

February 14, 2012

BY ELECTRONIC MAIL

James A. Muntz
President
Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
P.O. Box 270
Hartford, CT 06141-0270
muntzja@nu.com

Re: Carbon Dioxide Emissions Reduction Claims in Northern Pass Filings and Marketing

Dear Mr. Muntz:

Northern Pass Transmission LLC (“NPT”) has repeatedly claimed in official correspondence to permitting agencies and in marketing communications to the public that the Northern Pass transmission project (the “Project”) will reduce carbon dioxide emissions by as much as 5 million tons.¹ Because this claim is false, the Conservation Law Foundation (“CLF”) is requesting that NPT retract all instances of the claim and refrain from making any similar claim of emissions reductions without new, valid substantiation that acknowledges the emissions of hydropower.

The 5 million ton claim derives from a report by Charles River Associates entitled *LMP and Congestion Impacts of Northern Pass Transmission Project* and dated December 7, 2010 (“CRA Report”). See CRA Report at 2.² According to the CRA Report, the 5 million ton claim requires the construction and completion of new hydropower facilities in Québec. *Id.* The CRA Report assumes, without citation or support, that hydropower has no carbon emissions. See, e.g., *id.* at 34.

This assumption is unequivocally false. Attached to this letter is a technical report prepared by Synapse Energy Economics (“Synapse Report”). The Synapse Report summarizes the state of scientific research on the greenhouse gas emissions of hydropower and concludes that the scientific community is in agreement that hydropower results in emissions of carbon dioxide and other greenhouse gases. Of particular concern are new hydropower projects, which initially result in higher greenhouse gas emissions than the natural gas generation that, according to the CRA Report, the Project would displace.

The Synapse Report highlights another major problem with NPT’s emissions reduction claim and the supporting CRA Report – the failure to account for additional utilization of fossil fuel generation

¹ Recent examples include NPT’s application to the United States Forest Service for a Special Use Permit (<http://goo.gl/F4xf3>) and NPT’s marketing website MyNewHampshire.com.

² Posted online at http://www.northernpass.us/pdf/FERC_TSA_Filing_CharlesRiverAssoc_analysis.pdf.

potentially made necessary by reductions in Québec's exports to other Canadian provinces as a result of additional exports from Quebec preferentially coming to New England. To the extent that the Project contributes to this effect, any emissions reductions in New England associated with the Project could be offset by emissions increases from ramped up fossil fuel generation in Canada. The CRA Report does not evaluate this effect; any credible estimate of the emissions reductions from the Project must include a full analysis of any offsetting increases in Canada or elsewhere.

We note that NPT is aware that the CRA Report's zero-emissions assumption is false. The assumption and the resulting 5 million ton reduction claim are directly contradicted by a scientific article that NPT itself submitted to the Federal Energy Regulatory Commission. *See* Transmission Service Agreement (Dec. 15, 2010), Exhibit No. NPT-207.³ The article documents empirical evidence of carbon dioxide and methane emissions from the Eastmain hydropower facility in Québec. In July, Northeast Utilities' Chief Financial Officer, David McHale, testified under oath before the Massachusetts Department of Public Utilities that the Project will utilize power from the Eastmain facility. Synapse Energy Economics reviewed the article and took it into account in preparing the Synapse Report.

Because NPT's claim that the Project will reduce carbon dioxide emissions by 5 million tons is demonstrably false and misleading, CLF requests that NPT (i) correct the regulatory and public record by retracting and withdrawing all NPT prior statements, in any form, that hydropower results in no emissions of greenhouse gases and that the Project will reduce carbon dioxide emissions by any specific amount, and (ii) refrain from making any claims regarding carbon dioxide emissions reductions associated with the Project unless and until those reductions are substantiated in a new technical analysis fully subject to public and permitting agency review.

CLF is committed to ensuring that any proposal for increasing imports of power from Canada provides meaningful and verifiable reductions in greenhouse gas emissions – in New England and in Canada. The current Project proposal, with its expected effect of displacing the relatively low emissions from natural gas generation in the region with comparable emissions from new hydropower, and the potential to cause increased utilization of fossil fuel generation in Canada, does not achieve this result. For NPT and its corporate partners, the clear opportunity to guarantee truly substantial reductions is through a proposal that would require reductions in generation and emissions from Public Service Company of New Hampshire's coal units at Merrimack and Schiller Stations. In any event, it is essential that the public and permitting agencies have a complete and accurate understanding of the emissions reductions associated with the Project or any other proposal and are not subjected to false and misleading information.

³ Posted online at http://northernpass.us/home/uploaded_file/FERCTransmissionServiceAgreementFiling.pdf.



Please feel free to contact me to discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Christophe G. Courchesne", written in a cursive style.

Christophe G. Courchesne
Staff Attorney
ccourchesne@clf.org

Enclosure

cc: Gary A. Long, President, Public Service Company of New Hampshire
Martin Murray, Senior Corporate News Representative, Public Service Company of New Hampshire
Michael Skelton, Communications Specialist, Public Service Company of New Hampshire

All by e-mail