARED ON
BEHALD OF INTERVENOR MAINE STATE CHAMBER. SIGMUND SCHUTZ ESQ APPEARED ON BEHALF OF
INTERVENOR INDUSTRIAL ENERGY. CHRISTOPHER ROACH ESQ APPEARED ON BEHALF OF INTERVENOR
NEXTERA ENERGY. DAVID KALLIN ESQ APPEARED ON BEHALF OF INTERVENORS MAINERS FOR LOCAL
POWER AND MAINE VOTERS. TELEPHONIC CONFERENCE HELD. (CORRECTIVE ENTRY)
- 06/29/2020 Party(s): MAINERS FOR LOCAL POWER,MAINE VOTERS
MOTION - MOTION TO DISMISS OTHER DECISION ON 06/29/2020
THOMAS D WARREN , JUSTICE
SEE ORDER FOR MORE DETAILED INFORMATION. COPIES SENT TO PARTIES/COUNSEL ON 06/29/20.
- 06/29/2020 ORDER - COURT ORDER ENTERED ON 06/29/2020
THOMAS D WARREN , JUSTICE
BECAUSE PRE-ELECTION REVIEW OF PLAINTIFFS' SUBSTANTIVE CHALLENGES TO THE PROPOSED
INITIATIVE IS NOT AVAILABLE, THE COMPLAINT IS DISMISSED. THE CLERK SHALL INCORPORATE THIS
ORDER IN THE DOCKET BY REFERENCE PURSUANT TO RULE 79(A). COPIES SENT TO PARTIES/COUNSEL
ON 06/29/20.
- 06/29/2020 Party(s): AVANGRID NETWORKS INC,MATTHEW DUNLAP,MAINE STATE CHAMBER OF COMMERCE,INDUSTRIAL
ENERGY CONSUMER GROUP,NEXTERA ENERGY RESOURCES LLC,MAINERS FOR LOCAL POWER,MAINE
VOTERS
FINDING - DISMISSED WITHOUT PREJUDICE ENTERED ON 06/29/2020
THOMAS D WARREN , JUSTICE
- 06/29/2020 FINDING - FINAL JUDGMENT CASE CLOSED ON 06/29/2020
- 06/30/2020 Party(s): AVANGRID NETWORKS INC
OTHER FILING - TRANSCRIPT ORDER FORM FILED ON 06/29/2020
PLAINTIFF'S TRANSCRIPT AND AUDIO ORDER FORM FOR ORAL ARGUMENTS ON 06/24/20 IN PORTLAND
CR#8.
- 06/30/2020 Party(s): AVANGRID NETWORKS INC
OTHER FILING - TRANSCRIPT ORDER FORM SENT TO REPORTER/ER ON 06/30/2020
SCANNED COPIES OF THE TRANSCRIPT AND AUDIO ORDER FORM WERE TRANSMITTED TO THE OFFICE OF
TRANSCRIPT OPERATIONS AND CTA NICKOLE WESLEY ON 06/30/20.
- 07/01/2020 NOTE - OTHER CASE NOTE ENTERED ON 07/01/2020
TRANSCRIPT AND AUDIO ORDER FORM RECVD 6/30/20. REQUEST FOR PAPER TRANSCRIPT OF ORAL
ARGUMENT HELD VIA ZOOM IN CR#8 AND RECORDED VIA FTR (2:42:01P-4:10:26P), REQUEST COMPLETED
AND FORWARDED TO OTO FOR FURTHER PROCESSING ON THIS DATE.

07/01/2020 Party(s): AVANGRID NETWORKS INC
APPEAL - NOTICE OF APPEAL FILED ON 07/01/2020
PLAINTIFF'S NOTICE OF APPEAL OF ORDER DATED 06/29/20 ALONG WITH COPY OF EMAIL FROM
ESCRIBERS ORDERING THE TRANSCRIPT FROM THE ORAL ARGUMENT AND \$175.00 APPEAL FEE PAID.
DATE-STAMPED COPIES OF THE NOTICE OF APPEAL WERE SENT TO PARTIES/COUNSEL ON 07/01/20.

07/01/2020 Party(s): AVANGRID NETWORKS INC
APPEAL - NOTICE OF APPEAL SENT TO LAW COURT ON 07/01/2020
COPIES OF PLAINTIFF'S NOTICE OF APPEAL WITH ATTACHED COPY OF EMAIL, APPEAL CHECKLIST AND
DOCKET RECORD WERE SENT TO THE CLERK OF THE LAW COURT ON 07/01/20.

07/01/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
APPEAL - NOTICE OF APPEAL FILED ON 07/01/2020
INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S NOTICE OF APPEAL OF 06/29/20 ORDER ALONG WITH
\$175.00 APPEAL FEE PAID. DATE-STAMPED COPIES OF THE NOTICE OF APPEAL WERE SENT TO
PARTIES/COUNSEL ON 07/01/20.

07/01/2020 Party(s): MAINE STATE CHAMBER OF COMMERCE
APPEAL - NOTICE OF APPEAL SENT TO LAW COURT ON 07/01/2020
COPIES OF INTERVENOR MAINE STATE CHAMBER OF COMMERCE'S NOTICE OF APPEAL ALONG WITH APPEAL
CHECKLIST AND DOCKET RECORD WERE SENT TO THE CLERK OF THE LAW COURT ON 07/01/20.

07/02/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
APPEAL - NOTICE OF APPEAL FILED ON 07/02/2020
INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S NOTICE OF APPEAL OF ORDER DATED 06/29/20
ALONG WITH \$175.00 APPEAL FEE PAID. DATE-STAMPED COPIES OF THE NOTICE OF APPEAL WERE SENT
TO PARTIES/COUNSEL ON 07/02/20.

07/02/2020 Party(s): INDUSTRIAL ENERGY CONSUMER GROUP
APPEAL - NOTICE OF APPEAL SENT TO LAW COURT ON 07/02/2020
COPIES OF INTERVENOR INDUSTRIAL ENERGY CONSUMER GROUP'S NOTICE OF APPEAL ALONG WITH
UPDATED DOCKET RECORD WERE SENT TO THE CLERK OF THE LAW COURT ON 07/02/20.

07/02/2020 APPEAL - RECORD ON APPEAL DUE IN LAW COURT ON 07/06/2020
RECORD IS DUE IN LAW COURT BY MONDAY 07/06/20 BY 4PM AS PER LAW COURT'S ORDER ESTABLISHING
COURSE OF APPEAL.

07/06/2020 APPEAL - RECORD ON APPEAL SENT TO LAW COURT ON 07/06/2020
ATTESTED COPIES OF THE DOCKET RECORD SENT TO PARTIES/COUNSEL ON 07/06/20. (LAW)

Receipts

05/12/2020	Misc Fee Payments	\$150.00	paid.
05/12/2020	Misc Fee Payments	\$25.00	paid.
06/04/2020	Misc Fee Payments	\$600.00	paid.
06/04/2020	Misc Fee Payments	\$100.00	paid.
06/04/2020	Misc Fee Payments	\$600.00	paid.
06/04/2020	Misc Fee Payments	\$600.00	paid.
06/04/2020	Misc Fee Payments	\$100.00	paid.
06/04/2020	Misc Fee Payments	\$100.00	paid.
06/15/2020	Misc Fee Payments	\$200.00	paid.
06/15/2020	Misc Fee Payments	\$25.00	paid.

07/01/2020	Misc Fee Payments	\$25.00	paid.
07/01/2020	Misc Fee Payments	\$150.00	paid.
07/01/2020	Misc Fee Payments	\$25.00	paid.
07/01/2020	Misc Fee Payments	\$150.00	paid.
07/02/2020	Misc Fee Payments	\$25.00	paid.
07/02/2020	Misc Fee Payments	\$150.00	paid.

A TRUE COPY

ATTEST:



Clerk

WCV

STATE OF MAINE
CUMBERLAND, ss

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-20-206

AVANGRID NETWORKS INC.,
et al.,

Plaintiffs

v.

ORDER

SECRETARY OF STATE, et al.,

Defendants

REC'D CUMB CLERKS DEPT
JUN 29 '20 AM 11:04

Before the court is an action by plaintiff Avangrid Networks Inc. to enjoin the Secretary of State from placing a citizen initiative to reject the New England Clean Energy Connect Transmission Project on the November 3, 2020 ballot.

Avangrid is joined in its effort to enjoin the initiative by plaintiff-intervenors Maine State Chamber of Commerce (the "Chamber") and Industrial Energy Consumer Group (IECG). Plaintiffs argue that the initiative should be excluded from the ballot because it is not a valid exercise of legislative authority and because, if enacted, it would violate the separation of powers and the special legislation clauses of the Maine Constitution.

The remaining parties to this action, in addition to the Secretary, are defendant-intervenors Nextera Energy Resources LLC, Mainers for Local Power, and nine Maine citizens.¹

The Secretary agrees with plaintiffs that the initiative is not a permissible exercise of legislative power and would, if enacted, violate the separation of powers. The Secretary also

¹ The nine citizens all state that they wish to vote for the citizen initiative at the November election. The same attorneys represent both the nine citizens and Mainers for Local Power (collectively referred to in this order as "MLP").

agrees that the issue of whether the initiative is a permissible exercise of legislative power is ripe for adjudication. However, the Secretary opposes plaintiffs' request for injunctive relief excluding the proposed initiative from the ballot.

Defendant-intervenors MLP and Nextera argue that, once the requisite signatures have been obtained, the Maine Constitution requires that the initiative be submitted to the voters and that plaintiffs' constitutional challenges to the proposed initiative legislation are not ripe for judicial review.² If the court reaches the merits, MLP argues that all of the plaintiffs' challenges to the validity of the proposed legislation should be rejected.

With the agreement of the parties, the hearing on Avangrid's motion for a preliminary injunction was consolidated with the trial on the merits. The parties agree that the relevant facts are those set forth below with respect to the project, the citizen initiative, and the prior proceedings before the Public Utilities Commission and the Law Court. Finally, the parties also agree that there are no disputed factual issues and that all of the issues before the court are questions of law.

The availability of pre-election review and the issue of ripeness have been briefed by all parties, and MLP has also filed a motion to dismiss on those issues. Since the court would dismiss if pre-election review were not available or the issues were not ripe regardless of whether a motion had been filed, it will not separately consider MLP's motion to dismiss.

² In their briefs MLP and Nextera also argued in the alternative that plaintiffs' challenge is untimely because judicial review would not be completed within 100 days of the filing of the petitions. *See Me. Const. Art. IV, Pt. 3 § 22*. However, that deadline applies to a determination of the validity of the written petitions – not to the validity of the proposed initiative legislation. MLP and Nextera did not pursue their untimeliness defense at the oral argument held in this case on June 24, 2020.

The Project

The New England Clean Energy Connect Transmission Project is a proposal to run a 145.3-mile transmission line from the Maine-Québec border in Beattie Township through western Maine to a converter station in Lewiston in order to transmit 1,200 megawatts of hydroelectric power from Québec to Massachusetts. Avangrid is the parent company of Central Maine Power (CMP) and the developer of the project.

The construction of the project is subject to approvals from a number of state and federal agencies and municipal governments. The regulatory approval at issue in this proceeding is a Certificate of Public Convenience and Necessity issued by Maine's Public Utilities Commission (PUC) and affirmed by the Law Court. *Nextera Energy Resources, LLC v. Maine Public Utilities Commission*, 2020 ME 34. The Law Court's opinion recites that the proceedings before the PUC took 19 months involving more than 20 intervenors, three public witness hearings, and six evidentiary hearings. 2020 ME 34 ¶¶ 3, 6-7.

In its 100-page order issued May 3, 2019 in Docket No. 2017-00232 the PUC approved CMP's petition for a certificate of public convenience and necessity, concluding that that the Project met the statutory public need standard and that it was in the public interest. 2020 ME 34 ¶ 10.³

Nextera, which had intervened in the PUC proceeding, appealed the PUC order to the Law Court, which affirmed the PUC's decision on March 17, 2020. The Law Court held that the PUC had reasonably interpreted the public need standard under 35-A M.R.S. § 3132 in granting the certificate of public need. 2020 ME 34 ¶ 22-27. It concluded that the PUC had followed the proper

³ The Commission also approved a stipulation reached by certain of the parties requiring the project to provide certain benefits to Maine ratepayers and to the State as a condition of approval. *Id.*; see 2020 ME 34 ¶ 8. A copy of the PUC order is annexed to Avangrid's complaint.

procedure, that there was sufficient evidence in the record to support its findings, and that it had reasonably interpreted the relevant statutory mandates in arriving at its decision to grant the certificate of public convenience and necessity. *Id.* ¶ 43.

The Citizen Initiative

Subsequent to the PUC’s approval of the project, opponents of the project commenced a citizen initiative to overturn the PUC decision. The initiative proposed the adoption of a legislative resolve directing the PUC to amend its May 3, 2019 order, to find instead that the project was not in the public interest and that there was not a public need for the project, and to deny the requested certificate of public convenience and necessity. The full text of the proposed resolve is as follows:

Sec. 1. Amend order. Resolved: That within 30 days of the effective date of this resolve and pursuant to its authority under the Maine Revised Statutes, Title 35-A section 1321, the Public Utilities Commission shall amend “Order Granting Public Convenience and Necessity and Approving Stipulation,” entered by the Public Utilities Commission on May 3, 2019 in Docket No. 2017-00232 for the New England Clean Energy Connect transmission project, referred to in this resolve as “the NECEC transmission project.” The amended order must find that the construction and operation of the NECEC transmission project are not in the public interest and that there is not a public need for the NECEC transmission project. There not being a public need, the amended order must deny the request for a certificate of public convenience and necessity for the NECEC transmission project.

On February 3, 2020 proponents of the initiative filed petitions bearing 82,449 signatures. The subsequent procedural history of the initiative is set forth in the Law Court’s opinion in *Reed v. Secretary of State*, 2020 ME 57. On March 4, 2020, the Secretary invalidated 12,735 signatures and because 69,714 signatures remained – more than the 63,067 required – declared the initiative petitions to be valid pursuant to 21-A M.R.S. § 905(1). 2020 ME 57 ¶ 7.

An appeal from the Secretary’s March 4, 2020 decision was brought by Delbert Reed, who contended that the Secretary should have invalidated additional signatures. After a remand to the Secretary and further proceedings outlined in the Law Court’s opinion, 2020 ME 57 ¶¶ 8-10, the Secretary invalidated an additional 3,597 signatures but concluded that there were still enough valid signatures to put the initiative on the ballot. The Secretary’s amended decision was upheld by the Business and Consumer Court and an appeal was then taken to the Law Court. On May 7, 2020 the Law Court affirmed the Secretary’s amended decision validating the initiative petition. 2020 ME 57 ¶ 1.

Article IV, Pt. 3, § 18(2) provides that if enough valid signatures are obtained, the proposed legislation shall be submitted to the voters “unless enacted without change by the Legislature at the session at which it is presented.” The Secretary had presented the initiated legislation to the Legislature on March 16, 2020. The following day the Legislature adjourned *sine die* because of the Covid-19 pandemic.⁴

Avangrid filed this action on May 12, 2020. The Parties thereafter agreed to an accelerated briefing schedule with oral argument on June 24. The court undertook to issue a decision by June 29 if at all possible to allow an expedited appeal to the Law Court before the date on which it will be too late to make any changes to the ballot.

⁴ House Advance Journal and Calendar, Supplement 10 (Mar. 17, 2020). According to the Maine Legislature website, the proposed initiative has been carried over to any special session of the 129th Legislature. <https://legislature.maine.gov/LawMakerWeb/dockets.asp?ID=280077119>

Pre-Election Review

The threshold issue in this case is whether the court can undertake pre-election review of plaintiffs' challenge to the initiative. Although the parties have generally categorized this as a ripeness issue, the issue is broader than ripeness. Ripeness is a prudential doctrine, but there is an additional issue of whether, under the circumstances of this case, pre-election review is available as a matter of law.

Plaintiffs acknowledge that Maine generally follows the majority rule that pre-election challenges to the substantive validity of a citizen initiative are not ripe.⁵ However, they argue that there are exceptions to this rule and that the Law Court's decision in *Wagner v. Secretary of State*, 663 A.2d 564 (Me. 1995), allows the court to consider whether the proposed initiative legislation involves "a subject matter beyond the electorate's grant of authority." 663 A.2d at 567. Specifically, plaintiffs contend that the proposed initiative is not within the electorate's legislative authority because it is limited to overturning a single agency decision that has been affirmed by the Law Court without establishing any new rule or any generally applicable criteria for certificates of public need or transmission projects.

This would, according to plaintiffs, violate the separation of powers if attempted by the legislature and should therefore not be presented to the voters. Plaintiffs further argue that the electorate should not be presented with proposed initiative legislation that would be found invalid if enacted, potentially leading to voter confusion, frustration, and loss of confidence in the democratic process.

⁵ Although the parties have cited numerous decisions from other jurisdictions, those decisions ultimately turn on the specific constitutional provisions of each jurisdiction and the jurisprudence that has developed around those provisions. This court is bound by the provisions of the Maine Constitution and the Law Court's interpretation of those provisions and will generally confine itself to Maine precedent.

However, the wording of the Maine Constitution and prior opinions expressed by members of the Supreme Judicial Court indicate that pre-election review is not available to consider challenges to the validity of proposed initiative legislation if it were to be enacted. Article IV, Pt. 3 § 18(2) of the Maine Constitution states that the legislation proposed by initiative, unless enacted without change by the Legislature, “shall be submitted to the electors” (emphasis added). On several occasions Justices of the Supreme Judicial Court have expressed the view that this requires placement of an initiative on the ballot regardless of whether the proposed initiative legislation would be unconstitutional if enacted.

This was the unanimous view expressed in a 1996 opinion of the justices even though the justices disagreed on other issues. *See Opinion of the Justices*, 673 A.2d 693, 697 (Me. 1996) (opinion of Justices Wathen, Roberts, Rudman, and Dana); *id.* at 698 (dissenting opinion of Justices Glassman, Clifford, and Lipez). The same view was expressed by three Justices in a 2004 opinion. *Opinion of the Justices*, 2004 ME 54 ¶ 37, 850 A.2d 1145 (answer of Justices Clifford, Rudman, and Alexander). Although the court recognizes that opinions of the justices issued under Art. VI § 3 do not constitute binding precedent, they are entitled to respectful consideration.

Those opinions are consistent with the principle that the purpose of the direct initiative is the encouragement of participatory democracy and that Art. IV, Pt. 3 § 18 “must be liberally construed to facilitate, rather than handicap, the people’s exercise of their sovereign power to legislate”. *Allen v. Quinn*, 459 A.2d 1098, 1102-03 (Me. 1983). Those opinions are also consistent with *Wagner*, which quotes the above language from *Allen v. Quinn* and further states that “any determinations about the constitutionality of the initiative if enacted would be premature at this time.” 663 A.2d at 566, 567-68. *Accord, Lockman v. Secretary of State*, 684 A.2d 415, 420 (Me.

1996) (determinations about the constitutionality of initiative would be premature and more appropriately left for specific challenges if the initiative is approved).

Wagner does appear to allow limited scrutiny of whether an initiative or referendum involves a subject matter beyond the exercise of the people's legislative authority. However, none of the examples it lists involve claims of substantive invalidity. Rather they involve instances where procedures specified in the Constitution are directly inconsistent with the procedure for initiative or referendum. *See* 663 A.2d at 567. One such instance is the issuance of bonds, which cannot be done by direct initiative because Art. IX § 14 requires a 2/3 vote of both houses of the legislature before submission of bond issues to the voters. *Opinion of the Justices*, 159 Me. 209, 214-15, 191 A.2d 357, 359-60 (1963).

Another is that, because the people's veto under Art. IV, Pt. 3 § 17(1) may be exercised only with respect to legislation that has been passed but has not yet taken effect, the people's veto does not apply to emergency legislation that is effective immediately once approved by the Governor. *Morris v. Goss*, 147 Me. 89, 92, 83 A.2d 556, 558 (1951).⁶ A third such instance is the Legislature's power to remove state officers by impeachment or address under Art. IX § 5, which is separate from the legislative authority contained in Art. IV and therefore not subject to initiative or referendum. *Moulton v. Scully*, 111 Me. 428, 447-51, 89 A. 944, 953-55 (1914).

Finally, there is the issue presented in *Wagner* itself: whether the proposed initiative is an attempt to amend the Constitution, a procedure expressly excluded from direct initiative in Art. IV, Pt. 3 § 18. However, once the Law Court in *Wagner* reviewed the language of the proposed initiative legislation and concluded that it was not a disguised constitutional amendment, it ruled

⁶ Thus, unlike non-emergency legislation, which may be suspended pursuant to Art. IV Pt. 3 § 17(2) to await the outcome of a vote on a people's veto petition, emergency legislation cannot be stayed to await the outcome of a referendum. Emergency legislation can, however, be repealed by direct initiative. *See* Art. IV Pt. 3 § 18(1).

that any determinations about the constitutionality of the proposed legislation would be premature. 663 A.2d at 567.

This case does not present an instance where a procedure specified in the Constitution is inconsistent with the use of the initiative process. What remains are plaintiffs' substantive challenges, which under *Wagner* are not ripe for review because the initiative might not pass and might never become effective. 663 A.2d at 567.⁷

Plaintiffs note that in *Friends of Congress Square Park v. City of Portland*, 2014 ME 63 ¶¶ 10-14, 91 A.3d 601, the Law Court analyzed whether proposed initiative legislation was "legislative" as opposed to "administrative" in determining whether a municipal initiative procedure could be invoked. Under that analysis, plaintiffs argue, the proposed reversal of the PUC decision with respect to the Project is administrative rather than legislative and therefore not a proper exercise of the citizens' authority to legislate by direct initiative.

The "legislative/administrative" distinction has frequently been applied in other jurisdictions considering municipal or county initiatives. It does not, in the court's view, apply to the question of whether a citizens initiative under the Maine Constitution that has obtained the necessary signatures is entitled to be placed on the ballot. The power of citizens to legislate by direct initiative is coextensive with the power of the Legislature – "the full power to make and establish all reasonable regulations for the defense and benefit of the people of this State, not repugnant to this Constitution, nor to that of the United States." Art. IV, Pt. 3 § 1. Legislation is

⁷ This appears to be consistent with the approach taken by Professors Gordon and Magleby in *Pre-Election Judicial Review of Initiatives and Referendums*, 64 Notre Dame L. Rev. 298, 317 (1989). They suggest that constitutional provisions excluding certain subjects from the initiative process should be upheld but that challenges based on substantive invalidity should be deferred until after the initiative has been voted on.

invalid if it is repugnant to the Constitution, but it has never been invalidated on the ground that the action taken by the legislature was “administrative” rather than “legislative.”

There is language in an 1825 Law Court decision characterizing legislation as general and prospective in nature. *Lewis v. Webb*, 3 Me. 326, 333 (1825). However, the statute in that case was not held invalid because it was not general and prospective but because it sought to reopen a final judgment rendered by the probate court. *Id.* at 332 (“can the legislature, by a mere resolve, set aside a judgment or decree of a Judicial Court, and render it null and void? This is an exercise of power . . . purely judicial in its nature”). As counsel for Avangrid conceded at oral argument, Avangrid’s argument that the proposed initiative is not a proper exercise of legislative power merges with its claim that, if enacted, the initiative would violate the separation of powers. This is a substantive challenge to the validity of the initiative and must be deferred until after the election.⁸

In ruling that this claim cannot constitute a basis for excluding the proposed initiative from the ballot, the court does not mean to suggest that plaintiffs have not raised a significant separation of powers issue. Article III § 1 of the Maine Constitution provides that the powers of Maine government shall be divided into “three distinct departments, the legislative, executive, and judicial,” and Article III § 2 prohibits any of the three departments from exercising the powers delegated to either of the other departments.

Plaintiffs point out that the sole object and effect of the proposed legislation, if enacted, would be to overturn a single agency order, contrary to the findings made by that agency, as well as the Law Court’s affirmance of that order. They note in *Lewis v. Webb*, as discussed above, the

⁸Although the Secretary argues that pre-election review in this case is supported by the Supreme Court of Washington’s decision in *Coppernoll v. Reed*, 119 P.3d 318, 324-25 (Wash. 2005), the *Coppernoll* decision rejected a pre-election challenge to a citizen initiative based on an alleged violation of separation of powers.

Law Court ruled that the separation of powers prohibits the Legislature from setting aside final judgments rendered by the courts. *Accord, State v. L.V.I. Group*, 1997 ME 25 ¶ 11 n.4, 690 A.2d 960.

Plaintiffs also note that the separation of powers doctrine has been applied to prohibit legislative interference in the outcome of administrative proceedings. In *Grubb v. S.D. Warren Co.*, 2003 ME 139, 837 A.2d 117, the Law Court held that a subsequent legislative change could not change the result of a previous decision rendered by a hearing officer of the Workers Compensation Board even though the legislation stated that it applied retroactively and was applicable “notwithstanding any adverse order or decree.”⁹

These arguments are sufficient to convince the Secretary of State to agree with the plaintiffs that, if enacted, the proposed legislation would violate the separation of powers. Plaintiffs further argue that the proposed initiative would set a harmful precedent that businesses could not rely on approvals obtained after extensive administrative proceedings without the prospect of being subjected to the reopening and reversal at the polls.

On the last point MLP’s answer is that the people, in retaking the right to exercise legislative power by adding the direct initiative provision in Article IV, Pt. 3 § 18, created an avenue for the exercise of participatory democracy that necessarily has the potential to circumvent expectations under existing law.

On the merits MLP does not disagree that, if the proposed legislation would be invalid if enacted by the Legislature, it would also be invalid if enacted by citizen initiative. MLP notes, however, that citizen initiatives are entitled to the same presumption of constitutionality as

⁹ See 2003 ME 139 ¶ 4 n.2. The Law Court stated, “The Legislature may not disturb a decision rendered in a previous action, as to the parties to that action; to do so would violate the doctrine of separation of powers.” 2003 ME 139 ¶ 11.

legislative enactments. *League of Women Voters v. Secretary of State*, 683 A.2d 769, 771 (Me. 1996). It argues that the proposed initiative legislation does not reverse the Law Court’s *Nextera* decision because that decision only concluded that the PUC had reasonably interpreted the governing statutes and that there was sufficient evidence to support its decision – it did not rule that the PUC could not have arrived at a different result.

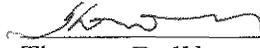
MLP cites the Law Court’s statements in *Auburn Water District v. Public Utilities Commission*, 156 Me. 222, 163 A.2d 743 (1960), that the regulation of public utilities “is a function of the Legislature” and that although the Legislature has delegated that function to the PUC, “it may limit the power of its agent, the Commission, if it so pleases.” 156 Me. at 225, 227, 163 A.2d at 744-45. The *Auburn Water District* case did not involve a statute that the Legislature enacted to overturn a prior PUC decision, but MLP argues that the Legislature would have the authority to take such action because, as stated in *Verizon New England v. Public Utilities Commission*, the Commission “has broad authority to rescind, alter, or amend any order it had made.” 2005 ME 16 ¶ 11, 866 A.2d 844, citing 35-A M.R.S. § 1321.

The parties have presented further arguments in support of their respective positions, but the foregoing is sufficient to demonstrate that the separation of powers issue is a question deserving of serious consideration. Given that the proposed legislation has not been presented to the voters and that it may or may not be enacted, the court believes that any answer it might make to that question would resemble an advisory opinion. This supports the conclusion that, under Article IV Pt. 3 § 18(1) and *Wagner*, plaintiffs’ substantive challenges to the validity of the proposed initiative may not be reviewed at this time and must be reserved for future litigation if the proposed initiative is enacted.

The entry shall be:

Because pre-election review of plaintiffs' substantive challenges to the proposed initiative is not available, the complaint is dismissed. The clerk shall incorporate this order in the docket by reference pursuant to Rule 79(a).

Dated: June 29, 2020



Thomas D. Warren
Justice, Superior Court

Entered on the Docket: 06/29/20.

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official
capacity as Secretary of State for the State of
Maine,

Defendant.

**VERIFIED COMPLAINT FOR
DECLARATORY JUDGMENT
AND INJUNCTIVE RELIEF**

NOW COMES Avangrid Networks, Inc. (“Avangrid Networks”), and hereby complains against Defendant Matthew Dunlap, in his official capacity as Secretary of State for the State of Maine (“Secretary” or “Defendant”), as follows:

PARTIES

1. Avangrid Networks, Inc. is a Maine corporation with a place of business at One City Center, Portland, Cumberland County, Maine. Avangrid Networks wholly owns CMP Group, Inc., which in turn wholly owns Central Maine Power Company (“CMP”). Avangrid Networks also wholly owns NECEC Transmission LLC (“NECEC LLC”).

2. Defendant Matthew Dunlap is the Secretary of State for the State of Maine. The Secretary is a state constitutional officer and maintains an office in the City of Augusta, County of Kennebec, State of Maine. Among other responsibilities, the Secretary of State is charged with conducting Maine’s system of state elections in accordance with state law. The Secretary is being sued in his official capacity. The relief requested in this action is sought against the Secretary, as

well as against the Secretary’s officers, employees, agents, and all persons acting in cooperation with the Secretary, under his supervision, at his direction, or under his control.

JURISDICTION

3. Jurisdiction is appropriate in this Court pursuant to 4 M.R.S. § 105.

4. Venue is appropriate pursuant to 14 M.R.S. § 505, as Avangrid Networks has an established place of business in Cumberland County.

FACTS

5. CMP, an electricity transmission and distribution utility that serves more than 620,000 customers in central and southern Maine, sought and received from the Public Utilities Commission (“PUC” or “Commission”) an Order granting a certificate of public convenience and necessity (“CPCN”) for the New England Clean Energy Connect Project (“NECEC” or “Project”).

6. The Law Court subsequently upheld, on appeal, the PUC’s Order granting the CPCN for the Project.

7. Proponents of a citizen initiative titled “Resolve, To Reject the New England Clean Energy Connect Transmission Project” (the “Initiative”) now seek to amend the Order to revoke the CPCN previously granted by the PUC for the Project.

8. Revocation of the CPCN would cause substantial financial harm to Avangrid Networks by terminating the Project.

The NECEC Project

9. In 2017, Massachusetts electric distribution companies issued a request for proposal for clean energy pursuant to the Commonwealth’s Green Communities Act, 2008 MASS. ACTS ch. 169, § 83D, as amended by 2016 MASS. ACTS ch. 188.

10. CMP, together with an affiliate of Hydro-Québec, submitted a joint proposal in response to that request.

11. The NECEC Project was an integral component of CMP's proposal.

12. Following an evaluation process, the CMP proposal (including the NECEC) was selected as the winning proposal.

13. The NECEC is a high voltage direct current ("HVDC") transmission line from the Maine-Québec border at Beattie Township to Lewiston, Maine that would be capable of delivering 1,200 MW of electricity from Québec to the ISO-New England grid.

14. The NECEC will enable the delivery of clean hydropower from Québec to New England, through a corridor consisting largely of land already devoted to power transmission, for at least twenty (20) years upon the Project's commercial operation date (expected in December 2022).

15. The core elements of the Project are: (1) a new 320 kV overhead HVDC transmission line, approximately 145 miles in length, from the Québec/Maine border to a new converter station in Lewiston, Maine and a new 1.6 mile 345 kV AC transmission line from the new converter station to CMP's existing Larrabee Road Substation in Lewiston; and (2) a new converter station at Merrill Road in Lewiston and certain required upgrades to the Larrabee Road Substation. The NECEC also includes several other upgrades to CMP's existing transmission lines and stations.

16. CMP is seeking the permits to construct, operate, and maintain the NECEC. The NECEC will be built on private land that CMP owns or controls, including along existing transmission corridors for more than half its length.

17. As required by the CPCN and upon receipt of regulatory approval, CMP will effectuate the transfer of the Project (including its real estate interests in certain NECEC-related property, its NECEC-related permits, and various third-party agreements) to NECEC LLC, which will develop, construct, operate, and maintain the NECEC.

18. The estimated capital cost of the NECEC, which will be paid for entirely by H.Q. Energy Services (U.S.) Inc. and the Massachusetts electric distribution companies, is approximately \$950 million.

Proceedings Before the PUC

19. On September 27, 2017, CMP filed with the PUC a petition for a CPCN to construct the NECEC pursuant to 35-A M.R.S. § 3132(6) and Chapter 330 of the PUC's Rules, 65-407 C.M.R. ch. 330 (2012).

20. In a 101-page order ("Order") dated May 3, 2019, the PUC granted CMP's petition. *Cent. Me. Power Co., Request for Approval of CPCN for the New England Clean Energy Connect Consisting of the Construction of a 1,200 MW HVDC Transmission Line from the Québec-Maine Border to Lewiston (NECEC) and Related Network Upgrades, No. 2017-00232, Order (Me. P.U.C. May 3, 2019)*. A true and correct copy of the Order is attached hereto as **Exhibit A**. In its Order, the PUC found that the NECEC "is in the public interest and, therefore, that there is a public need for the Project." Ex. A, at 6. Accordingly, the PUC issued a CPCN for the project. *Id.*

21. Prior to issuing the Order, the PUC engaged in a review lasting over nineteen (19) months. Thirty-one (31) parties participated in the PUC proceeding. Ex. A, at 13-14. There were multiple rounds of pre-filed testimony (which included thousands of pages of testimony and supporting materials), with written discovery and technical conferences held after every phase of

testimony. *Id.* at 14-15. The PUC held six (6) days of evidentiary hearings and three (3) public witness hearings. *Id.*

22. In its Order, the Commission weighed the benefits and costs of the NECEC to the ratepayers and residents of the State of Maine. As required by 35-A M.R.S. § 3132, these included the effects of the NECEC on economics; reliability; public health and safety; scenic, historic, and recreational values; and state renewable energy goals. Based on its consideration of these factors, the Commission found that the NECEC is in the public interest. *See* Ex. A, at 6.

23. Among other things, the Order stated that, “[b]ecause the NECEC-enabled power will be delivered into Maine, . . . significant benefits will accrue to Maine electricity consumers through operation of the regional wholesale market. These benefits are expected to accrue for a period of at least 20 years.” Ex. A, at 6. Specifically, the PUC concluded that the “NECEC will result in substantial benefits to Maine electricity customers because of the effect it will have on reducing energy and capacity prices in the wholesale market.” Ex. A, at 24.

24. The Order further stated that, “[i]n addition to the wholesale electricity price reductions that will result from the NECEC, the Project will also enhance system reliability and fuel security within Maine and the ISO-New England (ISO-NE) region.” Ex. A, at 6. The PUC found that “the system upgrades required by (and provided by) the NECEC will provide extra redundancy and reliability to the Maine system during normal operations modes.” *Id.* at 39.

25. The Order also stated that that “the NECEC will provide environmental benefits by displacing fossil fuel generation in the region, and associated greenhouse gas (GHG) production, and will provide substantial benefits to the Maine economy through the more than 1,600 jobs expected to be created during the NECEC construction phase, and on an ongoing basis through property taxes.” Ex. A, at 6. Specifically, the PUC concluded that (1) “the NECEC will result in

significant incremental hydroelectric generation from existing and new resources in Québec,” thereby reducing “overall GHG emissions through corresponding reductions of fossil fuel generation (primarily natural gas) in the region,” *id.* at 71; and (2) “a \$1 billion investment in a project located entirely in Maine, with the resulting employment and taxes it will produce, would result in substantial macroeconomic benefits to the State,” *id.* at 47.

26. The Order also found that the Project’s adverse effects on scenic and recreational values, and associated impacts on tourism and the economies of communities in proximity to the Project, were outweighed by “the ratepayer, economic, and environmental benefits of the NECEC.” Ex. A, at 6-7.

27. In sum, the PUC concluded “that the benefits from the development and operation of the NECEC to Maine ratepayers and citizens significantly outweigh the costs and detriments of the Project.” Ex. A, at 98. Accordingly, the PUC granted CMP’s requested CPCN. *Id.* at 98-99.

Appeal to the Maine Law Court

28. On May 7, 2019, NextEra Energy Resources, LLC (“NextEra”), an intervenor in the PUC proceeding, appealed the PUC’s Order granting the CPCN to construct the NECEC.

29. In its appeal, NextEra argued, among other things, that the PUC improperly found that the Project was in the public interest and that there is a public need for the NECEC.

30. In an opinion issued March 17, 2020, the Law Court denied NextEra’s appeal and affirmed the grant of the CPCN for the Project. *NextEra Energy Resources, LLC v. Me. Public Utils. Comm’n*, 2020 ME 34, ¶ 43, ___ A.3d ___. Specifically, the Law Court concluded that it “discern[ed] no error in the Commission’s determination that the NECEC project meets the applicable statutory standards for a CPCN.” *Id.* ¶ 1.

31. The Law Court rejected the argument that the PUC “misconstrued the plain and unambiguous language of 35-A M.R.S. § 3132 and failed to comply with the statutory scheme, including the statute’s mandate directing the Commission to identify a public need for the NECEC project.” *Id.* ¶ 20.

32. The Law Court concluded that the PUC adopted a reasonable interpretation of the “public need” requirement in granting the CPCN. *Id.* ¶¶ 22-27. It observed that the PUC “interpreted the public need standard as ‘essentially a general standard of meeting the public interest,’ requiring a careful weighing of the project’s benefits and costs to Maine ratepayers and residents.” *Id.* ¶ 25 (quoting Ex. A, at 18). The Court held that the PUC’s definition “is consistent with its rules, the legislative intent reflected in the statute, and Maine jurisprudence.” *Id.* ¶ 27.

33. The Law Court also concluded that the PUC appropriately found the “public need” requirement to be satisfied. *Id.* ¶¶ 28-38. It noted as follows:

In its comprehensive order, the Commission discussed the factors set out in section 3132(6), including the issues raised by NextEra concerning scenic and recreational values and Maine’s renewable energy generation goals. The Commission found that the value to Maine resulting from the NECEC’s energy price suppression effect would amount to \$14 - \$44 million annually, and capacity market price reduction for Maine residents in the amount of \$19 million annually over the first ten years. It found that there would be enhancements to transmission reliability and supply reliability and diversity. The Commission also found that the project would result in a reduction of greenhouse gas emissions. Further, it found that the project would have a positive impact on Maine’s gross domestic product, averaging \$94-\$98 million during the project’s construction period.

Id. ¶ 30 (footnote omitted). The Law Court went on to hold: “All of these findings are supported by significant record evidence.” *Id.*

34. The Law Court affirmed the PUC’s Order because the PUC “reasonably interpreted and applied the relevant statutory mandates in arriving at its decision to grant CMP a certificate of public convenience and necessity for the NECEC Project.” *Id.* ¶ 43.

The Citizen Initiative

35. Opponents of the Project have pursued a citizen's initiative that would revoke the CPCN granted by the PUC to CMP.

36. Proponents of the Initiative gathered voter signatures between October 2019 and February 2020. The Law Court subsequently held that the proponents obtained the constitutionally required number of signatures to place the initiative on the ballot in November 2020. *Reed v. Sec'y of State*, 2020 ME 57, ¶ 1, ___ A.3d ___ (per curiam).

37. Absent a court order declaring the Initiative in violation of the Maine Constitution and prohibiting it from appearing on the ballot, the Secretary of State is legally required to place the Initiative on the ballot for November 3, 2020. Me. Const. art. IV, pt. 3, § 18(2). The Secretary of State submitted the Initiative to the 129th Legislature during its second regular session. The second regular session of the 129th Legislature adjourned *sine die* on March 17, 2020. The Legislature did not enact the Initiative without change at the session at which it was presented.

38. On information and belief, the latest date by which the Secretary of State must determine the content of the ballot for the November 3, 2020 election, and whether it shall include the Initiative, in order to ensure the timely printing and distribution of ballots for that election date, is August 28, 2020.

39. The Initiative directs the PUC to amend its May 3, 2019 Order to find that the construction and operation of the Project are not in the public interest and that there is not a public need for the NECEC. The Initiative further directs that, because there is purportedly no public need, the amended order must deny the request for a CPCN for the Project.

40. Specifically, the Initiative states as follows:

Sec. 1. Amend order. Resolved: That within 30 days of the effective date of this resolve and pursuant to its authority under the Maine Revised Statutes, Title 35-A, section 1321, the Public Utilities Commission shall amend "Order Granting Certificate of Public Convenience and Necessity and Approving Stipulation," entered by the Public Utilities Commission on May 3, 2019 in Docket No. 2017-00232 for the New England Clean Energy Connect transmission project, referred to in this resolve as "the NECEC transmission project." The amended order must find that the construction and operation of the NECEC transmission project are not in the public interest and that there is not a public need for the NECEC transmission project. There not being a public need, the amended order must deny the request for a certificate of public convenience and necessity for the NECEC transmission project.

41. The Initiative would have the effect of reversing the PUC's Order granting CMP a CPCN for the Project, even though that Order is final and has been affirmed by the Law Court.

42. The Initiative would deny Avangrid Networks the substantial financial benefits that would accrue from undertaking the Project.

COUNT I
(Declaratory Judgments Act)

43. Plaintiff repeats and restates the allegations contained in the foregoing Paragraphs as if fully set forth herein.

44. Article IV, part 1, section 1 of the Maine Constitution vests the "legislative power" in the House of Representatives and Senate, while reserving to the people the "power to propose laws and to enact or reject the same at the polls independent of the Legislature." Me. Const. art. IV, pt. 1, § 1.

45. Article IV, part 3, section 18 of the Maine Constitution delineates the people's right to exercise legislative power via direct initiative: "The electors may propose to the Legislature for its consideration any bill, resolve or resolution . . . by written petition addressed to the Legislature." Me. Const. art. IV, pt. 3, § 18(1).

46. The Initiative exceeds the legislative power granted under article IV of the Maine Constitution, and is therefore not a valid direct initiative.

47. The Initiative is not legislative in character because it would enact no law, would repeal no law, and would amend no law.

