

 **APPROVED MINUTES**
JOINT NRPC ENERGY FACILITIES ADVISORY COMMITTEE/FULL COMMISSION
SPECIAL MEETING
09/09/15

EFAC MEMBERS PRESENT:

Tad Putney, Brookline
Kat McGhee, Hollis
Mark Bender, Milford
Commissioner Kermit Williams, Wilton
Commissioner Tom Young, Litchfield

OTHER COMMISSIONERS PRESENT:

Mike Dell Orfano, Amherst
Mike Fimbel, Mont Vernon
Karen Elmer, Merrimack
Janet Langdell, Milford
Dan Kelly, Nashua
Jim Battis, Hudson
Mike Croteau, Litchfield
George Hall, Hudson
Susan Ruch, Amherst
Thomas Mahon, Merrimack

OTHERS PRESENT:

Tim Murphy, SWRPC
David Beach, Resident of Amherst
John Greene, Congresswoman Kuster's Office
Scott Merrick, Senator Shaheen's Office

STAFF PRESENT

Tim Roache, Executive Director Sara Siskavich, GIS Manager

Hennessey opened the meeting at 6:03 with some brief comments regarding the nature of EFAC which started as a neutral forum where all parties and the public were invited to examine the issues around the pipeline. Hennessey then mentioned EFAC's recent activities including a trip to Southwest Region Planning Commission. He reminded the group that this was a very important meeting which is preparatory for a potential Full Commission vote at the 9/16 Commission meeting.

Hennessey then turned the floor over to EFAC Chair Williams who acknowledged the hard work of the EFAC members and NRPC staff, reviewed the EFAC charge, and described the EFAC's activities both before the June Commission meeting and then afterward during the summer and up to the present. Williams reviewed some of the major recent changes in the proposed NED facilities according to Resource Report 1 filed 7/24/15 including design capacity changes and reduction in compression at the New Ipswich station. He then summarized some of the route alternatives and deviations that are relevant to the NRPC region as described in Resource Report 10. He then updated the group on important dates relative to the FERC pre-filing process, and also presented points relative to the NH PUC docket on the precedent agreement between KM and Liberty, and he added that EFAC's information suggests that Kinder Morgan will be filing with the NH SEC concurrently with their formal application to FERC.

Williams also presented some anecdotes relative to the issue of general public opposition. Mahon asked for clarification on whether the EFAC has characterized public opposition. Hennessey said that the EFAC has not done a survey, but in fact back in February when EFAC was forming, it was envisioned that EFAC would in fact host parties that might be in support of the project, but the fact is they haven't come to the table. Williams added that what we have been observing is that towns have been comparing local project benefits versus local benefits, and the towns are just not seeing little or no benefits. Williams summarized some points gathered with his conversation with the NH BIA and did add that BAE has expressed support for NED.

Bender pointed out that very little of the gas is coming to NH, only about 3.5%. Fimbel asked if this was because the market base does not exist in NH. Williams said that his understanding from Liberty was that NED was important to them from an expansion perspective due to constraints on the Concord Lateral and pricing of gas out of Dracut. Mahon expressed concern regarding Algonquin's ownership stake in Liberty,

and Liberty's claims of a large customer in Merrimack may be speculative based on a single phone conversation. Mahon also pointed out that Liberty is planning an interconnection from the proposed West Nashua meter station to the Concord Lateral. McGhee pointed out that shale gas will drive Dracut prices down regardless of whether NED moves forward.

Williams said that EFAC tried to report information as the group gathered it, at face value. For example, the EFAC had a significant discussion about the concept of NED export, and one speaker considered it a red herring that made little economic sense. Bender pointed out that EFAC hosted another speaker who believed the premise was plausible due to the existence of export facilities in Maine and the Canadian Maritime provinces.

Kelly asked if this project borders on uneconomical, considering the pipe diameter has been reduced to from 36" to 30. Williams mentioned the KM board vote in favor of the project and said that as long as KM is pursuing a FERC permit we should assume it's economically attractive for them. McGhee said that the issue of need is central, and that the NED project has only secured maybe half of their goal as described in March, and that TGP has announced open season for electric with 700,000 Dth/day out for sale.

Kelly asked if all the pipelines are full, and that's why expansion projects are coming. Mahon said that one study projecting 1.7 million Dth/day should be eyed critically because it was funded by TGP. McGhee said the true constraint is electric power generation, and that you cannot look at pipeline projects in the collective. Bender pointed out that FERC's charge is to ensure there's no overbuild in any one project, and also the Spectra project is important because they currently serve 70% of gas electric generation.

