

Testimony of Sophie Brochu,
President and CEO of Hydro-Québec

L.D. 194, L.D. 479, AND, L.D. 641

Before the Veteran's and Legal Affairs Committee

March 15, 2021

Good day Senator Luchini, Representative Caiazzo and members of the Committee.

My name is Sophie Brochu. I am President and CEO of Hydro-Québec. I'm from Québec, I grew up in Lévis – not too far from the Maine border.

Hydro-Québec is a clean energy producer based in Québec. We have one shareholder – the government of Quebec but are independently managed. We make our own decisions and have full operational autonomy, just like a private company.

Thank you for hearing me today. I'm happy to have this opportunity to speak with you about the New England Clean Energy Connect (“NECEC”) and the legislation before you today.

Having received all federal and state approvals, the NECEC project is moving forward. Today, close to 300 Mainers are busy at work on this regional effort. Given the pandemic's impact on our economies, I am particularly pleased to see workers, restaurant and inn owners get a breath of fresh air with business picking up. In total, 1,600 people will work on this project.

The NECEC is a significant step in the right direction in order to lower GHG emissions and electricity costs in Maine. But some still have questions and seek answers. This is precisely why we should be allowed to communicate information about our energy and the project.

We are committed to building a long-term partnership with our neighbors in Maine. With the NECEC, we will deliver reliable hydropower for use in Maine. For the next 20 years, Mainers will receive our renewable energy – 500,000 megawatt hours of carbon-displacing hydroelectricity, enough to power 70,000 homes or 10,000 businesses every

year. The energy will come at a discounted price and is estimated to reduce wholesale costs for end-users by at least 12 percent. This power commitment is in addition to close to \$200 million that we've committed towards broadband deployment in Western Maine, electric vehicle charging stations, heat pumps and rate relief.

Through a second commitment made last summer – HQ is accelerating these investments in Maine which were committed to as part of the original 2019 settlement agreement for the NECEC. A first payment was made in January, and a second will be made on April 1st. This is part of a long-term commitment, extending through to 2061. This is two years earlier than previously agreed – and about 2.5 years before the NECEC line becomes operational.

The powerline is also putting people to work, therefore supporting the construction industry which plays a vital role in spurring broad economic growth. Hundreds of Mainers are building the project as we speak, earning good salaries – and contributing to the clean energy transition.

The NECEC is a sound transmission project, having been extensively reviewed by experts and independent agencies throughout a robust review process. Since the process began in 2018 the project has received all state and federal permits.

This includes the following:

- A Certificate of Public Convenience and Necessity by the Maine PUC on May 3, 2019.
- Necessary approvals from the Maine Land Use Planning Commission, the Maine Department of Environmental Protection and the US Army Corps of Engineers -- all in 2020
- The Presidential Permit from the US Department of Energy several weeks ago on January 14th.

A few words on Hydro-Québec: The company operates and maintains an extensive electricity system and transmission network, with hydropower generating stations – and reservoirs, which more and more climate experts are calling the natural battery for the US Northeast. The company supplies Québec's domestic load; and delivers large quantities of energy to next-door markets such as New England, where in recent years we have provided between 10 and 15% of electricity used in the region.

Sustainability is at the heart of our corporate culture. HQ's central mission is to develop clean, renewable energy in collaboration with host communities – and to play a fundamental role in the emerging low-carbon economy. Our Strategic Plan specifically identifies supporting the decarbonization of Northeastern North America through exports of clean energy. Because, really, while we share a border – a geographic construct on a map – air moves freely between our two countries. We need sensible, *regional* solutions to reducing the use of fossil fuels and their pollution.

Québec has been providing electricity to New England – including Maine - for several decades. We are fortunate to have vast water resources and abundant clean hydropower capacity.

Later this year, Hydro-Québec will complete a significant hydropower buildout that began in 2003 and has added nearly 5000 MW of new generating capacity. Resources which are developed sustainably, in collaboration with Québec communities, including our First Nations with whom we've improved our relations over the decades and have reached over 40 agreements.

Hydro-Québec can now deliver additional clean and affordable energy to its external markets, including through the NECEC project here in Maine.

We are aware that an effort is underway to place an initiative on the November ballot to block the project. We understand that the legislation you are considering today is tied to that initiative. It seeks to bar us from presenting facts on the NECEC to the people of Maine – and in doing so exclude the voice of the business that knows the most about Québec hydropower from Maine's public discussion. It's important to note that in early 2019 we were asked by environmental groups to participate in the discussion in Maine in order to answer questions about our energy. Today, some of the same groups seek to exclude us.

We've taken the steps required by Maine law to legally participate in the discussion on the NECEC, in good faith and in a fully transparent manner.

For your consideration we will be providing a sampling of Hydro-Québec's information campaign materials to the Committee work session to illustrate the nature and tone of our communications in Maine.

After a 33-month thorough review process, we are here defending the right to be a part of the discussion on who we are, our energy, the NECEC, and its benefits for Maine. We

are troubled by this effort to suppress our right to speak and the right of our Maine neighbors to receive accurate and specific information from us.

We ask you to reject L.D. 194, L.D. 479, and, L.D. 641, so that we are not silenced while our market competitors—the well-funded fossil fuel corporations who have helped to fund the referendum initiative will move forward without the same restrictions. Some still have questions. The passage of any of the proposed bills would prohibit the people of Maine from receiving the very information that is needed to make an informed decision.

Committee members who dislike the NECEC may be motivated to support these bills. I ask them to reconsider their position. Such bills are more likely to chill investment in Maine because it will send the signal that certain developers and projects will not have equal participation rights.

Québec and Maine share centuries of history, citizenry, trade, and culture. We are both neighbor and friend, as is often demonstrated when bad weather strikes, and the power goes out – line crews readily make the trip across the border to help with restoration efforts. We are committed to our long-term partnership with our Maine neighbors. We want to strengthen our ties and have made strong commitments that demonstrate this.

Again, I appreciate the opportunity to present our views and respectfully ask you vote "ought not to pass" on L.D. 194, L.D. 479, AND, L.D. 641. I would be happy to answer any questions you may have.