48. The Initiative (1) sets forth no rule that is generally applicable and prospective in nature, and (2) establishes no new substantive criteria governing the CPCN process administered by the PUC. The Initiative instead directs the PUC to deny a single request for a CPCN.

49. Article III, section 1 of the Maine Constitution divides the powers of government “into 3 distinct departments, the legislative, executive and judicial.” Me. Const. art. III, § 1.

50. Article III, section 2 of the Maine Constitution provides for a strict separation of powers between the three branches of government, stating: “No person or persons, belonging to one of these departments, shall exercise any of the powers properly belonging to either of the others, except in the cases herein expressly directed or permitted.” Me. Const. art. III, § 2.

51. The Initiative violates article III, section 2 of the Maine Constitution because it purports to exercise judicial and executive power.

52. The Initiative reverses a final judgment rendered in a previous action, as to the individual parties to that action. In force and effect, it would vacate the Law Court’s decision in *NextEra Energy Resources, LLC v. Me. Public Utils. Comm’n*, 2020 ME 34, __ A.3d __.

53. The Initiative applies the law to a particular company based on individual facts and circumstances, contrary to the findings of an administrative agency. It would reverse the PUC’s grant of a single CPCN in a single administrative proceeding.

54. Article IV, part 3, section 13 of the Maine Constitution generally prohibits special legislation, stating: “The Legislature shall, from time to time, provide, as far as practicable, by

general laws, for all matters usually appertaining to special or private legislation.” Me. Const. art. IV, pt. 3, § 13.

55. The Initiative violates article IV, part 3, section 13 of the Maine Constitution because it constitutes impermissible special legislation.

56. The object of the Initiative could have been attained through general legislation.

57. An actual justiciable controversy exists between the parties regarding the constitutionality of the Initiative under the Maine Constitution.

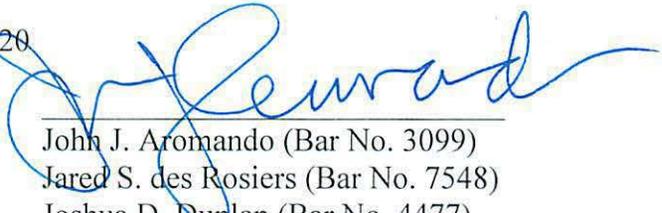
58. An order from this Court declaring that the Initiative is unconstitutional would terminate the uncertainty and controversy giving rise to this proceeding.

59. This Court has authority pursuant to 14 M.R.S. §§ 5951 *et seq.* to declare the rights of Avangrid Networks with respect to the Initiative.

WHEREFORE, Avangrid Networks prays for the following relief:

- 1) A declaratory judgment that the Initiative exceeds the scope of the legislative powers reserved to the people under article IV, part 3, section 18 of the Maine Constitution;
- 2) A declaratory judgment that the Initiative violates article III, section 2 of the Maine Constitution by usurping powers reserved to the executive and judicial branches;
- 3) A declaratory judgment that the Initiative violates article IV, part 3, section 13 of the Maine Constitution because it is a special law that singles out one corporation from generally applicable requirements of the law;
- 4) Injunctive relief preventing the Initiative from appearing on the November 3, 2020 ballot; and
- 5) All other and further relief as this Court deems just and appropriate.

Dated at Portland, Maine this 12th day of May 2020



John J. Aromando (Bar No. 3099)
Jared S. des Rosiers (Bar No. 7548)
Joshua D. Dunlap (Bar No. 4477)
Sara A. Murphy (Bar No. 5423)
PIERCE ATWOOD LLP
Merrill's Wharf
254 Commercial Street
Portland, ME 04101
(207) 791-1100

Attorneys for Avangrid Networks, Inc.

VERIFICATION

I, Thorn Dickinson, as the authorized agent of Avangrid Networks, Inc., declare under penalty of perjury that the factual allegations of the foregoing Complaint are true and correct, based on my personal knowledge, except where alleged on information and belief in which case I believe them to be true. Such personal knowledge includes information from records of the regularly conducted activities of Avangrid Networks, NECEC LLC, and CMP, made at or near the time of such activities by, or from information transmitted by, persons with knowledge, kept in the regular course of such activities, and of which it is the regular practice of Avangrid Networks, NECEC LLC, and CMP to make such records.

Executed on May 12, 2020, at Portland, Maine.

Avangrid Networks, Inc.

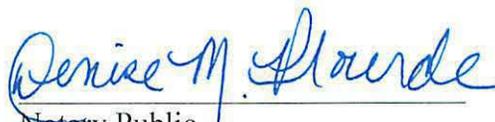
By: 

Thorn Dickinson
Vice President
As its authorized agent

STATE OF MAINE
Cumberland, ss

Personally appeared before me the above-named Thorn Dickinson, as the duly authorized representative of Avangrid Networks, Inc., and made oath that the statements made and verified by him herein are true.

DATED: May 12, 2020



Notary Public
My Commission Expires:

DENISE M. PLOURDE
Notary Public, Maine
My Commission Expires April 1, 2021

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2017-00232

May 3, 2019

CENTRAL MAINE POWER COMPANY
Request for Approval of CPCN for the
New England Clean Energy Connect
Consisting of the Construction of a 1,200
MW HVDC Transmission Line from the
Québec-Maine Border to Lewiston
(NECEC) and Related Network Upgrades

ORDER GRANTING
CERTIFICATE OF PUBLIC
CONVENIENCE AND
NECESSITY AND APPROVING
STIPULATION

VANNOY, Chairman; WILLIAMSON and DAVIS, Commissioners

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I. SUMMARY

The Commission finds that the construction and operation of the New England Clean Energy Connect (NECEC or Project) is in the public interest and, therefore, there is a public need for the Project. Accordingly, the Commission issues a certificate of public convenience and necessity (CPCN) for the NECEC. In addition, the Commission approves the Stipulation filed in this proceeding on February 21, 2019.

The Commission's finding that the NECEC meets the public interest and public need standards is based on a careful weighing of the benefits and costs of the NECEC to the ratepayers and residents of the State of Maine. As required by Maine statute, these include the effects of the NECEC on economics, reliability, public health and safety, scenic, historic and recreational values, and state renewable energy goals. 35-A M.R.S. § 3132(6). Based on its consideration of these factors, the Commission finds that the NECEC is in the public interest.

The Commission concludes that the NECEC meets the applicable statutory standards for a CPCN independent of the additional benefits that will be conveyed by the February 21, 2019 Stipulation. However, the provisions of the Stipulation augment the benefits of the Project.

The NECEC will allow for up to 1,200 MW of hydropower to be delivered to New England from Québec, Canada. The cost of constructing and operating the NECEC will be borne by customers of Electric Distribution Companies in Massachusetts (MA EDCs) and Hydro Québec (HQ). Because the NECEC-enabled power will be delivered into Maine, however, significant benefits will accrue to Maine electricity consumers through operation of the regional wholesale market. These benefits are expected to accrue for a period of at least 20 years. In addition to the wholesale electricity price reductions that will result from the NECEC, the Project will also enhance system reliability and fuel security within Maine and the ISO-New England (ISO-NE) region. In addition, the NECEC will provide environmental benefits by displacing fossil fuel generation in the region, and associated greenhouse gas (GHG) production, and will provide substantial benefits to the Maine economy through the more than 1,600 jobs expected to be created during the NECEC construction phase, and on an ongoing basis through property taxes.

The provisions of the NECEC Stipulation augment the benefits that will be realized by Maine ratepayers, communities and the environment by funding mechanisms and programs to provide rate relief to Maine ratepayers, benefits for low-income customers, and support for a variety of other programs intended to benefit Maine communities and the environment.

With respect to the effects of the Project on scenic and recreational values, and the associated impacts on tourism and the economies of communities in proximity to the Project, the Commission finds that these effects will be adverse. However, when these adverse impacts are balanced against the ratepayer, economic, and environmental benefits of the NECEC, the Commission finds that these adverse effects are

outweighed by the benefits. Moreover, the Commission expects that the scenic and recreational impacts of the NECEC will be reviewed and, to the extent appropriate and feasible, mitigated, through the processes at the Maine Department of Environmental Protection (DEP) and Land Use Planning Commission (LUPC).

Figure I.1 provides a summary of the impacts to Maine of the NECEC and the Stipulation provisions:

Figure I.1

Summary of NECEC Impacts			
Wholesale Market Effects	Description	Value to Maine	
		Nominal	Present Value
Energy Market Prices	Energy price suppression effect	\$14-\$44 million annually	\$122-\$384 million
Capacity Market Effect	Estimated capacity market price reduction	\$19 million annually for first 10 years	\$101 million
Reliability and Fuel Security	Enhancements to transmission reliability and supply reliability and diversity	Not quantified*	Not quantified*
Macroeconomic Effects	Description	Value to Maine	
		GDP is reported in chained 2009 dollars	
During Construction Period	Positive impact on Maine GDP	Annual average, 2017-2022: \$94-\$96 million	
During Operations	Positive impact on Maine GDP. Includes effect of wholesale energy and capacity market savings.	Annual average, 2023-2027: \$25-\$29 million	
Regional Environmental and Local Community Impacts	Description	Value	
Effects on Host Communities	Detrimental impact on scenic, historic and recreational values, associated tourism and local economy	Not quantified	
GHG Emissions Reductions	Reduction in regional carbon emissions	3.0 to 3.6 million metric tons/year	
Stipulation Conditions	Description	Value to Maine	
		Nominal	Present Value
Stipulation provisions	Benefits package included in Stipulation	Total \$250 million over 40 years	\$72-\$85 million

*As discussed in the Concurring Opinion of Commissioner Williamson, ISO-NE has provided estimates that suggest that fuel security and reliability benefits could provide value to Maine of approximately \$9.8 million annually for the years 2023-2024 and 2024-2025.

II. PROJECT BACKGROUND

A. NECEC Facilities

The NECEC will enable the delivery of up to 1,200 MW of hydroelectric power from Québec, Canada to New England for a period of at least 20 years. The expected commercial operation date of the NECEC is December 2022. The core elements of the Project are: (1) a new 320 kV overhead high voltage direct current (HVDC) transmission line, approximately 145 miles in length, from the Québec/Maine border to a new converter station in Lewiston, Maine and a new 1.6 mile 345 kV AC transmission line from the new converter station to Central Maine Power Company's (CMP) existing Larrabee Road Substation in Lewiston and (2) a new converter station at Merrill Road in

Lewiston (Merrill Road Converter Station) and certain required upgrades to the Larrabee Road Substation. The NECEC also includes several other upgrades to CMP's existing transmission lines and substations. As set forth in Appendix 1 of CMP's initial post-hearing brief, a complete list of the components that comprise the NECEC is listed in Sections II. B and II. C below.¹

B. Core Project Elements

1. Transmission Line Equipment

- New 145.3-mile +/-320 kV HVDC Transmission Line from the Canadian border to a new converter station located on Merrill Road in Lewiston (Section 3006) and
- New 1.6-mile 345 kV AC Transmission Line from the new Merrill Road Converter Station to the existing Larrabee Road Substation (Section 3007).

2. Substation Equipment

- New 345 kV AC to +/-320 kV HVDC 1200MW Merrill Road Converter Station and
- Additional 345 kV AC Transmission Line Terminal at the existing Larrabee Road Substation.

C. Network Upgrades

1. Transmission Line Equipment

- New 26.5-mile 345 kV AC Transmission Line from the existing Coopers Mills Road Substation in Windsor to the existing Maine Yankee Substation in Wiscasset (Section 3027);
- New 0.3-mile 345 kV AC Transmission Line from the existing Surowiec Substation in Pownal to a new substation on Fickett Road in Pownal (Section 3005);
- Rebuild of 9.3-mile 115 kV Section 62 AC Transmission Line from the existing Crowley's Substation in Lewiston to the existing Surowiec Substation;

¹ As noted in Ordering Paragraph 1 to this Order, the CPCN shall include and permit construction of any additional transmission facilities that ISO-NE determines are necessary to meet the requirements of Section I.3.9 of the ISO-NE Transmission Markets and Services Tariff or ISO-NE's Capacity Capability Interconnection Standard without further Commission review.

- Rebuild of 16.1-mile 115 kV Section 64 AC Transmission Line from the existing Larrabee Road Substation to the existing Surowiec Substation;
- Partial rebuild of 0.8 miles each of 115 kV Sections 60 and 88 AC Transmission Lines outside of the Coopers Mills Road Substation;
- Partial rebuild of 0.3 miles of 345 kV Section 392 AC Transmission Line between the Coopers Mills Road Substation and the Maine Yankee Substation and approximately 3.5 miles of reconductor work on existing double circuit lattice steel towers outside of the Maine Yankee Substation;
- Partial rebuild of 0.3 miles of 345 kV Section 3025 AC Transmission Line between the Coopers Mills Road Substation and the Larrabee Road Substation; and
- Partial Rebuild of 0.8 miles of 34.5 kV Section 72 AC Transmission Line outside of the Larrabee Road Substation.

2. Substation Equipment

- Replace existing Larrabee Road 345/115 kV 448MVA autotransformer with a 600MVA autotransformer;
- Additional 345 kV AC Transmission Line Terminal at the existing Maine Yankee Substation;
- Additional 345 kV AC Transmission Line Terminal and 115 kV switch replacements at the existing Surowiec Substation;
- 115 kV switch and bus wire replacements at Crowley's Substation;
- New 345 kV Fickett Road Substation with 345 kV +/-200MVAR Static Compensator (STATCOM);
- Additional 345 kV AC Transmission Line Terminal and additional 345 kV +/-200MVAR STATCOM (+/-400MVAR total with the +/-200MVAR existing) at the existing Coopers Mills Road Substation; and
- Additional 345/115 kV 448MVA Autotransformer, associated 115kV buswork and terminate existing 115 kV Sections 164, 164A, and 165 into 3 new breaker-and-a-half bays at the existing Raven Farm Substation.

The NECEC's proposed route is on private land that CMP owns or controls, including existing corridors for more than half its length. The proposed corridor for the new HVDC transmission line portion of the NECEC extends approximately 145.3 miles

from the Québec-Maine border at Beattie Township, in northern Franklin County, to the Larrabee Road Substation in Lewiston. Additionally, the Project includes upgrades to existing AC network facilities in various locations on CMP's existing transmission system.

The northern portion of the HVDC line is proposed to be built in currently undeveloped corridor primarily traversing commercial forest land, and the remainder of the corridor will be built within the undeveloped width of existing transmission corridors. The corridor begins in western Maine in Beattie Township (Franklin County) and extends southeast for about 4½ miles across Beattie Township, touches the southwest corner of Lowelltown Township (Franklin County) and then extends easterly about 27 miles across Skinner Township (Franklin County), then across Appleton Township, Raytown Township, Hobbstown Township, Bradstreet Township, and across the southwest corner of Parlin Pond Township (all in Somerset County). From that point, the corridor crosses onto Johnson Mountain Township extending southerly about 6½ miles over the approach to Coburn Mountain and into the valley between Coburn Mountain and Johnson Mountain and then turning east for about 2½ miles to the U.S. Route 201. Between the border and U.S. Route 201, the corridor is a 300-foot wide parcel.

The 300-foot wide corridor continues south across West Forks Plantation about 4¾ miles to the Kennebec River and the West Forks Plantation/Moxie Gore line (all in Somerset County). From the Kennebec River, the 300-foot wide corridor extends about 49 miles southeast across Moxie Gore and the Forks Plantation to the intersection with an existing transmission corridor near the Lake Moxie Road. The remaining section of the NECEC will be constructed on the existing corridor.

The estimated cost of the NECEC is approximately \$1 billion. As noted above, these costs will be paid for entirely by H.Q. Energy Services (U.S.) INC. (HQUS) and the MA EDCs.

D. Massachusetts RFP Process and Results

The NECEC is a component of a bid prepared jointly by CMP and Hydro Renewable Energy Inc. (HRE), an affiliate of Hydro-Québec, that was submitted in response to a Request for Proposals (RFP) issued by the MA EDCs pursuant to Section 83D of the 2008 Massachusetts Green Communities Act (Green Communities Act). Pursuant to the Green Communities Act, on March 31, 2017, NSTAR Electric Company d/b/a Eversource Energy (Eversource), Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (National Grid) and Fitchburg Gas and Electric Light Company d/b/a Unitil (Unitil), in coordination with the Massachusetts Department of Energy Resources (DOER), issued an RFP seeking bids to provide incremental clean energy and associated environmental attributes for approximately 9.45 TWh annually under long-term contracts of 15-20 years. The RFP set a proposal due date of July 27, 2017.

Forty-six bid packages² were received on or by the due date, including joint bids submitted by CMP and HRE³ offering two different NECEC configurations. Following an evaluation process by the MA EDCs and DOER, on January 25, 2018, an all-hydroelectric bid submitted by HRE and Northern Pass Transmission LLC (Northern Pass) was selected for contract negotiations. On February 1, 2018, the New Hampshire Site Evaluation Committee (NHSEC) denied the Northern Pass siting permit. On February 17, 2018, CMP was notified that the NECEC had been selected as the alternate winning bid.

The contractual arrangements underlying the NECEC include power purchase agreements (PPA) between HQUS (the successor to HRE) and each of the purchasing utilities in Massachusetts and transmission services agreements (TSA) between CMP and the MA EDCs and between CMP and HQUS. The PPAs and the TSAs were filed for approval with the Massachusetts Department of Public Utilities (DPU) on July 23, 2018.⁴ The Massachusetts DPU proceedings are on-going. In addition, CMP filed the TSAs for approval by the Federal Energy Regulatory Commission (FERC) and, on October 19, 2018, the TSAs were accepted by FERC to become effective October 20, 2018.⁵

As shown in Figure II.1, the PPAs are for different amounts of capacity, totaling 1,090 MW of the 1,200 MW capacity of the NECEC, and all extend for a 20-year term.

² The 83D bids can be viewed at <https://macleanenergy.com/83d/83d-bids/>.

³ HRE was proposed as a new U.S. affiliate of Canadian-based Hydro-Québec created for purposes of the Section 83D RFP. Ultimately, Hydro-Québec decided to have its existing U.S. affiliate, HQUS, serve as the counterparty for the NECEC PPAs and TSAs.

⁴ *Commonwealth of Massachusetts, Department of Public Utilities*, Petition of NSTAR Electric Company d/b/a Eversource Energy for Approval of Proposed Long Term Contracts for Clean Energy Projects Pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12, Docket No. D.P.U. 18-64; Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid for Approval of Proposed Long Term Contracts for Clean Energy Projects Pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12, Docket No. D.P.U. 18-65; and Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for Approval of Proposed Long-Term Contracts for Clean Energy Projects pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12, Docket No. D.P.U. 18-66. (MA EDC Petitions).

⁵ *Central Maine Power Company*, 165 FERC ¶ 61, 034 (2018).

Figure II.1

Power Purchase Agreements				
Counterparties		MW	Years	Reference
HQUS	Eversource	579.3	1-20	NEXRE-002-006, Attachment 1
HQUS	National Grid	498.3	1-20	Exhibit NECEC-16
HQUS	Unitil	12.3	1-20	NEXRE-002-006, Attachment 2

As shown in Figure II.2, there are seven different TSAs with CMP, three corresponding to the capacity and term of the PPAs with the MA EDCs. Three additional TSAs correspond to the capacity of the PPAs with the MA EDCs, but are between CMP and HQUS for years 21-40 of the expected life of the NECEC line. The final TSA is a 40-year agreement between CMP and HQUS for the remaining 110 MW of the line.

Figure II.2

Transmission Services Agreements				
Counterparties		MW	Years	Reference
CMP	Eversource	579.3	1-20	Exhibit NECEC-17
CMP	National Grid	498.3	1-20	Exhibit NECEC-18
CMP	Unitil	12.3	1-20	Exhibit NECEC-19
CMP	HQUS	579.3	21-40	Exhibit NECEC-20
CMP	HQUS	498.3	21-40	Exhibit NECEC-21
CMP	HQUS	12.3	21-40	Exhibit NECEC-22
CMP	HQUS	110.0	1-40	Exhibit NECEC-23

The PPAs and TSAs contain customary commercial terms and conditions and include provisions specific to the Green Communities Act and Section 83D solicitation. Generally, the PPAs provide for the delivery of an aggregate of 9,554,940 MWh annually of incremental hydroelectric generation and related Environmental Attributes from HQUS delivered through the NECEC Transmission Line to the delivery point in Lewiston, Maine. Each PPA also includes a methodology by which baseline and incremental energy deliveries are calculated.⁶ The PPAs also include provisions for reimbursement from HQUS for failure to meet delivery obligations. The PPAs do not

⁶ Specifically, the baseline hydroelectric delivery volume in the National Grid PPA is based on an initial 9.45 TWh volume subject to certain potential adjustments, while the Eversource and Unitil initial annual volume is 3 TWh, adjusted only for *force majeure* events.

include an obligation on the part of HQUS to obtain a Capacity Supply Obligation (CSO) in the ISO-NE Forward Capacity Market (FCM). The TSAs provide the terms by which the MA EDCs will purchase firm transmission service from CMP for the delivery of energy into New England over the NECEC line. Commercial operations under both the PPAs and the TSAs is expected to be no later than December 2022.⁷

III. PROCEDURAL BACKGROUND

A. Petition

On September 27, 2017, CMP filed its Petition for a CPCN, pursuant to 35-A M.R.S. § 3132(6) and Chapter 330 of the Commission Rules, to construct the NECEC, an HVDC transmission line from the Maine-Québec border at Beattie Township to Lewiston, Maine that would be capable of delivering 1,200 MW of electricity from Québec to the ISO-NE grid (CMP Petition).

On October 3, 2017, the Hearing Examiners issued a Notice of Proceeding that provided all interested persons with the opportunity to file a petition to intervene in this matter on or before October 13, 2017.

B. Intervention

The Commission received the following timely-filed petitions to intervene that were granted by the Hearing Examiners: The Office of the Public Advocate (OPA), the Industrial Energy Consumer Group (IECG), the Conservation Law Foundation (CLF), Ms. Dorothy Kelly, the Maine Renewable Energy Association (MREA), the Natural Resources Counsel of Maine (NRCM), and Western Mountains and Rivers Corporation (WM&RC).

Throughout the proceeding, the Commission also received numerous late-filed petitions to intervene. The Hearing Examiners granted all such requests for intervention on either a mandatory or discretionary basis by procedural orders dated November 27, 2017; March 28, 2018; April 27, 2018; August 28, 2018; September 6, 2018; October 2, 2018; October 11, 2018; October 15, 2018; and October 29, 2018. The intervenors in this proceeding that submitted late-filed petitions to intervene are the Governor's Energy Office (GEO), NextEra Energy Resources, LLC (NextEra), RENEW Northeast, Inc. (RENEW); Calpine Corporation, Vistra Energy Corporation (formerly known as Dynegy Inc.), and Bucksport Generation LLC (Calpine, Vistra, and Bucksport hereinafter collectively referred to as "GINT"; the Acadia Center; Friends of Maine Mountains (FMM); ReEnergy Biomass Operations LLC (ReEnergy); International Brotherhood of Electrical Workers Local Union 104 (IBEW); City of Lewiston (Lewiston); Town of Caratunk (Caratunk); Maine Chamber of Commerce (Chamber); Town of Farmington; Greater Franklin Development Council (GFDC); Trout Unlimited; Former Senator

⁷ MA EDC Petitions, Joint Direct Testimony of Jeffery S. Waltman, Timothy J. Brennan and Robert S. Furino, July 23, 2018 at 15, 36-37.

Thomas Saviello; Darryl Wood; Town of Alna; Town of Wilton; Town of New Sharon; Old Canada Road National Scenic Byway, Inc. (Old Canada Road); Town of Jackman; and Terry Brann.

C. Testimony, Discovery, Hearings

A variety of witnesses testified on behalf of CMP and intervenors in this proceeding. Written discovery was conducted and technical conferences were held after every phase of testimony.

The following prefiled testimony was submitted:

On January 26, 2018, Ms. Kelly submitted intervenor testimony.

On April 1, 2018, Ms. Kelly submitted additional intervenor testimony.

On April 30, 2018, GINT submitted direct intervenor testimony from Tanya L. Bodell, William S. Fowler, and James M. Speyer; NextEra submitted intervenor testimony from Christopher Russo and Stephen Whitley; and RENEW submitted intervenor testimony from Francis Pullaro.

On May 21, 2018, the Commission Staff filed a London Economics International (LEI) Report (LEI Report) on electricity market and macroeconomic benefits of the NECEC.

On July 13, 2018, CMP filed Rebuttal Testimony from Thorn Dickinson, Eric Stinneford, and Bernardo Escudero (Business and Policy Panel) (2) Chris Malone, Scott Hodgdon, and Justin Tribbet (Transmission Planning and Engineering Panel); and (3) Daniel Peaco, Douglas Smith, and Jeffrey Bower of Daymark Energy Advisors (Daymark).

On August 18, 2018, GINT submitted Surrebuttal Testimony of Tanya L. Bodell and William S. Fowler; and NextEra submitted Surrebuttal Testimony of: (1) Christopher Russo; (2) Robert Stoddard; and (3) Stephen Whitley, Dan Mayers, and Francis Wang.

On September 10, 2018, the Commission Staff submitted a memo prepared by LEI (LEI MOPR Memo) in response to the NextEra Surrebuttal Testimony regarding the Minimum Offer Price Rule (MOPR).

The Commission held evidentiary hearings in this matter on October 19, 2018 (LEI) and on October 22, 2018 (CMP Transmission Planning and Engineering Panel and NextEra witnesses Whitley, Wang and Mayer).

On October 26, 2018, at the request of the intervenors, the Hearing Examiners suspended the remaining evidentiary hearings until January 2019 to allow the Commission Staff and parties additional time to review and analyze the documents that CMP produced in response to ODR-014-004.

On December 10, 2018, GINT filed Supplemental Testimony from Tanya Bodell and William Fowler regarding the MOPR analysis. NextEra also filed Supplemental Testimony from Christopher Russo and LEI filed a Supplemental MOPR Memo.

The Commission held the remaining evidentiary hearings on January 8, 2019 (GINT witnesses Tanya Bodell and James Speyer); January 9, 2019 (CMP Business and Policy Panel witnesses Thorn Dickinson, Eric Stinneford and Bernardo Escudero); January 10, 2019 (CMP Transmission Planning and Engineering witnesses Christopher Malone, Scott Hodgdon and Justin Tribbet, and Daymark witnesses Daniel Peaco, Douglas Smith, and Jeffrey Bower); and January 11, 2019 (NextEra witnesses Christopher Russo and Robert Stoddard; and GINT witness Tanya Bodell).

The Commission convened three public witness hearings, each of which were noticed in advance by procedural order. The Commission held the first two public witness hearings on September 14, 2018 in Farmington and The Forks Plantation. The Commission held the third public witness hearing on October 17, 2018 at the Commission's offices in Hallowell. A total of 116 witnesses testified at these three public witness hearings. Twenty witnesses testified in support of the NECEC, 93 spoke in opposition to the Project, and three witnesses testified neither for nor against the Project.

D. Briefs and Public Comments

On February 1, 2019, CMP, OPA, IECG, GINT, NextEra, CLF, NRCM, Acadia Center, Caratunk, Lewiston, IBEW, Chamber, Ms. Kelly, RENEW, and WM&RC filed initial briefs and on February 13, 2019, CMP, OPA, IECG, GINT, NextEra, Caratunk, and Ms. Kelly filed reply briefs.

In their initial briefs, CMP, IECG, OPA, Chamber, Lewiston, IBEW, and WM&RC argue that the Commission should find a public need for the NECEC and issue a CPCN. These parties argue that the NECEC will lower regional energy and capacity costs, provide needed infrastructure to enhance the resilience of the grid, result in the export of clean hydropower generation from Québec into New England, and provide economic benefits through increased tax revenue and employment. The IECG and OPA's support for the Project is conditioned on CMP transferring the NECEC into an affiliate, or special purpose entity (SPE) to construct, own and operate the NECEC line and that Maine ratepayers be held harmless from the prior inclusion of costs arising from NECEC in regional or local transmission rates.

GINT, NRCM, NextEra, Caratunk, RENEW, and Ms. Kelly oppose the approval of the Project, arguing that CMP has not satisfied its burden to demonstrate that there is a public need for the NECEC. These intervenors argue that the NECEC is about an environmental policy initiated by another state (Massachusetts); it will not result in significantly lower electricity rates; it will not reduce GHG emissions, and could even result in increased emissions; its design will discourage the development of Maine-based wind and solar renewable generation; and it will permanently damage scenic,

historical, and recreational values in western Maine and result in a substantial loss of tourism. RENEW states that any approval of the Project should be conditioned on CMP increasing the transfer capability on the Surowiec-South interface.

CLF and Acadia Center argue that the Commission should require CMP to commit to a significantly more robust Project benefits package that includes substantial financial, resource and planning commitments that will, among other things, advance Maine's renewable energy goals, Maine's economy, and Maine's public health. Specifically, the Commission should require the Project to mitigate potential impacts on existing and future Maine-based renewables and to do more to advance the public health in Maine, including substantial financial contributions toward the decarbonization and electrification of Maine's transportation and heating sectors, including toward the expansion of electric vehicle and electric heat pumps.

In addition to the party arguments presented in the briefs, the Commission received over 1,350 public comments. Most of the public comments oppose the NECEC, primarily on the grounds the Project will result in irreparable harm to the environment and scenic values of western Maine, harm to wildlife, and negative impacts on regional tourism.

E. Stipulation

On February 21, 2019, CMP filed a Stipulation and supporting memorandum in this case. The Stipulation is supported by OPA, GEO, IECG, CLF, Acadia Center, WM&RC, Lewiston, the Chamber, IBEW, and FMM. The following parties oppose the Stipulation: NextEra; Ms. Kelly; GINT; NRCM; RENEW; MREA; ReEnergy; Caratunk; Former Senator Thomas Saviello, the Town of Wilton, and Old Canada Road.

On a February 21, 2019, a Procedural Order was issued that provided parties an opportunity to provide written comment on the Stipulation. Written comments were filed by GFDC, FMM, Caratunk, IBEW, NRCM, the Chamber, RENEW/MREA, Ms. Kelly, ReEnergy, CLF/Acadia Center, IECG/OPA, GEO, GINT, and Old Canada Road. A hearing was held on the Stipulation on March 7, 2019.

F. Examiners' Report

On March 29, 2019, an Examiners' Report was issued which contained Staff's recommendations on the issues in this proceeding. Exceptions or comments on the Examiners' Report were filed on April 8, 2019 by the following parties: ReEnergy, IECG, GINT, NRCM, WM&RC, Caratunk, CMP, NextEra, and Ms. Kelly.

IV. **STATUTORY REQUIREMENTS**

The governing statute in this proceeding is Title 35-A, Section 3132. This Section states that "a person may not construct any transmission line ... unless the commission has issued a certificate of public convenience and necessity approving construction." Section 3132(6) requires that, in its Order, the Commission "shall make

specific findings with regard to the public need for the proposed transmission line.” The Section also states that the Commission “shall make specific findings with regard to the likelihood that nontransmission alternatives can sufficiently address the identified public need over the effective life of the transmission line at lower total cost.”

Specifically, Section 3132(6) requires that:

In determining public need, the commission shall, at a minimum, take into account economics, reliability, public health and safety, scenic, historic and recreational values, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management.

Chapter 330 of the Commission’s Rules, Section 9(B), specifies that a “public need” is established upon a determination that “ratepayers will benefit by the proposed line” taking into account the statutory criteria cited above.

In recognition of the unique nature of this proceeding, the Hearing Examiners, on January 14, 2019, issued a Procedural Order identifying several specific legal issues for the parties to address in post-hearing briefs. The Commission discusses these legal issues and various requirements of Section 3132(6) below.⁸

A. Public Need

As stated above, Section 3132(6) provides, in part, that the Commission shall make specific findings with regard to the public need for the proposed transmission line and, if the Commission finds that a public need does exist, it must issue a CPCN. In determining public need, the Commission is directed to consider a number of factors. However, the terms “public need” and “public convenience and necessity” are not expressly defined in the statute.

In a typical CPCN proceeding, a Transmission and Distribution (T&D) utility identifies a reliability need and proposes a transmission project to address that need. The Commission then examines the extent of the reliability need and whether the proposed project is the lowest-cost means to address what is a “public need.” In contrast, the NECEC is not proposed to address an identified reliability need, but rather to import power from Québec through Maine to meet a public policy of Massachusetts.

The January 14, 2019 Procedural Order asked the parties to address:

⁸ The issues identified in the January 14, 2019 Procedural Order included the applicability of Title 35-A, Section 707 and Chapter 820 of the Commission’s Rules with respect to housing the project in a separate corporate affiliate and good will payments. Provisions included in the Stipulation address these matters; accordingly, the Commission does not address these legal issues in this Order.

How should the “public need” standard pursuant to section 3132(6) be considered and evaluated in the context of the NECEC as opposed to the more typical reliability transmission project?

1. Positions of the Parties

CMP, IECG, and WM&RC argue that, in determining whether the public need has been met, the statute does not preclude the Commission from considering the impact of these various factors on the broader region, including other New England states or needs specified by the Massachusetts solicitation. CMP Initial Br. at 8-15; IECG Initial Br. at 11-12; WM&R Initial Br. at 4-5. CMP, IECG and IBEW argue that “public need” is analogous to a “public benefit” or “public welfare,” which is a flexible concept that requires a balancing of the benefits of the Project against its costs and risks. CMP Initial Br. at 5-8; IECG Initial Br. at 11-14; IBEW Initial Br. at 2-3. The OPA takes the position that the term “public need” is broad enough to encompass funds provided to Maine communities and citizens to mitigate any harms that could flow from the construction and operation of the NECEC. OPA Initial Br. at 19-22.

GINT and Caratunk argue that the Commission should only focus on whether the NECEC meets a Maine public need in that it must be assumed that the Maine law governing the approval of electric transmission projects in Maine was not designed to accommodate a public need in another state. GINT Initial Br. at 73-76; Caratunk Initial Br. at 7-9. NextEra argues, that, in interpreting public need, the Commission should not approve the NECEC if it conflicts with one or more of the statutory criteria. NextEra Initial Br. at 2-4.

2. Discussion

Section 3132 does not define what constitutes a “public need.” However, the meaning of public need in the context of a public convenience and necessity proceeding is established in case law. The Law Court has recently construed “public convenience and necessity” as being synonymous with “public benefit” or “public interest.” *Enhanced Communications of Northern New England, Inc. v. Public Utilities Commission*, 2017 ME 178, at fn. 4; *See also Zachs v. Department of Public Utilities*, 547 N.E.2d 28, 32 (Mass. 1989) (holding that the phrase “public convenience and necessity” is a term of art that stands for the general notion of public interest).

Thus, the “public need” standard in this case is essentially a general standard of meeting the public interest. A determination of “public interest” generally requires a careful weighing of the benefits and costs of the Project, including those that are quantifiable and those that are not. With respect to whether the “public” includes regions beyond Maine, the Commission interprets the statutory public interest standard to pertain to Maine. In this case, the standard involves consideration of the benefits and costs of the NECEC to Maine’s ratepayers and residents, rather than its role in meeting energy policies in another state. Finally, the Commission disagrees that every factor identified in the statute for consideration by the Commission must be satisfied or

promoted for a “public need” determination to be made, as long as, on balance, the overall benefits of the Project outweigh the costs.

B. Nontransmission Alternatives (NTA)

Title 35-A, Section 3132(2-D) requires that the Commission “consider the results of an investigation by an independent 3rd party... of nontransmission alternatives to construction of the proposed transmission line.” In addition, Section 3132(6) states that the Commission “shall make specific findings with regard to the likelihood that nontransmission alternatives can sufficiently address the identified public need over the effective life of the transmission line at lower total cost.”

In the January 14, 2019 Procedural Order, the Hearing Examiners asked parties to address:

How should section 3132(2-D), which states that the Commission shall consider the results of an independent third-party investigation of nontransmission alternatives to the proposed transmission project, be considered in the context of the NECEC as opposed to a reliability transmission project?

1. Positions of the Parties

CMP, IECG, OPA, Acadia Center, CLF, and WM&RC argue that the statutory provisions were drafted under an expectation that a proposed transmission line is being constructed either for reliability purposes or to provide Maine with energy, as historically has been the case. CMP Initial Br. at 166-169; IECG Initial Br. at 17-18; OPA Initial Br. at 23-24; Acadia Center Initial Br. at 4; Kelly Initial Br. at 8-9, NextEra Initial Br. at 6-8. In this case, the public need is to deliver hydroelectric energy from Québec to Massachusetts. In addition, these parties note that, because the NECEC will not be paid for by Maine ratepayers, there cannot be a lower-cost NTA alternative.

NRCM, NextEra, GINT, and Ms. Kelly argue that nothing in the statute exempts a project with no reliability component, like the NECEC, from the requirement of a CPCN applicant to conduct an NTA investigation. NRCM Initial Br. at 5-7; NextEra Initial Br. at 6-8; GINT Initial Br. at 76-78; Kelly Initial Br. at 8-9. Therefore, an investigation must be conducted in this proceeding to determine whether an NTA can economically and reliably address the public need identified for the NECEC.

2. Discussion

The Commission concludes that, because there is no NTA that can feasibly substitute for the NECEC, the statute does not require that an independent analysis of the costs of potential NTAs be conducted. The purpose of the NECEC is to transmit hydroelectric generation from Québec to New England to meet the requirements of the MA EDCs. Thus, no NTA, whether large-scale generation, distributed generation, demand response resource, or conservation alternative, can replace the NECEC. A

contrary interpretation of the statute that would require an NTA analysis would lead to absurd results and cannot be the intent of the Legislature. *Town of Madison, Dep't. of Elec. Works v. Pub. Utils. Comm'n*, 682 A.2d 231, 234 (Me. 1996) (plain meaning will be applied so long as it does not lead to an absurd, illogical, or inconsistent result).⁹

This conclusion is consistent with the Commission's decision in Docket No. 2010-00180 that approved a stipulation and issued a CPCN allowing CMP to construct a transmission line reinforcement, despite the absence of an NTA analysis. In that proceeding, the Commission held that an NTA was "not feasible," because it required adding load behind an identified export constraint, and CMP could not "force the location of customers." *Central Maine Power Company and Public Service Company of New Hampshire, Request for Certificate of Public Convenience and Necessity for the Somerset County Reinforcement Project Consisting of the Construction of Approximately 39 miles of 115 kV Transmission Lines ("Section 241")*, Docket No. 2010-00180, Order Approving Stipulation at 10-11 (Aug. 15, 2011).

C. Public Health and Safety, Scenic, Historic and Recreational Values

The January 14, 2019 Procedural Order asked parties to address the following issue:

Based upon the assumption that the Legislature did not intend that the Commission duplicate the functions of the Department of Environmental Protection (DEP), how should the requirement in section 3132(6) that the Commission consider "public health and safety, scenic, historic and recreational values" be interpreted and applied? Is the interpretation and application of this requirement different in the context of the NECEC as opposed to a reliability transmission project?

1. Positions of the Parties

CMP, IECG, WM&RC, and IBEW argue that the Commission should defer to the DEP and the LUPC, with respect to issues relating to public health and safety, scenic, historic and recreational values, and that approval may be conditioned on future receipt of all necessary permits and approvals from such agencies. CMP Initial Br. at 16-25; IECG Initial Br. at 14-15; WM&R Initial Br. at 14-15; IBEW Initial Br. at 3-4. Sections 3132(6), (7), and (8) provide the Commission an opportunity to consider the findings of the DEP with respect to any modifications ordered by the DEP and contemplates an iterative process, if necessary, in which the Commission would review the DEP's findings if it imposes additional costs on the project. In this manner, redundant and potentially inconsistent project reviews by State agencies can be avoided.

⁹ The Commission notes that, even if an NTA could meet the identified public need, such an alternative could not do so at a lower total cost to Maine customers because Maine customers will not pay for the NECEC.

NRCM, CLF, Acadia Center, NextEra, GINT, and Caratunk argue that the Commission does not have to duplicate the specific responsibilities of DEP and LUPC and is the only regulatory agency that can adequately consider the overall impacts to Maine's "public health and safety, scenic, historic and recreational values" in the context of a broader cost-benefit analysis. NRCM Initial Br. at 4-5; CLF Initial Br. at 10-13; Acadia Center Initial Br. at 3; NextEra Initial Br. at 4; GINT Initial Br. at 74-76; Caratunk Initial Br. at 9-11. DEP and LUPC only focus on their specific statutory criteria, which do not include energy market issues and ratepayer impacts. Moreover, there is no language in the CPCN statute that authorizes the Commission to delegate its consideration of these statutory criteria to DEP. Finally, the Commission, the DEP and LUPC are charged with administering different statutes, and each agency is equipped to administer its duties with different standards of review.

2. Discussion

In the typical reliability project, the Commission would first consider whether there is a public need for the proposed transmission line. Upon such a finding, the Commission would then review the other statutory considerations, including the need to mitigate impacts on such things as public health and safety, scenic, historic, and recreation value.

To interpret the statutory language in the context of the current proceeding, and upon the assumption that the Legislature did not intend duplication among State agencies, the Commission examines the statutory authority and functions of Maine's DEP and LUPC. This examination reveals different types of reviews undertaken by the various agencies. While the Commission's review of these statutory criteria is in the context of whether the utility has met its burden of showing there is a public need for the project, DEP's review of similar criteria is different in that it considers whether the utility has shown that its project (1) does not unreasonably interfere with existing scenic, aesthetic, and recreational uses, among others and (2) whether the utility has shown that it "has made adequate provision for fitting the development harmoniously into the existing natural environment and that the development will not adversely affect existing uses, scenic character" 38 M.R.S §§ 480-D, 484. The LUPC's role is to determine, among other things, whether there is no alternative site which is both suitable to the proposed use and reasonably available to the applicant and that the use can be buffered from those other uses and resources for which it is incompatible.

