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To: Tyrrell, Anne

Subject: For Immediate Release: Department of Public Service announces agreement with TDI-New England on its application to construct a 1000MW underwater and underground transmission line

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July 21, 2015

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MEDIA RELEASE

Department of Public Service announces agreement with TDI-New England on its application to construct a 1000MW underwater and underground transmission line

Montpelier, Vermont – Commissioner Christopher Recchia and the Vermont Department of Public Service announced today it has reached agreement with TDI-New England in its application for a Certificate of Public Good for a 1000 MW transmission line to be constructed under Lake Champlain and underground from Benson to Ludlow.

“We have always expressed our willingness to do our part to support projects that help meet the regional need for more clean and reliable power” said Christopher Recchia, Commissioner of the Department of Public Service. “This is likely one of several possible projects we’ll be reviewing, and this agreement today ensures, that if this project is constructed and runs through Vermont, Vermonters would benefit significantly. This agreement provides significant benefits for ratepayers, and helps advance a potential transmission source of stable renewable energy supply that can mitigate price volatility and supply constraints in the New England power market.”

Benefits secured by the Department and other agencies in negotiations would total more than \$720 Million over the 40 year life of the project, payable to Vermont for clean energy, clean water, and ratepayer benefits. The Agreement includes:

- \$202 million paid to the state Clean Water Fund and dedicated to Lake Champlain watershed clean-up, paid at a rate of \$5 million annually for the 40-year life of the project after two initial \$1 million payments.
- \$61 million paid to a newly created Lake Champlain Enhancement and Restoration Trust Fund to support habitat restoration and recreational improvements in the Lake Champlain watershed, paid at a rate of \$1.5 million annually for the 40-year life of the project after an initial \$1 million payment.
- \$109 million paid to Vermont’s Clean Energy Development Fund for the 40-year life of the project to promote renewable generation in Vermont, paid at a rate of \$5 million annually during the first 20 years of the life of the project, with the remainder paid out annually during the subsequent 20 years.

- \$136 million in ratepayer benefits.

“This project is one of several being proposed across New England to deliver hydropower from Canada to the Southern New England States,” Recchia said. “Although we reached agreement on this project, whether and when it gets built still remains to be seen because there are still many outstanding factors.” Recchia stated.

Additional benefits include an option for Vermont Utilities to purchase up to 200MW of transmission capacity at a later date, should that be needed or desired to meet Vermont’s energy goals. Use of fiber optic lines that need to be installed as part of the project, with “dark” fiber being dedicated to the Public Service Department’s broadband initiative, would potentially help improve broadband penetration as well. Building on prior agreements, TDI-NE commits to only transmitting renewable power through these lines.

“I am appreciative of the work begun by VELCO and the Conservation Law Foundation in their earlier agreements reached with TDI-NE. I am glad we’ve been able to work across agencies in the state to substantially build on that foundation to the benefit of Vermont and Vermont ratepayers for projects of this type” Recchia added.

Although the Public Service Department and Agency of Natural Resources have reached this agreement, the Public Service Board must approve this agreement and grant a Certificate of Public Good for it to become effective. Action by the Public Service Board is expected later this fall.

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