Dell Orfano asked if EFAC has gathered information on direct service taps off the NED transmission line. Bender said that with Kinder Morgan the discussion was limited to laterals, and that EFAC has not gotten any concrete information on taps.

Battis asked if EFAC had examined the condemnation process. Hennessey discussed some of the challenges of understanding the role of Eversource relative to the establishment of a new gas transmission easement along the electric transmission ROW. Roache indicated EFAC has not gone down this road of inquiry in any depth.

Elmer urged the group to allow Williams to finish his presentation. Williams stepped through slides relative to environmental, historic, construction, economic, infrastructure & safety, and orderly development impacts.

Hennessey reminded the group that next week, the Commission will be asked to 1) accept EFAC's report and 2) adopt the resolution. There was group discussion which clarified that recommendations were in fact within the EFAC charge. Dell Orfano expressed concern that opposition would negatively impact the region's ability to negotiate with Liberty, when we should be thinking about economic welfare, especially in the western towns. Roache clarified that the resolution was written to be deliberately supportive of our communities and that it should not preclude those other conversations. Kelly asked why the Commission felt it necessary to take a position. Bender pointed out that FERC places a certain emphasis on the comments of the regional planning agencies. Ruch followed that it's incumbent on the Commission to act on issues that affect the region; the role is to say if this is orderly, and as a commission there should be a vote. Hennessey said that a vote would be the culmination of EFAC's vast work, and it's the vote, not the outcome, that is where we need to go. Roache pointed out that in some ways the process is analogous to a road or rail project, and the appointed officials need to be the voice, not the RPC staff. Langdell expressed

that she was hearing a two-part question: should the Commission be taking a stand, and then, should we be taking this stand?

Fimbel expressed concern that the economic benefit of NED might not be adequately represented, and that the Commission needs to be forward-thinking with respect to need. Putney suggested we consider Rep. Flanagan's "dump" analogy: if the town dump is full, do you build a new dump? No, you expand the dump you have. There was further discussion about the challenge of obtaining concrete evidence of economic stimulus from NED. For example, would Hitchiner, a large energy consumer, stand to benefit? How does this affect plans for the Keene propane air system? McGhee reminded the group that the project is about getting gas to Dracut, and the switch to the New Hampshire Powerline Alternative is not about benefit to NH.

Murphy summarized that the Southwest Region is at the same crossroads with respect to taking a position relative to NED: should they do so, and what is the best timing in order to do so? With respect to need and benefit, Southwest so far has not heard anything that would suggest a huge benefit to their region. He has not heard any significant expressions of support. There was further discussion as to how EFAC can evaluate this project seriously without concrete evidence of any regional benefits. Hennessey reminded the group that Pelham has had pipelines for 20 years and still does not have any gas service. Young said the argument for benefit must be sought from LDCs such as Liberty.

McGhee pointed out that since the NED has not sold sufficient gas, there is still the question of whether this will be permitted. Kelly suggested this is a "chicken-and-egg" problem; if you don't build it, they won't come. Williams offered that the NED commitments are forward-leaning based on 20-year projections. Williams also said that he thinks the EFAC needs a balanced "alternatives" discussion. For example, are we in favor of a smarter electrical grid when we are supporting out-of-state generation? The group must keep in mind that while there are alternative pipeline projects, for example Spectra, the fact is Liberty cannot get gas from Spectra.

The discussion returned to the structure and wording of the EFAC draft resolution. Langdell suggested there be a time criterion on orderly development. Mahon said that overall the document is too long. Ruch suggested that the last three points be removed and have the resolution be focused on the "whereas" clauses. Dell Orfano proposed that the resolution needed to specify conditions for economic incentive. Roache asked Dell Orfano to email some proposed language.

Mahon updated the group on what has occurred recently in Merrimack. There have been six iterations to the survey access agreement which has not been finalized. KM has also reached out to Merrimack for the purposes of discussing alternatives, and Merrimack is seeking clarification about what is meant by alternatives. The Conservation Commission is also involved in a separate discussion with KM on mitigation projects.

Roache reminded the group that while the formal comment period will close mid-October, the NEPA process is not over and there will be other points where involvement can occur. Williams closed the meeting by requesting that the Commission consider keeping EFAC active in some form, as energy is something we need to be involved in as a region.

Meeting adjournment 8:05.