In addition, the statutory scheme generally contemplates that the Commission's decision would occur prior to that of the DEP or LUPC. Thus, the overall statutory scheme can be read to contemplate that if the Commission does not grant the CPCN, such a determination eliminates the need for the DEP or LUPC to conduct their reviews. Accordingly, upon reviewing the applicable statutes together, the Commission finds that the evaluation of the NECEC by the Commission, the DEP, and LUPC are complementary and the evaluation of impacts, such as scenic and recreational values, can be accomplished without significant duplicating or overlapping reviews.

Thus, the Commission concludes that it is not appropriate for the Commission to defer to other agencies. Accordingly, the Commission must consider the impact of the NECEC on public health and safety, scenic, historic, and recreation values as part of its overall assessment of whether the NECEC is in Maine's public interest.

D. State Renewable Energy Generation Goals

The January 14, 2019 Procedural Order asked parties to comment on the following:

How should the requirement in section 3132(6) that the Commission consider "state renewable energy goals" be considered in the context of the NECEC?

- *Referring to the definitions of "renewable capacity resource" in section 3210(2)(B-3) and of "renewable resource" in section 3210(2)(C), should the hydroelectric generation to be transmitted over the NECEC be considered "renewable" for purposes of promoting "state renewable energy goals" under Maine law?*
- *Referring to the "State's goals for reduction of greenhouse gas emissions within the State" contained in Title 38, section 576, is this provision relevant to the consideration of the NECEC proposal and the associated hydroelectric power located in Canada?*
- *Are there other Maine statutory provisions that are relevant to the Commission's consideration of "state renewable energy goals" in this proceeding?*

1. Positions of the Parties

CMP argues that, although the NECEC-enabled generation does not fall within the definition of a renewable resource or a new renewable capacity resource under Title 35-A, because the NECEC energy will come primarily from dams with more than 100 MW of production capacity, the Project will provide many of the same benefits as hydroelectric power that satisfies Maine's definition of a renewable resource. CMP Initial Br. at 115-125. CMP asserts that the NECEC is a substantial source of clean, reliable baseload hydroelectric generation that diversifies the sources of electricity production for all of New England, including Maine, and reduces the region's and Maine's dependence on natural gas-fired generation. CMP argues, further, that the Commission may consider the extent to which the proposed Project will facilitate Maine's achievement of GHG emissions reduction targets set forth in 38 M.R.S., Section 576 (Climate Change Act). CMP Initial Br. at 163-165.

NRCM, GINT, Caratunk, and Ms. Kelly argue that the Commission should not consider hydroelectric generation transmitted over the NECEC from Québec to

Massachusetts as a renewable resource for the purposes of promoting “state renewable energy goals,” because it would not qualify as a “renewable capacity resource” under Section 3210(2)(B-3) or as a “renewable resource” under Section 3210(2)(C). NRCM Initial Br. at 4-7; GINT Initial Br. at 78-80; Caratunk Initial Br. at 17-19; Kelly Initial Br. at 9-12. In both instances qualifying generation is limited to capacity below 100 MW for hydroelectric generators, while most of Hydro Québec’s generation portfolio exceeds 100 MW. In addition, these parties argue that consideration of “state renewable energy goals” requires that the Commission take into account the goals as expressed in the Maine Wind Energy Act and the Maine Solar Energy Act, arguing that the NECEC would make it more difficult for the goals of these Acts to be achieved.

2. Discussion

Title 35-A, Section 3210 governs Maine’s renewable portfolio standards (RPS). Section 3210(1) states:

In order to ensure an adequate and reliable supply of electricity for Maine residents and to encourage the use of renewable, efficient and indigenous resources, it is the policy of this State to encourage the generation of electricity from renewable and efficient sources and to diversify electricity production on which residents of this State rely in a manner consistent with this section.

The statute specifies “hydroelectric generators” as a “renewable resource,” but limits the size of any RPS qualifying resource¹⁰ (except for wind power) to 100 MW or less. Title 35-A M.R.S. § 3210(2)(C)(f). Chapters 3-A (Climate Change) and 3-B (Regional Greenhouse Gas Initiative) of Title 38 address State policies and programs specifically related to GHG emissions. Chapter 3-A establishes GHG reduction targets for the State, and Chapter 3-B authorizes Maine’s participation in the Regional Greenhouse Gas Initiative (RGGI), which is a multi-state cooperative effort to cap and reduce CO₂ emissions from electric generators. Taken together, these statutory provisions include various renewable energy related goals, including supply diversity and reliability, and GHG emission reductions.

In addition, the Legislature has found that in-state hydropower makes a “significant contribution to the general welfare of the citizens of the State” in that it is a “large-scale energy resource which does not rely on combustion of a fuel, thereby avoiding air pollution, solid waste disposal problems and hazards to human health from emissions, wastes and by-products.” 38 M.R.S. § 631(1). For these reasons, the Commission finds that the promotion of incremental hydroelectric generation for import into the New England market supports the “state renewable energy generation goals” as set forth in Section 3132(6). As enumerated in the statutory provisions discussed above, these goals include promoting adequate, reliable, and diverse sources of electricity supply and GHG emission reductions.

¹⁰ The fact that hydropower facilities larger than 100 MW do not qualify for Maine’s RPS does not mean that they are not producing energy that is renewable.

The Commission also concludes that both the Maine Solar Energy Act, 35-A M.R.S. § 3472 *et. seq.* and the Maine Wind Energy Act, 35-A M.R.S. § 3402 *et. seq.*, are relevant to the Commission's consideration of "state renewable energy goals" in this proceeding. The Maine Solar Energy Act advances the goals of "[e]nsuring that solar electricity generation, along with electricity generation from other renewable energy technologies, meaningfully contributes to the generation capacity of the State through increasing private investment in solar capacity in the State." In furtherance of these and other goals, the Act creates a State policy of "encourag[ing] the attraction of appropriately-sited development related to solar energy generation, including any additional transmission, distribution and other energy infrastructure needed to transport additional solar energy to market . . . for the benefit of all ratepayers." Similarly, the Maine Wind Energy Act creates a state policy of "encourag[ing] the attraction of appropriately sited development related to wind energy" and establishes Maine's in-state wind goals of at least 3,000 MW of installed wind by 2020, and 8,000 MW of installed wind by 2030.

Thus, the question of whether the NECEC facilitates or hinders solar or wind resource development in Maine is an issue when considering whether the NECEC is in the overall public interest.

V. ANALYSIS OF NECEC IMPACTS

A. Electricity Market Price and Ratepayer Impacts

1. Overview

Based on the record in this proceeding, the Commission finds that the NECEC will result in substantial benefits to Maine electricity customers because of the effect it will have on reducing energy and capacity prices in the wholesale market. These market price benefits accrue to Maine customers due to the reductions in wholesale prices that will result from the delivery over the NECEC from Hydro Québec of a substantial amount of energy and capacity into the Maine Zone at the Larrabee Road Substation in Lewiston. As a contractual matter, the NECEC will deliver energy to the MA EDCs. As a *physical* matter, however, the beneficial effects of that energy will be realized directly by Maine consumers through lower electricity supply prices.

As discussed below, the record demonstrates that market price reduction benefits will result from the NECEC, notwithstanding the divergence among the experts and the parties with respect to their magnitude. Moreover, the record demonstrates that benefits will flow to Maine for a period of at least 20 years.

In addition, the Commission finds that the NECEC will enhance transmission reliability, and supply reliability and diversity in the region, and serve as a hedge against high and volatile natural gas prices.

2. Energy Market Impacts

a. Overview

The evidence in the record in this proceeding demonstrates that the NECEC will result in a reduction to wholesale energy prices in Maine and across the New England region. The wholesale energy benefits in Maine, as estimated by the Commission's expert, LEI, and CMP's expert, Daymark,¹¹ range from \$14 million to \$44 million dollars per year in nominal dollars, and the estimated net present value (NPV) benefits over the first 15 years of NECEC operations range from \$122 million to \$384 million (2023\$). LEI Report Figure 4.

b. Description of the Wholesale Energy Market

Maine is part of a regional electricity system and market operated and administered by ISO-NE. The rules of the energy market are set forth in ISO-NE Market Rule 1.¹² Energy prices in the ISO-NE market, referred to as "locational marginal prices" or "LMP", are comprised of three components: an energy component, a loss component, and a congestion component. Suppliers of energy to the market are paid the LMP applicable to their location, or "node", and entities that serve customer loads are charged the LMP applicable to the locational "zone" within which the load is located.

As described by the ISO-NE:

Locational marginal pricing is a way for wholesale electric energy prices to reflect the value of electric energy at different locations, accounting for the patterns of load, generation, and the physical limits of the transmission system....

An LMP is the price for electric energy at each load zone, external interface with neighboring regions, and the Hub that reflects (1) the operating characteristics of, and (2) the major constraints on, the New England transmission system at each area, as well as (3) the losses resulting from physical limits of the transmission system. The energy component of all LMPs is the price for electric energy at the "reference point," which is the load-weighted average of the system node prices...

¹¹ GINT provided an analysis of the energy market benefits of the NECEC using Calpine's UPLAN model during, but only for a single year of operation, 2023. Bodell Dir. Test. at 22.

¹² Information relating to ISO-NE's Market Rule 1 can be found at <https://www.iso-ne.com/participate/rules-procedures/tariff/market-rule-1>

The congestion component of a nodal LMP reflects the marginal cost of congestion at a given node or external node relative to the load-weighted average of the system node prices. The congestion component of a zonal price is the weighted average of the congestion components of the nodal prices that comprise the zonal price. The congestion component of the Hub price is the average of the congestion components of the nodes that comprise the Hub.

The loss component of an LMP at a given node or external node reflects the cost of losses at that location relative to the load-weighted average of the system node prices. The loss component of a zonal price is the weighted average of the loss components of the nodal prices that comprise the zonal price. The loss component of the Hub price is the average of the loss components of the nodes that comprise the Hub.¹³

Because prices paid to a generator/supplier for energy reflect the LMP at the generator's physical point of delivery, or node, they convey to the generator the value of its energy taking into account the effects of energy delivered at that node on losses and congestion. In particular, if delivery of energy at a given node would increase congestion and losses, the LMP paid to the supplier for that energy would be reduced to reflect those effects. The intent of the three-part LMP, at least in part, is to send a price signal to incentivize generators to locate where it is efficient to do so.

As noted by GINT witness Ms. Bodell:

...The point of these prices as calculated by ISO New England is to send a price signal. And the price signal, if it's lower, says don't build here because we don't need you as much, and if it's higher, it says we'd like you to build here, with respect to generation. And it can send the same type of signal with respect to load if you're passing through the price. So, the price signal that ISO New England calculates is meant to send the signal to create economic buildout where it's needed.

...

Generally, the highest prices occur at load centers. So, I would expect Boston would have among the highest because it's hard to get energy in there....

Hearing Tr. at 125-6 (Jan. 8, 2019).

Thus, if there were no barriers to locating new sources of supply anywhere in New England, nor any practical considerations such as proximity to fuel sources (such as natural gas pipelines or, in the case of hydropower, water sources) then presumably

¹³ Information relating to ISO-NE's Locational Marginal Pricing can be found at <https://www.iso-ne.com/participate/support/faq/lmp>

new power plants and other sources of supply would choose to locate at the nodes where LMPs are the highest and with the least negative congestion and loss effects. However, there are such barriers and practical factors that drive location decisions by generators. These considerations, together with the LMP price signal, influence where new plants will be sited. If a new supply source chooses to locate at a point that results, for example, in an increase to the loss component of the LMP, that does not by itself suggest the decision was not economically rational.

In this case, because the NECEC-enabled energy will be paid based on a contract price, rather than the LMP at Larrabee Road, the 83D RFP process and results may also bear on the economic rationality question. As discussed at the January 8, 2019 hearing, the NECEC was selected as part of competitive solicitation process in which more than 50 bids from 46 different bidders were received. Hearing Tr. at 129 (Jan. 8, 2019). The Commission presumes that the evaluation of the competing bids would have taken into account the relative economics of the various projects, including the energy value at the project's delivery node given that, at least with respect to the NECEC, is the energy market value the MA EDCs will realize. As noted above, although the LMP would be higher in load centers such as Boston, it would be difficult and expensive to actually site a new power plant in, or deliver energy to, those areas. Thus, in evaluating economic rationality, the analysis, either in the wholesale market or a competitive bid process, becomes one of tradeoffs among various factors. Finally, it should be noted that, from a consumer's point of view, lower zonal LMP's, *i.e.*, more negative loss and congestion components, translate directly into lower prices for customers located in that zone.

c. Price-Taking Resources

A supplier bidding energy into the ISO-NE market will generally bid a price that reflects its marginal cost of production. Resources such as the NECEC, which have delivery obligations and are paid pursuant to a pre-established contract, or resources like hydropower that have a low marginal cost of production, have the economic incentive to bid a low or zero price with ISO-NE to ensure they will be dispatched. This type of resource is described as "price taking" in that the resource will commit to, or "take," the market clearing price, whatever it turns out to be when actually dispatched. Price-taking resources lower the energy market clearing price by displacing energy from more expensive units.

The NECEC is likely to be a price-taking resource. As noted by LEI: "LEI also assumed that the shippers on NECEC would offer as price takers in the wholesale energy market in order to fulfill their contractual obligations to Massachusetts." LEI Report at 18. By offering NECEC energy as a price-taking resource, HQUS can ensure that the NECEC energy will be selected before higher-priced resources.

d. Analysis in the Record and Positions of the Parties

As noted above, analyses of the effect of the NECEC on wholesale energy prices in Maine and the region were provided by Daymark and LEI.¹⁴ Daymark's analysis, which was conducted using its AURORA production cost model, indicated that the import of energy at the full 1,200 MW capacity of the NECEC transmission line would reduce LMPs on average by \$3.70/MWh. CMP Exh. NECEC 5 at 11. Daymark concluded that these price reductions would save Maine electricity customers \$44 million per year relative to what customers would have paid but for the NECEC. *Id.* Daymark concluded, further, that the NECEC would provide a benefit of \$496 million NPV (2023\$) for Maine electricity customers over the first 20 years of the project. *Id.*

LEI's analysis of the energy market benefits of the NECEC, conducted for a 15-year period using LEI's proprietary production cost model POOLMod, also indicated savings for Maine electricity customers, albeit at a lower level than Daymark's. Specifically, LEI found that over the first 15 years of operation, the NECEC would yield wholesale energy cost reductions for Maine customers of about \$14 million per year, which equates to an aggregate benefit of \$122 million NPV (2023\$) over this period. LEI Report at 31-32.

CMP asserts that the NECEC will lower wholesale electricity supply prices in Maine, and that this is consistent with Maine's policy to encourage the reduction of electricity costs for Maine customers. CMP Initial Br. at 29. CMP cites to the analyses of energy market price impacts on the record, including the single-year analysis of GINT, as evidence that the NECEC will reduce wholesale and retail electricity prices in Maine and throughout New England. *Id.* at 30. According to CMP, the models taken together delineate a potential range of energy price suppression benefits from the NECEC, with LEI on the low end at \$13 million per year in retail energy price suppression benefits, GINT in the middle at \$26-\$36 million wholesale energy price suppression benefits for the year 2023, to Daymark on the high end at \$44 million per year in wholesale energy price suppression benefits. *Id.* at 35. CMP disputes the claims of GINT and NextEra that NECEC will create material congestion in the ISO-NE wholesale energy market. *Id.* at 36-38. CMP argues, further, that the NECEC will mitigate the impacts of sustained natural gas price increases by inducing an average annual reduction of 54.2 million MMBtu of natural gas and provide a hedge against temporary increases in natural gas prices. *Id.* at 39-40.

The IECG states that there is no dispute in this proceeding that increasing the available supply of zero-bid energy into the ISO-NE market would provide energy market price benefits to Maine electricity consumers. IECG Initial Br. at 20. The IECG notes that, as a generation resource with no incremental fuel cost, HQ's hydroelectric power will be able to bid into the ISO-NE energy markets a price of zero, allowing it to collect the locational marginal price for its output in all hours that it supplies energy. In every hour that this occurs, the market clearing price will be lowered as the most

¹⁴ GINT also conducted an analysis of energy market benefits of the NECEC using Calpine's UPLAN model. However, the analysis was conducted for only the first year of the NECEC operations.

expensive generation resource is replaced by a lower-cost generation resource as the unit that sets the market clearing price. The IECG notes, further, that because the market clearing price is paid to all successful bidders, regardless of the price that they themselves bid, this represents a price reduction for every kilowatt hour sold in such hours. *Id.* at 21.

The IBEW argues that the LEI estimates of energy and capacity market savings are based on extremely conservative assumptions, but provide additional corroboration of Daymark's conclusion that there are significant ratepayer savings that would be provided by the NECEC. IBEW urges the Commission to make such a finding. IBEW Br. at 3. The City of Lewiston argues that the NECEC will facilitate the transmission of up to 1,200 MW clean hydropower generation to the New England transmission grid for 40 years and help to lower electricity costs. Lewiston Initial Br. at 4. The Chamber notes that, although it supports the NECEC for a variety of reasons, the energy cost reduction benefits of the Project are particularly significant for Maine businesses that use a lot of electric energy and any prospective Maine business considering its energy costs. Chamber Initial Br. at 4. Acadia Center states the region will economically benefit from the NECEC through expected reductions in regional wholesale market prices. Acadia Center Initial Br. at 3. WM&RC also asserts that the NECEC will likely provide lower wholesale market prices. WM&RC Initial Br. at 11. Finally, the NRCM agrees that the NECEC will depress energy prices in Maine; however, NRCM asserts that the NECEC could increase congestion, making it more costly for Maine renewable generators to reach the market. NRCM Initial Br. at 17.

GINT argues there is no meaningful energy market price suppression benefit to ratepayers. GINT Initial Br. at 33. GINT bases this position on a number of different factors. First, natural gas price futures have decreased since the energy price impact analyses have been conducted. *Id.* at 34. Second, GINT asserts that, because there is no meaningful requirement for NECEC deliveries to be incremental, price suppression will be minimal. *Id.* at 35. GINT also argues that any energy market price reductions would be negated by increases to capacity market prices as generators submit higher capacity market bids in an effort to recover revenues needed to remain viable. *Id.* at 39. GINT asserts, further, that the NECEC will increase "wasteful" line losses and congestion to the detriment of Maine's existing and future generation base. *Id.* at 43. Finally, GINT argues that any energy market price suppression due to the NECEC could harm Maine generators, especially biomass and small hydropower plants. *Id.* at 59-60.

NextEra asserts any energy benefits from the NECEC are speculative and limited in time. NextEra Initial Br. at 19. According to NextEra, the flexibility of the contract delivery terms with the MA EDCs can affect when and how much energy flows over the NECEC, which in turn, impacts whether and how much of the claimed energy price suppression benefits will be realized. *Id.* at 21. Finally, because the analytical estimates of energy benefits extend to only the first 20 years of the contract, NextEra argues that any price suppression benefits from years 21–40 are only speculative. *Id.* at 24.

Caratunk argues that the NECEC will not do much if anything to lower costs for ratepayers. Caratunk Initial Br. at 4. Ms. Kelly cautions that there are no assurances that the NECEC will, in fact, lower costs for Maine ratepayers over the long term, and that the analyses conducted to estimate the benefits are based on assumptions. Kelly Initial Br. at 13.

e. Discussion

As noted above, HQUS has contractually committed to provide, and the MA EDCs have committed to purchase, 9.45 TWh of energy per year for 20 years to be delivered over the NECEC. Given the available capacity of the NECEC, this obligation will require energy to be delivered at a very high capacity factor. Stated another way, energy will have to be delivered in almost every hour of the year. To ensure that it meets its contractual obligations, HQUS can be expected to participate in the market as a price-taking resource, *i.e.*, submitting a low- or zero-price bid, and taking the clearing price in all hours. It is clear that the injection of such a large quantity of price-taking energy into the Maine Zone will have a materially beneficial effect on energy prices in Maine.

Although the magnitude of these benefits cannot be measured precisely, the LEI and Daymark analyses provide a credible range. As noted above, these analyses indicate wholesale market benefits of from \$14 million per year (LEI) to \$44 million per year (Daymark), with estimated NPV benefits ranging from \$122 to \$496 million (2023\$).

With respect to the congestion issues raised by GINT and NextEra, the Commission finds that the record does not support a finding that the NECEC will result in a material increase in congestion in Maine. The analyses of both Daymark and LEI indicate only small increases in the number of hours that either the Surowiec-South or Maine-New Hampshire interface would be congested. Daymark Report at 25; LEI Report at 25. In addition, the GINT modeling indicated no congestion at the Surowiec-South interface and only modest congestion at the Maine-New Hampshire interface. Hearing Tr. at 127 (Jan. 8, 2019); Daymark Reb. Test. at 19. NextEra, based on its initial modeling, asserted that the NECEC would result in significant congestion. However, NextEra subsequently acknowledged errors in its modeling that render their results unreliable. Hearing Tr. at 7-55 (Oct. 22, 2018). Finally, the Commission notes that, to the extent the NECEC did result in increased congestion and/or losses in Maine, this would result in lower wholesale energy prices in the Maine Zone.

Finally, for the reasons discussed in Section V(A)(5) below, the Commission finds that the energy benefits resulting from the NECEC will not be offset by other factors, such as early retirement of other Maine generators.

3. Capacity

a. Overview

The evidence in the record also indicates that the NECEC will likely result in a reduction to wholesale capacity prices in Maine and across the New England region. The wholesale capacity market benefits in Maine, as estimated by the Commission's expert, LEI, and CMP's expert Daymark, range from \$19 million to \$27 million per year in nominal dollars, and the estimated NPV benefits over the first 15 years of NECEC operations range from \$223 million to \$292 million (2023\$). LEI Report Figure 4. For the reasons discussed below, however, capacity market savings from the NECEC are less certain than those in the energy market.

As with the energy market, the capacity market benefits would accrue to Maine due to the substantial amount of capacity that could be delivered across the NECEC into Lewiston. Bringing such a large quantity of incremental capacity into the regional market will tend to lower prices, given the simple supply/demand balance in the region.

b. Description of Forward Capacity Market

The ISO-NE FCM is governed by ISO-NE Market Rule 1, Section 13.¹⁵ Pursuant to the ISO-NE Rule, FCM auctions (FCA) are conducted each year to acquire capacity 3 years in advance of when it is to be delivered. Resources eligible to participate in the FCM include in-region generating plants and demand resources, and imports from other regions. Resources are awarded CSOs when their offer price clears the auction. Resources may exit the market and relieve themselves of their CSO by submitting de-list bids in subsequent auctions. Only new or de-listing resources may set the auction clearing price. All other resources are considered "Existing Resources" and "take" the FCM clearing price. Pursuant to the market rules, the NECEC would participate in the FCM as an "Elective Transmission Upgrade" (ETU) backed by a "New Import Capacity Resource."

As is clear from the record in this proceeding, the FCM rules are complicated, and how they would apply to the NECEC has been extensively debated by the experts and the parties. The three elements of the FCM rules that have been most debated are (1) the Qualification, (2) the MOPR, and (3) the Competitive Auctions for Supported Policy Resources (CASPR). Each of these is discussed in more detail below.

c. Qualification

Before participating in an FCA, a resource must go through a Qualification process administered by ISO-NE. With respect to the NECEC, which as noted above is both an Import and an ETU, Section 13.1.3 of the ISO market rules governs the Qualification process. First, the rules require that an ETU must be built to a higher interconnection standard than non-ETU resources. This higher standard, which is referred to as the Capacity Capability Interconnection Standard, or CCIS, is intended to ensure that capacity from an ETU can be delivered into the relevant zone without

¹⁵ Information relating to ISO-NE's FCM can be found at <https://www.iso-ne.com/participate/rules-procedures/tariff/market-rule-1>.

relying on the system delivery capability being used by other resources in the zone that already have a CSO.¹⁶ Second, with respect to a New Capacity Import, the resource must demonstrate the reliability of the generation source behind the import to qualify. This can be done by providing contracts for capacity for one or more years, demonstrating proof of ownership over one or more External Resources to back the Import, or ensuring that the capacity it supplies to the New England Control Area will not be recalled or curtailed to satisfy the load of the external Control Area, or that the external Control Area in which it is located will afford New England Control Area load the same curtailment priority that it affords its own Control Area native load.¹⁷

d. The Minimum Offer Price Rule (MOPR)

The ISO-NE Internal Market Monitor (IMM) oversees the FCAs to ensure they are conducted in a fair and competitive manner. Pursuant to the rules for new entrants, all offers of capacity that are below the Offer Review Trigger Price (ORTP) are subject to review by the IMM for consistency with the facilities' costs. This is known as the "MOPR."¹⁸ The objectives of MOPR are to prevent the exercise of buyer-side market power and resulting capacity price suppression and to ensure that new resources are offered into FCM on a competitive basis. EXM Exh. 3 at 1.

The ORTP reflects the IMM's calculation of what a given capacity resource should require for compensation from the capacity market. Prior to each FCA, the IMM publishes the ORTP for all resources. Market Rule 1, Appendix A, Section III.A.21.1.1. Pursuant to the MOPR, any offer of capacity from a new facility that is below the applicable ORTP is subject to review by the IMM for consistency with the facility's costs. As part of this review process, a facility can provide information to the IMM that

¹⁶ On this point, CMP states:

This interconnection standard is more stringent than the Minimum Interconnection Standard (MIS) that is typically used for Section I.3.9 Approval. Unlike the MIS, which allows other generation to be dispatched off to permit the interconnection of the proposed new resources, the more stressful overlapping impact analysis that is performed pursuant to the terms of the ISO-NE Planning Procedure No. 10 to satisfy the CCIS, requires that new generation be fully deliverable to a Load Zone (in this case Maine), without dispatching off existing generation within the same zone of interconnection.

CMP Petition at 43. See *also* Section 1 of Schedule 25 of the ISO Open Access Transmission Tariff.

¹⁷ Thus, should an emergency situation require the shedding of load to preserve overall system reliability, the external control area would not preserve operations in its own control area by shedding load in the receiving control area first.

¹⁸ MOPR is not a defined term in the ISO tariff. It is the IMM administration of the Offer Floor Price and Offer Review Trigger Price collectively that is referred to as the "MOPR."

demonstrates that its offer is reasonable. Based on this review process, the IMM may establish an alternative “Offer Floor Price” which is the value below which the facility may not bid.¹⁹ If the MOPR set by the IMM for a given facility is higher than the FCA clearing price, the facility would be prevented from clearing in the auction.

e. Competitive Auctions with Sponsored Policy Resources (CASPR)

In 2018, ISO-NE adopted rules related to CASPR to address the concerns about the participation of subsidized resources in the FCM. CMP Exh. NECEC 48 at 1. CASPR allows state-sponsored resources which otherwise do not clear the primary auction due to the MOPR to acquire a CSO by “trading” with an existing generator.²⁰ Immediately following an FCA primary auction, there is a second “substitution auction” in which the subsidized resource has an opportunity to buy out the position(s) of a resource (or resources) that was (were) awarded a CSO in the primary FCA. Once the CASPR resource acquires the existing generator’s CSO, the existing generator must then permanently retire from the capacity market. The subsidized resource then holds a CSO and receives capacity revenues as an existing resource for subsequent capacity auction periods, but the total amount of capacity on the system is unchanged, and prices remain competitive. Fowler Dir. Test. at 9. Additionally, as LEI testified, once a CASPR resource acquires a CSO in the substitution auction, it does not have any MOPR constraints in future primary auctions. Tech. Conf. Tr. at 54 (Dec. 19, 2018).

Finally, as is the case with the energy market, prices in the FCM can vary by zone. While not as granular as LMPs in the energy market, there are also locational pricing incentives built into the capacity market. Market Rule 1 Section III.12. When constraints occur in Import Constrained Zones, the capacity clearing price in the constrained zone will be higher relative to clearing prices in the rest of the pool. When constraints occur in Export Constrained Zones, prices in the constrained zone will be lower relative to the prices in the rest of the pool.

f. Analyses in the Record and Positions of the Parties

Four expert witnesses provided analyses of the NECEC with respect to the capacity market benefits and the issues discussed above. Daymark provided estimated capacity market benefits for Maine and the region. LEI provided an analysis of the potential capacity market benefits from the NECEC, and also provided expert testimony and analysis on the likelihood that the NECEC-enabled capacity would clear the auction. Finally, witnesses for GINT and NextEra provided testimony and analysis regarding the likelihood of NECEC-enabled capacity being able to qualify and meet the MOPR.

¹⁹ The terms “Offer Floor Price” and “MOPR” are sometimes used interchangeably.

²⁰ The capacity offers of these subsidized resources do not affect FCA clearing prices.

Daymark assumed that 1,090 MW of capacity from the NECEC would qualify in, and clear, the FCM. Daymark's estimated capacity market price reductions for Maine averaged \$50 million per year during the first 8 years of the Project, yielding a \$312 million NPV over the life of the Project. Daymark Report at 13-14. Daymark did not provide any analysis on the MOPR issue.

LEI provided multiple capacity market analyses. In its initial Report, LEI provided its estimate of the capacity market benefits from the NECEC, assuming that 1,090 MW cleared. LEI estimated that this would result in savings for Maine of \$19 million per year, and \$223 million NPV over the 15-year LEI study period. LEI Report, Figure 4. Subsequently, in a memo dated September 10, 2018, LEI provided support for its conclusions about the NECEC MOPR price, and the likelihood that, given this MOPR price, the NECEC capacity would clear the capacity market. LEI MOPR Memo. LEI also recalculated the MOPR price and estimated capacity market benefits that would result for the entire New England region if HQUS were to qualify a lower amount of capacity. LEI Supplemental MOPR Memo at 4-6. LEI's analysis of the benefits to the market region-wide indicated savings of between \$2 and \$3 billion NPV (2023\$). *Id.* at 5-6. This equates to approximately between \$155 and \$243 million (2023\$) in benefits to Maine. CMP Initial Br. at 48, fn. 143. Finally, LEI highlighted a number of different ways HQUS might choose to offer different levels of capacity into the market based on an assessment of all options and economic opportunities. *Id.* at 5.

GINT experts testified that there would be no capacity market price suppression benefits because the NECEC would fail the MOPR. Fowler Sur. Test. at 13. Mr. Fowler's testimony regarding how the IMM would interpret the provisions for setting the Offer Floor Price indicated that NECEC MOPR prices would exceed future auction clearing prices. Corrected Fowler Sur. Test. at 4.

NextEra witness Robert Stoddard testified that the NECEC is unlikely to have a measurable change on capacity prices in New England because HQ does not have surplus winter capacity and because the Project cost is likely to exceed the relevant clearing price in the FCA. Stoddard Sur. Test. at 4. Dr. Stoddard's MOPR analysis indicated that the NECEC's minimum offer price would not clear the market, "this capacity is far too expensive to clear in the primary auction of the FCA in the foreseeable future." *Id.* at 14.

CMP argues that NECEC's participation in the FCM is likely to reduce capacity prices for customers in Maine and New England. CMP Initial Br. at 44. CMP notes that there is substantial evidence in the record that demonstrates HQ Production will have capacity to offer via the NECEC. *Id.* at 46. CMP argues that LEI's MOPR Memo, which establishes that the NECEC-enabled capacity will clear in the primary auction, is reasonable and should be adopted by the Commission. *Id.* at 50. CMP notes that LEI's method of calculating the relevant transmission costs more accurately reflects the true costs of the capacity resource because HQ TransEnergie, not HQ Production, will be responsible for paying the construction costs of the line on the Canadian side, and HQ TransEnergie's transmission rate for firm point-to-point transmission service is designed

to capture the marginal cost of new transmission construction in Québec. *Id.* at 53. With respect to energy costs, CMP agrees with LEI's and NextEra's use of an energy opportunity cost approach, and disagrees with GINT's claim that the energy cost factor must be calculated using the total cost of new energy generation capacity required to serve the NECEC. *Id.* at 54-55. CMP notes that the energy opportunity cost approach is the appropriate methodology to reflect the energy costs associated with the NECEC capacity resource because it is the most accurate representation of the true costs of the resource, particularly in light of market conditions, which indicate that HQ Production is not building new generation for the NECEC; but in the absence of the NECEC, HQ Production would sell its energy to other markets. *Id.* at 56. Even if the NECEC-enabled capacity does not clear in the primary auction, and acquires a CSO through the substitution auction, CMP asserts that customers in Maine and in the ISO-NE region will still benefit. *Id.* at 65.

IECG argues that the LEI estimate of the value of capacity market benefits is reliable and should be used by the Commission as a basis for estimating benefits to Maine energy consumers. IECG Initial Br. at 28. However, according to the IECG, given the uncertainty related to the MOPR issue, it may be prudent to discount the LEI estimate by 50% to reflect this uncertainty. IECG therefore recommends that the Commission adopt a value of \$110 million in benefits to Maine energy consumers related to capacity market savings. *Id.*

WM&RC asserts that the NECEC will likely provide capacity benefits. WM&RC Initial Br. at 13-14. WM&RC argues: "LEI's ultimate conclusion was that, based on a range of conditions and likely MOPR estimates, the NECEC should not be constrained from clearing in the primary auction." *Id.* at 14. WM&RC notes further that even if the NECEC does not clear the primary auction, ratepayers would not be adversely impacted and the Project would still yield net benefits to Maine's consumers. *Id.*

IBEW argues that that the LEI estimates of energy and capacity market savings are based on extremely conservative estimates, but corroborate Daymark's conclusion that there are significant ratepayer savings that would be provided by the NECEC. IBEW Initial Br. at 6.

GINT argues there is no capacity market price suppression benefit to ratepayers. GINT Initial Br. at 9. GINT notes that there is no evidence that Hydro-Québec has excess incremental generating capacity beyond what it is already offering into the New England market. *Id.* at 10. GINT notes that Hydro-Québec and CMP have stated that Hydro-Québec would not need to construct any new dams or other generating capacity in order to provide energy under the Massachusetts contracts. *Id.* at 11-12. Moreover, according to GINT, the North American Reliability Corporation has projected a significant shortfall in Hydro-Québec capacity levels by 2024. *Id.* at 13. GINT also asserts that, the Hydro-Québec Minimum Offer Price would not clear in the FCA and that LEI calculation of the NECEC MOPR is unreasonable. *Id.* at 19. GINT asserts that the appropriate calculation should rely on the capital cost to build new generating capacity, and the capital cost to build new transmission on both sides of the border

and, that, if calculated this way, any capacity that could be offered through the NECEC would cost more than the market clearing price. *Id.* at 22.

NextEra agrees with GINT that the NECEC will produce no capacity benefits. NextEra asserts that HQUS will be unlikely to qualify in the capacity market unless the load in Québec can be curtailed on the same basis as the HQUS deliveries into New England, and argues that CMP failed to submit substantial evidence demonstrating this to be the case. NextEra Initial Br. at 20. NextEra also asserts that the Offer Floor Price for the NECEC would prevent it from clearing the auctions. Finally, NextEra argues there has been no showing of a seller of capacity over the NECEC for years 21–40 of the Project. *Id.*

NRCM agrees with GINT and NextEra that the NECEC will provide no capacity benefit because it is unlikely to satisfy the MOPR due to the significant out-of-market revenues it will receive by virtue of its selection in the MA 83D solicitation process. Instead, it is more likely that the NECEC would have to obtain a Capacity Supply Obligation through the new CASPR substitution auction, which would require the permanent retirement of an equal number of MWs of existing generation in Maine for the number of MWs the NECEC wished to clear in the FCA, noting that such retirements would result in some loss of jobs and tax revenues in the state. NRCM Initial Br. at 16. NRCM notes that, in evaluating bids into the MA RFP process, the MA EDCs did not calculate capacity benefits for different projects because of the difficulty in forecasting capacity market prices and because the new FCM rules, such as CASPR, were likely to make it more difficult for state-sponsored resources, such as the NECEC, to impact capacity clearing prices. NRCM argues that the Commission should follow suit and ascribe zero benefits to potential capacity price suppression effects. *Id.* at 16-17.

g. Discussion

The Commission finds that the NECEC will result in capacity market benefits to Maine. As noted above, the NECEC must satisfy the CCIS standard of the ISO-NE Open Access Transmission Tariff (OATT), which will ensure that NECEC-enabled capacity can participate in the FCM. In addition, the energy product that will be provided by HQUS, which is firm delivery of 1,090 MW of energy per hour in virtually all hours, is very much like a capacity product and is likely to require capacity to ensure that these firm energy delivery obligations will be met. Furthermore, the Commission notes that HQP has recently added new capacity to its system (Romaine 3), and is planning to add additional capacity over the next several years, suggesting that it will have incremental capacity for sale over the NECEC into the ISO-NE FCM. CLF Exh. 14 at 17.

With respect to the MOPR issue, the Commission finds the analysis and testimony of LEI to be the most internally consistent and credible and, thus, the Commission concludes that NECEC-enabled capacity is likely to clear in the primary auction. Given these factors, HQUS would have the ability to participate in the FCA

and, given the substantial revenue it would receive, would have a strong financial incentive to do so.

However, the Commission also recognizes the uncertainty regarding the capacity market benefits. As noted above, the record reflects benefits for Maine that range from \$19 million to \$27 million per year. Moreover, given the fluctuating nature of the ISO-NE capacity market and related rules, any such benefits, even if certain in the near term, cannot be certain over the longer term. Thus, the Commission concludes that the lower end of the range of benefits, \$19 million per year, for the first 10 years of NECEC operation, is a reasonable and conservative estimate of the capacity market benefits to Maine from the NECEC.

4. Reliability

a. Reliability Elements and Positions of the Parties

There are two distinct elements related to reliability that have been raised in this proceeding. The first is the degree to which transmission system reliability may be affected by the NECEC HVDC facility and the associated AC system upgrades required to accommodate it. The second is the degree to which the NECEC affects regional “fuel security.”²¹

CMP and NextEra have both conducted transmission system studies for the NECEC. CMP provided two studies: The “New England Clean Energy Connect (NECEC) Project Analysis and Technical Report,” and the “New England Clean Energy Connect Surowiec-South Interface Limits and Overlapping Impacts Study.” CMP Exh. NECEC 3. The Project Analysis and Technical Report was conducted pursuant to the ISO-NE I.3.9 process. The I.3.9 process ensures that any changes to the system, such as generator additions, do not have an adverse impact on the system. The Overlapping Impacts Study examines the NECEC to ensure that, along with identified upgrades, it would meet the CCIS. These studies identify the system upgrades needed for the NECEC. CMP Exh. NECEC 3; CMP Petition at 40-42.

NextEra also conducted transmission system modeling. Based on its assumptions that the NECEC would cause Maine-based generators to retire, NextEra witnesses conducted a study of the resulting reliability issues from such retirements. The NextEra study results, which were provided in the surrebuttal testimony of Mr. Whitley, indicated a potential need for future reliability upgrades given those assumptions. Whitley, Mayers, Wang Sur. Test. at 11.

In its brief, CMP highlights transmission reliability benefits that it asserts the NECEC will provide. First, CMP argues that the NECEC will add important redundancy between the Québec and New England systems, which will better protect the region in

²¹ “Fuel security” is a term that is frequently being used within ISO-NE. By its use of the term, the Commission is referring to the reliability, adequacy, and diversity of the fuel types behind supply resources serving the region.

the event of the loss of the existing Phase II intertie, one of the largest possible losses of supply in New England. CMP Initial Br. at 94. The additional interconnection between New England and Québec would also allow both control areas to provide incremental emergency support in the event of capacity deficiencies (tie benefits). *Id.* at 95. According to CMP, the AC upgrades required by the NECEC will increase the transfer limits at the Surowiec-South interface from 1,600 MW to 2,600 MW. CMP further states that the new 345 kV line between the Coopers Mills Road substation and the Maine Yankee substation (Section 3027) and the rebuilding of the 115 kV lines (Sections 62 and 64) out of Larrabee Road will add redundancy and additional transmission capacity to the transmission system across central Maine. *Id.* Finally, CMP argues that the additional transformer at Raven Farm will improve reliability in the greater Portland area. *Id.* at 95-96. CMP also states that the NECEC will provide significant fuel security benefits by delivering clean baseload hydropower to replace retiring resources in the region and by reducing the region's dependence on natural gas fired generation. *Id.* at 83.

The IECG argues that the additional capacity and fuel diversity provided by the NECEC will help to address a portion of the energy price spikes and reliability risk posed to Maine and New England by the lack of adequate natural gas pipeline infrastructure. IECG Initial Br. at 29.

GINT argues that the NECEC would make electric service in Maine less reliable by hastening the retirement, or preventing the development, of reliable generators under dispatch control here in New England and replacing them with less reliable power from Québec. GINT Initial Br. at 1. GINT asserts that the NECEC would provide no reliability if it does not deliver incremental energy. *Id.* at 63. GINT notes, further, that because New England and Québec experience winter weather at the same time and because Québec is a winter peaking system, relying on energy from HQ in the winter may have risks. *Id.* at 64. Finally, GINT argues that NECEC could reduce the reliability of the ISO-NE system by inducing the retirement of a potentially fuel-diverse resource through the CASPR program. *Id.* at 68.

NextEra does not refute the transmission modeling conducted by CMP and its consultants. NextEra Initial Br. at 25-26. However, NextEra argues that CMP has failed to show that the NECEC will not have a negative impact on reliability in future years because it did not present any probabilistic transmission studies regarding this issue. Without such studies, claims NextEra, it is not reasonable for CMP to claim there will be no reliability upgrades resulting from the operation of the NECEC. *Id.*

NRCM argues that attention devoted by CMP to the NECEC could strain CMP resources and result in less reliability and diminished ratepayer experience. NRCM Initial Br. at 20. NRCM also notes that, if the NECEC were to substitute for one or more of these (Maine) generators through CASPR, in-state resources with stored fuel would be traded for a long transmission line to Québec which would not help regional fuel security. *Id.* at 21.

b. Discussion

The Commission finds that the NECEC and associated upgrades will increase the reliability of the Maine transmission system. As noted above, because of the requirement that the Project meet the CCIS, the overlapping impact test requires that the NECEC must not erode the capacity deliverability of other resources in the Maine Zone. Because the overlapping impact test requires all of the generators with a CSO in the same zone to be “turned on” at their full output before the impact of the NECEC is modeled, any system upgrades necessary to ensure that the NECEC, as well as all of the other resources with CSOs in Maine, can operate at full output without being curtailed are the responsibility of the NECEC. Because, in reality, the system rarely operates this way, the system upgrades required by (and provided by) the NECEC will provide extra redundancy and reliability to the Maine system during normal operations modes.

The Commission finds that NextEra’s assertions about the potential adverse impacts of the NECEC 5-10 years in the future is not persuasive. As noted above, NextEra’s position reflects its assumed retirement of one or more Maine generators, the retirement of which is not indicated by the modeling done by LEI or Daymark. Moreover, the Commission notes that the NextEra witnesses admitted that NECEC system upgrades would resolve the N-1 reliability problems their study revealed. Hearing Tr. at 71-74 (Oct. 22, 2018).

The Commission notes, further, that seven Maine generation facilities totaling 1,370 MW in capacity, including those cited by GINT and NextEra as “at risk” due to the NECEC, had already submitted de-list bids in FCA 13 that were accepted by the ISO-NE.²² Had the de-listing of any of these facilities created the type of reliability problem that is here asserted by NextEra, these de-list bids would never have been accepted by the ISO-NE.

With respect to “fuel security,” the Commission concludes that the addition of this interconnection to Québec, and the substantial amounts of baseload hydroelectric energy it will enable, will enhance supply reliability and supply diversity in Maine and the region. The Commission notes that there are significant challenges to siting new energy infrastructure in the region, as is evidenced by local opposition to natural gas pipeline and electric transmission projects. At the same time, natural gas supplies from remaining gas fields offshore of Nova Scotia have diminished, and most of the supply from that region is expected to be gone by 2020. CMP Exh. NECEC 45 at 23. The Commission notes, further, that in response to fuel security concerns stemming from the potential loss of existing generators in the region, such as the Mystic Units 8 and 9 in Massachusetts, the ISO-NE is taking steps to prevent their retirement through

²² See Forward Capacity Obligations spreadsheet for FCA 13 which can be found at <https://www.iso-ne.com/markets-operations/markets/forward-capacity-market/>.

mechanisms such as cost-of-service Reliability Must Run contracts with ISO-NE. CMP Exh. NECEC 40 at 5.

With respect to fuel diversity, the region's dependence on natural gas presents serious challenges and risks, such as exposure to price spikes and concerns about supply adequacy in the winter periods. In an effort to address these concerns, ISO-NE has adopted various market rule changes over the past few years, such as Pay for Performance and the Winter Reliability Program. Excerpts from ISO-NE filings and presentations on these matters are provided below.

From the ISO January 17, 2014 filing for PfP - ER14-1050-000 MR1 Performance Incentives Changes

Indeed, as fully detailed in the testimony of Peter Brandien, the ISO's Vice President of Operations, the ISO has observed and documented pervasive and worsening performance problems among the existing generation fleet in New England. These problems, which are not limited to a single resource or fuel type, fall into three general categories. First, the region's growing dependence on natural gas leaves it extremely vulnerable to interruptions in gas supply, which can occur with little notice and which can affect multiple generators simultaneously. Second, a significant portion of New England's oil and coal units cannot provide reliable backup when gas problems arise due to increased outage rates, start-up problems, and other operational difficulties. Third, across the entire fleet, the ISO is observing increasing outage rates, poor responses to contingencies, and a host of other issues, such as failure to maintain liquid oil inventory, mothballing dual fuel capability, and inadequate staffing.

From the June 28, 2013 filing for the Winter 2013-2014 Reliability Program - ER13-1851-000

In the last few years, the ISO and stakeholders have identified a number of strategic risks. Two of these risks – related to New England's increased reliance on natural gas-fueled generation and to resource performance during periods of stressed system conditions – are most pressing, and the region is working on a number of solutions to address these concerns. For example, the ISO has implemented a change in Day-Ahead Energy Market timing and is making filings to improve offer flexibility and amend the reserve market. In addition, review of two sets of ISO-proposed revisions to the Forward Capacity Market ("FCM") rules is or will be underway with stakeholders. These proposed revisions aim to tighten the shortage event trigger and to redesign market incentives and, at the conclusion of the stakeholder processes, will likely be filed with the Commission later this year. The ISO intends that the proposed changes to FCM to redesign market incentives will directly address the gas dependence and resource performance issues discussed herein. This FCM performance incentive proposal is planned for implementation for the 2018-2019 Capacity Commitment Period. As a transition between the Winter Reliability Project and the FCM performance incentives project, the ISO intends to propose a scaled-down version of the

performance incentives project to purchase a fuel-neutral, winter-based reliability product for the winters of 2014-15 through 2017-18.

From the ISO March 6, 2018 Markets Committee meeting presentation on “Winter Energy Security Improvements: Market Based Approaches.”

In accordance with FERC’s July 2, 2018 order in EL18-182-000, the ISO must develop and file improvements to its market design to better address regional fuel security.

Finally, as noted above, fuel security has been a growing issue in the ISO-NE region such that it has become a subset of system reliability as viewed by ISO-NE and the FERC. The Commission points to the Operational Fuel Security Analysis provided by ISO-NE in January 2018. This analysis was later adopted by FERC in its fuel security order. *Order Denying Waiver Request*, FERC Dockets ER18-1509-000, EL18-182-000 (July 2, 2018). The study conclusions state: “The study indicates that over the next several decades, New England’s power system will largely depend on the availability of two key elements, sufficient injections of LNG and electricity imports from neighboring regions.” The Commission recognizes that there may be challenges associated with depending on imports, but given the difficulty that the region faces in terms of siting any energy infrastructure, the ISO NE’s conclusions regarding the future are compelling. Thus, in this case, the Commission is presented with a transmission line that will provide a pathway to import up to 1,200 MW at no cost to Maine and will provide significant mitigation for the issues identified in Operational Fuel Security Analysis. Because fuel security, through FERC jurisdiction and its ruling on the Mystic Units, has been determined to be a regional issue and, thus, the costs to address it are socialized across the region, if a significant import line is not built now, it will likely be built later, the costs for which are likely to be treated in a way that is much less favorable to Maine than the NECEC.

5. Effect of the NECEC on New and Existing Generators in Maine

a. Overview

There have been three questions raised in this proceeding related to potential adverse effects on new and existing generators in Maine resulting from the NECEC. First, whether the NECEC would result in reductions to energy prices in Maine which, in turn, would reduce revenues for in-state generators. Second, whether, by its participation in the CASPR, the NECEC would cause existing Maine generators to retire. Third, with respect to new generators, whether the NECEC would “use up” the existing transfer capacity “headroom” at the Surowiec-South interface, thereby rendering that transfer capacity unavailable to new generators seeking to locate in Maine.

b. Positions of the Parties

GINT and NextEra argue that the NECEC, because of its effect on wholesale energy prices in Maine, will cause in-state generating plants to be more likely to retire.²³ In addition, GINT and NRCM note that because it is likely that NECEC would have to obtain a CSO through the new CASPR substitution auction, the NECEC would result in permanent retirement of an equal number of MWs of existing generation in Maine for the number of MWs the NECEC wished to clear in the auction. These parties note that such retirements would result in a loss of jobs and tax revenues in the State. GINT Initial Br. at 53; NRCM Initial Br. at 16.

On these points, CMP notes that the analyses of both LEI and Daymark do not indicate that the NECEC will result in any early retirement of Maine generators. CMP Initial Br. at 131-132. CMP notes that these results make sense, given the low capacity factors of the units. *Id* at 132. In addition, CMP cites to evidence in the record that certain Maine generators, most notably the Wyman units, are already at risk of retirement for reasons entirely unrelated to the NECEC, including their location, age, and the significant financial risks they face under ISO-NE's new Pay for Performance rules.²⁴ *Id* at 134.

The IECG agrees with CMP in regard to the tenuous position of the Maine generators today, due to their poor capacity factors and low revenues. IECG Initial Br. at 32. IECG observes, further, that, with respect to property tax revenues, the facilities most at risk contribute only \$5.5 million per year, which is substantially less than the estimated property tax revenues of \$18.4 million from the NECEC. *Id*.

In addition, several parties have raised concerns related to potential new generators in Maine. RENEW argues that, if NECEC capacity were to absorb existing transfer capacity "headroom," the Commission should condition any approval on (1) CMP increasing the Surowiec-South interface by the full 1,000 MW as planned regardless of whether ISO-NE finds a lower amount would be satisfactory, and (2) requiring that HQ seek qualification of a lower amount of capacity. RENEW Initial Br. at 5. On this point, GINT argues that the NECEC would "fill the headroom at Surowiec-South, increasing the expense of transmission development for Maine renewables." GINT Initial Br. at 60.

Acadia Center, CLF, and NRCM share these concerns, noting that the NECEC could hinder the development of new Maine-based renewable resources by consuming spare transmission system transfer capability. Acadia Center Initial Br. at 4; CLF Initial Br. at 6; NRCM Initial Br. at 19.

²³ GINT witness Bodell asserted the NECEC's participation in ISO-NE energy markets would hasten Maine generating plant retirements, eliminating jobs and property tax base. Bodell Dir. Test. at 40. However, no quantitative analysis or modeling to support these claims was provided.

²⁴ As noted in Section V(A), many of these generators submitted de-list bids in FCA 13.

CMP argues that, on the contrary, the NECEC will not prevent the development of renewable energy in Maine. CMP notes that the NECEC will have no effect on any of the proposed 765.5 MW of renewable generation that are ahead of it in the ISO-NE interconnection queue. CMP Reply Br. at 47-48. With respect to other renewable generation projects, CMP argues that the NECEC-related transmission system upgrades will actually benefit new renewable projects by increasing the transfer capability at the Surowiec-South interface and defraying system upgrades and costs that would otherwise be required of these projects by ISO-NE in order to interconnect. *Id* at 51-53.

IECG argues that the decision regarding the NECEC should not involve consideration of negative effects on generators, new or existing, in Maine's restructured market. IECG Initial Br. at 8. IECG argues that generators are not entitled to, and should not receive, protection from the entry of new entrants in a competitive market. *Id* at 10. According to the IECG, the Commission's decision whether to grant a CPCN must be based on considerations relating to electric consumers, not generators. *Id* at 8.

c. Discussion

Based on the record in this proceeding, the Commission does not find that the NECEC will result in the adverse effects on Maine generators as alleged by GINT and NextEra. With respect to the effects the NECEC will have on energy market prices, the Commission finds that, because of the already low capacity factors and energy revenues of these facilities, reductions in energy market prices are unlikely to be material for them. The Commission notes, further, that other factors, including the ISO-NE Pay for Performance rules, create far greater risks for these generators than the NECEC. It may be, at least in part, that because of these risks, most GINT and NextEra generators submitted de-list bids in FCA 13.²⁵ Moreover, the Commission agrees with the IECG that, as a policy matter, it is the interests of customers, not generation competitors, that must be the priority consideration in deciding whether or not to grant a CPCN for the NECEC.

The Commission also finds little merit to the concerns regarding the extent to which the NECEC may frustrate Maine-based renewables development by absorbing "headroom" on the transmission system. First, as noted above, there is more than 750 MW of new, renewable capacity in Maine ahead of the NECEC in ISO-NE's interconnection queue. Second, as also noted above, the Surowiec-South interface must be upgraded to accommodate 1,200 MW of capacity in order for the NECEC to meet the CCIS. If, as some parties argue, the level of NECEC-enabled capacity will be less than 1,200 MW, the available headroom at the interface may be substantially greater than the 200 MW that currently exists. Moreover, for the reasons expressed by CMP and the IECG, the Commission finds that "preserving" headroom for potential future competing projects at the expense of a project in development is poor public

²⁵ See Forward Capacity Auction Capacity Obligations FCA 13: <https://www.iso-ne.com/markets-operations/markets/forward-capacity-market/>

policy, as well as being wholly inconsistent with the ISO-NE interconnection rules and processes.

B. In-State Economic Impacts²⁶

1. Economic Impact Studies

In its Petition, CMP presented a study conducted by Ryan Wallace, Director of the Maine Center for Business and Economic Research (MCBER) of the University of Southern Maine (USM) that assessed the macroeconomic effects of the NECEC in Maine and New England using economic models developed by the Regional Economic Models Inc. (REMI). (USM Study). The USM Study grouped the effects into three broad areas or time periods: development/construction related; post-construction, or operations, phase; and market price reduction related. The USM Study indicates that NECEC transmission infrastructure investments are expected to support a \$573 million (2009\$) addition to Maine GDP and over \$440 million (2009\$) in total worker compensation during the 6-year development and construction period (2017-2022). CMP Initial Br. at 70. In addition, the USM Study indicates that the NECEC would support over 1,740 direct, indirect, and induced jobs per year in Maine during that same period. *Id.* According to Mr. Wallace, these construction-period benefits would be realized throughout the State. *Id.* at 71. During the NECEC post-construction, or operations, period, the USM Study indicates that the NECEC would support a total of 37 jobs, 21 of which would be to maintain and operate the NECEC and the remaining 16 from indirect and induced spending. *Id.* at 72. Finally, the Study indicates that the NECEC's energy market price suppression effects will result in over 260 jobs in Maine, on average, and more than \$23 million in GDP and \$17 million in total compensation each year over the 20-year term of the PPAs. *Id.* at 73.

The LEI Study included a review of the USM Study and an independent analysis of the macroeconomic benefits resulting from the NECEC. In conducting its analysis, LEI used the same REMI PI+ software as USM. LEI Report at 32. As was done in the USM Study, LEI analyzed the macroeconomic effects during (1) the development/construction period and (2) the operations period. LEI's analysis reflected its projected energy market prices (rather than Daymark's), and included certain factors that were omitted in the USM analysis, most notably, NECEC capacity market price impacts, contract costs borne by Massachusetts ratepayers, and early retirement and deferred investment in generation capacity triggered by the NECEC. *Id.* at 54. LEI also provided its independent analysis of tax revenue from the NECEC by municipality. *Id.* at 37.

²⁶ For the reasons discussed in Section IV(A) above, the Commission's focus is on benefits to Maine rather than to the New England region as a whole.

A comparison of the LEI and USM macroeconomic benefits is shown in Figure V.1 below.²⁷

Figure V.1

Figure 5. Comparison of LEI's analysis and USM's analysis				
Benefit categories	LEI Analysis		USM Analysis	
	Maine	New England	Maine	New England
Jobs - development and construction period (Annual average for 2017-2022)				
Direct	856	N/A	868	N/A
Indirect and Induced	775	N/A	824	N/A
Total	1,631	N/A	1,691	N/A
Jobs - operations period (Annual average for 2023-2037)				
Total	291	1,826	329	3,735
GDP - development and construction period (Annual average for 2017-2022), fixed 2009\$ million				
	\$98.2	N/A	\$94.1	N/A
GDP - operations period (Annual average for 2023-2037), fixed 2009\$ million				
	\$29.1	\$205.3	\$25.8	\$406.2

Note:

1. Economic impacts in terms of incremental jobs and GDP presented in the table are the annual average of the modeling periods in LEI's study, namely 2017-2022 for the construction period and 2023-2037 for the operations period.
2. The incremental jobs and GDP in New England do not include those created by O&M activities of the NECEC project (indicated in the table as "N/A"), since the macroeconomic impacts of O&M spending is modeled within Maine, to be consistent with USM's approach.

LEI Report at 15.

As shown in Figure V.1, LEI's analysis reflects employment and GDP benefits in Maine that are generally consistent with those reflected in the USM Study. With respect to the broader New England region, LEI's analysis reflects benefits that are significantly less than those in the USM Study due to LEI's inclusion of the contract costs borne by ratepayers in Massachusetts, as well as early retirement of generators in Connecticut. *Id.* at 16.

Both LEI and the USM Study estimate approximately \$18 million annual incremental municipal tax revenue received from the NECEC based on the Project's taxable value and the municipal mill rates in effect in 2016. LEI Report at 64; USM Study, Section 6. As noted by LEI, the actual tax payments from the Project will depend

²⁷ CMP provided an update to the information in its Petition in which it estimated the number of direct, indirect and induced jobs would be 1,742 on an annual average basis based on updated projected NECEC costs. ODR-003-011, Highly Confidential Attachment 2.

on a number of factors, including the taxable valuation in each municipality, the budget plan and mill rates in each municipality, and the change in valuation of other properties. LEI Report at 64-65. Additionally, tax payments from the NECEC are expected to decline as the taxable value of the project depreciates. *Id.* at 65.

2. Positions of the Parties

CMP describes the USM Study as “conservative” in that it does not reflect any potential NECEC capacity market price suppression effects, nor any benefits from increased property and sales taxes. CMP Initial Br. at 73. CMP notes that LEI’s analysis confirms that the NECEC will produce substantial jobs and increased GDP during its development/construction and operations periods, and that LEI generally confirms the macroeconomic benefits to Maine shown in the USM Study. *Id.*

GINT argues that the USM Study overstates macroeconomic benefits and is unreliable. GINT Initial Br. at 61. GINT points to the following flaws of the USM Study to support its assertion: (1) reliance on Daymark’s energy price forecast; (2) failure to include the contract costs borne by Massachusetts ratepayers; (3) failure to include the effect of early retirement of or deferred investment in generation in Maine;²⁸ and (4) the adverse effect on the tourism industry in Maine. *Id.* at 62-63. Other parties, including the NRCM and Caratunk, also dispute the macroeconomic benefits as estimated by the USM and LEI Studies, for reasons such as overstated property taxes and failure to consider the effect of the NECEC on local economies. NRCM Initial Br. at 18-19; Caratunk Initial Br. at 36-38.

The IECG observes that the USM and LEI Studies show macroeconomic benefits for Maine that are highly consistent with one another. IECG Initial Br. at 31. The IECG agrees with GINT that, as a general matter, lost tax revenues and employment from shutdowns or cutbacks at existing Maine generators are appropriately included in this type of analysis; however, the IECG disagrees with GINT’s position that the NECEC would cause any such shutdowns or cutbacks. *Id.* at 32. Other parties, including the Chamber, Lewiston, IBEW, and WM&RC, support the Project due to the economic benefits it will provide at the local level through increased employment, property tax revenue, and eco-tourism opportunities.

3. Discussion

The Commission finds both the USM and LEI Studies to be supportive of the fact that positive and substantial direct, indirect, and induced macroeconomic benefits will accrue to Maine from the development, construction, and operation of the NECEC. Although the numbers of jobs and dollar increases in GDP cannot be precisely quantified, the Commission finds that the range reflected by the USM and LEI Studies

²⁸ The LEI Study, which does include the effects of the NECEC on generator retirement, concludes that most of the impact will be on generators in other states, and there would be only a minor impact in Maine. LEI Report at 35.

provides a reasonable estimate. Moreover, the Commission agrees with the observation of CMP that a \$1 billion investment in a project located entirely in Maine, with the resulting employment and taxes it will produce, would result in substantial macroeconomic benefits to the State. CMP Initial Br. at 32. With respect to offsetting negative impacts due to premature shutdowns or cutbacks of Maine generators, for the reasons discussed in Section V(A)(5) above, the Commission finds that such shutdowns or cutbacks, if they occur, are not attributable to the NECEC. And, with respect to deferral of investment, the Commission notes that, according to the LEI Study, any such deferrals would affect new investment in Massachusetts, not Maine. LEI Report at 63. Finally, as will be discussed in Section V(D) below, the NECEC will have an adverse effect on scenic and property values, and local tourism and recreational economies, which cannot be quantified. These adverse economic impacts offset to some degree the economic benefits of the Project.

C. Public Health and Safety

1. Background

Section 3132(2-C)(A) directs the applicant for approval of a CPCN to include in its petition, among other things, “[a] description of the effect of the proposed transmission line on public health and safety.” Section 3132(6) directs the Commission to, in determining public need for the proposed project, consider the project’s impact on “public health and safety.”

2. Public Health

In its initial filing in this case on September 27, 2017, CMP indicated it had retained Exponent, Inc. to conduct an electric and magnetic fields (EMF) study for the NECEC which would be submitted as a supplement to CMP’s initial petition when the report is completed. On January 12, 2018, CMP filed Exponent’s report titled *Modeling of the Electrical Environment, Report New England Clean Energy Connect Transmission Project* (Exponent Report). CMP Exh. NECEC 16. The Exponent Report presents the EMF levels and ion densities for transmission lines and interconnections (1) along the NECEC route and (2) in portions of the transmission system in which CMP proposes to complete necessary upgrades.

CMP summarizes the findings and conclusions of the Exponent Report as follows:

Exponent found that the NECEC HVDC line will produce static EMFs similar to those encountered in the natural environment, with magnetic-field levels similar to the earth’s static geomagnetic field and electric-field levels similar to those produced by atmospheric phenomena, weather, and friction charging. Such levels are below the National Radiation Protection Board’s threshold that static fields above 25 kV/m may be annoying, and well below International Commission on Non-Ionizing Radiation Protection (ICNIRP) and Food and Drug

Administration guidelines for static magnetic-field exposure. Exponent also concluded that calculated ion densities for the project are within the range of levels encountered in the natural environment, and the new AC lines associated with the NECEC's necessary network upgrades will produce EMF levels that are well below the assessment criteria established by ICNIRP and the International Committee on Electromagnetic Safety.

CMP Initial Br. at 122-123.

The scope of issues addressed, and conclusions reached, in the Exponent Report received relatively little attention in this proceeding. CMP argues: "In discovery, CMP made clear its intent to focus on EMFs as the only public health impact that CMP will be investigating. No party has submitted any testimony contesting Exponent's findings or demonstrated any other health concern related to the NECEC." *Id.* at 123.

WM&RC echoes CMP's argument that no testimony has been presented in this case that contradicts the findings of the Exponent Report. WM&RC Initial Br. at 16.

Ms. Kelly argues that the Exponent Report is flawed and that CMP has failed to make a sufficient showing that the NECEC does not present risks to the public health. Referring to the Exponent Report, Ms. Kelly asserts:

It is a narrow report that uses models developed in 1983 to 1991 to determine static electric fields, magnetic fields and air ions associated with the operation of the DC and AC portion of the NECEC project. There was no mention of experimental testing to validate the modelling, not even on the AC modelling where the transmission lines are already in existence. The report makes no representation about whether these values will be guaranteed maximum levels or even within an order of magnitude to the levels that will exist once the line is constructed and used over time.

Kelly Reply Br. at 8. Ms. Kelly outlines what she considers to be additional flaws in the Exponent Study and concludes that CMP has failed to demonstrate that the NECEC adequately protects the public health. *Id.* at 10.

The topic of the NECEC's impacts on public health rarely came up during the three public witness hearings that the Commission held in this case. The most specific testimony on health issues relating to the Project was provided by Julie Tibbetts, a medical technologist specializing in oncology and hematology. Ms. Tibbetts noted that, although the ill effects of living under high tension power lines is debatable, both the World Health Organization and the Center for Disease Control acknowledge that increased electromagnetic fields increase the risk of various health issues, including heart arrhythmias and cancer. The Forks PWH Tr. at 81-82 (Sept. 14, 2018).

3. Public Safety

As with the public health issues relating to the NECEC, issues relating to the public safety implications of the Project were addressed by only a few parties in this proceeding. Regarding the public safety issues relating to the NECEC, CMP asserts:

CMP has committed to design and construct the project in accordance with the applicable North American Electric Reliability Corporation (NERC), Northeast Power Coordinating Council, Inc. (NPCC) and ISO-NE transmission planning standards and criteria as well as all applicable safety codes including the National Electric Safety Code (NESC), the American National Standards Institute (ANSI) standards, and the Occupational Safety and Health Administration standards, among others. CMP's lead engineer responsible for the design of the project, Justin Tribbet, also described CMP's commitment to project safety for the NECEC, including the retention of a full-time safety engineer tasked with reviewing the project designs to ensure that they comply with applicable OSHA standards. No party has offered testimony demonstrating in any way that the NECEC will be designed, constructed or operated in an unsafe manner.

CMP Initial Br. at 123-124.

WM&RC asserts that no party introduced evidence asserting or demonstrating that "the construction, operation, or maintenance of the NECEC will be inconsistent with applicable standards (i.e., NERC, NPCC, ISO-NE) and would jeopardize public health and safety." WM&RC Initial Br. at 16.

Caratunk raised issues relating to the host communities' ability to provide adequate accommodations for work crews on the Project. Caratunk also argues that CMP did not consider whether the affected communities in rural Somerset County would be able to provide adequate fire and emergency response services during the construction of the Project and after the Project is complete. Hearing Tr. at 123-124; 126 (Jan. 9, 2019).

Similar concerns about whether local emergency services would be able to respond to the potential public safety issues posed by the NECEC were raised during the public witness hearings. For example, Heather Sylvester noted that the West Forks Volunteer Fire Department is small and primarily a volunteer department and that members work full-time jobs out of the area. Ms. Sylvester expressed her concern that potential medical, fire, or trauma events associated with construction of the NECEC may tax such small and primarily volunteer departments. The Forks PWH Tr. at 12 (Sept. 14, 2018).

In responding to these concerns on behalf of CMP at the January 9, 2019 hearing, Mr. Stinneford noted that CMP has existing transmission lines that traverse areas of Maine that are equally or even more remote than the NECEC corridor. Hearing Tr. at 126 (Jan. 9, 2019). According to Mr. Stinneford, there are CMP transmission lines that run through many unorganized townships that have no fire departments and no

public safety resources, noting that the public safety issues raised by Caratunk (and others) are issues that CMP is accustomed to. *Id.*

4. Discussion

As noted above, issues relating to the NECEC's effect on public health and safety were not addressed by many of the parties in this proceeding. Based on the Commission's review of the record, the Commission concludes that CMP has, through the Exponent Report and the written and oral testimony by Mr. Malone, Mr. Hodgdon, Mr. Tribbet, and Mr. Stinneford, satisfied the filing requirements relating to public health and safety set forth in section 3132(2-C) and provide a sufficient basis for the Commission to consider these issues pursuant to Section 3132(6).

In her Exceptions, Ms. Kelly takes issue with the lack of attention to safety that is incorporated into the Examiners' Report. Kelly Exceptions to Examiners' Report at 2-3. The Commission emphasizes that ensuring public safety with respect to public utility operations is a central purpose of the Commission outlined in Section 101 of Title 35-A. That section states that the "basic purpose of this regulatory system is to ensure safe, reasonable, and adequate service." The above ground HVDC line is designed by professional engineers who by the nature of their training and licensure requirements attest to safety when final stamping of the design occurs. While there were many issues in this case that were raised during the 18 months of litigation, this Order details the areas of disagreement of the parties and makes findings with respect to statute. The Commission does not agree that it is necessary in this case to have had hired a consultant on these matters when licensed engineers responsible for the design were witnesses and were available for cross examination.

The Commission finds that, with respect to the safety concerns raised by Caratunk, Ms. Kelly, and several public witnesses relating to the availability of fire protection and other emergency response services in the proposed transmission corridor, the record reflects that CMP has adequately addressed such safety concerns throughout other remote areas of its existing transmission system. The Commission, therefore, finds that the NECEC does not pose a threat to public health and safety. However, it is evident that there are ongoing concerns about safety issues posed by the NECEC. The Commission therefore directs CMP to, as part of its ongoing outreach and communications with the host communities, provide direct and clear information to the affected community about how CMP (1) has dealt with fire and medical support issues in comparable rural areas of its system and (2) plans to deal with fire and medical support issues in the context of the NECEC.

D. Scenic, Historic, and Recreational Values

1. Background

Section 3132(6) directs the Commission to, in determining public need for the proposed project, “at a minimum, take into account ... scenic, historic and recreational values.”

As discussed in Section IV(C) above, there is overlapping jurisdiction among the Commission, the DEP, and the LUPC regarding the review of such things as the NECEC’s impact on scenic, historic, and recreational values. Several parties in this case suggested the Commission defer to the DEP and LUPC’s evaluation of scenic, historic, and recreational values. For the reasons outlined in Section IV(C) above, the Commission finds that in the context of this proceeding, it is required by statute to consider the specified issues of scenic, historic, and recreational values as part of its overall assessment of the benefits and costs of the NECEC.

To discharge its responsibilities under Section 3132 with respect to consideration of scenic, historic, and recreational values, the Commission must engage in a two-step balancing process. Step one involves the Commission’s evaluation of the NECEC’s impacts on scenic, historic, and recreational values. In this initial step, the Commission must weigh and balance the NECEC’s impacts to determine whether the Project will have a net beneficial or a net adverse impact on scenic, historic, and recreational values. Step two is a more comprehensive balancing activity in which the Commission must weigh its determination of the NECEC’s impact on scenic, historic, and recreational values against the other factors listed in Section 3132(6) which include economics, reliability, state renewable energy generation goals, the proximity of the proposed transmission line to inhabited dwellings, and alternatives to construction of the transmission line, including energy conservation, distributed generation or load management. At the conclusion of the second step of the balancing process, the Commission will be able to determine whether sufficient public benefits exist to justify the issuance of the requested CPCN.

In this Section of the Order, the Commission focuses on only the impact of the NECEC on scenic, historic, and recreational values. The more comprehensive balancing of these impacts and the other factors set forth in Section 3132(6) is addressed in Section V(D)(5)(e) of this Order.

2. Positions of the Parties

a. Scenic Values

There is wide disagreement between the proponents and the opponents of the NECEC relating to the impacts the Project will have on scenic values. To begin with, parties disagree over the current scenic value of the affected area. Some parties argue that the proposed new corridor will run through a pristine wilderness, while others assert the area in question is more properly characterized as a heavily-harvested working forest. Parties also differ on the extent to which the Project will alter the current character of the area in question. Finally, the parties disagree on whether CMP

sufficiently analyzed the scenic impact of the NECEC and whether CMP adequately explored lower-impact options.

i. Proponents of the Project

CMP asserts that the NECEC is designed to minimize adverse impacts on scenic values. CMP notes that, where reasonably practical, the NECEC is sited in an existing transmission corridor to minimize impacts, and where new corridor is needed the Project is designed to reasonably avoid environmentally sensitive areas and resources, including conserved lands, stream crossings, wetlands, deer wintering habitat, and inland waterfowl and wading bird habitat. CMP notes, further, that approximately 73% of the NECEC route lies within CMP-owned, existing transmission corridor, and that the remainder of the route is located on nearly all privately-owned, commercial forest land, better allowing CMP to site the project to avoid adverse impacts on scenic, historic, and recreational values. CMP Initial Br. at 124.

A major issue of contention in the scenic value debate is the current quality of the 53 miles of new corridor. On this point, WM&RC argues that, as shown by the Natural Resource Maps provided by CMP in response to the September 12, 2018 Procedural Order, the land that will be the site of the new transmission corridor extending to the Canadian border are working forests that have been heavily harvested in recent years. Thus, according to WM&RC, the transmission corridor should not unreasonably detract from the scenic, historic and recreational values offered by these areas. WM&RC Initial Br. at 16.

Two other major points of disagreement between those who support the Project and those who oppose it are whether CMP (1) sufficiently analyzed the scenic impact of the NECEC and (2) adequately explored lower-impact options. CMP argues that it went to great lengths to consider the impacts of the new corridor on scenic values and to take steps to reduce the extent of those impacts. On these points, CMP states that it designed the Project to comply with DEP requirements that a transmission project not unreasonably interfere with existing scenic and aesthetic uses of resources within and nearby the project area, or Area of Potential Effect. CMP notes that, in accordance with these requirements, it prepared a comprehensive Visual Impact Assessment that articulates its methodology for determining potential visual impacts of the Project, and establishes clear mitigation strategies for minimizing impacts. CMP Initial Br. at 124-125.

ii. Opponents of the Project

The opponents of the NECEC focus primarily on the portion of the line that would be constructed in the new corridor. NRCM asserts that the route of the NECEC would disturb 53 new miles of habitat from Beattie Township to Caratunk, and would clear over 1,800 acres of land, cross 115 streams, disturb 263 wetlands covering 76.3 acres, and cross 8 deer wintering areas and 12 inland waterfowl and wading bird habitat areas. NRCM Initial Br. at 21. NRCM argues that the NECEC is likely to have a permanent

and dramatic impact to environmental and scenic resources, along the line, most notably along the 53 miles currently undisturbed by transmission lines. *Id.*

Caratunk asserts that the characterization by CMP of the 53 miles of proposed corridor as “working forest,” as if to say an already spoiled landscape, is dismissive of local concerns and is untrue and disrespectful. Caratunk Initial Br. at 11. Caratunk notes, further, that clear-cuts in a working forest grow back, but the NECEC corridor will not. Caratunk Comments on Stip. at 8 (Mar. 1, 2019).

Caratunk also argues that CMP’s analysis of the NECEC’s impacts on the scenery along the proposed 53 miles of new corridor was inadequate. Caratunk argues that CMP’s Visual Impact Analysis was insufficient, noting that the DEP found it to be “sorely lacking” and “sent them back to the drawing board.” Caratunk Initial Br. at 11-12. Caratunk is also critical of the adequacy of CMP’s consideration of installing the proposed new line underground. *Id.* at 11. Caratunk asserts that the relatively superficial analyses CMP conducted regarding Project impacts is extremely disturbing to the local communities and to those whose livelihoods and families are at stake. *Id.*

iii. Testimony Presented During Public Witness Hearings

The disagreement over the NECEC’s impacts on scenic values was nowhere more apparent than during the three public witness hearings the Commission held in this proceeding. Comments were provided by those that supported the Project and disagreed with the proposition that the NECEC would go through wilderness that was pristine, including by Richard B. Anderson, a former Commissioner of the Maine Department of Conservation and Executive Director of the Maine Audubon Society, and Lloyd Ireland who served as Maine’s Director of Public Lands and also as State Economist during the 1980s. Farmington PWH Tr. at 50-51 (Sept. 14, 2018); Hallowell PWH Tr. at 109 (Oct. 17, 2018).

Other commenters offered a different perspective. Former State Senator Thomas Saviello noted that, notwithstanding the fact that the new corridor would be located in areas that are currently forested, the impact of the NECEC would be significant, noting that the NECEC clear cut corridor will not grow back. Farmington PWH Tr. at 11-12 (Sept. 14, 2018).

Speaking to the amount of logging traffic currently in the area of the proposed new corridor, Jennifer Poirier testified she seldom even passes a logging truck. Ms. Poirier also echoed Senator Saviello’s comments about the permanent nature of the NECEC clear-cut in contrast to forest harvesting, in which case the trees come back. The Forks PWH Tr. at 72-73 (Sept. 14, 2018).

Many other commenters spoke with passion about the scenic value of the area, noting the significance of the area’s beauty, remoteness, and lack of development. Commenters noted that these attributes not only contributed to their own quality of life, but were integral to drawing visitors who sustain the local tourist economies to the

region. Robert Kimber (Farmington PWH Tr. at 68-69 (Sept. 14, 2018)); Drew Bates (*Id.* at 81); Todd Towle (*Id.* at 46); Cecil Gray (Hallowell PWH Tr. at 31 (Oct. 17, 2018)).

Finally, in written comments that were read by Susan Percy, Field Rider stated, with some irony, that the remoteness and low population density of the area through which the proposed new corridor would run make it both attractive to tourists and vulnerable to projects like the NECEC. Hallowell PWH Tr. at 156 (Oct. 17, 2018).

b. Historic Values

When compared to the Project's impact on scenic and recreational values, the effect the NECEC would have on historic values received relatively little attention by the parties in this proceeding. In support of the steps it took to consider the Project's potential effects on historical values, CMP noted that it undertook a comprehensive desktop review to identify historic properties potentially affected by the Project. CMP noted, further, that impacts on historic values are undergoing a thorough review by the Maine Historic Preservation Commission and DEP. CMP Initial Br. at 126.

c. Recreational Values

As with scenic values, there is considerable disagreement between the proponents and the opponents of the NECEC regarding the Project's impacts on recreational values. Proponents and opponents disagree on whether CMP adequately identified, and took reasonable steps to avoid, the Project's detrimental impacts on recreational values. Proponents and opponents also disagree on the extent to which the NECEC will degrade recreational values. There is also marked disagreement between the proponents and the opponents on whether there are beneficial recreational effects from the NECEC. Finally, the proponents and opponents disagree on the NECEC's likely effects on tourism in the new corridor portion of the Project.

i. Proponents of the Project

CMP argues that it was mindful of the potential impacts of the NECEC on recreational values and that it took steps when designing the Project to minimize the negative impacts from the Project. CMP Initial Br. at 126-127. CMP argues that the Project route within the new corridor almost entirely avoids sensitive recreational resources, such as state and national parks, and that the remaining portions of the transmission corridor contain existing transmission lines, thus, the addition of the NECEC will have minimal impacts on those areas. *Id.*

CMP asserts that it was receptive to comments about the Project's impacts on the recreational values associated with the crossing of the Kennebec Gorge and made adjustments to the Project in response to those comments. *Id.* at 127. CMP states that it is aware of concerns that have been expressed about the Project's impact on the Appalachian Trail, but believes those concerns lack merit. *Id.* at 127-128.

While stating that the NECEC's detrimental effects on the recreational values in the 53 miles of new corridor are not unreasonable, CMP further asserts that the Project will have positive effects on the recreational values of the area through which the new corridor passes. CMP states that its "siting of the NECEC will also facilitate snowmobile touring, one of Maine's primary winter recreational industries." *Id.* at 128. CMP points to this as a benefit to tourism in Somerset County by strengthening one of Maine's strongest recreational industries and the local economies in which the snowmobile riders spend time. *Id.*

ii. Opponents of the Project

The opponents to the NECEC state that the negative impacts of the Project on recreational values of the host communities are undeniable and substantial. On this point, Caratunk notes that installing 100-foot-tall transmission towers along a new corridor as wide as the New Jersey Turnpike through relatively undeveloped western Maine will have numerous, significant, and permanent impacts. Caratunk Initial Br. at 10. Caratunk describes this conclusion as "self-evident." *Id.*

The opponents to the Project contest CMP's assertions that it was (1) mindful of the potential impact of the NECEC on recreational values and (2) took sufficient steps when designing the Project to minimize negative recreational impacts. For example, Caratunk argues that CMP did not adequately identify or analyze the Project's impacts on recreational values, describing CMP's consideration of these matters as after-the-fact and dismissive. *Id.* at 13.

Caratunk also contests CMP's claim that the Project will attract snowmobilers. First, Caratunk argues that CMP failed to do the analysis necessary to support the claim that the NECEC will promote snowmobiling in the area. Second, Caratunk refutes CMP's assertion that snowmobilers will be attracted to the new corridor. *Id.* at 10. Caratunk argues that, to the contrary, if given the choice, the snowmobile community will elect not to ride on a trail in the proposed new corridor. Caratunk Reply Br. at 11-12.

Caratunk also refutes CMP's assertion that it actively engaged the communities along the proposed new corridor and modified the Project design based on feedback from the local stakeholders. Caratunk describes CMP's efforts and analysis in this regard as unsupported and inaccurate. Caratunk Initial Br. at 13.

iii. Testimony Presented During Public Witness Hearings

As with the public witness testimony on the NECEC's impact on scenic values, testimony on the Project's effects on recreational values was quite divided. With respect to CMP's position that the NECEC provides recreational value benefits related to snowmobiling, Mr. Bob Meyers, who is the Executive Director of the Maine Snowmobile Association, Inc. (MSA), presented testimony in support of this proposition, noting that the entire length of the new corridor would be open to snowmobile access,

thus, creating significant new opportunities for Maine residents and non-residents. Hallowell PWH Tr. at 44-46 (Oct. 17, 2018).

However, other members of the MSA testified that such benefits are illusory. For example, Tania Merrett and John Willard testified strongly against the proposition that snowmobilers would want to ride under a power line. *Id.* at 60-61.

Two other themes that were repeatedly addressed in public witness hearing testimony were the wild nature of the area and the broad appeal that the wilderness has for people. Tony Diblasi, a registered Maine Guide, testified to the natural splendor of the region and the wilderness river trips he has shared with people from around the world. The Forks PWH Tr. at 42 (Sept. 14, 2018).

Greg Caruso, a resident of Caratunk and owner of Maine Guide Services LLC, testified to his experience in guiding visitors who come to the region for whitewater rafting, hunting, and ATVing and snowmobiling. In particular, Mr. Caruso noted that visitors come to the region to get away from the modern industrial world, and that comments he has heard from thousands of visitors reinforce the importance of the region's beauty, remoteness, and silence. *Id.* at 118-120.

These comments were echoed by other public witnesses who articulated their concerns about the effect the Project would have on their own quality of life, as well as on the Maine economy. Witnesses noted that the economic impacts would be felt not only in the communities in proximity to the Project, but also statewide, citing the negative impact the Project would have on the "Maine Brand." Kate Stevens (Hallowell PWH Tr. at 121 (Oct. 17, 2018)); Monica McCarthy (*Id.* at 67-69); Beverly Hughey (The Forks PWH Tr. at 129 (Sept. 14, 2018)); Jan Collins (Farmington PWH Tr. at 104 (Sept. 14, 2018)); Heather Sylvester (The Forks PWH Tr. at 125 (Sept. 14, 2018)); Eric Sherman (*Id.* at 59).

3. CMP's Efforts to Mitigate the NECEC's Adverse Impacts on Scenic, Historic, and Recreational Values Through the Negotiation of an MOU with WM&RC

a. Background

CMP's mitigation efforts relating to the NECEC's detrimental effects on the host communities in Somerset County have focused on CMP's Memorandum of Understanding (MOU) with WM&RC and the placement of the transmission line under the Kennebec Gorge. On May 30, 2018, CMP and WM&RC entered into an MOU. CMP Exh. NECEC 25. In the MOU, WM&RC is identified as

a Maine nonprofit public benefit corporation that was formed for the purpose of expanding conservation of the Kennebec, Dead, Sandy, Moose, Sebasticook and Carrabassett rivers; developing recreation projects; developing education

programs about the history, ecology and uses of Maine's rivers; and expanding economic development opportunities along the rivers of Western Maine.

WM&RC MOU at 1, Section C.

The MOU provides that "CMP and WM&RC wish to establish a framework to mitigate any environmental, natural resource and community impacts of the Project and to provide additional economic development opportunities to Somerset County." *Id.*, Section (D).

Section 4(a) of the MOU addresses the situation in which the Project crosses the Kennebec Gorge overhead and provides that, under such circumstance, CMP will provide WM&RC a lump sum of \$22 million. Sections 4(a)(iii) and (iv) provide a breakdown of the \$22 million that CMP will pay to WM&RC in the event of an overhead crossing, and state that CMP will:

(iii) Contribute in a lump sum to the trust described in Section 4(c) \$16,000,000 to support and enhance tourism and outdoor recreation in the Central and Northern Somerset County, including construction, operation and staffing of a visitor center, maintenance of trails, funding of education programs to improve the local tourism economy; WM&RC commits to leverage these grant funds to obtain funds from philanthropic donations, the local tourism bureau, local businesses and other sources to the maximum extent possible.

(iv) Contribute in a lump sum to the trust described in Section 4(c) \$6,000,000 to fund maintenance costs associated with the tourism infrastructure described in clause (iii) above and for continued funding of education and other programs to improve the local tourism.

Section 4(b) of the MOU addresses the situation in which the Project crosses the Kennebec Gorge underground and provides:

(b) In the event that the Project is constructed such that it (i) crosses the Kennebec Gorge underground, (ii) crosses overhead at Harris Dam, or (iii) completes the Project by any other overhead or underground crossing of the Kennebec or Dead rivers, and subject to the Preconditions being met, CMP agrees to contribute in a lump sum to the Trust described in Section 4(c) to support the programs described in clause (a)(iii) above of at least \$5,000,000, but in no case exceeding \$10,000,000.

The MOU provides specific instructions regarding WM&RC's participation in the regulatory review process of the NECEC.

At the request of CMP, WM&RC will provide written and/or oral testimony to one or more regulatory agencies with the power to issue one or more of the Required Approvals. The essence and extent of WM&RC's testimony will be that

the mitigation packages for the crossings described in Sections 4(a) and 4(b) of this MOU are appropriate offsets to the environmental, natural resource and community impacts of the Project because the benefits of the packages to the region are substantial and long lasting.

Id. at 6, Section 7(a).

In its September 27, 2017 Petition, CMP included an NECEC Communications Plan (Communications Plan). CMP Ex. NECEC 9. The Communications Plan emphasizes such things as keeping key stakeholders well-informed through early and frequent outreach activities and building trust throughout the area where the Project will be built. CMP Petition at 88-89.

b. Positions of the Parties

The proponents and opponents of the NECEC are divided on CMP's efforts to mitigate the Project's detrimental impacts on scenic and recreational values. The proponents and opponents also differ on the sufficiency of CMP's outreach activities and CMP's communication efforts with key stakeholders regarding the negotiation and content of the MOU. Proponents and opponents disagree on the following aspects of CMP's MOU with WM&RC: (1) the legitimacy of WM&RC, (2) the sufficiency of funding provided by the MOU, and (3) the adequacy of the way MOU funds are allocated.

i. Proponents of the Project

CMP states that the MOU "was the result of extensive discussions with WM&RC representatives that began in Spring 2017 regarding the project's river crossing at the Kennebec River Gorge and Moxie Stream in Somerset County." CMP Initial Br. at 81. CMP summarizes the terms of the WM&RC MOU as follows:

CMP has provided WM&RC with a \$250,000 initial donation, and will, subject to the NECEC's receipt of all relevant regulatory approvals, provide additional annual grants of \$50,000 to WM&RC for five years, to support WM&RC's charitable mission, including, in particular, the promotion of outdoor activities in central and northern Somerset County and the improvement of the current trail and track network in those areas. To ensure that the NECEC does not unreasonably interfere with or adversely affect existing scenic, aesthetic, recreational or navigational uses, CMP has also consulted with WM&RC on the design, construction, and ongoing maintenance plan for the NECEC in the vicinity of the Kennebec Gorge.

As part of the MOU, CMP has also agreed to certain measures regarding relevant, CMP-owned land in the NECEC project area, including to negotiate in good faith with businesses operating on land leased from CMP regarding options to purchase such land, to consider making available for purchase land that is not essential for CMP's current or anticipated future needs, and to cooperate in good

faith in facilitating access to the NECEC corridor for recreational uses, consistent with applicable law. In the event that CMP constructs the NECEC, the Company has also agreed to facilitate broadband, wide area Wi-Fi, and other enhanced communication services for the residents and business of Somerset and Franklin counties by laying an optical ground cable with multiple strands of fiber-optic cable, at CMP's sole expense. CMP has also agreed to additional mitigation measures based on the NECEC's proposed underground crossing of the Kennebec Gorge. The Company has established and will fund an irrevocable Maine charitable trust fund to support and enhance tourism and outdoor recreation in central and northern Somerset County and contribute a lump sum of at least \$5 million, and as much as \$10 million, to fund maintenance costs associated with such tourism infrastructure. All of these provisions provide real and tangible benefits to Somerset County.

Id. at 81-82.

Other proponents of the Project assert that the benefits included in the MOU are substantial and provide significant mitigation of any negative impacts to the host communities in Somerset County that may result from the NECEC. In its initial brief in this case, WM&RC describes the provisions of the MOU and the benefits the MOU would provide to the people of Somerset County. WM&RC concludes that the record supports a finding that the various financial and non-financial contributions offered by CMP under the MOU will likely provide additional economic development opportunities in western Maine and Somerset County. MW&RC Initial Br. at 8-9.

The Chamber argues that the MOU will provide robust economic development opportunities for the promotion of outdoor activities and tourism in that part of our State. Chamber Initial Br. at 5.

Regarding CMP's broader outreach and communications activities, CMP witnesses were questioned during the January 9, 2019 hearing about the adequacy of CMP's implementation of its Communications Plan. CMP witnesses stated repeatedly that CMP's pre- and post-filing outreach efforts were robust, that the outreach team was committed to complying with the requirements of the Communications Plan, and that, knowing what it knows now, CMP would not change the way it conducted its outreach efforts. Hearing Tr. at 115, 121-122 (Jan. 9, 2019).

ii. Opponents of the Project

Opponents of the Project are critical of CMP's MOU with WM&RC on four fundamental grounds. First, opponents question the legitimacy of WM&RC and whether it sufficiently represents the people in Somerset County who would be directly affected by the Project. Second, opponents argue that CMP has not done the analysis necessary to quantify the damage caused by the new corridor. Third, opponents assert that, notwithstanding CMP's failure to conduct any analysis of the monetary damage caused by the Project, it is clear that the amount offered by CMP in the MOU (between

\$5 million and \$10 million) is insufficient to offset the damages caused by the Project. Finally, opponents assert that the mitigation included in the MOU is not equitably distributed among those along the new corridor who will be most harmed by the Project.

Regarding the legitimacy of WM&RC, Caratunk asserts that the WM&RC is simply a shell organization created by CMP, noting that the MOU also requires WM&RC to proactively support NECEC in front of governmental bodies. Caratunk Initial Br. at 38.

Opponents also assert that CMP has not conducted a sufficient analysis to quantify the impacts of the proposed new corridor on scenic and recreational values and tourism. Relating the lack of analysis and quantification of the harm caused by new corridor to the adequacy of the benefits package contained in the MOU, Caratunk questions how a proper mitigation package could ever be determined. *Id.* at 27.

In questioning the adequacy of the MOU's funding for Somerset County residents, Caratunk notes the indefinite amount of funds being committed (somewhere between \$5 million and \$10 million) and complains that this uncertainty makes it difficult to evaluate the actual value of the mitigation package. Hearing Tr. at 75 (Jan. 9, 2019). Caratunk adds that the MOU is structured in a way that places primary emphasis on the crossing of the Kennebec Gorge and further notes that CMP's decision to underground that portion of the line substantially reduced the value of the mitigation package from a guaranteed amount of \$22 million to a guaranteed amount of \$5 million. Caratunk Initial Br. at 38. Caratunk asserts that this \$5 million is insufficient to offset the damage caused by the Project to the people of Somerset County.

In addition to the MOU providing insufficient funding, Caratunk argues that the MOU is structured in a way that inequitably distributes those insufficient mitigation dollars. Speaking to the mismatch between the beneficiaries of the MOU and those who would be most harmed by the Project, Caratunk argues that funds should be directed to where the direct impacts will be. *Id.* at 27.

In addition to its criticism of the contents of the MOU, Caratunk also criticizes CMP for its failure to include any Caratunk Town officials in any of its negotiations with WM&RC regarding the MOU. Hearing Tr. at 112-113 (Jan. 9, 2019). Finally, Caratunk criticizes CMP's broader outreach and communications activities and its failure to comply with its Communications Plan. *Id.* at 116.

iii. Testimony Presented During Public Witness Hearings

Public witness hearing testimony relating to WM&RC and the MOU focused primarily on two issues: (1) whether WM&RC was representative of the affected local communities and (2) whether the MOU allocates mitigation funds to the proper people.

In their Procedural Order issued on September 6, 2018, the Examiners noted: "These public witness hearings are being held pursuant to Chapter 110, Section 8(B)(6) of the Commission's Rules to allow persons who are not parties in this case to present

testimony or argument to the Commission.” Consistent with the September 6th Order, no person testified on behalf of WM&RC at any of the public witness hearings. But, there was a great deal of testimony critical of WM&RC and the MOU regarding each of the two issues. Witnesses testified that WM&RC does not speak for them, some even expressing feelings of betrayal. Ed Buzzell (Forks PWH Tr. at 78 (Sept. 14, 2018)); Julie Tibbetts (*Id.* at 82);

In the opinion of others, the MOU and the process that led to it was described as a “done deal” put together by CMP behind the scenes. Cecil Gray (Hallowell PWH Tr. at 30 (Oct. 17, 2018)); Former Senator Howard Trotsky (*Id.* at 160).

There was no testimony during the public witness hearings that explicitly referenced CMP’s Communications Plan or whether CMP had complied with that Plan. However, there was testimony about CMP’s trustworthiness, which the Plan noted as a goal for CMP to be achieved through its outreach and communications efforts in the affected communities. Several witnesses spoke critically of CMP’s trustworthiness, citing presentations about the Project by CMP that were “deceptive” and meetings in which county commissioners and residents were told “half-truths”. Vaughan Woodruff (Farmington PWH Tr. at 34-37 (Sept. 14, 2018)); Beverly Hughey (The Forks PWH Tr. at 130 (Sept. 14, 2018)); Former Senator Saviello (Farmington PWH Tr. at 7 (Sept. 14, 2018)); Eric Sherman (The Forks PWH at 49 (Sept. 14, 2018)); Kathy Barkley (*Id.* at 46); Pete Dostie (Hallowell PWH Tr. at 105 (Oct. 17, 2018)).

4. Balancing the NECEC’s Impacts on Scenic, Historic, and Recreational Values with CMP’s Mitigation Efforts

In addition to evaluating the Project’s positive and negative impacts on the scenic, historic, and recreational values in and around the new corridor, and CMP’s efforts to identify and mitigate the detrimental impacts of the Project, the Commission must also balance the totality of the impacts and mitigation to determine the NECEC’s net impact on scenic, historic, and recreational values. Not surprisingly, the proponents and opponents of the Project have different positions on how the Commission should do the balancing and the results of that balancing activity.

a. Proponents of the Project

The proponents note that Section 3132 and Chapter 330 provide little guidance on how the Commission should weigh the various impacts of the Project and then compare and balance those impacts. CMP describes the process as “flexible,” reflecting the context of the circumstances that exist at the time of the determination. CMP Initial Br. at 8. The IECG argues that the public interest balancing takes into account all relevant information contributing to the determination of whether the Project provides a positive net benefit to energy consumers. IECG Reply Br. at 16.

The IECG notes, further, that this case presents many benefits and detriments that are difficult to quantify and weigh. On this point, the IECG warns that “the complexity of many of the issues raised by the parties and the volume of such issues

have the potential to confuse the analysis and to obscure the value of benefits of NECEC that are substantial and indisputable.” *Id.* at 2. The IECG adds that it “is confident that the Commission and its staff have the technical expertise to evaluate the record on these issues and to make appropriate findings, but the complexities are dwarfed by the indisputable.” *Id.* The IECG notes that some issues are more difficult to quantify and argues that “rather than ‘wandering into the weeds’ to address these issues in significant detail,” the Commission should stay focused on the more easily quantifiable benefits of the Project “that are known to exist with a high degree of certainty.” *Id.*

WM&RC echoes the IECG’s comments about the complexity of the issues relating to scenic, historic, and recreational values and argues that, with respect to in-depth assessments of the Project’s impacts upon the natural environment and existing uses of lands, the Commission should defer to the Maine DEP and LUPC because they are the agencies charged to make such evaluations and have the expertise to do so. WM&RC initial Br. at 18. Notwithstanding its recommendation that the Commission defer on such issues, WM&RC concludes: “The Commission should find that any intrusions of the Project upon the scenic, historic and recreational values are not unreasonable and are outweighed by the benefits of the Project.” *Id.*

b. Opponents of the Project

The opponents to the Project make two fundamental points regarding the balancing of the Project’s beneficial and detrimental impacts. First, the opponents assert that CMP has failed to conduct sufficient analysis of the NECEC’s detrimental impacts on the scenic, historic, and recreational values associated with the Project. Second, the opponents argue that, in spite of CMP’s insufficient analysis, the record in this docket supports a finding that, on net, the NECEC is harmful to scenic, historic, and recreational values.

Regarding the sufficiency of CMP’s analysis, Caratunk argues that CMP’s failure to adequately examine the Project’s impacts compromises the Commission’s ability to weigh and balance those impacts. Caratunk Initial Br. at 42-43. Caratunk argues, nevertheless, that there is evidence in the record that shows how the NECEC will result in significant impacts to natural resources, and that it could cause economic harm to the local economy. *Id.*

NextEra makes a similar point, focusing on CMP’s failure to analyze the possibility of placing the portion of the proposed transmission line from The Forks to the Canadian border underground. NextEra argues because of CMP’s failure to provide any substantive evaluation of the scenic and recreational values impacted by NECEC for the 53 miles of greenfield forested corridor, its request for a CPCN should be denied. NextEra Initial Br. at 32-33

On the other hand, GINT argues that there is ample discussion in the record of the environmental harms that would be caused by NECEC, upon which the Commission can render a determination. GINT Initial Br. at 75.

5. Discussion

a. The NECEC's Impacts on Scenic Values

There was little discussion in this case regarding the portions of the NECEC that would lie within CMP's existing transmission corridor. The Commission's assessment on the Project's impacts on scenic values therefore focuses on the 53 miles of proposed new corridor that runs from the Canadian border in Beattie Township to the Town of Caratunk.

As noted above, some proponents of the Project characterize the proposed 53-mile corridor as a heavily-harvested working forest that cannot be considered "wilderness." Some opponents refer to the area in question as "pristine." The record suggests that the truth lies somewhere between these two characterizations.

The proposed new corridor would run through a well-managed working forest. That fact is not in dispute. However, the record also confirms that this area has special qualities that are treasured by residents in the area, as well as important to visitors that come to the area to recreate and enjoy its beauty, solitude, and remoteness.

As the testimony indicates, well-managed working forests that are clear-cut grow back, while the proposed new corridor would be cleared and maintained in a way that will not allow it to regenerate. The NECEC would result in the clearing of over 970 acres of land and the transmission line would cross streams, impact wetlands, and have an impact on the flora and fauna in and around the new corridor. The average pole height along the new transmission corridor would be 100 feet tall. Thus, the Commission finds that the Project will have an adverse impact on local scenic values.

The record does not allow the Commission to quantify the NECEC's potential impact on scenic values. However, it is important to note that the NECEC's proposed route is on private land which CMP owns or controls, including existing corridors for 73% of the Project's length. With respect to suggestions that the line should be underground rather than overhead, CMP considered the overhead solution as potentially lower impact given the environmental issues related to burying significant portions of the line underground. In addition, CMP incorporated the following design features to limit the Project's impact on scenic values:

- Adopting a perpendicular crossing to minimize visual impacts from approaching traffic, where the NECEC route intersects U.S. Route 201;

- Distancing the transmission corridor from major access roads, and, where possible, providing for a vegetative screen between the corridor and access roads;
- Siting the NECEC in mountain notches (as opposed to atop mountain peaks) to minimize visual impacts for those in the area, where the project route crosses high elevations, including in the area around Coburn Mountain;
- Installing taller pole structures where the project route crosses Gold Brook in Appleton Township to allow for full height canopy and thus minimize impacts to conservation management areas associated with the Roaring Brook Mayfly;
- Using “tapering” vegetation management methods that will soften the appearance of corridor visible from Rock Pond;
- Using roadside buffers to mitigate visual impacts in the locations in which the NECEC will cross U.S. Route 201 in Johnson Mountain Township and Moscow;
- Using specific vegetation management practices to reduce impacts within the Kennebec Deer Wintering Area, rare species conservation management areas at Mountain Brook in Johnson Mountain Township and Gold Brook in Appleton Township, and Rusty Blackbird habitat areas; and
- Using shorter, 75-foot poles, in the vicinity of Moxie Pond.

CMP Exceptions to Examiners’ Report at 9-11.

Based on the record, the Commission concludes: (1) the scenic value of the area through which the proposed new corridor would run is substantial; (2) the running of an overhead transmission line through this area would have an adverse impact on the scenic value of the area; (3) the Commission is unable to quantify the adverse impact of the NECEC on the scenic value within the area in question; and (4) the DEP and the LUPC, the agencies with expertise in these matters, will conduct expert reviews of the scenic impacts of the NECEC and will, to the extent appropriate and feasible, mitigate these effect through their own proceedings.

b. The NECEC’s Impacts on Historic Values

The question of the NECEC’s impact on historic values received little attention by the parties. As required by Section 3132(2-C)(A), CMP included a description of the effect the Project would have on historic values in its September 27, 2017 Petition. No party in this case offered testimony on this issue and the issue was not directly addressed by any of the people who testified during the three public witness hearings in this case.

Based on the limited record in this case on this issue, the Commission finds that the NECEC will not have an adverse impact on historic values in the area through which it passes.

c. The NECEC's Impact on Recreational Values

As with the Commission's consideration of the NECEC's impact on scenic values, the consideration of the Project's impact on recreational values focuses primarily on the portions of the 53 miles of proposed new corridor that attract tourists and outdoor enthusiasts. The record indicates that the recreational activities that currently take place in the affected area are many and diverse. A partial list of these recreational activities includes: fishing, hunting, birding, moose watching, leaf-watching, star gazing, hiking, camping, rafting, tubing, canoeing, kayaking, snowmobiling, ATVing, skiing, taking photos, swimming, rejuvenating, and relaxing. The record further indicates that visitors come to this area to engage in these, or other, forms of recreation. Finally, the record indicates that the beauty, remoteness, and undeveloped character of the region contribute to its value as a recreational destination.

The record supports a finding that the perpetually-cleared corridor, and the transmission line located in that corridor, will have an adverse impact on the recreational values in the area in question and, a corresponding impact on tourism and the economy in the host communities.

As with NECEC's impact on scenic values, CMP did not attempt to analyze or evaluate the Project's impacts on recreational values and the potential effects on tourism and the local economy. As part of its initial Petition, CMP included the USM Study titled "The Economic and Employment Contributions of the New England Clean Energy Connect in Maine" (USM Study).²⁹ While the USM Study does address several macroeconomic issues relating to the NECEC, it does not consider, or attempt to quantify, the effects of the Project on recreational values, or, more specifically, the micro-impact the Project would have on the tourism industry in the host communities. None of the other studies and analyses filed in this case attempts to quantify the Project's impact on tourism in the affected area. Therefore, the record in this case does not include information that would allow for the quantification of the NECEC's impacts on recreational values and the Commission is left with the task of evaluating such impacts in general terms.

²⁹ CMP Exh. NECEC No 7. The Executive Summary of the USM Study indicates that CMP commissioned MCBER to "to estimate the employment and other economic development impacts provided by the NECEC Project." USM Study at 1. Based on its analysis, MCBER found that "Maine ratepayers and communities will benefit from a reduction in electricity rates and the development, construction, and operations of the NECEC will support significant employment and other economic development impacts in Maine." *Id.*

Based on the record, the Commission concludes (1) the current recreational value of the area through which the proposed new corridor would run is substantial; (2) the NECEC will adversely affect this value; (3) the NECEC's impact on recreational value would have a corresponding impact on tourism and the economy in the host communities; (4) the record does not support the assertion that increases in snowmobile riding or other recreational activity in the new corridor would offset these detrimental effects; (5) the Commission is unable to precisely quantify the extent of the adverse impact the NECEC would have on recreational values of the area in question; and (6) the DEP and the LUPC, the agencies with expertise in these matters, will conduct expert reviews of the recreational impacts of the NECEC and will, to the extent appropriate and feasible, mitigate these effects through their own proceedings .

d. CMP's Efforts to Mitigate the NECEC's Adverse Impacts on Scenic, Historic, and Recreational Values³⁰

There are two sets of issues relating to CMP's mitigation efforts regarding the people of Somerset County. First, the Commission must consider such things as the composition of the WM&RC, and if it adequately reflected the interests of key stakeholders in Somerset County, and the extent to which some stakeholders were excluded from discussions that resulted in the MOU.

The record indicates that CMP's negotiations of its mitigation package for Somerset County took place with a small number of people representing a relatively narrow set of interests. Several key stakeholders, including the Town of Caratunk, were not given an opportunity to see or comment on preliminary drafts of the MOU. There is nothing in the record that adequately explains the reason for this omission.

The second set of issues relating to CMP's mitigation efforts regarding the people of Somerset County that the Commission must consider relates to the specific terms of the MOU and the amount and allocation of mitigation they provide. The MOU provides for:

- A \$250,000 initial donation and additional annual grants of \$50,000 to WM&RC for 5 years, to support WM&RC's charitable mission, including, in particular, the promotion of outdoor activities in central and northern Somerset County and the improvement of the current trail and track network in those areas;
- The creation of an irrevocable Maine charitable trust fund to support and enhance tourism and outdoor recreation in central and northern Somerset County and contribute a lump sum of at least \$5 million, and as much as \$10 million, to fund maintenance costs associated with such tourism infrastructure;

³⁰ CMP's mitigation, outreach, and communications activities discussed in this section address only the process and outcome related to the MOU with WM&RC and the decision to cross the Kennebec Gorge underground, and do not address either the process or outcome related to the February 21, 2019 Stipulation.

- Options to purchase CMP land;
- Access to portions of the corridor; and
- Access to broadband, Wi-Fi and other enhanced communications services to the people of Somerset and Franklin counties.

Although not part of the MOU, CMP has also agreed to the underground crossing of the Kennebec Gorge as part of its impact mitigation in that area.

It is clear that the MOU provides significant and quantifiable benefits. Less clear is how the funds from the MOU will ultimately be spent and who the primary and secondary beneficiaries of those funds will be. It is also evident that the undergrounding of the Kennebec Gorge crossing has positive value, though it is difficult to quantify that value.

In addition to CMP's failure to include key stakeholders, such as the Town of Caratunk, in the MOU process, the Commission finds that CMP's overall outreach and communications activities regarding the Project did not comply with its Communications Plan, which provides that "it is essential to provide clear information, address any concerns, offer Project updates and build trust throughout the area where the Project will be built;" that "interested members of the public want to feel engaged and have their concerns noted and validated by the Project team;" and that such a strategy "leads to the development of meaningful and valuable relationships built on mutual understanding, trust and respect." CMP Exh. NECEC 9 at 2 and 8.

When CMP witnesses were questioned about the adequacy of CMP's implementation of the Communications Plan, they stated repeatedly that CMP's outreach efforts were robust and that the outreach team was committed to complying with the goals reflected in the Communications Plan. Hearing Tr. at 115, 119, 121-122 (Jan. 9, 2019).

However, the record includes substantial criticism about CMP's communications efforts. The criticism accuses CMP of failing to provide some key stakeholders with accurate and timely information about the Project, failing to be transparent, failing to build trust throughout the area, and failing to develop relationships among the affected community that is built on mutual respect.

However, notwithstanding this criticism, Mr. Dickinson stated repeatedly during the January 9th hearing that he is either "incredibly proud" or "very proud" of the outreach team and its efforts on this Project and that, in spite of this criticism, "I can't point to a specific thing that we would do differently." *Id.* Such a response suggests a strong disconnect from the views of members of the host communities and appears at odds with the results achieved by CMP's Communications Plan.

Thus, based on the record in this proceeding, the Commission concludes (1) with respect to some stakeholders, CMP failed to comply with several of the core goals of its Communications Plan; (2) CMP's after-the-fact view of its success in complying with its Communications Plan appears unrealistic; and (3) whether intentional or not, CMP's failure to reach out to, and communicate with, certain key stakeholders compromised those stakeholders' ability to understand the details of the NECEC, evaluate the Project's negative impacts on scenic and recreational values along the proposed new corridor, and to participate in discussions relating to the mitigation of those negative impacts.

In addition to these findings, as noted above, there are a significant number of people in this proceeding who have questioned CMP's trustworthiness.³¹ The assertion that CMP has not been forthright with respect to the NECEC is reflected in the arguments of several opponents to the Project, the testimony of numerous people at the public witness hearings, and the majority of the more than 1,350 public comments the Commission has received in this case.

e. Balancing the NECEC's Impacts on Scenic, Historic, and Recreational Values with CMP's Mitigation Efforts

There are qualitative and quantitative differences between (1) the scenic, historic, and recreational values that are under consideration in this Section of the Order and (2) other factors listed in Section 3132(6), such as economic, reliability, state renewable energy generation goals, and alternatives to construction of the transmission line, that are discussed elsewhere in this Order. The unquantifiable and subjective nature of the NECEC's impact on scenic, historic, and recreational values reverberates repeatedly throughout the arguments of several parties and the testimony provided at each of the three public witness hearings held in this case. Testimony provided at those hearings clearly demonstrates that the assessment of the Project's impact on scenic, historic, and recreational values varies dramatically depending on, among other things, the identity and experience of the commenter. Moreover, the scenic, historic, and recreational impacts of the NECEC are relatively localized, whereas other impacts, such as the market price benefits discussed elsewhere in Section V of this Order, are much broader, if not statewide.

As noted above, neither CMP, nor any other party, provided evidence that would allow the Commission to quantify the NECEC's impact on these values. As a result, the weighing and balancing of the Project's impact on scenic, historic, and recreational values must necessarily be subjective.

Based on the record in this case and the above discussion, the Commission finds that the NECEC will have adverse impacts on the scenic and recreational values in

³¹ There is also some inevitable confounding of unrelated CMP billing and outage matters with any NECEC concerns in some public witness testimony and some public comments with regard to CMP's "trustworthiness."

certain communities in Somerset and Franklin counties, as well as the associated tourism and recreation-based economy in these communities. The Commission also finds that the benefits represented by the MOU and the undergrounding of the line at the Kennebec Gorge are positive and offset the adverse impacts to some extent.

E. Proximity to Inhabited Dwellings

Section 3132(2-C)(A) directs the applicant for approval of a CPCN to include in its petition, among other things, “[a] description of the effect of the proposed transmission line on... the proximity of the proposed transmission line to inhabited dwellings.”³² Section 3132(6) directs the Commission, in determining public need for a proposed project, consider “the proximity of the proposed transmission line to inhabited dwellings.”

The issue of the NECEC’s proximity to inhabited dwellings received little discussion in this case. Addressing this issue, CMP asserts that its design of the project route also reflects its diligent efforts to avoid impacts on inhabited dwellings. Foremost, CMP sited approximately 73% of the NECEC within existing transmission corridor owned by CMP. Where the Company was unable to site the project within existing corridor, CMP conducted due diligence on necessary real estate purchases and sited the project within newly acquired corridor nearby few, if any, inhabited dwellings. Following this approach, the NECEC route runs almost exclusively on privately-owned, commercial forestland containing few, if any, nearby inhabited dwellings. During the discovery phase of this proceeding, CMP provided written responses to data requests on this issue in at least two instances. Other parties neither offered these data responses as record evidence nor presented any testimony on this subject. CMP Initial Br. at 128-129.

No party in this case offered testimony on this issue and the issue was not directly addressed by any of the people who testified during the three public witness hearings in this case. Based on the limited record in this case on this issue, the Commission finds that CMP has designed the Project in a way that results in sufficient distance between the proposed transmission line and inhabited dwellings.

F. State Renewable Energy Goals

1. Incremental Hydroelectric Generation and GHG Emissions

As discussed in Section IV(D) above, the Commission finds that incremental hydroelectric generation for delivery into New England promotes the State’s renewable energy generation goals. At issue, then, is whether the NECEC will result in incremental hydroelectric generation and, thus, advance the State’s renewable energy

³² As required by section 3132(2-C)(A), CMP included a discussion of the proposed transmission line’s proximity to inhabited dwellings in its September 27, 2017 Petition. CMP Petition, Vol. 1, at 69-70.

generation goals, including GHG emissions reductions.³³ As discussed below, this issue involves consideration of: (1) whether there would be excess water within the HQ system that could be used to generate energy as a result of the NECEC export path; (2) whether it is reasonably likely that HQ will develop additional hydroelectric capacity on its system, at least to some significant degree, as a result of the NECEC; and (3) if HQ did divert energy from another market to meet its NECEC obligations, as has been argued by some parties, what type of supply would that other market use to replace the diverted HQ energy.

a. Positions of the Parties

CMP and IECG argue that HQ Production currently has excess energy available to supply the NECEC without diverting energy from other markets. CMP Initial Br. at 98-110; IECG Initial Br. at 35-38. In support of this, these parties cite to publicly available information, as well as to a letter in which Hydro-Québec states that it spilled over 4.5 TWh worth of energy in 2017 and 10.4 TWh worth of energy in 2018 due to lack of economic transmission, and that without additional transmission export capability, the quantity of spilled water in future years is expected to be comparable. CMP Initial Br. at 108-109; Kelly-004-001. CMP and IECG note, further, that that the PPAs between HQUS and the MA EDCs are firm contracts that impose significant financial consequences for failure to perform to provide incremental energy. CMP Initial Br. at 138-150. CMP also argues that the NECEC will contribute to HQ Production's economic incentives to develop new hydroelectric facilities. *Id.*

Moreover, CMP states that all three analyses conducted in this case regarding the NECEC's GHG reduction benefits show that the Project's operation would result substantial GHG reductions for Maine. CMP Initial Br. at 102-104. Specifically, CMP refers to the Energyzt analysis³⁴ that found that the NECEC would reduce Maine GHG emissions levels by approximately 255,000 metric tons per year, the Daymark analysis that found that the NECEC would result in reductions of 264,000 metric tons per year, and the LEI analysis that found that the NECEC would reduce Maine's GHG emissions levels by approximately 306,000 metric tons per year. On a regional level, these amounts are equivalent to GHG emissions reductions of between 3.0 and 3.6 million metric tons per year. According to LEI, such reductions are equivalent to removing approximately 700,000 passenger vehicles from the road. LEI Report at 30.

³³ Regarding the issue of potential increases in CO₂ emissions from the HQ facilities, as noted in the LEI Report, on a lifecycle basis, any such increases would be substantially lower than emissions by natural gas generation. LEI Report at 30.

³⁴ The Energyzt analysis also concluded that the NECEC would result in increases in GHG emissions in other regions (New York, PJM, Ontario) and may actually increase overall emissions. Speyer Dir. Test., Exh. JMS-4, Technical Report: New England Clean Energy Connect (NECEC) Regional Carbon Emissions Impacts at 3 (Apr. 2018).

GINT, NextEra, NRCM, and Ms. Kelly argue that the NECEC would not have any meaningful GHG reductions benefits, and, in fact, would increase GHG emissions because HQ Production would divert energy from other regions to serve its obligations under the NECEC. GINT Initial Br. at 71-73; NextEra Initial Br. at 15-19; NRCM Initial Br. at 14-16; Kelly Initial Br. at 9-11. GINT and NextEra support this position by asserting that the PPAs with the MA EDCs do not actually require HQ Production to fulfil its obligations with incremental hydroelectric generation GINT argues that HQ Production spilled water for reasons other than those stated by Hydro-Québec, arguing that Hydro-Québec has more than enough physical transmission available to export that energy to market. GINT Initial Br. at 70-73. GINT asserts, based on the testimony of Ms. Bodell and Mr. Fowler,³⁵ that because Hydro-Québec did not do so, that there were other non-transmission constraints that led to the spillage (e.g., reservoir management, multi-year smoothing, opportunity cost). *Id.*

b. Discussion

The Commission concludes that the NECEC will result in significant incremental hydroelectric generation from existing and new resources in Québec and, therefore, will result in reductions in overall GHG emissions through corresponding reductions of fossil fuel generation (primarily natural gas) in the region. In making this decision, the Commission recognizes the inherent uncertainty in determining how HQ Production will develop and operate hydroelectric facilities over the next 20 years and beyond; thus, the levels of incremental hydroelectric generation and GHG reductions resulting from the NECEC cannot be precisely determined.³⁶

In support of this conclusion, the Commission observes the representations made by Hydro-Québec in Kelly-004-001 that it was a lack of transmission that resulted in the spilling of a substantial amount TWh in 2017 and 2018 (4.5 TWh worth of energy in 2017 and 10.4 TWh worth of energy in 2018). Hydro-Québec represented, further, that, “without additional transmission export capability,” a comparable amount of water will be spilled in future years. *Id.* This conclusion is supported by both the Daymark and LEI analyses, as well as through LEI’s testimony stating that HQ Production has surplus capacity and the NECEC will provide a means to sell that surplus capacity into New England. CMP Exh. NECEC-5 at 4; LEI Report at 12; Hearing Tr. at 127-128 (October 19, 2018). The Daymark and LEI testimony, thus, corroborate the Hydro-Québec statements in this regard.

³⁵ Corrected Fowler and Bodell Supp. Test. at 53-54.

³⁶ Hydro-Québec did not seek to intervene or participate in this proceeding. The Commission notes that such participation would have been helpful in understanding its prior and near-term operations. However, the operations over 20- to 40-year period would have remained uncertain to a large degree.

Furthermore, HQ Production, as a rational economic actor, will seek to maximize profits, and therefore will use whatever water it has available to generate energy for the NECEC rather than using the NECEC to divert energy from existing markets into New England. In addition, the Commission agrees with CMP that HQ Production has systematically increased capacity and storage capability over time in response to market signals for more clean energy. Dickinson, Stinneford, and Escudero Reb. Test. at 30-35 and Figures 4 and 5; CMP Initial Br. at 107. Thus, the Commission finds that the generation imported into New England over the NECEC is likely to be incremental at least to a large degree, and not, in any significant way, be simply diverted from other markets.³⁷

With respect to Ms. Bodell's analysis that concluded that HQ Production's spillage was due to factors other than transmission availability, the Commission notes that it was based on one-year (2017) of data and did not account for numerous material factors regarding the actual available transmission capacity and market conditions that actually determine whether it would be economic for HQ Production to sell available additional energy into New England or some other export market. Hearing Tr. at 55-83 (Jan. 8, 2019).

Further, the Commission notes that, because the PPAs between HQUS and the MA EDCs are firm contracts, that, except for a *force majeure* or transmission outage, HQUS is required to sell and deliver the specified amounts of energy. If it fails to do so, it will incur significant financial consequences for failure to perform. The PPAs do not permit HQUS to choose non-performance for economic reasons (*i.e.*, to sell available energy into an adjoining spot market in one or more hours in which the spot price in the market exceeds the PPA price for the Products) and to then cure the resulting delivery shortfall at a later time. Moreover, a willful breach of the PPAs would subject HQUS to substantial termination payments being owed to both the MA EDCs and CMP, and would also result in substantial reputational damage to HQUS, and its parent Hydro-Québec, that would hinder future business relationships with current and prospective purchasers of hydropower generation in the region.

Therefore, because the Commission finds that the NECEC will result in incremental hydroelectric generation, it follows that the Project will also provide GHG emissions reduction benefits in the region. As noted above, the expert analyses provided in the record in this proceeding indicates that the GHG emission reductions in the region resulting from the NECEC would be in the range of approximately 3.0 to 3.6 million metric tons per year, which as noted above, is equivalent to removing approximately 700,000 passenger vehicles from the road.

2. Renewable Generation Development in Maine

³⁷ The Commission notes that, even if significant power were to be diverted from New York, that State's renewable energy power policies goals would likely limit to a large degree replacement of the power with fossil fuels. CLF-002-003.

a. Positions of the Parties

NextEra, RENEW, and NRCM argue that the NECEC will prevent the development of renewable energy generation in western Maine. NextEra Initial Br. at 16-19; RENEW Initial Br. at 4-6; NRCM Initial Br. at 8-9. Specifically, these parties argue that, in the event that CMP constructs the Surowiec-South interface upgrades as required, and the NECEC proceeds, the Project will “use up” the existing “headroom” at that interface to the detriment of future Maine-based renewable projects. For this reason, RENEW suggests that the Commission condition issuance of a CPCN for the NECEC on limiting the amount of import capacity that it can seek to qualify in the FCM so as not to disadvantage Maine-based renewable generation development. RENEW Initial Br. at 2-6.

NextEra argues that if the NECEC was constructed as an AC transmission facility rather than a DC facility, the NECEC would be congruent with Maine’s renewable energy generation goals. NextEra Initial Br. at 34-38. NextEra also argues that, if the NECEC were an AC facility, Maine-based solar and wind projects could use the line by buying transmission rights from HQUS for the 110 MWs of unused transmission in years 1-40 and 1,090 MWs of unused transmission in years 21-40. *Id.*

CMP argues that that the NECEC will have no impact on renewable generation ahead of it in the interconnection queue and that there is no record evidence to support the claims that the NECEC will impede the development of renewable generation projects that are behind it in the interconnection queue. CMP Initial Br. at 116-122; CMP Reply Br. at 47-54. CMP states, that in fact, the NECEC’s transmission system upgrades will likely render it cheaper for renewable generation in western and northern Maine to interconnect to the regional transmission grid, which is an additional benefit to generation developers. *Id.* In response to NextEra’s argument that a significant portion of the NECEC should be HVAC transmission, CMP states that the use of additional HVAC transmission would result in: (1) the use of larger, unsightly transmission structures; (2) a more expensive project; and (3) higher transmission losses. CMP Reply Br. at 57-59.

b. Discussion

In Section V(A) above, the Commission discusses the impact of the NECEC on existing Maine generators, as well as on the development of new generation facilities in Maine. In that section, the Commission finds little merit to the concerns that the NECEC would frustrate Maine-based renewable energy development by absorbing “headroom” on the transmission system. Accordingly, the Commission concludes that NECEC will not hinder Maine in making progress towards meeting its statutory renewable portfolio requirements and the goals under the Maine Wind Energy Act and Maine Solar Energy Act.

The Commission agrees with CMP that the NECEC will have no impact on any proposed renewable generation projects in Maine with a better interconnection queue

position. As noted above, there are currently more than 750 MW of renewable capacity in Maine ahead of the NECEC in the queue. For projects that are behind NECEC in the queue or are not yet in the queue, whether these projects move forward depends on numerous factors, including the results of ISO-NE's planning studies, the economic viability of each project, and the availability of PPAs that may be necessary for the financing of such projects.

The Commission notes that the NECEC could facilitate renewable generation in Maine in that it will provide for additional transfer capacity at no cost to future generation developers if, as argued by several parties, the NECEC does not qualify in the FCM, or qualifies less than 1,200 MW.

In addition, as described in Section II(C) above, the NECEC requires construction of several reinforcements to the transmission system south of Larrabee Road, including a parallel 345 kV line between the Coopers Mills Road Substation and the Maine Yankee Substation. The ISO-NE has identified certain of these upgrades, including the new Coopers Mills line, as necessary to the interconnection of new renewable generation in western and northern Maine.³⁸ Because the costs of these reinforcements will be borne by the NECEC, future renewable generation projects may benefit from the fact that they already exist at the time their projects seek to interconnect.

For these reasons, the Commission rejects RENEW's suggestion that the Commission limit the amount of NECEC-enabled capacity for participation in the capacity market and "reserve" that amount for certain generation types or projects. Such a condition would not be in the public interest and would be contrary to the first-come, first-served design of the ISO-NE interconnection queue and study process.³⁹

VI. REVIEW AND DISCUSSION OF STIPULATION

A. Stipulation Provisions

The major provisions of the Stipulation include the issuance of a CPCN for the NECEC and a set of "CPCN Conditions" that contains benefit provisions in various categories. Specifically, certain CPCN Condition provisions provide ratepayer protections against costs and financial risks associated with the Project or are intended

³⁸ CMP-010-006, Attachment 1 (2016/2017 Maine Resource Integration Study) at 3 (identifying a "second 345 kV Coopers Mills – Maine Yankee 302 line" as a shared requirement for interconnection of both the northern and western Maine clusters).

³⁹ CMP argues that a condition that an amount of NECEC-enabled capacity eligible for participation in the capacity market be "reserved" for other generation projects is preempted by federal law in that the Federal Power Act vests in FERC "exclusive jurisdiction over wholesale sales of electricity in the interstate market." Because the Commission finds that such a condition would not be in the public interest, it need not address the preemption issue.

to reimburse ratepayers for prior costs associated with the Project and to compensate ratepayers for the benefits provided to the Project. Additionally, certain provisions provide a series of public benefits through funding of various initiatives and commitments. The Stipulation also includes various additional commitments by the Project sponsors. Each of the CPCN Condition provisions is described below.

1. Ratepayer Protections and Compensation

a. NECEC Project Ownership

The Stipulation includes a condition that CMP will convey the Project to NECEC Transmission LLC (NECEC LLC), a newly-organized subsidiary within the Avangrid Networks that is not a subsidiary of CMP. Stip. Sec. V.B.1. Upon the transfer, CMP and NECEC LLC will enter into a Service Agreement which contains the provisions under which CMP will provide various services to NECEC LLC, including accounting, legal, information technology, other corporate support, supply chain and engineering services. Stip. Sec. V.B.1.c. In addition to the transfer of the Project, the Stipulation provides for the following:

- The transfer of the Project from CMP to NECEC LLC will occur prior to the start of construction;
- NECEC LLC will not participate in any money pooling arrangements, credit facilities or other financing agreements with CMP without Commission consent;
- NECEC LLC and CMP will remove NECEC-related development expenses from CMP's books;
- NECEC LLC will put in place a guaranty by AVANGRID, Inc. of its payment obligations to CMP and with respect to the Heat Pump Fund, the Dirigo EV Fund, the Franklin County Host Community Benefits Fund and the Education Grant Funding. In addition, NECEC LLC will grant a first priority security interest to CMP in NECEC LLC's payment rights from HQUS or Hydro-Québec with respect to the Low-Income Customer Benefits Fund and the Rate Relief Fund;
- NECEC LLC and CMP will facilitate access to the NECEC transmission corridor for ATV, snowmobile, and other recreational uses;
- NECEC LLC will not use CMP's brand name, reputation or customer relations and will not engage in joint marketing or advertising with CMP;
- Maine transmission and distribution customers shall not be responsible for any portion of the revenue requirement for the Project during at least the first 40 years of its useful life;

- CMP and NECEC LLC will not take or support any action to change the NECEC cost recovery mechanism that would result in Maine customers being responsible for any portion of NECEC LLC's revenue requirement during the first 40 years of the Project without Commission approval; and
- Provided, however, that these provisions would not prohibit Maine customers from paying for a portion of the Project through the purchase of electricity provided through the 110 MW not contracted by the Massachusetts EDCs.

Stip. Sec. V.B.1.d.

b. Consideration Payment

As consideration for the transfer of the Project assets and any goodwill of CMP related to the Project, NECEC LLC will pay CMP \$60 million, payable in 40 installments of \$1.5 million annually. CMP will direct these payments to the NECEC Rate Relief Fund described below. Stip. Sec. V.B.1.b.

c. Transmission Rates Customer Credit

Effective with the 2019 transmission rate change, CMP will provide a one-time credit for RNS and LNS transmission customers of \$1.005 million. This credit represents the amounts paid in rates by transmission customers for those portions of the transmission corridor held by CMP that have been included in FERC Account 105 for Plant Held for Future Use. CMP will remove all NECEC-related property from FERC Account 105 upon issuance of the CPCN. Stip. Sec. V.B.2.

d. New Corridor Removed from Transmission Rates

Upon issuance of the CPCN, CMP will remove the unused portion of the transmission corridor from the Canadian border to the existing Section 222 from Account 105 and classify it as Non-Operating Property in FERC Account 121. CMP agrees that it will not reclassify this unused corridor or seek recovery in any other way unless the transmission project that will use this corridor is otherwise eligible for rate recovery from Maine retail customers pursuant to a FERC-approved transmission tariff. Stip. Sec. V.B.3.

2. Public and Ratepayer Benefits

a. Low-Income Customer Benefits Fund

Beginning with the NECEC commercial operations date (COD), NECEC LLC will fund a \$40 million Low-Income Customer Benefits Fund by making 40 annual payments of \$1.25 million. This fund will be available to fund programs that benefit low-income energy customers in Maine and may be used to reduce the amounts paid by low-income customers for electricity or other sources of energy, for weatherization and household efficiency programs. The specific use of these funds will be as designated by the OPA in consultation with the Efficiency Maine Trust (EMT) and a designee of the

Governor. In designating the use of these funds, a preference for customers located in the NECEC Host Communities may be applied. Stip. Sec. V.B.4.

b. Rate Relief Fund

Effective with the NECEC COD, a \$140 million Rate Relief Fund will be established to provide per kilowatt hour rate relief for CMP's retail customers. As noted, CMP will direct the annual \$1.5 million consideration payment received from NECEC LLC to this fund. NECEC LLC will provide an additional \$2 million annual payment. The Rate Relief Fund will be funded over 40 years and will flow to ratepayers through stranded costs or comparable per kilowatt hour mechanism. In addition, to the extent that CMP is able to monetize the Environmental Attributes discussed in Section VI.A.3.d, those funds will also be contributed to the Rate Relief Fund. Stip. Sec. V.B.5.

c. Broadband Benefits

As part of the final design, CMP and NECEC LLC will include facilities and equipment necessary to provide additional fiber optic capacity on the transmission line with an estimated value of \$5 million. In addition, beginning with COD, a \$10 million Broadband Fund will be established and funded by five annual contributions of \$2 million by HQUS. This fund may be used for grants to study and implement expanded availability of high speed broadband in the host communities. Stip. Sec. V.B.6.

d. Heat Pump Benefits

Beginning with COD, a \$15 million Heat Pump Fund will be established and funded by annual contributions over 8 years of \$10 million by HQUS and \$5 million by NECEC LLC. This fund will be used for the installation of heat pumps or other efficient heating technologies as agreed to by the OPA, the Governor's designee(s), CLF, Acadia Center, and IECG in consultation with EMT. Stip. Sec. V.B.7.

e. Electric Vehicle (EV) Funds

The Stipulation provides for two EV funds. The \$5 million Dirigo EV Fund, to be funded either by a lump sum contribution or over time by NECEC LLC beginning in the year NECEC LLC and Hydro-Québec receive all necessary permits. This Fund will provide consumer rebates for the purchase of qualifying EVs by Maine residents and rebates to defray the cost of workplace and other public vehicle charging installations and be managed pursuant to an agreement among CLF, Acadia Center, and the Governor's designee. Stip. Sec. V.B.8.a.

The \$10 million Hydro-Québec EV Fund will be funded through five payments of \$2 million annually from HQUS beginning on COD. This Fund will be used to fund the deployment of a state-wide fast and ultra-fast public charging infrastructure network for EVs in Maine. In addition, Hydro-Québec commits to share its expertise with respect to EV infrastructure in developing the programs funded by the Hydro-Québec EV Fund. Stip. Sec. V.B.8.b.

f. Franklin County Host Community Benefits

Beginning with COD, a \$5 million fund for the benefit of communities in Franklin County will be established and funded by ten annual contributions of \$500,000 by NECEC LLC. This fund will be used to support the economic and community development efforts of the Greater Franklin Development Council. Stip. Sec. V.B.9.

g. Education Grant Funding

NECEC LLC will provide a total of \$6 million for education-related grants and programs. NECEC LLC will contribute \$1 million to the University of Maine for research and development associated with the commercialization of marine wind generation technology once all State of Maine permits and approvals are received. Stip. Sec. V.B.10.a. Beginning with COD, NECEC LLC will make 10 annual contributions of \$500,000 each to fund programs and scholarships for needy Maine students to attend the University of Maine at Farmington and vocational and training programs and scholarships in the math, science and technology fields in Franklin and Somerset Counties. Stip. Sec. V.B.10.b.

3. Other Commitments

Finally, the Stipulation contains the following additional commitments on the part of CMP and NECEC LLC.

a. Mitigating Impacts on Transmission System

In the Stipulation, CMP and NECEC LLC agree to a number of initiatives intended to mitigate the impacts of the NECEC on the transmission system and existing and future energy resources in Maine. Stip. Sec. V.B.11. These provisions are conditioned on the NECEC receiving a CPCN and all other necessary approvals and include commitments by CMP and NECEC to:

- Participate in all ISO-NE studies to determine the thermal, voltage and stability ratings for the Surowiec-South interface and advocating to maximize its stability rating and the total transfer capacity;
- Engage a consultant at CMP's expense, not to exceed \$2 million, to evaluate non-wires solutions that would reduce congestion at the Maine/New Hampshire and Surowiec-South interfaces;
- For any cost-effective and commercially viable non-wires solution identified, assess and pursue approval and cost allocation pursuant to the ISO-NE Tariff and to propose such solutions in applicable competitive solicitations; and
- Within one year of COD, create and make available an annual electric transmission and distribution system report which analyzes system needs that may potentially be met by non-wires alternatives.

Id.

b. Regional Carbonization

Conditioned upon the NECEC receiving a CPCN and all other necessary approvals, CMP and NECEC LLC will participate in a regional decarbonization

collaborative comprised of CLF, Acadia Center, utilities, the Governor's designee, OPA, IECG, and other stakeholders to study ways by which the Northeast Region may achieve economy-wide decarbonization of zero emissions by 2050. CMP will provide 50% of the cost of the study, not to exceed \$500,000. Stip. Sec. V.B.12.

c. Securitization

Upon COD, NECEC LLC will provide \$1 million to pay for any investment bank, investment advisor or consultant and/or legal fees incurred by OPA, the Governor's designee, IECG, and CMP related to the securitization of the annual payments to the Low-Income Customer Benefits Fund and the Rate Relief Fund. Any funds not used for this purpose will be disbursed to the Rate Relief Fund. Stip. Sec. V.B.13.

d. HQ Support Agreement

Prior to the start of construction, CMP, NECEC LLC, and HQUS will enter into a support agreement reflecting HQUS's funding commitments for the Broadband Fund, Heat Pump Fund, Hydro-Québec EV Fund, HQUS's commitment to pay NECEC LLC \$3.5 million annually and HQUS's commitment to provide CMP 400,000 MWh annually of Environmental Attributes related to deliveries of hydroelectric power to New England. CMP will seek to monetize the Environmental Attributes and any proceeds, net of costs to CMP, will be directed to the Rate Relief Fund.

The HQ Support Agreement will also reflect Hydro-Québec's commitment to share EV infrastructure expertise and to include sufficient fiber optic capacity in the Québec transmission facilities to provide a fiber optic connection between Maine and Montreal. Finally, the Support Agreement will reflect the guaranty from Hydro-Québec of HQUS's payment obligations. Stip. Sec. V.B.14.

e. Maine Worker Preferences

NECEC LLC, and its contractors working on the construction of the NECEC will give preference to hiring Maine workers. Stip. Sec. V.B.15.

B. Stipulation Review and Approval Requirements

Chapter 110 of the Commission's Rules specifies that, in deciding whether to approve a stipulation, the Commission will consider the following criteria:

- a. Whether the parties joining the stipulation represent a sufficiently broad spectrum of interests that the Commission can be sure that there is no appearance or reality of disenfranchisement;
- b. Whether the process that led to the stipulation was fair to all parties;
- c. Whether the stipulated result is reasonable and is not contrary to legislative mandate; and
- d. Whether the overall stipulated result is in the public interest.

Ch. 110, Sec. 8(D)(7). These review requirements are discussed below.

C. Do the Parties to the Stipulation Represent a Sufficiently Broad Spectrum of Interests?

1. Background

There are 30 parties in this case. Of these 30 parties, the following 11 parties were signatories to the Stipulation: CMP; OPA; GEO; IECG; CLF; Acadia Center; WM&RC; Lewiston; the Chamber; IBEW; and FMM (Stipulating Parties). The following 11 parties expressed opposition to the Stipulation in either written comments or oral comments made during the hearing on the Stipulation that was held on March 7, 2019: NextEra; Ms. Kelly; GINT; NRCM; RENEW; MREA; ReEnergy; Caratunk; Former Senator Thomas Saviello; Old Canada Road; and the Town of Wilton. On March 28, 2019, the Town of Farmington filed a letter stating its formal opposition to the NECEC.⁴⁰ This letter did not specify the Town of Farmington's position regarding the Stipulation. The remaining seven parties have expressed no formal position regarding the Stipulation: GFDC⁴¹; Trout Unlimited; Darryl Wood; Town of Alna; Town of New Sharon; Town of Jackman; and Franklin County Commissioner Terry Brann.

2. Positions of the Parties

a. Signatories to the Stipulation

The signatories to the Stipulation argue that they represent a sufficiently broad spectrum of interests to ensure that there is no appearance or reality of disenfranchisement. After identifying the "interest" represented by each of the signatories, CMP argues "[t]he Stipulating Parties' varied obligations, missions, and constituencies all demonstrate that the Stipulation has the support of a diverse group of stakeholders, and that the signing parties do not 'represent only a narrow interest.'" Cover Letter to Stipulation, February 21, 2019, at 3-5.

⁴⁰ The Town of Farmington's letter is dated March 26, 2019.

⁴¹ On February 22, 2019, GFDC filed a letter in which it "endorse[d] the project," expressed "disappointment that CMP is not doing more to benefit Franklin County from a broadband expansion perspective," noted its unsuccessful efforts to get CMP to support the "Franklin County Broadband Initiative's efforts," and urged the Commission to "modify the Settlement Agreement to better utilize the value of CMP's commitment, to provide greater incentives for additional private investment to expand the availability of broadband. Implementing our recommendation will have a much greater impact to the expansion of broadband than the current plan incorporated into the Settlement Agreement." However, the Greater Franklin Development Council took no formal position on the merits of the Stipulation. Letter dated Feb. 19, 2019 and filed on Feb. 22, 2019 at 1-2.

Citing *Central Maine Power Company and Public Service of New Hampshire, Request for Certificate of Public Convenience and Necessity for the Maine Power Reliability Program Consisting of the Construction of Approximately 350 Miles of 345 kV and 115 kV Transmission Lines (“MPRP”)*, Docket No. 2008-00255, Order Approving Stipulation at 20 (June 10, 2010), (*MPRP Order*) CMP states:

[T]he Stipulation satisfies the “primary purpose” of the sufficiently broad spectrum of interests standard in Chapter 110, as articulated in Docket No. 2008-00255, particularly:

[T]o ensure that the Commission does not approve stipulations where the signing parties represent only a narrow interest. The criterion is not intended to require, and does not mean, that all parties participating in a case must sign a stipulation for the Commission to approve it.

Id. at 5.

CMP argues that in the *MPRP Order*, the Commission found that “a stipulation entered into by 19 of more than 100 parties to a CPCN proceeding, including the petitioning utility, ‘the OPA, representatives of the environmental community, representatives of the business and construction communities, the City of Lewiston, and an abutter’ satisfied the ‘first criterion for approval of a stipulation.’” *Id.* at 5, fn. 12.

The IECG and OPA filed joint comments regarding the Stipulation. Citing *Public Utilities Commission, Investigation into Verizon Maine’s Alternative Form of Regulation*, Docket No. 2005-155, Order Approving Stipulation, Docket No. 2005-155 (Oct. 3, 2007) (*Verizon AFOR Order*), IECG and the OPA assert that the Commission found that the participation in the stipulation by the OPA was sufficient to address the interest of all consumers in Maine in a manner to satisfy this prong of the Commission’s test. IECG and OPA Comments at 12 (Mar. 1, 2019).

The IECG and OPA further argue the failure of certain interests to join a stipulation does not mean that the stipulating parties have failed the “broad spectrum of interests” requirement in Section 8(D)(7)(a). The IECG and OPA cite the *MPRP Order* as support for their position on this point. *Id.* at 12-13.

In its written comments on the Stipulation, IBEW states that it supports the IECG’s comments regarding the sufficiency of breadth of interests joining the Stipulation. IBEW comments at 1 (Mar. 1, 2019). In their comments, the Chamber, the City of Lewiston, CLF, Acadia Center, the GEO, and FMM agree that the joining parties reflect a sufficiently broad spectrum of interests to meet the first evaluation criterion of Section 8(D)(7). Chamber and Lewiston Comments at 2 (Mar. 1, 2019); CLF and Acadia Center Comments at 4 (Mar. 1, 2019); GEO Comments at 1-2 (Mar. 1, 2019); FMM Comments at 1 (Feb. 28, 2019).

b. Parties that Did Not Sign the Stipulation

NRCM asserts that the parties joining the Stipulation do not represent a sufficiently broad spectrum of interests. NRCM Comments at 1 (Mar. 1, 2019). NRCM notes that approximately two-thirds of the parties in this case did not sign the Stipulation. *Id.* at 2. NRCM argues that notwithstanding CMP's claim that the parties to the contested stipulation represent a broad spectrum of interests, the limited number of stipulating parties represents only a relatively narrow list of interests. *Id.* at 3.

NextEra argues that the Stipulation fails to represent a sufficiently broad spectrum of interests and should be denied because it does not represent the relevant interests of Maine generators. NextEra Comments at 3 (Mar. 1, 2019). NextEra attempts to distinguish this Stipulation from the stipulation approved by the Commission in the *MPRP Order*, noting differences between the two in terms of both support for and participation by generators. *Id.*

Noting that more parties oppose the Stipulation than support it, GINT argues that the signatories do not represent a sufficiently broad spectrum of interests. GINT Comments at 9 (Mar. 1, 2019). GINT asserts that generators are not represented by the settling parties and that environmental groups and the affected towns are divided in their support of the Stipulation. *Id.*

Caratunk defines "public" to include the rural people located along the proposed corridor who will be "directly harmed by the NECEC" and asserts that this broader public is not represented in this Stipulation and has been "disenfranchised." Caratunk Comments at 2 (Mar. 1, 2019). Caratunk argues that the affected people of Somerset County are not being adequately compensated for the harm that the NECEC would cause them. *Id.* at 2. Caratunk also argues that the Stipulation does not address the interests of Maine's existing generators and would suppress the future location of renewable energy projects in Maine. *Id.* at 4.

Ms. Kelly argues a different standard, *i.e.*, that the breadth of interests in the joining parties to the Stipulation reflects "an appearance and reality of disenfranchisement." Kelly Comments at 4 (Mar. 1, 2019).

ReEnergy argues that a sufficiently broad spectrum of signatories requires a majority of the parties in a case to join a stipulation. ReEnergy Comments at 2 (Mar. 1, 2019). ReEnergy asserts that here, only one third of the parties are signatories to the Stipulation. *Id.* ReEnergy further asserts that the fact that no independent power generator has joined the Stipulation indicates a lack of diversity in the Stipulating Parties. *Id.*

Old Canada Road states that the stipulating parties lack inclusion of those who will be most affected by the construction and presence of the powerline. Old Canada Road Comments at 1 (Mar. 1, 2019).

RENEW and MREA filed joint comments in opposition to the Stipulation. However, those comments did not specifically address the issue of whether the stipulating parties represent a sufficiently broad spectrum of interests.

3. Discussion

The Stipulation presented to the Commission in this case is signed by 11 of 30 parties and is opposed by an equal number of active parties. As summarized above, several parties argue that any stipulation signed by a smaller percentage of parties, and opposed by a larger percentage, must fail to satisfy the “sufficiently broad spectrum of interests” criterion of the four Section 8(D)(7) stipulation approval criteria.

In the *MPRP Order*, the Commission stated:

In the case before us, the Stipulation was entered into by 19 parties, including all of the utilities involved in the project, the OPA, GridSolar, the IECG, representatives of the environmental community, representatives of the business and construction communities, the City of Lewiston, and an abutter. We find that these signatories represent a broad spectrum of interests and that there is no disenfranchisement or appearance of disenfranchisement.... We thus conclude, that the first criterion for approval of a stipulation has been satisfied here.

MPRP Order at 20.

In case before us, the Stipulation is signed by parties that represent a comparably diverse and broad spectrum of interests. Here, the signing parties include the utility seeking the CPCN; OPA, that is charged with representing the interests of Maine’s ratepayers; IECG, that represents the interests of large industrial customers; CLF and Acadia Center, that are representatives of the environmental community; the Chamber, that represents both large and small businesses; Lewiston; and the IBEW, that represents the interests of electrical workers.

In addition to the broad group of interests represented by the above-listed signatories, the GEO also joined the Stipulation. Furthermore, the Governor’s Office played a significant role in the negotiation of the Stipulation. IECG and OPA Comments at 12 (Mar. 31, 2019). The Governor is the only elected state official representative of all Maine citizens. The Governor’s participation in the negotiations, and her endorsement of the results of those negotiations through the GEO signing the Stipulation, enhance the breadth of the spectrum of interests joining the Stipulation. *Verizon AFOR Order* at 7.

Because of the diverse interests represented by the signatories, the Commission finds that the parties joining the Stipulation represent a sufficiently broad spectrum of interests to ensure that there was no appearance or reality of disenfranchisement. The Commission therefore concludes that the Stipulation satisfies the first criterion for approval of a stipulation.

D. Fairness of the Process to All Parties

1. Positions of the Parties

a. Signatories to the Stipulation

In the cover letter to the Stipulation, CMP asserts that the process that gave rise to the Stipulation was “fair, open and transparent” and that the provisions of the Stipulation are “based on extensive information presented in this proceeding and gathered through exhaustive discovery and discussions among CMP and the intervening parties, including the Stipulating Parties and Staff.” Stip. Cover Letter at 5. CMP further states:

During the case, CMP and interested intervenors participated in bilateral settlement discussions from time to time. In addition, Staff, CMP, and many of the intervenors participated in formal settlement conferences on September 7 and 14, 2018, and February 5 and 12, 2019. Staff provided advance notice of all such settlement conferences by procedural order or email notifications sent to all parties on the service list. None of the participating parties objected to Staff’s participation in such settlement conferences.

All Intervenors had the opportunity to participate in the settlement conferences and there is no appearance or reality of disenfranchisement. All of the settlement conferences were publicly noticed in advance and the parties were given a reasonable opportunity to participate. Additionally, those intervenors who were active in the proceeding and who now oppose the Stipulation attended and participated in the settlement conferences (e.g., Ms. Kelly, NRCM, the Generator Intervenors, and NextEra).

Id. at 6.

Citing the *Verizon AFOR Order*, IECG and OPA assert that Chapter 110 does not require that every party participate in every settlement discussion and that it is “reasonable not to include all individual parties in certain settlement discussions, for instance parties whose views are clear and the other parties did not plan to incorporate such views in their agreement.” IECG and OPA Comments at 10 (Mar. 1. 2019). The IECG and OPA further argue that the Commission affirmed these findings in the *MPPRP Order*. *Id.* at 10-11.

The IECG and OPA argue that, in evaluating the fairness of the process, the Commission must look at the entire process as a whole. The IECG and OPA note that, in this case, the Stipulation was filed after the briefing and hearing stages of the proceeding and after the case had been fully developed. *Id.* at 11. The IECG and OPA further note that in this case, all parties were given an opportunity to (1) participate in settlement conferences prior to the filing of the Stipulation, (2) file written comments on

the Stipulation, and (3) make oral argument during a hearing that was held on the Stipulation. *Id.*

Finally, the IECG and OPA note the similarity between the process that produced this stipulation and the processes in the *Verizon AFOR* and *MPRP* cases, concluding that under Commission precedent the process leading to this Stipulation was fair. *Id.* at 18.

In its written comments on the Stipulation, IBEW states that it supports the IECG's comments regarding the fairness of the process that led to the Stipulation. IBEW Comments at 1 (Mar. 1, 2019). In their jointly-filed comments, the Chamber and Lewiston also state their support for the IECG's comments regarding the second evaluation criterion of Section 8(D)(7). Chamber and Lewiston Comments at 2 (Mar. 1, 2019).

In their joint comments, CLF and Acadia Center describe the Stipulation process as fair, open, and transparent. CLF and Acadia Center Comments at 4 (Mar. 1, 2019).

To support its position that the process that produced the Stipulation was fair, the GEO notes the fact that there were four formal settlement conferences that were noticed in advance by the Hearing Examiner in the proceeding. GEO Comments at 2 (Mar. 1, 2019).

FMM asserts that when considering the fairness of the stipulation process, the Commission should look at the process for the entire case and notes that that process has been "exhaustive." FMM comments at 1 (Mar. 1, 2019). Furthermore, FMM notes that any party could have participated in the stipulation discussions, and that many did. *Id.*

b. Parties that Did Not Sign the Stipulation

NRCM argues that the process that produced the Stipulation was not fair to all parties in this case. NRCM Comments at 3 (Mar. 1, 2019). NRCM argues that, notwithstanding the formal settlement conferences convened by the Commission Staff, the Stipulation was largely "fixed" when NRCM and other parties were first provided the settlement terms in February. NRCM supports that provision by noting that the stipulation changed very little after that point. *Id.*

GINT argues that the process that produced the Stipulation was not fair to all parties. GINT Comments at 9 (Mar. 1, 2019). GINT notes that it would not be fair to them nor to other intervenors, who invested substantial funds and effort in the proceeding to have their factual issues resolved by a stipulation to which they did not agree. *Id.*

Caratunk asserts that the process that produced the Stipulation was not fair. Caratunk argues that the process should have incorporated some of the valid concerns

of the parties and addressed some of the issues brought up in the hearings and briefs. Caratunk Comments at 4 (Mar. 1, 2019). In support of its assertion that the Stipulation process was not fair, Caratunk notes that CMP failed to sufficiently analyze critical issues and failed to explore reasonable amendments to its proposed Project. *Id.* at 4-5. Caratunk also asserts that CMP's failure to include Caratunk in the Stipulation negotiations is similar to CMP's failure to include Caratunk and other key stakeholders in CMP's outreach efforts regarding the Project and its discussion with WM&RC about the MOU. *Id.* at 3.

Ms. Kelly and Old Canada Road agree with these parties that the process that led to the Stipulation was not fair. Kelly Comments at 5-4 (Mar. 1, 2019); Old Canada Road Comments at 1 (Mar. 1, 2019).

Finally, ReEnergy and NextEra noted that they took no position on the fairness of the process, and RENEW and MREA did not address the issue. ReEnergy Comments at 2 (Mar. 1, 2019); NextEra Comments at 2, fn. 7 (Mar. 1, 2019).

2. Discussion

a. Summary of Settlement Process

The Commission held settlement conferences in the Commission's hearing room on September 7 and 14, 2018. Through separate procedural orders, all parties were given notice of the settlement conferences and an opportunity to attend the conferences. After the September 14th conference, CMP pursued bilateral discussions with several parties including the IECG, OPA, CLF, Ms. Kelly, and "representatives from Franklin County." Hearing Tr. at 153, 179 (Mar. 7, 2019). On November 8, 2018, CMP, Avangrid, the IECG and OPA met to discuss settlement issues. *Id.* at 155. Following that meeting, CMP had bilateral discussions with the GEO, CLF, Acadia Center, and "other interested stakeholders." *Id.* at 157.

On or about December 30, 2018, IECG and OPA met with representatives of HQUS. *Id.* at 158. During the month of January, there were several meetings involving HQ, HQUS, CMP, GEO, IECG, and OPA. *Id.* at 158. Also during the month of January, CMP had bilateral discussions with several parties and stakeholders including CLF, Acadia Center, IBEW, the Chamber, Lewiston, WM&RC, Former State Senator Saviello, GFDC, Representative Landry, Ms. Kelly, and FMM about issues relating to settlement. *Id.* at 160-162, 179. During this time, OPA also had bilateral discussions with Former State Senator Saviello, GFDC, Representative Landry, and CLF, and IECG had discussions with NRCM. *Id.* at 163-165.

As a result of their bilateral and multilateral settlement discussions, HQ, HQUS, CMP, IECG, OPA, GEO, CLF, and Acadia Center entered into a term sheet in late January 2019. *Id.* at 160.

The Commission held settlement conferences in the Commission's hearing room on February 5 and 12, 2019. Through separate procedural orders, all parties were given notice of the settlement conferences and an opportunity to attend the conferences. During the February 5th settlement conference, CMP presented the term sheet that had been agreed to in late January. *Id.* at 169. After the February 5th settlement conference, CMP had bilateral discussions about the term sheet with Former State Senator Saviello, GFDC, Representative Landry, NextEra, and the Towns of Alna and Jackman. *Id.* at 169, 171. The evolving Stipulation was modified based on these conversations. *Id.*

CMP presented the Stipulation to those present during the settlement conference held at the Commission on February 12th. *Id.* at 170. Additional changes were made to the Stipulation following the February 12th settlement conference. *Id.* Between February 12th and February 20th, CMP had bilateral discussions with MREA and RENEW. *Id.* at 171. CMP sent the final Stipulation to all parties via e-mail on February 20, 2019. *Id.* at 170. CMP received feedback on the Stipulation from FMM and the Towns of Alna and Jackman. *Id.* at 171. CMP filed the Stipulation on February 21, 2019.

While GINT participated in all four settlement conferences held in the Commission's hearing room, GINT does not recall ever receiving notice of, or invitation to, any bilateral or multilateral settlement discussions that took place between September 14, 2018 and February 20, 2019. *Id.* at 176. Neither the Town of Caratunk nor Old Canada Road received notice of, or invitation to, any bilateral or multilateral settlement discussions that took place between September 14, 2018 and February 20, 2019. *Id.* at 180. The IECG states that, during the September 14, 2018 to February 20, 2019 timeframe, it had two conversations with an NRCM representative about settlement issues and, from those conversations, "it was clear...that there was no interest in settling." *Id.* at 178.

b. Decision

Section 8(D)(1) of the Commission's Rules of Practice and Procedure provides:

All parties shall be given an opportunity to participate in stipulation discussions. Accordingly, persons initiating such discussions should provide reasonable notice of discussions to all other parties where feasible, hold discussions at the office of the Public Utilities Commission where practicable and defer execution of comprehensive stipulations until the deadline for petitions to intervene, if any, has passed. In addition, all parties and proposed intervenors must be provided sufficient opportunity to review any executed stipulation in order to allow reasonable opportunity to object to the stipulation.

As noted above, Section 8(D)(7) provides that, when deciding whether to approve a stipulation, the Commission must consider four criteria. The second of

the four criteria is “[w]hether the process that led to the stipulation was fair to all parties.”

In this case, parties opposed to the Stipulation argue that the process that led to the Stipulation was not fair for several reasons including (1) the Stipulation was negotiated between and among a small number of parties; (2) there were few changes made to the agreement after it was presented to the parties during the February 5th and February 12th settlement conferences; (3) the settling parties excluded some parties in the settlement discussions; (4) the public was not adequately represented in settlement discussions; (5) the settling parties were not required to provide evidence, analysis, or explanation about the specific Stipulation terms; (6) the Stipulation does not address many of the key issues raised in the case; (7) CMP failed to do the analysis necessary to evaluate the provisions of the Stipulation; and (8) the stipulating parties failed to adequately consider possible amendments to the Stipulation.

In the *Verizon AFOR Case*, the Commission held that neither Section 8(D)(1) nor the Commission’s second stipulation review criterion requires that every party be included in every settlement meeting. In the *Verizon AFOR Case*, the Commission also found that failure to include a party in certain settlement discussions was not unreasonable, because the views of the party were clear and the other parties did not plan to incorporate such views in their agreement. As the above summary of the Stipulation settlement indicates, CMP, IECG, and OPA had numerous bilateral and multilateral discussions with several parties in this case and during the course of such discussions, and the four settlement conferences held in the Commission’s hearing room, it became clear that the positions of parties such as NRCM, GINT, Caratunk, and Old Canada Road, were not reconcilable with the positions of the settling parties.

In deciding whether the process that lead to the Stipulation was fair, the entire process must be looked at as a whole. *See, Verizon AFOR Case, Order Approving Stip.* at 9. In this case, the Stipulation was filed with the Commission after the hearing and briefing stages and the parties have had a full opportunity to present their positions to the Commission. In addition, the Examiners scheduled four noticed settlement conferences, which were open to all parties in the case. Furthermore, the process allowed those parties who were not signatories to the Stipulation, to file written objections and also provided such parties with an opportunity to present oral argument on the Stipulation. Under comparable circumstances in the *MPRP Case*, the Commission found that the stipulation process in that that case was fair to all parties. *MPRP Case, Order Approving Stipulation* at 21-22. In this case, the Commission finds that the overall process, including the process provided by the full litigation schedule, noticed settlement conferences, and process subsequent to the presentation of the Stipulation, was fair and that the Commission’s second stipulation review criterion has been satisfied here.

E. Stipulated Result is Reasonable, is Not Contrary to Legislative Mandate, and is in the Public Interest

The third and fourth stipulation review criteria are whether the stipulated result is reasonable and not contrary to Legislative mandate, and in the public interest. In the context of this proceeding, the Commission concludes that these stipulation approval criteria are essentially the same as the requirement in statute that the Commission find a public need to approve a transmission line project. The issue of public need is discussed in Sections IV(A), above.

As discussed above, the Commission finds that, even without the additional benefits provided by the CPCN Conditions set forth in Stipulation Section V.B (Stipulation Benefits), the NECEC would meet the statutory public need and public interest standards of Title 35-A, Section 3132 and, thus, would be granted a CPCN. The Commission finds, further, that these provisions of the NECEC Stipulation, and the benefits they provide, augment the market benefits and the direct, indirect, and induced macroeconomic benefits which will accrue to Maine from the development, construction, and operation of the NECEC. The Stipulation Benefits are described in Section VI(A) and discussed and evaluated below.

1. Positions of the Parties on the Stipulation Benefits

CMP, OPA, and IECG argue that the Stipulation will provide additional, substantial benefits that supplement the benefits provided by the Project and further support the conclusion that the Stipulation is in the public interest. Specifically, the transfer of the Project into a separate entity and other ring-fencing provisions ensure that Maine ratepayers will not bear the cost of the NECEC. Additionally, they cite the creation of a \$50 million Low-Income Customer Fund and \$140 million Rate Relief Fund; the construction of broadband infrastructure in the NECEC corridor; the creation of additional funds, including, \$15 million for heat pumps, the \$15 million EV fund, the \$5 million Franklin County fund, and the \$6 million education fund as providing an additional \$250 million in benefits to Maine Citizens and energy consumers. OPA and IECG also argue that these benefits are tangible and enforceable, are incremental to the \$1 billion in benefits already provided by the NECEC and incorporate the customer protections previously agreed to by CMP as part of this proceeding. Finally, OPA and IECG state that, collectively, the benefits and protections substantially exceed any costs or risks related to the Project.

GINT argues that most of the benefits are illusory or unproven and that CMP overstates the value of the benefits, for example, payments to the rate relief fund are “paltry” and represent only about 9 cents per month for the average CMP residential customer.⁴² GINT states that the negative effects of the Project include: decrease in

⁴² Exhibit A to GINT’s March 1, 2019 Comments on the Stipulation contains GINT’s calculation of the Rate Relief Fund benefits. GINT’s Total Rate Relief shown includes the annual \$1.5 million consideration payment from NECEC LLC to CMP and the

efficiency in the regional electric grid resulting from increased system congestion and line losses; distortion of the wholesale energy markets; premature retirement of electric generating plants in Maine; elimination of new renewable plants in Maine due to increased interconnection costs and system inefficiencies; consequent loss of Maine jobs and taxes; increased carbon dioxide emissions in the region; and adverse effects on tourism in Western Maine. Finally, GINT states that the Stipulation does not adequately reimburse ratepayers for the purchase of the NECEC corridor or for the value of having CMP employees available for operations and repair of the line.

Citing a statement made at the March 7th Hearing in which CMP expressed concerns about the effect that including community benefits packages in the proposed transmission projects would have on transmission rates, NextEra states that, by CMP's own admission, the benefits contained in the Stipulation are not in the public interest. NextEra also questions the Commission's authority to enforce a number of the Stipulation benefits against Hydro-Québec and HQUS because the Commission lacks jurisdiction over third-party, foreign entities.

Other supporters of the Stipulation, including CLF, Acadia Center, GEO, FMM, IBEW, the Chamber, and Lewiston state that the Stipulation includes many benefits for Maine and the Project is poised to create additional jobs, fund electric vehicles, reduce electricity prices expand broadband access, and substantially reduce the State's carbon footprint. The Chamber and Lewiston argue that certain benefits are of particular significance, most notably the Low-Income and Rate Relief Funds which will particularly benefit the City because of its relatively high poverty rate and old housing stock and the likelihood of new local jobs because Lewiston will be the site of the NECEC converter station.

Other opponents of the Stipulation, including Caratunk, NRCM, RENEW, MREA, ReEnergy, and Old Canada Road cite a number of concerns with the settlement package, including that it does little to address the fundamental flaws in the Project or address the likely impacts of the Project on the land, brand, citizens, or ratepayers of Maine. Additionally, they argue that some of the benefits are spread over such a long period of time that the results will be imperceptible to Maine ratepayers, specifically the Rate Relief Fund payable over 40 years and the Low-Income Customer Benefits Fund, also payable over 40 years. Opponents with an interest in renewable generation argue that the NECEC will harm renewable energy development in Maine and the associated benefits to Maine ratepayers and will harm the attainment of Maine's economic development, renewable energy, and GHG reduction goals. Additionally, ReEnergy argues that the Stipulation does nothing to mitigate the substantial and irrevocable damage that will be done to in-state generators due to congestion on the Maine-New

annual \$3.5 million CMP Rate Relief Fund as separate and additive items. The Commission understands that the Stipulation provides that CMP will direct the annual consideration payment from NECEC LLC to the Rate Relief Fund and it is not, therefore, a separate, additive benefit.

Hampshire interface. Finally, Ms. Kelly urges the Commission to delay any action on the Stipulation or the proceeding until the DEP and LUPC proceedings are complete.

2. Discussion and Evaluation of Stipulation Benefits

As noted above, the Commission finds that the benefits provided by the Stipulation augment the market benefits and the direct, indirect, and induced macroeconomic benefits which will accrue to Maine from the development, construction, and operation of the NECEC. In addition, the Stipulation Benefits contain a number of provisions intended to protect CMP ratepayers from the risks and costs associated with the NECEC development, construction, and operation. As noted above, the Stipulation characterizes these benefits and protections as “CPCN Conditions” and the Stipulating Parties recommend that the issuance of a CPCN be conditioned on these terms contained in Section V.B. of the Stipulation. The Commission’s assessment and valuation of these benefits and ratepayer protections is discussed below and summarized in Figure VI.2. Because many of the benefit funds are established and/or disbursed over time, the valuation is provided on both a nominal and present value basis.⁴³

a. Ratepayer Protections and Compensation

i. NECEC Project Ownership and Affiliate Transactions

Stipulation Sections V.B.1. a, c, d, f, and g contain a number of provisions intended to insulate CMP from the risks of the NECEC. Specifically, the Project and any associated development costs will be transferred from CMP to the special purpose entity, NECEC LLC, prior to the start of construction. NECEC LLC will be within the Avangrid Networks family of companies but will not be a direct subsidiary of CMP. Additionally, NECEC LLC will not participate in money-pooling arrangements or credit facilities with CMP and CMP will have no responsibility for any on-going costs of the Project. Any transactions between CMP and NECEC LLC will be governed by a Service Agreement or other affiliate agreements to be approved by the Commission. NECEC LLC will put into place an AVANGRID, Inc. guaranty with respect to its payment obligations for the EV, heat pump, host community and education funds and grant CMP a security interest in its payment rights from HQ and HQUS for the rate relief and low-income funds. Finally, NECEC LLC will not use CMP’s brand name, reputation or customer relations to its benefit.

These ring fencing arrangements provide effective separation of CMP from the risks associated with the remaining development efforts and, most particularly, the construction of the Project. These protections provide a clear benefit to CMP ratepayers. The transactions and on-going interactions between CMP and NECEC

⁴³ The present values shown in Figure VI.2 were calculated using an 8.5% discount rate. The ranges shown in Figure I.1 are based on present value calculations using discount rates of 7% and 8.5%.

LLC, and among CMP, NECEC LLC, and other entities involved in the NECEC Project, including HQ, HQUS and AVANGRID, Inc., will be governed by various agreements, including the proposed NECEC Transfer Agreement (Attachment B to the Stipulation), the Service Agreement (Exhibit H to the NECEC Transfer Agreement), the guaranty provided by AVANGRID, Inc., and the HQUS Support Agreement. The Commission does not approve the form of any agreements provided in connection with the Stipulation but will conduct proceedings pursuant to Title 35-A, Sections 707 and 708 to approve the creation of NECEC, LLC and all associated affiliated transactions. The Commission emphasizes that, in these proceedings, the issues determined in this proceeding will not be relitigated.

ii. Consideration Payment

Section V.B.1.b provides that, as “consideration for the conveyance of the NECEC, including without limitation, the Real Estate Interests, the Permits, the TSAs, the Third-Party Vendor Agreements, the Related Assets, and any goodwill of CMP related to the NECEC,” NECEC LLC will pay to CMP the sum total of \$60 million, payable in 40 annual installments of \$1.5 million beginning when the NECEC reaches commercial operations. The present value of this flow of payments is approximately \$12 million. CMP will direct these payments to the Rate Relief Fund and the benefit the Rate Relief Fund provides to ratepayers is discussed below. Pursuant to statute and rule, however, the Commission must determine the appropriate value to assign to the consideration payment for the transfer of the NECEC irrespective of how CMP is directing the funds it receives. Title 35-A, Section 707(3)(G), requires that “for any contract of arrangement expected to involve the use by an affiliated interest of utility facilities, services or intangibles, including good will or use of a brand name, the Commission shall determine the value of those facilities, services or intangibles.” In addition, although the Commission is making no determination here as to whether the NECEC is a non-core utility service, Section 4.C.3 of Chapter 820 of the Commission’s Rules provides useful guidance as to the valuation of any goodwill associated with the NECEC that CMP is transferring. Section 4.C.3 provides:

The value of good will shall be presumed to be, and calculated as, 1% of the total capitalization of the affiliate, or 2% of the gross revenues of the affiliate, whichever is less, and shall be paid annually by the affiliate. Where the name of the utility has been used in Maine by the utility for less than 3 years, the value of good will shall be presumed to be zero. At the end of six years from the date the affiliated transaction is approved or upon the date that the affiliate commences use of the good will, whichever is later, the value of good will is zero.

GINT argues that the Commission should value the right-of-way by reference to a 2012 study for the Western Electricity Coordinating Council and estimates made by American Electric Power, both of which suggest that the value of the corridor should be 10% of total project costs, or \$100 million. GINT Comments at 4 (Mar. 1, 2019). The Commission declines to follow that estimating methodology. In this case, NECEC LLC can be viewed as any other interconnecting generator which is required to pay for incremental upgrades but not for facilities and land that already exist. The property cost

of the new corridor from the Canadian border to the Kennebec Gorge was approximately \$12.5 million. EXM-001-017, Attachment 1. These parcels were acquired largely between 2016 and 2017 in what appear to be arms-length transactions. There is no evidence that the cost of real property in Western Maine has changed substantially in the last several years. The Transfer Agreement contemplates the transfer of only half of this part of the corridor with a value of approximately \$6 million.

With respect to goodwill, in the context of the Massachusetts 83D solicitation, CMP emphasized the value of its experience, proven track record in developing large transmission projects and financial strength as competitive advantages it offered. In this situation, where establishing a precise value for goodwill would be exceptionally difficult, the Commission can follow the guidance contained in Chapter 820. Using this methodology does not constitute a Commission finding that the NECEC is a Non-Core Service. As shown in Figure VI.1, assuming the total capitalization of NECEC LLC is approximately equal to the project cost and using the payment stream provided for in the TSAs, the value of goodwill would total approximately \$15 million over the first 6 years of the TSA terms or approximately \$9 million on a present value basis.

Figure VI.1

Goodwill Payments from NECEC LLC to CMP Pursuant to Chapter 820					
	At 1% of Total Capitalization		At 2% of Gross Revenue		Lesser Amount
2023	\$	10.0	\$	2.4	\$ 2.4
2024	\$	10.0	\$	2.4	\$ 2.4
2025	\$	10.0	\$	2.5	\$ 2.5
2026	\$	10.0	\$	2.5	\$ 2.5
2027	\$	10.0	\$	2.6	\$ 2.6
2028	\$	10.0	\$	2.6	\$ 2.6
Sum					\$ 15.1
PV					\$8.9

The proposed transfer includes the assumption by NECEC LLC of the obligations of CMP pursuant to the 83D bid and the TSAs. Specifically, NECEC LLC will assume the costs and risks associated with the construction of the Project. These risk of cost overruns may be substantial, especially with respect to any environmental mitigation that may be ordered by the DEP and the LUPC and the costs of the underground crossing of the Kennebec Gorge. On balance, the Commission determines that the proposed Transfer Consideration is reasonable.

iii. Transmission Rates Customer Credit

Since CMP acquired the property in the 2016-2017 time-period for the approximately 53-mile long corridor from the Québec border to the Kennebec Gorge, CMP has recorded the property as a rate base item in FERC Account 105, Plant Held for Future Use. Pursuant to FERC regulations, property may be recorded in Account 105 if and when a transmission project for development on the property is sufficiently definite. Once recorded in this account, the revenue requirements, which are comprised of a return on the property rate base (investment amount), are recovered from ratepayers through operation of the FERC formula rate. Since 2016, CMP has recovered from ratepayers in Maine and the region approximately \$1 million associated with the NECEC corridor.

Section V.B.2 of the Stipulation provides that, effective with the 2019 transmission rate change, CMP will provide a \$1.005 million rate credit to regional and local network service customers. This credit reflects the amounts that have been paid by these customers for the NECEC corridor, plus carrying costs using the FERC refund formula. Finally, Section V.B.2 provides that, upon issuance of a CPCN, CMP will remove from FERC Account 105 all NECEC-related property.

This provision provides equity for ratepayers by crediting back to them all amounts that they have paid in rates since 2016 for the NECEC property and requiring the property to be accounted for in a manner such that, on a going forward basis, no amounts will be included in rates. Because transmission rates and accounting rules are FERC-jurisdictional, including this provision in the Stipulation produces a result that avoids any potential preemption challenge that might ensue if the Commission sought to impose a condition that would produce the same result. This is a clear benefit provided by the Stipulation.

iv. New Corridor Removed from Transmission Rates

Paragraph V.B.3 of the Stipulation requires CMP to classify the portion of the corridor that will not be used by the NECEC, which will remain CMP property, as Non-Operating Property. Pursuant to FERC requirements, Non-Operating Property is recorded in FERC Account 121 and may not be included in transmission rates until such time CMP identifies a sufficiently definite transmission project for development in the corridor. Pursuant to this Stipulation provision, CMP agrees that it will not seek to recover any amounts associated with this property unless the identified transmission project that would use the corridor is otherwise eligible for rate recovery in whole or in part from Maine customers pursuant to the then-applicable FERC transmission tariff. Thus, this provision eliminates the risk that ratepayers would again be charged amounts for property associated with an NECEC-like project, or a generator lead, as they have been since 2016 for the NECEC corridor.

As with the transmission rate credit provision discussed above, because the accounting and ratemaking treatment of transmission property are FERC-jurisdictional,

including this provision in the Stipulation produces a result that avoids any potential preemption challenge that might ensue if the Commission sought to impose a condition that would produce the same result and, as such, is a clear benefit of the Stipulation.

b. Public and Ratepayer Benefits

i. Low-Income Customer Benefits Fund

Section V.B.4 of the Stipulation provides for annual payments of \$1.25 million over the 40 years following COD that will be directed to a fund to be used for the benefit of low-income electric customers throughout the State. The funds may be used to reduce the amounts that low-income customers spend for energy and may include weatherization and household energy efficiency programs. In designating uses for these funds, the OPA, in consultation with the Efficiency Maine Trust and the Governor's designee, may apply a preference for low-income energy customers in the NECEC Host Communities. This direct benefit will total \$50 million over 40 years. On a present value basis, the Low-Income Customer Fund provides approximately \$10 Million of direct benefit to the citizens of Maine.

ii. Rate Relief Fund

Section V.B.5 of the Stipulation provides for two payment streams totaling \$3.5 million annually over the 40 years following COD that will be directed to the Rate Relief Fund. First, the annual \$1.5 million consideration payment from NECEC LLC to CMP will be directed by CMP to the Rate Relief Fund. Second, NECEC LLC commits to provide an annual payment of \$2 million to CMP for the Rate Relief Fund. The Stipulation provides that the Rate Relief Fund will be paid to ratepayers on a per kilowatt hour basis through stranded costs or a similar per kilowatt hour mechanism. This direct ratepayer benefit will total \$140 million over 40 years. On a present value basis, the Rate Relief Fund provides approximately \$28 Million of direct ratepayer benefit.

iii. Broadband Benefits

The broadband benefits in Section V.B.6 of the Stipulation include provisions for including fiber optic facilities and equipment on the transmission line, with an estimated value of \$5 million, and the creation of a \$10 million broadband fund to be used to support high speed broadband infrastructure in the host communities. This direct benefit will total \$15 million. On a present value basis, the broadband benefits provide approximately \$9 million of direct benefit to the host communities.

iv. Heat Pump Benefits

Section V.B.7 establishes the Heat Pump Benefits Fund which includes the creation of a \$15 million fund to support the installation of heat pumps or other future efficient heating technologies. The disbursement of these funds may include a

preference for targeted initiatives to reach low- and moderate-income individuals and communities. This direct benefit will total \$15 million. On a present value basis, the heat pump benefits provide approximately \$7.5 million of direct benefit to the State.

v. Electric Vehicle (EV) Funds

The EV benefits contained in Section V.B.8 include two funds, a \$5 million fund to provide rebates to defray the cost of charging installations and consumer rebates on the purchase of an EV, and a \$10 million fund to support the deployment of a statewide fast and ultra-fast public charging station infrastructure throughout the State. This direct benefit will total \$15 million. On a present value basis, the EV benefits provide approximately \$9 million of direct benefit to the State.

vi. Franklin County Host Community Benefits

The Franklin County community benefits in Section V.B.9 include the establishment of a \$5 million fund for the benefit of communities in Franklin County. This fund will support economic and community development activities for the benefit of Franklin County residents. This direct benefit will total \$5 million. On a present value basis, this fund provides approximately \$2.4 million of direct benefit to Franklin County.

vii. Education Grant Funding

Section V.B.10 contains the education benefits which provide for a \$1 million grant to the University of Maine for research and development associated with the commercialization of marine wind generation technology and for the creation of a \$5 million fund to provide programs and scholarships for needy Maine students to attend the University of Maine at Farmington and vocational and training programs and scholarships in the math, science, and technology fields in Franklin and Somerset Counties. This direct benefit will total \$6 million. On a present value basis, this fund provides approximately \$3.3 million of direct benefit to the University of Maine and the residents of Franklin and Somerset Counties.

c. Other Commitments

i. Mitigating Impacts on Transmission System

Section V.B.11 of the Stipulation contains several commitments by CMP and NECEC LLC to initiatives intended to mitigate the impacts of the NECEC on the transmission system and existing and future energy resources in Maine. Although these initiatives may be valuable undertakings, the Commission does not assign a direct monetary benefit to these commitments.

ii. Regional Carbonization

Section V.B.12 contains the commitment by CMP and NECEC LLC to participate in and provide funding for regional decarbonization studies. Although this initiative may be a valuable undertaking, the Commission does not assign a direct monetary benefit to this commitment.

iii. Securitization

The provisions of Section V.B.13 address ways to accelerate the receipt of benefits associated with the Low-Income Fund and the Rate Relief Fund by providing \$1 million in underwriting fees and other costs. Any funds not used for this purpose will be disbursed to the Rate Relief Fund. The Commission values this commitment at \$1 million on a nominal basis. Because no time frame is associated with the use of these funds for their intended purpose, the Commission cannot determine a present value.

iv. HQ Support Agreement

The HQ Support Agreement contained in Section V.B.14 is intended to provide support to the commitments made by HQUS as part of the Stipulation. The Commission does not assign any value to this support other than the values already established as part of other Stipulation sections.

In addition, the HQ Support Agreement will contain HQUS's commitment to provide CMP 400,000 MWh annually of Environmental Attributes related to deliveries of hydroelectric power to New England. There is no active market for these Environmental Attributes, which are a creation of the Massachusetts statute which led to the 83D solicitation. The Commission does not assign any value to this commitment.

v. Maine Worker Preferences

Section V.B.15 contains the commitment of NECEC LLC, and its contractors working on the construction of the NECEC, to give preference to hiring Maine workers, all other factors being equal and consistent with applicable law and applicable labor agreements. Although this commitment may be valuable, the Commission does not assign a direct monetary benefit to it.

Figure VI.2

NECEC Stipulation Benefits			
Item	Timing	Total Nominal (\$ millions)	Present Value (\$ millions)
Ratepayer Benefits			
Rate Relief Fund	2023-2062	\$ 140.000	\$ 28.575
Transmission Credit	July 1, 2019	\$ 1.005	\$ 1.005
Low Income Customer Benefits			
Low Income Fund	2023-2062	\$ 50.000	\$ 10.205
Community and State-wide Benefits			
Broadband Benefits	2023-2027	\$ 15.000	\$ 9.295
Heat Pump Benefit	2023-2030	\$ 15.000	\$ 7.762
Host Community Benefits	2023-2030	\$ 5.000	\$ 2.367
EV Benefits	2021-2028	\$ 15.050	\$ 9.319
Education Grants	2019-2032	\$ 6.000	\$ 3.289
NTA Study	Unknown	\$ -	\$ -
Regional Decarbonization Planning	Unknown	\$ -	\$ -
Securitization	Unknown	\$ 1.000	\$ -
Environmental Attributes	2023-2062	\$ -	\$ -

VII. CONCLUSION

For the reasons discussed in this Order, the Commission concludes that the benefits from the development and operation of the NECEC to Maine ratepayers and citizens significantly outweigh the costs and detriments of the Project. In addition, the Commission concludes that the Stipulation, filed in this proceeding on February 21, 2019, provides significant additional benefits to Maine. Accordingly, the Commission concludes that: (1) the NECEC meets the public need and public interest standards required by Title 35-A, Section 3132; and (2) the Stipulation filed in this proceeding on February 21, 2019 satisfies the stipulation approval criteria contained in Chapter 110, Section 8(D)(7) of the Commission rules.

Accordingly, the Commission

ORDERS

1. That Central Maine Power Company is, hereby, granted a Certificate of Public Convenience and Necessity for the New England Clean Energy Connect. Specifically, the Certificate of Public Convenience and Necessity applies to the construction of the transmission lines and

- substation components listed in Section II(A) of this Order, and any related additional transmission facilities that ISO-NE determines are necessary to meet the requirements of (i) Section I.3.9 of the ISO-NE's Transmission, Markets and Services Tariff or (ii) the ISO-NE's CCIS, all at no cost to Maine electricity customers;
2. That the Stipulation, filed in this proceeding on February 21, 2019, and attached to this Order, is hereby approved;
 3. That, beginning on July 1, 2019, and every 6 months thereafter, until the New England Clean Energy Connect is placed into commercial operation, NECEC LLC will file progress reports with the Commission summarizing any significant developments in the permitting, development and construction of the NECEC;
 4. That, beginning on July 1, 2019, and every six months thereafter, Central Maine Power Company and NECEC LLC will file compliance reports detailing the activities and provision of benefits required by the Terms of the February 21, 2019 Stipulation;
 5. That, on or before July 1, 2019, Central Maine Power Company shall file a proposal for: (1) tracking and reporting to the Commission, on an annual basis, the property tax revenues paid by the NECEC LLC during the construction phase of the Project and during the first 10 years of its commercial operation. Such information shall include the: (1) estimated tax revenue by municipality provided by Central Maine Power Company in this proceeding; (2) a description of the New England Clean Energy Connect facilities located in each municipality; (3) the amount of property taxes for the New England Clean Energy Connect facilities paid to each of those municipalities and townships for the tax year in question; and (4) an explanation for any differences between item (1) and item (3);
 6. That, beginning on July 1, 2019 and concluding with the commercial operations of the New England Clean Energy Connect, Central Maine Power Company and NECEC LLC shall provide annual reports to the Commission detailing its ongoing outreach and communications with the host communities regarding: (1) fire and medical support issues in comparable rural areas of its system; and (2) plans to address fire and medical support issues related to the construction and operation of the New England Clean Energy Connect; and
 7. That, Central Maine Power Company shall file: (1) a petition for reorganization approval, pursuant to Title 35-A, Section 708, to authorize the establishment of the NECEC LLC; and (2) a petition for approval for affiliate transactions, pursuant to Title 35-A, Section 707, related to the development and operations of the New England Clean Energy Connect.

Dated at Hallowell, Maine, this 3rd day of May, 2019.

/s/ Harry Lanphear
Harry Lanphear
Administrative Director

COMMISSIONERS VOTING FOR: Vannoy
 Williamson (See Separate Concurring Opinion)
 Davis

Concurring Opinion of Commissioner Williamson

I concur with the Commission's decision in this proceeding. I write separately on one point concerning the ratepayer benefits of NECEC. I agree with the finding that the NECEC will provide clear benefits with respect to grid reliability and fuel security. The Commission's decision, however, states that these benefits cannot be quantified. That is the way that Figure I.1 had been presented.

Although I generally agree that certain other monetary benefits cannot be easily quantified, that is not the case here: there is an empirical basis to assess the value of regional grid reliability and fuel security. There is a price range estimate for the willingness to pay for fuel security in the New England region and, accordingly, a means to calculate the cost (if fuel security were to be supplied without NECEC), or a benefit (if regional fuel security were to be augmented by NECEC) for Maine ratepayers and electric customers.

ISO-NE estimates that the Reliability Must Run (RMR) provisions related to the two Mystic units at the Boston load center will increase regional costs by approximately \$102 million to \$148 million per year during the two-year program.⁴⁴ This amount is ISO-NE's willingness to pay for what it terms "fuel security" for the system we depend upon. Using the midpoint of the range as a conservative estimate, this means \$123 million is the regional price tag for the value of system reliability and wintertime fuel security. Because RMR costs are regionalized, the LNG-supplied Mystic units would cost Maine electric customers at least \$9.8 million a year annually for the years 2023-2024 and 2024-2025. Such additional costs could very well extend longer if natural gas pipeline development remains stalled in lower New England and ISO-NE continues to be short of fuel secure alternatives for winter reliability for several more winter periods.

This level of annual cost represents the market value being assigned to the region's winter fuel security problem right now for the time when NECEC transmission could be available, or more technically, what certain costs to Maine customers could be avoided if the NECEC is put in-service on schedule. This data should be reflected in our assessment.

⁴⁴ *ISO New England Inc.*, Inventoried Energy Program, Docket No. ER19-1428-000, ISO-NE Filing at 19 (Mar. 25, 2019).

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity as
Secretary of State for the State of Maine,

Defendant.

**PLAINTIFF-INTERVENOR INDUSTRIAL
ENERGY CONSUMER GROUP'S
COMPLAINT**

Plaintiff-Intervenor Industrial Energy Consumer Group (“IECG”), as required by Rule 24(c), complains against Defendant Matthew Dunlap in his official capacity as Secretary of State for the State of Maine as follows:

1. IECG is a Maine incorporated association, headquartered in Augusta, Maine, representing Maine industrial energy consumers and consumer-generators before state, federal, and regional regulatory, legislative, and congressional bodies on energy-related issues since 1985. IECG participates in proceedings that impact the price, diversity, origins, reliability, and effects of Maine’s energy supplies, including electricity, seeking to improve and protect regulatory processes and policies that affect energy infrastructure.

2. IECG’s members would directly and significantly benefit from the New England Clean Energy Connect Project at issue in this proceeding. IECG also has a broader interest in preserving the integrity of Maine administrative and judicial processes for permitting energy infrastructure projects and protecting those processes from unconstitutional ballot initiatives.

3. IECG had intervenor status in the Maine Public Utilities Commission Proceeding that approved the Project and the Law Court appeal which resulted in an order affirming that approval.

4. The ballot initiative concerning the New England Clean Energy Connect Project that is the subject of this action is unconstitutional, because it exceeds the people's power to legislate under article IV, part 3, section 18 of the Maine Constitution; violates article III, section 2 of the Maine Constitution by purporting to exercise executive and judicial power; and constitutes special legislation that is precluded by article IV, part 3, section 13 of the Maine Constitution. It therefore should not appear on the November 2020 ballot.

5. IECG incorporates by reference as if reproduced herein the Verified Complaint filed by Avangrid Networks, Inc., in this action.

6. IECG supports the positions Avangrid Networks, Inc. takes in its Verified Complaint and joins in Avangrid Networks, Inc.'s prayer for relief.

WHEREFORE, IECG respectfully requests that the Court grant the relief sought by Avangrid Networks, Inc. in its Verified Complaint, and that it declare the ballot initiative that is the subject of this action unconstitutional and order that it not appear on the November 2020 ballot.

Dated at Portland, Maine this 14th day of May, 2020.



Sigmund D. Schutz, Bar No. 8549
Anthony W. Buxton, Bar No. 1714
Robert B. Borowski, Bar No. 4905

Counsel to Industrial Energy Consumer Group
Preti Flaherty Beliveau & Pachios LLP
P.O. Box 9546, One City Center
Portland, ME 04112
Telephone: 207-791-3000

STATE OF MAINE
CUMBERLAND, ss.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO: CV-2020-206

MAINE STATE CHAMBER OF
COMMERCE,

Plaintiff-Intervenor,

v.

MATTHEW DUNLAP, in his official
capacity of Secretary of State for the
State of Maine,

Defendant.

**PLAINTIFF-INTERVENOR
MAINE STATE CHAMBER OF
COMMERCE'S COMPLAINT**

Plaintiff-Intervenor Maine State Chamber of Commerce (“Chamber”) complains against Defendant Matthew Dunlap in his official capacity as Secretary of State for the State of Maine (“Secretary” or “Defendant”), as follows:

1. The Chamber is a not for profit membership organization established in 1889. The Chamber works with a statewide network of approximately 5,000 businesses on numerous public policy issues affecting the interests of Maine businesses.

2. The Chamber has supported the New England Clean Energy Connect Project (“NECEC” or “Project”). The Chamber intervened in proceedings before the Land Use Planning Commission, the Department of Environmental Protection, and significantly for purposes of this litigation, the Public Utilities Commission. The Chamber was a party to the Stipulation approved by the PUC and affirmed by the Law Court.

3. The Chamber intervenes to seek declaratory and injunctive relief with respect to the Initiative intended to reverse the Law Court's affirmance of the PUC's Order Granting the Certificate of Public Convenience and Necessity and to direct the PUC to deny the Certificate of Public Convenience and Necessity without changing and notwithstanding applicable statutory and administrative law or the evidentiary record

4. The Chamber incorporates by reference as if reproduced entirely herein the Verified Complaint filed by Avangrid Networks, Inc. in this action.

5. The Chamber fully supports Avangrid Networks' position as stated in its filings and joins in Avangrid Networks' prayer for relief.

6. The Chamber has long and varied experience with respect to the interplay of governmental processes, particularly legislative and administrative processes and business planning or investment decision processes and practices.

7. Stability predictability and regularity, especially finality, are essential characteristics of a healthy legal and governmental system in our society generally and not less importantly in matters of business and commerce.

8. Prospectively applicable changes in laws of general applicability, whether objectionable policy or not, enable businesses to plan their activities in accordance with known legal obligations and prohibitions or permissions and conditions.

9. Citizens relying on and complying with all applicable current laws to meet or fulfill multiple regulatory obligations governing the establishment or continued operation of businesses cannot constitutionally be exposed to Initiatives designed to secure a result contrary to the applicable law, contrary to the record evidence, and

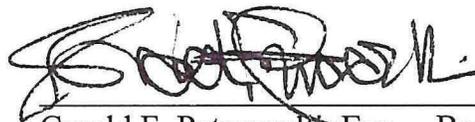
contrary to the considered judgment of the professionals, including the Law Court, charged with the responsibility to make the judgments.

10. Although it is impossible to know with any degree of certainty the full extent of the harm to be done to Maine’s existing and potential businesses by allowing this kind of Initiative in defiance of the Maine Constitution, it is undeniable that there will be substantial enduring adverse effects.

11. The Chamber’s distinctive interest for which it seeks immediate judicial redress in the form of an injunction is that voter approval of this Initiative and its immediate operational applicability will negatively adversely affect all businesses in Maine without any practical opportunity to remedy or correct that harm.

WHEREFORE the Chamber respectfully prays that the Court grant all appropriate declaratory and injunctive relief as sought by Avangrid Networks, and asks that the Court do so with due regard to the broader interests of Maine’s businesses and prospective businesses, and indirectly the interests of the customers and employees of those businesses, and the economic health and wellbeing of all Maine people.

MAY 14, 2020
Date



Gerald F. Petruccelli, Esq. – Bar No. 1245
Nicole R. Bissonnette, Esq. – Bar No. 5239
Petruccelli Martin & Haddow, LLP
Two Monument Square, Suite 900
P.O. Box 17555
Portland, Maine 04112-8555
gpetruccelli@pmhlegal.com
nbissonnette@pmhlegal.com

STATE OF MAINE
CUMBERLAND, ss

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. _____

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity
as Secretary of State for the State of Maine,

Defendant.

**PLAINTIFF’S MOTION FOR
PRELIMINARY INJUNCTION
AND JUDGMENT WITH
INCORPORATED MEMORANDUM
OF LAW**

NOW COMES Plaintiff Avangrid Networks, Inc. (“Avangrid Networks”), pursuant to M.R. Civ. P. 65(b), and hereby moves this Court for a preliminary injunction prohibiting the Secretary of State from placing on the November 3, 2020 ballot the citizen initiative to reject the New England Clean Energy Connect Transmission Project (the “Initiative”). Pursuant to M.R. Civ. P. 65(b)(2), Avangrid Networks further requests that this Court consolidate the hearing on Plaintiff’s Motion for Preliminary Injunction with the trial on the merits of this action, and enter final judgment in favor of Plaintiff as requested in its Verified Complaint.

The Initiative is an unprecedented attempt to invoke the legislative initiative process to reverse a specific certificate granted to an individual petitioner by an executive agency and affirmed by the Law Court. The central question in this case is whether it is within the scope of the initiative power to reverse a final decision in a single agency proceeding, affirmed upon judicial review of that final agency action, without establishing any new rules applicable to such actions generally. The answer is “no.” The Initiative is not a valid exercise of legislative power, but rather violates the separation of powers and constitutes improper special legislation. The Initiative therefore must be enjoined before the November 2020 election.

BACKGROUND

In response to a request for proposal for clean energy by Massachusetts electric distribution companies, Avangrid Network's subsidiary Central Maine Power Company ("CMP"), together with an affiliate of Hydro-Québec, submitted the winning proposal to deliver 1,200 MW of electricity to Massachusetts. Compl. ¶¶ 9-12.¹ A key component of that proposal was the New England Clean Energy Connect Project ("NECEC" or "Project"), which is a high voltage direct current (HVDC) transmission line from the Maine-Québec border to Lewiston, Maine that would deliver clean hydropower from Québec to the New England electric grid. *Id.* ¶¶ 11, 13-15. CMP is seeking the permits for the NECEC. *Id.* ¶ 16. In accordance with regulatory requirements, Avangrid Network's subsidiary NECEC Transmission LLC ("NECEC LLC") will develop, construct, operate, and maintain the Project. *Id.* ¶ 17.

CMP obtained the approval of the Maine Public Utilities Commission ("PUC") for the Project. *Id.* ¶ 20. After CMP filed its petition for a certificate of public convenience and necessity ("CPCN"), the PUC conducted a 19-month review process, in which 31 parties participated, that involved thousands of pages of pre-filed testimony and supporting materials, written discovery, technical conferences, 6 days of evidentiary hearings, and 3 public witness hearings. *Id.* ¶¶ 19, 21. In a 101-page order ("Order"), the PUC granted CMP's petition. *Id.* ¶ 20. As required by 35-A

¹ The facts supporting Plaintiff's Motion are evidenced by Plaintiff's Verified Complaint. *See Bangor Historic Tract, Inc. v. Dept. of Agric.*, 2003 ME 140, ¶ 10, 837 A.2d 129. Plaintiff also asks this Court to take judicial notice of the following: Exhibit A to Plaintiff's Verified Complaint, *Cent. Me. Power Co.*, Request for Approval of CPCN for the New England Clean Energy Connect Consisting of the Construction of a 1,200 MW HVDC Transmission Line from the Québec-Maine Border to Lewiston (NECEC) and Related Network Upgrades, No. 2017-00232, Order (Me. P.U.C. May 3, 2019); Law Court decision affirming PUC's order, *NextEra Energy Resources, LLC v. Me. Public Utils. Comm'n*, 2020 ME 34, ¶ 43, ___ A.3d ___; and Law Court decision affirming Secretary's decision that proponents of the Initiative obtained the constitutionally required number of valid signatures to place the Initiative on the November ballot, *Reed v. Sec'y of State*, 2020 ME 57, ¶ 1, ___ A.3d ___ (per curiam). *See* M.R. Evid. 201(b)(2); *In re Scott S.*, 2001 ME 114, ¶ 13, 775 A.2d 1144 ("When a court enters a judgment containing findings of fact and conclusions of law, those findings become a matter of judicial record. A judge may take judicial notice of any matter of record when that matter is relevant to the proceedings at hand.").

M.R.S. § 3132, the PUC weighed the benefits and costs of the NECEC to the ratepayers and residents of the State of Maine. The PUC concluded that the NECEC is in the public interest and, therefore, that there is a public need for the Project. *Id.* ¶ 22. It found that the NECEC would result in “substantial benefits to Maine electricity customers” by driving down energy prices; would “enhance system reliability and fuel security within Maine” by providing extra redundancy and reliability to Maine’s electricity system; would “provide environmental benefits by displacing fossil fuel generation” as well as “greenhouse gas (GHG) production”; and would produce “substantial macroeconomic benefits” through investment, employment, and taxes. *Id.* ¶¶ 23-25. The PUC found that these benefits outweighed any adverse effects on scenic and recreational values. *Id.* ¶ 26. Having found a public need, the PUC issued a CPCN for the Project. *Id.* ¶ 27.

The Law Court affirmed the Order. *NextEra Energy Resources, LLC v. Me. Public Utils. Comm’n*, 2020 ME 34, ¶ 43, ___ A.3d ___. NextEra Energy Resources, LLC (“NextEra”), an intervenor in the PUC proceeding, appealed the Order. *Id.* ¶¶ 1, 5. In its appeal, NextEra argued, among other things, that the PUC improperly found that the Project was in the public interest and that there was a public need for the NECEC. *Id.* ¶¶ 20, 29. The Law Court disagreed and affirmed the grant of the CPCN. *Id.* ¶ 43. The Law Court held that the PUC had reasonably interpreted the public need standard under section 3132 in granting the CPCN. *Id.* ¶¶ 22-27. It also held that the PUC, after weighing the relevant factors, had appropriately found the “public need” requirement to be satisfied. *Id.* ¶¶ 28-38. Because the PUC “reasonably interpreted and applied the relevant statutory mandates in arriving at its decision to grant CMP a certificate of public convenience and necessity for the NECEC Project,” the Law Court affirmed the PUC’s Order. *Id.* ¶ 43.

Although CMP has obtained a final judgment affirming the PUC’s Order, opponents of the Project have pursued a citizen’s initiative to revoke the CPCN. The Initiative provides:

Sec. 1. Amend order. Resolved: That within 30 days of the effective date of this resolve and pursuant to its authority under the Maine Revised Statutes, Title 35-A, section 1321, the Public Utilities Commission shall amend “Order Granting Certificate of Public Convenience and Necessity and Approving Stipulation,” entered by the Public Utilities Commission on May 3, 2019 in Docket No. 2017-00232 for the New England Clean Energy Connect transmission project, referred to in this resolve as “the NECEC transmission project.” The amended order must find that the construction and operation of the NECEC transmission project are not in the public interest and that there is not a public need for the NECEC transmission project. There not being a public need, the amended order must deny the request for a certificate of public convenience and necessity for the NECEC transmission project.

Compl. ¶ 40. The Initiative establishes no new, prospective, generally applicable criteria governing petitions for a CPCN. Instead, by directing the PUC to reverse its Order and deny CMP’s application under existing law, contrary to the evidence supporting that Order, its effect is limited to a specific Order issued by the PUC in a single docket, and affirmed by the Law Court.

ARGUMENT

I. Plaintiff’s Claim is Ripe for Adjudication.

Because the declaratory judgment statute is only operative if a genuine controversy exists, a “case must be ripe for judicial consideration and action” before a declaratory judgment can issue. *Wagner v. Sec’y of State*, 663 A.2d 564, 567 (Me. 1995). This case squarely presents the question whether the subject matter of the Initiative exceeds the scope of the people’s legislative authority and violates separation of powers. This issue is ripe because courts must “review a proposed initiative to determine if it is beyond the scope of the initiative power” even before it appears on the ballot. *Philadelphia II v. Gregoire*, 911 P.2d 389, 394 (Wash. 1996).

Prior decisions by the Law Court establish that this question is ripe for adjudication. The Court follows the general rule that a pre-election challenge to the substantive validity of an initiative is not ripe. *See Wagner*, 663 A.2d at 566-68 & n.5; *Lockman v. Sec’y of State*, 684 A.2d 415, 420 (Me. 1996). This general rule, however, has exceptions. In *Wagner*, the Law Court

expressly noted that it was not addressing a proposed initiative that involved “a subject matter beyond the electorate’s grant of authority.” 663 A.2d at 567. Moreover, the Court has resolved pre-election constitutional challenges to a proposed ballot question that implicated the validity of the vote itself. *See Lockman*, 684 A.2d at 418-19 (addressing a pre-election claim that the Legislature violated separation of powers in formulating the ballot question for a competing measure); *McCaffrey v. Gartley*, 377 A.2d 1367, 1372 (Me. 1977) (holding that constitution did not permit emergency legislation to be placed on ballot as a competing measure). The claims at issue here are ripe for review under this standard. Unlike *Wagner*, the central issue is whether the Initiative addresses a subject matter beyond the scope of the people’s legislative authority. Thus, similar to *Lockman* and *McCaffrey*, the lawfulness of the initiative process itself is at issue.

Other courts have expressly found similar pre-election claims that a proposed initiative exceeds the people’s initiative power to be ripe. In *Philadelphia II*, for instance, the Washington Supreme Court acknowledged that it generally will not “rule on the validity of an initiative before its adoption,” but still concluded that a pre-election challenge to the scope of the initiative power is ripe. 911 P.2d at 393-94. The court reasoned that, because the initiative power “is limited in scope to subject matter which is legislative in nature,” a court may resolve the question “whether the initiative is authorized by” the constitution before an election, even if it “may not rule on the constitutional validity of a proposed initiative.” *Id.* at 394. As the court observed, this distinction “allows a sensible balance between allowing a court to prevent public expense on measures that are not authorized by the constitution while still protecting the initiative power from review of an initiative’s provisions for possible constitutional infirmities.” *Id.*

This rule is sound, and has found widespread acceptance. *See* James B. Gordon & David B. Magleby, *Pre-Election Judicial Review of Initiatives and Referendums*, 64 NOTRE DAME L.

REV. 298, 313, 320 (1989).² It is unnecessary to determine whether an initiative is substantively constitutional until after its adoption because the law has no effect until that time. *Id.* at 304. By contrast, pre-election review of whether the subject matter of an initiative exceeds the scope of the legislative power is appropriate because such claims “address the justiciable issue whether the measure’s proponents are legally entitled to invoke the direct legislation process in the first instance.” *Id.* at 298. Such a challenge is similar to procedural challenges related to signature gathering: in both instances, “the present and ripe question [is] whether the measure’s proponents are entitled to invoke the direct legislation process at all.” *Id.* at 314. In sum, pre-election review is proper because, “[i]f the election is permitted, the very injury complained of will occur.” *Id.*

The present case directly implicates the scope of the direct initiative power. The question whether the Initiative is a proper exercise of that power, therefore, is ripe for adjudication.

II. Plaintiff Is Entitled to a Preliminary Injunction.

The party seeking a preliminary injunction must demonstrate:

(1) it will suffer irreparable injury if the injunction is not granted; (2) such injury outweighs any harm which granting the injunctive relief would inflict on the other

² See, e.g., *Carter v. Lehi City*, 269 P.3d 141, 163 & n.58 (Utah 2012) (pre-election “subject matter challenges are justiciable because they concern the *facial* question” of whether the initiative process may be invoked); *Alaska Action Ctr., Inc. v. Anchorage*, 84 P.3d 989, 993 (Alaska 2004) (“subject-matter limitations on initiatives” are subject to “pre-election review”); *Glover v. Concerned Citizens for Fuji Park and Fairgrounds*, 50 P.3d 546, 552 (Nev. 2002) (“pre-election intervention is warranted to declare void an initiative” that exceeds the legislative power); *Burnell v. City of Morgantown*, 558 S.E.2d 306, 314 (W.V. 2001) (permitting pre-election judicial review if an initiative is alleged to “involve a subject matter that is beyond the scope of the initiative . . . power”); *State ex rel. Gateway Green Alliance v. Welch*, 23 S.W.3d 861, 863 (Mo. Ct. App. 2000) (“[A]n initiative petition may be scrutinized pre-election for the purpose of determining whether the measure proposes legislative . . . action.”); *Lane Transit Dist. v. Lane Cty.*, 957 P.2d 1217, 1218 & n.1 (Or. 1998) (initiatives that exceed the “constitutional reservation of the initiative power . . . properly are excluded from the ballot”); *Donovan v. Priest*, 931 S.W.2d 119, 122 (Ark. 1996) (permitting pre-election challenge regarding the scope of the initiative power); *City of Idaho Springs v. Blackwell*, 731 P.2d 1250, 1253 (Colo. 1987) (“[A] necessary exception to the rule proscribing premature . . . judicial interference with initiative and referendum exists where the electorate exceeds the proper sphere of legislation”); *Saggio v. Connelly*, 709 P.2d 874, 875 (Ariz. 1985) (allowing pre-election claim regarding whether initiative “is, in fact, legislation”); *Am. Fed. of Labor v. Eu*, 686 P.2d 609, 614 (Cal. 1984) (“Here . . . the challenge goes to the power of the electorate to adopt the proposal in the first instance. . . . The question raised is, in a sense, jurisdictional.”).

party; (3) it has a likelihood of success on the merits (at most, a probability; at least, a substantial possibility); and (4) the public interest will not be adversely affected by granting the injunction.

Bangor Historic Track, Inc. v. Dep't of Agric., 2003 ME 140, ¶ 9, 837 A.2d 129. All four prongs are satisfied here.

a. Plaintiff Will Suffer Irreparable Injury Unless an Injunction Issues.

An “irreparable injury” is one “for which there is no adequate remedy at law.” *Bar Harbor Banking & Trust Co. v. Alexander*, 411 A.2d 74, 79 (Me. 1980). Absent entry of an injunction, irreparable injury would occur in the form of a constitutional violation. “[A] prospective violation of a constitutional right constitutes irreparable injury.” *Gordon v. Holder*, 721 F.3d 638, 653 (D.C. Cir. 2013) (internal quotations omitted); *see Am. Trucking Ass’ns v. City of Los Angeles*, 559 F.3d 1046, 1058 (9th Cir. 2009); *Condon v. Andino, Inc.*, 961 F. Supp. 323, 331 (D. Me. 1997). As described herein, a vote on the Initiative would be unconstitutional because the Initiative exceeds the legislative power and violates the separation of powers doctrine. This violation would directly harm Avangrid Networks because these constitutional limitations were designed to protect individual rights against infringement, *see infra* Section II.b.2, and because the violation could adversely affect its business by revoking a permit for a critical project. Thus, irreparable injury exists. *City of Evanston v. Barr*, 412 F. Supp. 3d 873, 886 (N.D. Ill. 2019) (violation of separation of powers constituted irreparable harm).

b. Plaintiff Is Likely to Succeed on the Merits.

Avangrid Networks is likely to succeed on its constitutional claims. As described above, the Initiative purports to reverse a specific order, issued by the PUC to a single entity and subsequently affirmed by the Law Court as supported by competent evidence in the record. The Initiative is neither general nor prospective in nature, because it establishes no new substantive

criteria governing petitions filed with the PUC and has no effect on any other project. As such, it is not the proper subject of a citizen initiative. It exceeds the legislative power, and thus the initiative power reserved to the people; violates the separation of powers by usurping executive and judicial powers; and is an unconstitutional use of special legislation.

1. The Initiative exceeds the legislative power retained by the people pursuant to article IV.

Article IV of the Maine Constitution, which vests the “legislative power” in the House of Representatives and Senate also reserves to the people the “power to propose laws.” Me. Const. art. IV, pt. 1, § 1. Thus, citizens may “propose to the Legislature for its consideration any bill, resolve or resolution.” *Id.* pt. 3, § 18(1). Under article IV, as Maine courts have long recognized, the initiative power is limited to the exercise of *legislative* authority. The subject matter of the Initiative exceeds the scope of this legislative power because it is not legislation at all.

a. Article IV reserves to the people only legislative power.

The plain text of article IV limits the initiative power to exercises of legislative authority. *See Opinion of the Justices*, 2017 ME 100, ¶ 58, 162 A.3d 188 (“[C]onstruction of the Maine Constitution depends primarily on its plain language.”). The initiative power in section 18 is framed in terms of proposing legislation, *e.g.*, “any bill, resolve or resolution.” Me. Const. art. IV, pt. 3, § 18(1); *see id.* pt. 1, § 1 (reserving the power to propose “laws”); *id.* pt. 3, § 20 (defining “measure” as “an Act, bill, resolve or resolution proposed by the people”). Each of these terms is legislative in nature. *See Black’s Law Dictionary* (11th ed. 2019) (defining “bill” as “a legislative proposal offered for debate before its enactment” and “resolve” as a “main motion that formally expresses the sense, will, or action of a deliberative assembly (esp. a legislative body)”).³ Further,

³ The legislative history of section 18 supports this conclusion. When the citizen initiative amendment was debated in 1907, the discussion focused solely on returning legislative authority to the people. For example, Representative Smith spoke in favor of the amendment because “[a]n essential function of the government

section 18 is located in article IV, which addresses the legislative power. Accordingly, the people's legislative authority cannot exceed that of the Legislature itself as a lawmaking body; there is no basis to find that section 18 reserved to the people any executive or judicial authority.⁴

Consistent with the plain language of the Constitution, the Law Court has repeatedly recognized that the use of the initiative and referendum provisions is limited to legislative actions. In *Allen v. Quinn*, the Court observed that, “[b]y adding the direct initiative and referendum provisions to the Maine Constitution in 1909, the people took back to themselves part of the legislative power that in 1820 they had delegated entirely to the legislature.” 459 A.2d 1098, 1098 (Me. 1983) (emphasis added).⁵ The Court has enforced this constitutional limitation. In *Moulton v. Scully*, the Law Court held that the 1909 amendment did not apply to the removal of a public officer because it was not a legislative act. 111 Me. 428, 89 A. 944, 952-55 (1914). The Law Court noted that by using the terms “bills” and “resolves,” the amendment only returned to the people the Legislature’s power “as a lawmaking body,” not as an “impeaching or addressing

– the making of laws – is now a close monopoly in the hands of a selected few,” and the citizen initiative would “[b]reak up this monopoly of the law-making business.” Leg. Rec. 643 (1907). This legislative history is consistent with the broader context of the nationwide movement to return lawmaking power to the people via initiatives in the early 1900s. See *Carter*, 269 P.3d at 148-49.

⁴ Numerous courts have reached this conclusion under their state constitutions. See, e.g., *Vagneur v. City of Aspen*, 295 P.3d 493, 504 (Colo. 2013) (construing Colorado’s constitution “to vest only legislative power directly in the people”); *Carter*, 269 P.3d at 148 (“The initiative power . . . is . . . parallel and coextensive with the power of the legislature.”); *Town of Whitehall v. Preece*, 956 P.2d 743, 748 (Mont. 1998) (in light of the text, legislative history, and placement of Montana’s constitutional initiative provision, initiatives are limited to “legislative acts”); *Philadelphia II*, 911 P.2d at 394 (“It is clear from the constitutional provision that the initiative process . . . is limited in scope to subject matter which is legislative in nature.”); *Amalgamated Transit Union – Division 757 v. Yerkovich*, 545 P.2d 1401, 1403 (Or. Ct. App. 1976) (initiative power is limited to legislative acts because the direct initiative provision was “placed within the article defining and delegating the state’s Legislative powers”).

⁵ The Court has frequently made similar observations. See, e.g., *McGee v. Sec’y of State*, 2006 ME 50, ¶¶ 24-25 896 A.2d 933 (“[T]he sovereign which is the people has taken back, subject to the terms and limitations of the amendment, a power which the people vested in the Legislature.” (quotation marks omitted)); *Opinion of the Justices*, 682 A.2d 661, 665 (Me. 1996) (section 18 was “designed to subject the legislative power to the will of the people”); *Opinion of the Justices*, 275 A.2d 800, 803 (Me. 1971); *Farris ex rel. Dorsky v. Goss*, 143 Me. 227, 230-31, 60 A.2d 908, 910-11 (1948).

body.” *Id.* at 953. The Law Court observed that the purpose of the 1909 amendment was to make “the legislative power not final but subject to the will of the people.” *Id.* It added:

This, too, marks the limitation of the amendment. It applies only to legislation, to the making of laws, whether it be a public act, a private act, or a resolve having the force of law. This is shown clearly and conclusively by the language of section 2 of part third of article IV, under the general head of ‘Legislative Power.’ . . . The referendum applies and was intended to apply only to acts or resolves of this class, to “every bill or resolution having the force of law,” that is, to what is commonly known as legislative acts and resolves This is the simple and plain interpretation of simple and plain language.

Id. Similarly, the justices of the Supreme Judicial Court have opined that the people cannot ratify an amendment to the U.S. Constitution via citizen initiative because ratification is not a legislative act. *Opinion of the Justices*, 118 Me. 544, 107 A. 673, 674-76 (1919). Because initiatives are limited to legislation and the “resolution, ratifying the proposed constitutional amendment, was . . . in no sense legislation,” the justices concluded that it exceeded the initiative power. *Id.* at 676. It is well settled, therefore, that the direct initiative power is limited to legislative acts.

b. The Initiative is not a proper exercise of legislative power.

Because a citizen initiative is an exercise of legislative power, the Initiative must be a “proper exercise by the people of Maine of their legislative power.” *League of Women Voters v. Sec’y of State*, 683 A.2d 769, 772 (Me. 1996) (emphasis added); *see* 42 Am. Jur. 2d Initiative & Referendum § 7 (2d ed.). The Initiative is not a proper exercise of legislative power.

While the legislative power is broad, it is not limitless. The Law Court has recognized that a proper exercise of legislative power “must in its nature be general and prospective; a rule for all, and binding on all.” *Lewis v. Webb*, 3 Me. 326, 333 (1825);⁶ *see Bell v. Town of Wells*, 557 A.2d

⁶ This limitation applies to all legislative acts under article IV, not just initiatives. In *Lewis*, the Court invalidated a resolve passed by the Legislature that would have set aside a court judgment, concluding that it was an “act of judicial character” rather than an exercise of “legislative power.” *Lewis*, 3 Me. at 326-33; *see* Me. Const. art. IV, pt. 3, § 1 (the Legislature may enact “laws” both “reasonable” and “not repugnant” to the Constitution”). With respect to special legislation, *see infra* Section II.b.3.

168, 191 (1989) (Wathen, J., dissenting) (discussing *Lewis*). In a case cited approvingly by the Law Court, see *Friends of Congress Square Park v. City of Portland*, 2014 ME 63, ¶ 15, 91 A.3d 601, the Utah Supreme Court defined the legislative power in similar terms: “Legislative power generally (a) involves the promulgation of laws of general applicability; and (b) is based on the weighing of broad, competing policy considerations.” *Carter*, 269 P.3d at 151.⁷ Thus, “[w]hen government legislates, it establishes rules” that “apply to everyone who engages in the type of conduct that the law addresses” and “weighs broad policy considerations, not the specific facts of individual cases.” *Carter*, 269 P.3d at 151-52.⁸

Viewed in these terms, it is plain that the Initiative is not legislation. The Initiative is not generally applicable. It is not based on broad policy considerations, and does not create any new legislative standards governing power line location, construction, or conditions. In fact, it could not be any more narrowly targeted, given its specific reference to one PUC docket and a single order in that docket. Nor does the Initiative have any prospective effect. It establishes no substantive criteria for the PUC to consider in granting future CPCNs. It simply directs the PUC to reverse a single order granted after months of public hearing and testimony. Rather than being

⁷ This rule is widely recognized. See, e.g., *Vagneur*, 295 P.3d at 506-07 (endorsing *Carter*’s definition of legislative power); *LC&S, Inc. v. Warren Cty. Area Plan Comm’n*, 244 F.3d 601, 602 (7th Cir. 2001) (“Legislation is prospective in effect and, more important, general in its application.”); *Buckeye Community Hope Found. v. Cuyahoga Falls*, 697 N.E.2d 181, 186 (Ohio 1998) (ordinance not “legislative” because it had “no general, prospective application”); *City of Wichita v. Kansas Taxpayers Network, Inc.*, 874 P.2d 667, 672 (Kan. 1994) (“Permanency and generality are key features of a legislative [act].”); *Town of Whitehall*, 956 P.2d at 749 (same); *Fite v. Lacey*, 691 P.2d 901, 904 (Okla. 1984) (“legislative” acts are “rules of civil conduct . . . of general application” that are “not a transient, sudden order to and concerning a particular person, but something permanent, uniform, and universal”); *Lane Transit Dist.*, 957 P.2d at 1220 (defining “legislative activity” as “making laws of general applicability and permanent nature”); see also, e.g., *De Niz Robles v. Lynch*, 803 F.3d 1165, 1172 (10th Cir. 2015) (Gorsuch, J.) (describing legislation as “announcing new rules of general applicability”).

⁸ The outer bounds of legislative power can be delineated “by contrasting this power with its executive and judicial counterparts. Once a general rule is established by the legislature, its enforcement is left to the executive (by applying it to the particularized circumstances of individuals . . . and its adjudication is left to the judiciary (by resolving specific disputes between parties as to the applicability of the law to their actions).” *Carter*, 269 P.3d at 152.

an expression of policy “for all, and binding on all,” it is a punitive measure “for one, and binding on one.” Because the Initiative exceeds the scope of the legislative power, and thus the scope of the direct initiative provision in section 18, the Initiative may not be placed on the ballot.

2. The Initiative violates the separation of powers clause in article III, section 2.

Article III, section 2 of the Maine Constitution states: “No person or persons, belonging to one of [the legislative, executive, or judicial] departments, shall exercise any of the powers belonging to either of the others, except in the cases herein expressly directed or permitted.” Me. Const. art. III, § 2. That provision expressly provides for a “strict separation of powers between the three branches of government.” *Bossie v. State*, 488 A.2d 477, 480 (Me. 1985).

Separation of powers has deep roots in American law. Chief Justice John Marshall explained that “[i]t is the peculiar province of the legislature to prescribe general rules for the government of society; the application of those rules to individuals in society would seem to be the duty of other departments.” *Fletcher v. Peck*, 10 U.S. 87, 136 (1810). The framers adopted a system of separated powers because they were “well acquainted with the danger of subjecting the determination of the rights of one person to the ‘tyranny of shifting majorities.’ . . . It was to prevent the recurrence of such abuses that the Framers vested the executive, legislative, and judicial powers in separate branches.” *I.N.S. v. Chadha*, 462 U.S. 919, 961-62 (1983) (Powell, J., concurring); see THE FEDERALIST NO. 47 (James Madison), 1788 WL 461, at *3. The separation of powers doctrine thus “seeks to prevent unfair applications of the law to specific individuals.” *Carter*, 269 P.3d at 152.

Under the Maine Constitution, the separation of powers doctrine is “more rigorous” than under the U.S. Constitution. *N.E. Outdoor Ctr. v. Comm’r of Inland Fisheries & Wildlife*, 2000 ME 66, ¶ 9, 748 A.2d 1009 (quoting *State v. Hunter*, 447 A.2d 797, 799 (Me. 1982)). “[S]eparation

of powers issues must be dealt with in a formal rather than functional manner.” *Bossie*, 488 A.2d at 480. “The resulting test under the Maine Constitution is a narrow one: ‘has the power in issue been explicitly granted to one branch of state government, and to no other branch? If so, article III, section 2 forbids another branch to exercise that power.’” *Id.* (quoting *Hunter*, 447 A.2d at 800); see *In re Dunleavy*, 2003 ME 124, ¶ 6, 838 A.2d 338.

Article III, section 2 – like the terms of article III, section 18 – makes it clear that the power of the direct initiative is cabined to exercises of legislative authority. Direct initiatives must comport with the constitutional restrictions generally applicable to legislative actions. *Opinion of the Justices*, 2017 ME 100, ¶ 8, 162 A.3d 188 (“[W]hen a statute – including one enacted by citizen initiative – conflicts with a constitutional provision, the Constitution prevails”); *Morris v. Goss*, 147 Me. 89, 106, 83 A.2d 556, 565 (1951) (“Only in a constitutional manner may the people exercise the law making power reserved to themselves.”); see *Wagner*, 663 A.2d at 567 (citing cases striking down initiatives). Thus, “in exercising [their] legislative power, the people are prohibited by article III from exercising administrative (*i.e.*, ‘executive’) or judicial power.” *Vagneur*, 295 P.3d at 503-04; see *Carter*, 269 P.3d at 147 (“[E]xecutive and judicial powers are not available to the people in the initiative process.”).

The Initiative, by reversing a single PUC Order without establishing any new and generally applicable standards, invades the prerogatives of both the executive and judicial branches. First, it usurps judicial authority by purporting to adjudicate a specific dispute between two parties, reversing a decision rendered by the Law Court. Second, it usurps executive authority by purporting to apply the law to a particularized set of circumstances, reversing the outcome of a lengthy agency hearing process. The Initiative therefore twice violates the separation of powers doctrine that undergirds Maine’s system of government.

a. The Initiative usurps judicial authority.

The people, in exercising their legislative power, may not usurp the judiciary's authority. The Constitution grants the judiciary full "judicial power." Me. Const. art. VI, § 1. "The essence of the judicial power, as distinguished from the legislative, is its focus on resolving specific controversies between particular parties in litigation." *Bell*, 557 A.2d at 191 (Wathen, J., dissenting); see *Carter*, 269 P.3d at 151 (the "judicial power . . . involves the application of the law to particular individuals or groups based on their particularized circumstances"). The Initiative would impinge upon the judicial power by reversing the outcome of a final judgment.

It is well established under Maine law that it violates the separation of powers for the Legislature to reverse a final judgment as to the parties in that action. *Grubb v. S.D. Warren Co.*, 2003 ME 139, ¶ 11, 837 A.2d 117 ("The Legislature may not disturb a decision rendered in a previous action, as to the parties to that action; to do so would violate the doctrine of separation of powers."); *State v. L.V.I. Group*, 1997 ME 25, ¶ 11 n.4, 60 A.3d 960 ("[A] final judgment in a case is a decisive declaration of the rights between the parties, and the Legislature cannot disturb the decision . . . as to the parties in that action."); *Lewis*, 3 Me. at 332 (the Legislature cannot "by a mere resolve, set aside a judgment or decree of a Judicial Court, and render it null and void"); see also *Plaut v. Spendthrift Farm, Inc.*, 514 U.S. 211, 219-27 (1995) (citing *Lewis* and holding that a legislative attempt to overturn a final judicial decision violates separation of powers). The same holds true even of final decisions in agency proceedings. See *Grubb*, 2003 ME 139, ¶¶ 9, 11, 837 A.2d 117 (noting that final Workers' Compensation Board decisions are subject to the rules of res judicata, and finding that the Legislature could not disturb such a decision); see also *Quirion v. Pub. Utils. Comm'n*, 684 A.2d 1294, 1296 (Me. 1996) (res judicata applies in the context of a final PUC decision).

The Initiative violates this clear principle by reversing the outcome of a final judgment from the Law Court that expressly affirms the PUC’s issuance of a CPCN for the NECEC. NextEra, a participant in the PUC proceedings, appealed the PUC’s decision to grant a CPCN. NextEra specifically argued that CMP’s petition for the NECEC failed to demonstrate that a “public need” exists for the Project under section 3132. *NextEra Energy Resources, LLC*, 2020 ME 34, ¶¶ 20, 29. On appeal, the Law Court concluded that CMP had in fact met the statutory requirement for demonstrating a “public need.” *Id.* ¶ 43. The Court specifically considered the PUC’s interpretation and application of the “public need” requirement, and concluded that there was “no error in the [PUC]’s determination that the NECEC project meets the applicable statutory standards for a CPCN.” *Id.* ¶ 1. The Court found the PUC’s interpretation of “public need” to be reasonable, *id.* ¶ 27, and concluded that the PUC’s findings regarding the “public need” factors set out in section 3132 were “supported by significant record evidence,” *id.* ¶ 30. The Court thus affirmed the grant of a CPCN. *Id.* ¶ 43. The Initiative now seeks to unravel that final judgment by directing the PUC “to find that the construction and operation of the NECEC transmission project are not in the public interest and that there is not a public need for the NECEC transmission project.” Compl. ¶ 40. The Initiative goes on to direct the PUC to “deny the request” for a CPCN. *Id.* By seeking to reverse a final judgment of the Law Court, the Initiative would render an essential function of Maine’s judiciary futile. The people, acting as the Legislature, may not re-open and re-adjudicate a proceeding that has reached a final judgment in the Law Court without violating the separation of powers clause.

b. The Initiative usurps executive authority.

The people, in exercising their legislative power, also may not usurp executive authority. The Constitution expressly grants the Governor the right and responsibility to “take care that the

laws be faithfully executed.” Me. Const. art. V, pt. 1, § 12. As the Law Court has recognized, the Legislature may not exercise powers granted to the executive branch, including agencies. *N.E. Outdoor Ctr.*, 2000 ME 66, ¶ 10, 748 A.2d 1009. The executive power “encompasses prosecutorial or administrative acts aimed at applying the law to particular individuals or groups based on individual facts and circumstances.” *Carter*, 269 P.3d at 151. The Initiative would impinge upon the executive power by reversing the outcome of a specific administrative proceeding without setting forth any new, substantive criteria or guidelines.

Although Maine courts have not had occasion to consider whether an initiative may be used to fulfill an agency’s administrative function,⁹ the well-accepted rule is that “the powers of initiative . . . do not encompass the right to petition for an election on administrative matters.” *Vagneur*, 295 P.3d at 506; *see* 42 Am. Jur. 2d Initiative & Referendum § 6 (2d ed.) (the initiative power applies to “acts which are legislative in character and not to administrative actions”). An initiative is legislative in nature, and thus permissible, “if it clearly includes action which adopts policy affecting the public generally,” 42 Am. Jur. 2d Initiative & Referendum § 7, but is administrative in nature, and thus impermissible, if it simply “direct[s] a decision that has been delegated to a governmental body with that authority,” *id.* § 8. In *Vagneur*, for example, the Colorado Supreme Court concluded that an initiative could not be used to displace a “highway design that was the culmination of an administrative process . . . not with a generally applicable rule or a new governing standard, but simply with a different highway system.” 295 P.3d at 509.

⁹ The Law Court has only discussed this question in the context of municipal initiatives. *See Albert v. Town of Fairfield*, 597 A.2d 1353, 1354 (Me. 1991). In *Albert*, the Law Court observed in dictum that it had not previously “attempted to distinguish between . . . legislative and administrative action” for purposes of determining whether a municipal initiative was lawful. *Id.* The Law Court explained that it had not yet drawn this distinction because the Maine Constitution broadly permits a municipality to “establish the direct initiative . . . in regard to its municipal affairs.” *Id.* *Albert* provides no guidance here because, under the Maine Constitution, municipal initiatives are not limited to “acts, bills, or resolves” as are state-wide initiatives. *Compare* Me. Const. art. IV, pt. 3, § 18, *with* Me. Const. art. IV, pt. 3, § 21.

Because the initiative did not “propose to establish a law of general applicability or a rule that sets a governing standard,” the initiative was invalid because it was an administrative rather than legislative action. *Id.* This legislative/administrative distinction is, at its core, “rooted in fundamental principles of separation of powers.” *Id.* at 506.¹⁰

Maine courts should apply the same rationale, given the text of article IV, part III, section 18 and article III, section 2. As discussed above, the direct initiative (1) returned to the people only legislative power, *see Opinion of the Justices*, 682 A.2d at 665; and (2) is subject to other constitutional provisions such as the separation of powers clause, *see Morris*, 147 Me. 106, 83 A.2d at 565. Thus, the structural principles enshrined in the Maine Constitution confirm that an initiative may not be used to exercise executive authority. *See Vagneur*, 295 P.3d at 503-04 (separation of powers precludes the use of initiatives to exercise executive (*i.e.*, administrative) power); *Carter*, 269 P.3d at 147 (“[L]egislative/administrative distinction is a reflection of our constitution’s explicit and strict separation of powers.”).

¹⁰ Many other courts have also held that initiatives and referenda are invalid if they are administrative rather than legislative. *See, e.g., Phillips v. City of Whitefish*, 330 P.3d 442, 451 (Mont. 2014) (referendum could apply to “legislative acts only”); *City of Port Angeles v. Our Water-Our Choice!*, 239 P.3d 589, 593 (Wash. 2010) (“[A]dministrative matters[] are not subject to initiative.”); *McAlister v. City of Fairway*, 212 P.3d 184, 194 (Kan. 2009) (“[T]he initiative . . . is only appropriate for measures that are quite clearly and fully legislative and not principally executive or administrative” (internal quotation marks omitted)); *State ex rel. Oberlin Citizens for Responsible Dev. v. Talarico*, 836 N.E.2d 529, 533 (Ohio 2005) (initiative unlawful because it “executes and administers laws already in existence”); *In re Initiative Petition No. 27 of City of Okla. City*, 82 P.3d 90, 93 (Okla. 2003) (initiative power applies “only to legislative matters and not to administrative acts”); *Glover*, 50 P.3d at 549-50 (measure “constitutes an administrative act and is not subject to the initiative power of the people”); *Lane Transit Dist.*, 957 P.2d at 1220 (“Proposed initiative measures addressing administrative matters properly are excluded from the ballot.”); *Town of Hilton Head Island v. Coal. of Expressway Opponents*, 415 S.E.2d 801, 806 (S.C. 1992) (excluding administrative measure from ballot); *Wennerstrom v. City of Mesa*, 821 P.2d 146, 149 (Ariz. 1991) (initiatives are limited “to legislative actions” rather than “administrative actions”); *City of Idaho Springs*, 731 P.2d at 1254 (initiatives were “related to administrative matters and were invalid attempts to exercise the constitutional right of initiative”); *Am. Fed. of Labor*, 686 P.2d at 627 (“[A]n initiative which seeks to do something other than enact a statute – which seeks to render an administrative decision [or] adjudicate a dispute . . . – is not within the initiative power reserved by the people.”); *Beach v. City of Saline*, 316 N.W.2d 724, 725 (Mich. 1982) (initiatives are limited to questions “truly legislative in character”).

Applying this legislative/administrative distinction, it is plain that the Initiative impinges upon executive authority. The Law Court delineated the difference between legislative and administrative actions in *Friends of Congress Square Park*. In that case, the Law Court was asked to enforce a city ordinance restricting initiatives to “legislative matters.” 2014 ME 63, ¶¶ 10-11, 91 A.3d 601. Citing *Vagneur* and *Carter*, the Law Court concluded that an initiative is legislative rather than administrative if it “proposes a law of general applicability rather than one based on individualized, case specific considerations.” *Id.* ¶¶ 14-15. According to the criteria set out by the Court,¹¹ the Initiative is administrative. The Initiative does not have general applicability, but rather is expressly case-specific; executes existing law, rather than creating new law; sets forth no prospective criteria, but instead is drawn narrowly to have retroactive effect in a single PUC proceeding; relates to a passing, temporary issue; implements existing policy rather than declaring a broad public purpose; relates to a matter requiring specialized knowledge; involves a subject matter which the Legislature has delegated to the PUC for implementation; exercises the traditionally executive act of issuing or revoking a permit; and would hamper effective administration of government. *See id.* ¶¶ 14-17 & n.7. Because the Initiative is administrative rather than legislative, it violates article III, section 2 by invading the prerogatives of the executive.

3. The Initiative constitutes an impermissible special law under article IV, part 3, section 13.

Article IV, part 3, section 13 of the Maine Constitution states: “The Legislature shall, from time to time, provide, as far as practicable, by general laws, for all matters usually appertaining to

¹¹ These factors include whether the initiative: “makes new law, rather than executes existing law,” “relates to subjects of a permanent or general character, as opposed to subjects that are temporary in operation and effect,” “declares a public purpose and provides for the ways and means to accomplish that purpose, rather than implementing existing policy or dealing with a small segment of an overall policy question,” “requires only general knowledge, rather than specialized training and experience,” “does not involve a subject matter in which the legislative body has delegated decisionmaking power,” and is a historically legislative act, “rather than [a] traditionally executive act[.]” *Id.* ¶ 13 n.7.

special or private legislation.” Me. Const. art. IV, pt. 3, § 13. This provision reflects the principle, long recognized under Maine law, that

[i]t can never be within the bounds of legitimate legislation, to enact a special law, or pass a resolve dispensing with the general law, in a particular case, . . . by way of exemption from the operation and effect of such general law, leaving all other persons under its operation. Such a law is neither just [n]or reasonable

Lewis, 3 Me. at 336; see *Opinion of the Justices*, 402 A.2d 601, 602 (Me. 1979) (discussing *Lewis*); see also *Carter*, 269 P.3d at 153 (the prohibition on special laws protects the right to be “governed by general rules” rather than to be “single[d] out” arbitrarily). The Initiative violates section 13 because it seeks to accomplish what could be addressed by general legislation.

The Law Court has “construed [the special legislation] clause as a mandatory provision, so that special legislation is unconstitutional if a general law has been enacted or could have been made applicable.” *Brann v. State*, 424 A.2d 699, 704 (Me. 1981). The relevant question under section 13 is whether the special legislation’s object “could have been more fully attained through general legislation.” *Id.* Special legislation is permissible only to the extent that general legislation could not attain the legitimate object of the legislation. *Brann*, 424 A.2d at 704; see *Me. Pharm. Ass’n v. Bd. of Comm’rs of Profession of Pharmacy*, 245 A.2d 271, 273 (Me. 1968).

The Initiative is unconstitutional under section 13 because it targets CMP for special disfavor by exempting it from the usual operation of 35-A M.R.S. § 3132, which sets forth the criteria governing the issuance of CPCNs. The Initiative improperly “attempt[s] to exempt one individual from generally applicable requirements of the law.” *Brann*, 424 A.2d at 704 (finding the law unconstitutional). The Initiative targets CMP specifically instead of providing “a rule for all and binding on all.” *Lewis*, 3 Me. at 333. That is, contrary to section 13, the Initiative fails to set forth generally applicable standards for all CPCN proceedings before the PUC – as it could have. The Initiative is therefore an unconstitutional use of special legislation.

c. The Balance of Harms Favors Entering an Injunction.

The balance of hardship also favors Plaintiff. A constitutional violation outweighs any injury from derailing the improperly invoked initiative process. *See Gordon*, 721 F.3d at 653; *Springtree Apartments, ALPIC v. Livingston Parish Council*, 207 F. Supp. 2d 507, 515 (M.D. La. 2001); *Condon*, 961 F. Supp. at 331. Although an injunction might frustrate the intent of the Initiative’s proponents to bring the Project to a halt, the constitutional violation that would be wrought by the Initiative outweighs their interest in proceeding with an unlawful vote.

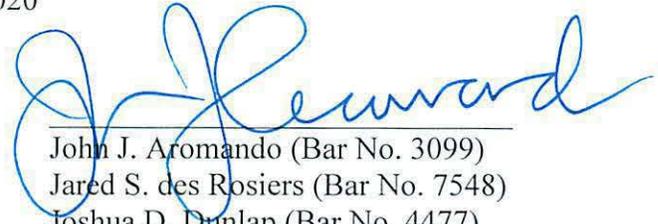
d. The Public Interest Would Be Served by an Injunction.

The public interest also favors an injunction. “It is hard to conceive of a situation where the public interest would be served by enforcement of an unconstitutional law or regulation.” *Condon*, 961 F. Supp. at 331. To the contrary, it “is clearly in the public’s interest” to enjoin a constitutional violation such as “the separation of powers doctrine.” *City of Evanston*, 412 F. Supp. 3d at 887; *see Magriz v. Union de Tronquista de Puerto Rico, Local 901*, 765 F. Supp. 2d 143, 157 (D.P.R. 2011). Given that the principle of separation of powers is one of the cornerstones of our republican form of government, the public good will only be served by enforcing the constitutional limits on the power of the direct initiative. Moreover, permitting the Project to move forward would (as the PUC and the Law Court found) benefit Maine through economic investment, energy reliability, and decreased GHG emissions. Compl. ¶¶ 22-27, 33.

CONCLUSION

The Initiative is an unprecedented measure that, by singling out and seeking to reverse a specific PUC order that has been affirmed by the Law Court without establishing any generally applicable rules, exceeds the scope of the initiative power, violates the separation of powers, and constitutes an improper use of special legislation. A vote on the Initiative must be enjoined.

Dated at Portland, Maine this 12th day of May 2020



John J. Aromando (Bar No. 3099)
Jared S. des Rosiers (Bar No. 7548)
Joshua D. Dunlap (Bar No. 4477)
Sara A. Murphy (Bar No. 5423)
PIERCE ATWOOD LLP
Merrill's Wharf
254 Commercial Street
Portland, ME 04101
(207) 791-1100

Attorneys for Avangrid Networks, Inc.

NOTICE

Matters in opposition to this Motion pursuant to M.R. Civ. P. 7(c) must be filed not later than 21 days after the filing of this motion unless another time is provided by the Maine Rules of Civil Procedure or by the Court. Failure to file timely opposition will be deemed a waiver of all objections to the motion, which may be granted without further notice or hearing.

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity as
Secretary of State for the State of Maine,

Defendant,

v.

MAINERS FOR LOCAL POWER, *et al.*,

Intervenors.

**MOTION TO DISMISS BY
MAINERS FOR LOCAL POWER
AND MAINE VOTERS**

NOW COME Intervenors Mainers for Local Power and the Maine Voters¹ (collectively, “Maine Intervenors”) and respectfully move this Court to dismiss Plaintiff Avangrid Networks, Inc.’s (“Avangrid”)² Complaint for Declaratory Judgment and Injunctive Relief pursuant to M.R. Civ. P. 12(b)(6) and this Court’s May 29, 2020 Order.³ Avangrid would have this court enjoin the

¹ Rep. Janice Cooper, Sheryl Harth, Jesse Lupo, Kasey Lupo, Tiffany Maiuri, Matthew Smith, Jodi Savage-Wilson, Sen. Dave Woodsome, and David Yuill collectively comprise the “Maine Voters.” The Maine Voters moved to intervene on May 29, 2020, but the Court has not yet granted intervention. No party opposed their intervention, however, and the Maine Voters join Mainers for Local Power’s Motion and supporting memorandum to comply with the schedule set by the Court’s May 29, 2020 Order.

² Intervenors Industrial Energy Consumer Group (“IECG”) and the Maine Chamber of Commerce (“Chamber”) have also filed papers in support of Avangrid’s Complaint. The Maine Intervenors’ Motion and accompanying Memorandum also address their arguments and seek dismissal of their claims. The Maine Intervenors use “Avangrid” herein to refer to Avangrid, IECG, and the Chamber.

³ In its May 29, 2020 Order, the Court set June 15 as the deadline for submission of responsive pleadings and merits briefs by the Secretary, the Maine Intervenors, and Intervenor NextEra Energy. The Maine Intervenors therefore submit this omnibus consolidated Motion and accompanying memorandum seeking dismissal and responding to Avangrid’s merits arguments asking that the Court enter judgment against Avangrid on any claim that is not dismissed. On June 12, 2020,

Secretary of State from placing on the ballot in November a citizen’s initiative (“Initiative”) that has already been validated by the Secretary, the Superior Court, and the Law Court. *See Reed v. Sec’y of State*, 2020 ME 57. As set forth more fully in the Maine Intervenors’ simultaneously filed memorandum of law, the Court cannot grant the relief Avangrid seeks.

First, Avangrid’s desired relief is barred by the express terms of the Maine Constitution, which states that the Secretary “*shall* ... order [citizens’ initiatives] to be submitted to the people at an election.” Me. Const. art. IV, pt. 3, § 18, cl. 3 (emphasis added). *Second*, Avangrid’s claims are not yet ripe for adjudication because they challenge the constitutionality of the Initiative, and any such challenge must be brought post-election. *Third*, even if Avangrid’s claims were now cognizable—which they are not—Avangrid is too late, having filed suit outside the window imposed by the Constitution for any challenges to the validity of a petition for a citizen’s initiative. Me. Const. art. IV, pt. 3, § 22. *Finally*, the Initiative is clearly constitutional: utilities regulation is a legislative function and Maine citizens have an absolute right to legislate. Just as the legislature can regulate the PUC, so too can Maine citizens via ballot initiative.

For these and the reasons set forth in their simultaneously filed memorandum of law, the Maine Intervenors respectfully request that the Court dismiss Avangrid’s Complaint.

the Maine Intervenors moved, with the consent of all parties, to file an oversized brief of 30 pages, which exceeds the 20 page limit that Rule 7(f) would impose on either a single Rule 12 memorandum or a single Rule 65 opposition, but which is within the combined limit.

Dated at Portland, Maine this
15th day of June 2020



David M. Kallin, Bar No. 4558
Adam R. Cote, Bar No. 9213
Elizabeth C. Mooney, Bar No. 6438
DRUMMOND WOODSUM
84 Marginal Way, Suite 600
Portland, Maine 04101-2480
Tel: (207) 772-1941
dkallin@dwmlaw.com
acote@dwmlaw.com
emooney@dwmlaw.com

Paul W. Hughes (*pro hac vice* motion pending)
Matthew A. Waring (*pro hac vice* motion pending)
Andrew Lyons-Berg (*pro hac vice* motion pending)
MCDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, D.C. 20001
(202) 756-8000 (office)
(202) 756-8087 (facsimile)

*Counsel for Intervenors Mainers for Local Power
and Maine Voters*

NOTICE

Matters in opposition to this Motion pursuant to M.R. Civ. P. 7(c) must be filed not later than 21 days after the filing of this Motion, unless another time is provided by the Maine Rules of Civil Procedure or by the Court. Failure to timely file an opposition will be deemed a waiver of all objections to the Motion, which may be granted without further notice or hearing.

STATE OF MAINE
CUMBERLAND, ss.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. 20-206

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity
as Secretary of State for the State of Maine,

Defendant.

**DECLARATION OF JANICE COOPER
IN SUPPORT OF MOTION TO
INTERVENE**

I, Janice Cooper, under penalty of perjury, do swear and state as follows:

1. This declaration is based on my personal knowledge.
2. I am, and for all times relevant hereto have been, a registered voter in the State of Maine.
3. I live in Yarmouth and regularly vote in local and statewide election and on citizens' initiatives that have appeared on the ballot in Maine elections.
4. I am a State Representative for House District 47, which includes the Towns of Chebeague Island, Long Island and Yarmouth.
5. During my time in the State Legislature, I have served on several committees, including the Joint Standing Committee on Environment and Natural Resources and the Joint Standing Committee on Energy, Utilities and Technology.

6. I oppose Central Maine Power's ("CMP") efforts to create a new transmission line that would cut across Maine to deliver power from Canada to energy consumers in Massachusetts (the "CMP Corridor").
7. I believe we owe it to future generations to be proper stewards of our environment and I believe the CMP Corridor will cause irreparable harm to our state. I do not believe the CMP Corridor is in the public interest.
8. Because I oppose the CMP Corridor, I support the Resolve To Reject The New England Clean Energy Connect Transmission Project (the "Resolve").
9. I supported the petition circulated in connection with the Resolve to ensure it will appear on the ballot in Maine's November 2020 statewide election.
10. I wish to exercise my constitutional right as a Maine citizen to directly legislate by voting in support of the Resolve in the November 2020 election and I would like my constituents to have that same opportunity.

DATED: May 28, 2020

Janice Cooper
Janice Cooper

STATE OF MAINE
CUMBERLAND COUNTY, ss.

Subscribed and sworn to before me this 28th day of May 2020, at

Yarmouth, Maine, by Janice Cooper.

ASHLEY LEMELIN
Notary Public, State of Maine
My Commission Expires Mar. 05 2026

Ashley Lemelin
Notary Public
Printed Name: Ashley Lemelin
My Commission Expires: 3-5-2026

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity
as Secretary of State for the State of Maine,

Defendant.

**DECLARATION OF JESSE LUPO IN
SUPPORT OF MOTION TO
INTERVENE**

I, Jesse Lupo, under penalty of perjury, do swear and state as follows:

1. This declaration is based on my personal knowledge.
2. I am, and for all times relevant hereto have been, a registered voter in the State of Maine.
3. I am a resident of Etna and regularly vote in local and statewide elections and I have in the past voted on citizens' initiatives that have appeared on the ballot in Maine elections.
4. My wife, Kasey, and I are small business owners. We also own a camp along the Moxie River where we enjoy hunting, kayaking, fishing and camping. Our camp directly abuts land owned by Central Maine Power ("CMP") that would be used as part of the pathway to build a new transmission line to deliver power from Canada to energy consumers in Massachusetts (the "CMP Corridor").
5. My wife and I attended an informational meeting CMP offered to answer questions about the CMP Corridor. Our concerns that this project would destroy the natural habitat and pristine conditions of the area were not properly addressed by CMP.

6. As an abutting landowner to this project, I will be directly impacted in a negative way.
The financial value of my property will decline and my ability to enjoy the natural area will be permanently adversely affected.
7. Because I am vehemently opposed to the CMP Corridor, I support the Resolve To Reject The New England Clean Energy Connect Transmission Project (the "Resolve").
8. I signed the petition circulated in connection with the Resolve to ensure it will appear on the ballot in Maine's November 2020 statewide election.
9. I wish to exercise my constitutional right as a Maine citizen to directly legislate by voting in support of the Resolve in the November 2020 election.

DATED: May 28, 2020



 Jesse Lupo

STATE OF MAINE
 PENOBSBOT COUNTY, ss.

Subscribed and sworn to before me this 28th day of May, 2020, at
Etna, Maine, by Jesse Lupo

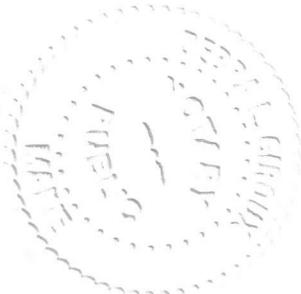
Debra Giroux

 Notary Public

Debra Giroux

 Name Typed or Printed

My Commission Expires: _____
DEBRA L. GIROUX
NOTARY PUBLIC
State of Maine
My Commission Expires
July 12, 2023



AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity
as Secretary of State for the State of Maine,

Defendant.

**DECLARATION OF KASEY LUPO IN
SUPPORT OF MOTION TO
INTERVENE**

I, Kasey Lupo, under penalty of perjury, do swear and state as follows:

1. This declaration is based on my personal knowledge.
2. I am, and for all times relevant hereto have been, a registered voter in the State of Maine.
3. I am a resident of Etna and regularly vote in local and statewide elections and I have in the past voted on citizens' initiatives that have appeared on the ballot in Maine elections.
4. My husband, Jesse, and I are small business owners. We also own a camp along the Moxie River where we enjoy hunting, kayaking, fishing and camping. Our camp directly abuts land owned by Central Maine Power ("CMP") that would be used as part of the pathway to build a new transmission line to deliver power from Canada to energy consumers in Massachusetts (the "CMP Corridor").
5. My husband and I attended an informational meeting CMP offered to answer questions about the CMP Corridor. Our concerns that this project would destroy the natural habitat and pristine conditions of the area were not properly addressed by CMP.

6. As an abutting landowner to this project, I will be directly impacted in a negative way.
The financial value of my property will decline and my ability to enjoy the natural area will be permanently adversely affected.
7. Because I am vehemently opposed to the CMP Corridor, I support the Resolve To Reject The New England Clean Energy Connect Transmission Project (the "Resolve").
8. I signed and was a volunteer circulator of the petition in connection with the Resolve to ensure it will appear on the ballot in Maine's November 2020 statewide election.
9. I wish to exercise my constitutional right as a Maine citizen to directly legislate by voting in support of the Resolve in the November 2020 election.

DATED: May 28, 2020

Kasey Lupo
Kasey Lupo

STATE OF MAINE
PENOBSCOT COUNTY, ss.

Subscribed and sworn to before me this 28th day of May 2020, at

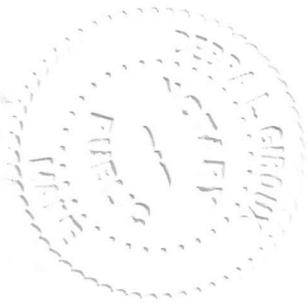
Etna, Maine, by Kasey Lupo.

Debra Giroux
Notary Public

Debra Giroux
Name Typed or Printed

My Commission Expires: _____

DEBRA L. GIROUX
NOTARY PUBLIC
State of Maine
My Commission Expires
July 12, 2023



STATE OF MAINE
CUMBERLAND, ss.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. 20-206

AVANGRID NETWORKS, INC.,

Plaintiff,

v.

MATTHEW DUNLAP, in his official capacity
as Secretary of State for the State of Maine,

Defendant.

**DECLARATION OF DAVID
WOODSOME IN SUPPORT OF
MOTION TO INTERVENE**

I, David Woodsome, under penalty of perjury, do swear and state as follows:

1. This declaration is based on my personal knowledge.
2. I am, and for all times relevant hereto have been, a registered voter in the State of Maine.
3. I regularly vote in Maine's statewide elections.
4. I have in the past voted on citizens' initiatives that have appeared on the ballot in Maine elections.
5. I am a State Senator, representing Senate District 33, which includes the Towns of Cornish, Limerick, Newfield, Parsonsfield, Shapleigh, Waterboro, and the City of Sanford.
6. I regularly hear from my constituents that they would like to have the opportunity to vote on the Central Maine Power ("CMP") Corridor, as is their right under the Maine Constitution.

7. As a member of the Maine Legislature's Joint Standing Committee on Energy, Utilities and Technology, I have had many occasions to observe testimony from CMP and others regarding the CMP Corridor, and I have come to believe that CMP does not have the public interest in mind in the development of this project.
8. I believe CMP's efforts to create a new transmission line that would cut across Maine to deliver power from Canada to energy consumers in Massachusetts is an enormously important issue that should be addressed by Maine voters to determine if they believe it is in their public interest.
9. I am personally opposed to the CMP Corridor, and I support the Resolve To Reject The New England Clean Energy Connect Transmission Project (the "Resolve").
10. I believe my constituents and all Maine voters should have the opportunity to decide whether the CMP Corridor should be built.
11. I wish to exercise my constitutional right as a Maine citizen to directly legislate by voting in support of the Resolve in the November 2020 election.

DATED: May 28, 2020

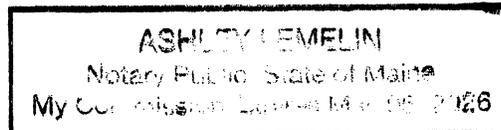
David Woodsome
David Woodsome

STATE OF MAINE
COUNTY OF YORK, ss.

Subscribed and sworn to before me this 28th day of May 2020, at

N. Waterboro, Maine, by David Woodsome.

Ashley Lemelin
Notary Public
Print Name: Ashley Lemelin
My Commission Expires: March 5, 2026



CERTIFICATE OF SERVICE

I, John J. Aromando, Esquire, hereby certify that a copy of this Appendix was served upon counsel at the address set forth below by email and first class mail, postage-prepaid on July 13, 2020:

Sigmund D. Schutz, Esq.
Preti Flaherty
PO Box 9546
Portland, ME 04112-9546

SSchutz@preti.com

Gerald F. Petruccelli, Esq.
Petruccelli, Martin & Haddow, LLP
Two Monument Square, Suite 900
PO Box 17555
Portland, ME 04112-8555

gpetruccelli@pmhlegal.com

Phyllis Gardiner, AAG
Thomas A. Knowlton, AAG
Office of the Attorney General
6 State House Station
Augusta, Maine 04333-0006

Phyllis.Gardiner@maine.gov
Thomas.A.Knowlton@maine.gov

David Michael Kallin, Esq.
Elizabeth C. Mooney, Esq.
Adam R. Cote, Esq.
Drummond Woodsum
84 Marginal Way, Suite 600
Portland, ME 04104

DKallin@dwmlaw.com
EMooney@dwmlaw.com
ACote@dwmlaw.com

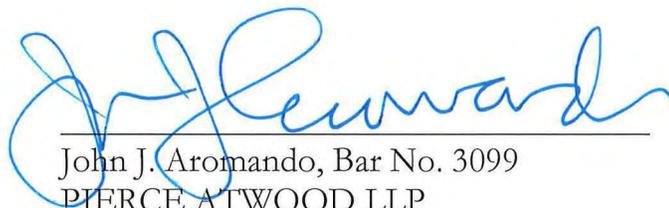
Paul W. Hughes, Esq.
Andrew Lyons-Berg, Esq.
McDermott Will & Emery
500 North Capitol Street, NW
Washington, DC 20001-1531

phughes@mwe.com
alyonsberg@mwe.com

Christopher Roach, Esq.
Roach Ruprecht Sanchez & Bischoff, PC
527 Ocean Ave, Ste 1
Portland, ME 04103

croach@rrsblaw.com

Dated: July 13, 2020



John J. Aromando, Bar No. 3099
PIERCE ATWOOD LLP
Merrill's Wharf
254 Commercial Street
Portland, Maine 04101
jaromando@pierceatwood.com
(207) 791-1100

Attorneys for Avangrid Networks, Inc.