



February 9, 2010

Jay Clement
Maine Project Office
US Army Corps of Engineers
675 Western Ave.
Manchester, ME 04351

Re: NAE-2008-03017, Maine Power Reliability Program

Dear Mr. Clement,

We are writing in regards to Central Maine Power Company's (CMP or applicant) proposed Maine Power Reliability Program (MPRP), project number NAE-2008-03017.

Information Request

We would like to request copies of the applicant's statements of the project purpose, need, and alternatives analysis, as well as other documentation related to these items. Copies may be provided to Steve Hinchman at the address below. We would like to request updates as they are made available to you. Additionally, please add the following persons to your mailing list for this project:

Richard Silkman
Mark Isaacson
GridSolar, LLC
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GridSolar, LLC
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We also request that the following information and attachments be added to the project record.

Purpose and Need

As we understand it, the project purpose is to maintain and improve reliability of the electric grid in the CMP service territory to meet growth in future peak power consumption. As proposed by the applicant, the project would include some 500 miles of new/expanded transmission lines and substation upgrades totaling \$1.6 billion in estimated costs. Construction would occur over four years.

CMP claims the reliability upgrades are necessary to meet peak power demand in its service territory through 2017. Recently, however, the Maine Public Utilities Commission (MPUC) staff released its review of CMP's needs analysis. The MPUC staff concluded that although "substantial investment in Maine's transmission system appears needed.... it also appears that the Transmission Needs Analysis (TNA) filed in support of the MPRP overstates and accelerates the need for transmission system investment." *See* MPUC Staff, Redacted Bench Analysis at 1 (Oct. 26, 2009) (attached as Exhibit 1).

The MPUC staff analysis found fault with both CMP's demand forecasting and its selection of reliability criteria and use of failure scenarios. As a result, the MPUC staff determined that roughly half of the proposed MPRP is "not needed with a reasonable planning horizon," including transmission line segments 27 and 39, plus additional unnamed transmission line segments and substation upgrades. *See id.* at 3-5 and Tables 1-2. The MPUC staff analysis is quite detailed and speaks for itself.¹ It does not, however, address the Non-Transmission Alternatives studied as part of the CMP petition to the MPUC, nor does it address the Non-Transmission Alternative proposed by GridSolar, referred to as the GridSolar Project. (See additional discussion of these items below.)

The conclusion drawn by the MPUC with respect to electricity usage has been born out by recent events: CMP recently filed new load forecasts using the actual 2009 peak load (adjusted for 90/10 weather conditions). This forecast shows that CMP's actual 2009 peak loads were 10% below the revised CMP Fall 2007 forecast and almost 15% below the 2006 forecast that served as the basis for the needs assessment for the MPRP. *See* GridSolar, *Second Supplemental Filing*, at 4, 7-13. (Oct. 27, 2010) (Exhibit 5). In fact, using an average annual growth rate in peak loads of 1.6% per year going forward, CMP peak loads will not reach the 2017 level contained in the needs assessment until 2029, and later if increased conservation occurs as a result of significant new monies available in Maine to fund energy efficiency.

For these reasons, GridSolar requests that the Corps make a detailed review and determination of the actual need for the MPRP, including the prospective need and timeline for each proposed line segment that requires dredge and fill activities in waters of the United States.

Less Environmentally Damaging Practicable Alternatives

GridSolar believes that the MPRP is not necessary and is far in excess of the reasonably foreseeable reliability needs for the Maine electric grid. To the extent that certain investments are

¹ As one may guess from the redacted exhibit, significant and important site-specific information relevant to the Army Corps of Engineers determination of the need for the MPRP is omitted. GridSolar is proscribed from revealing this information by the terms of various confidentiality agreements in this matter, yet we believe it is critically important information for federal decision makers to review this information pursuant to their analyses under both the National Environmental Policy Act and the Clean Water Act. The same is true for most other information filed in the MPUC docket for the MPRP, noted below in our list of Attachments to this letter. Accordingly, we request that the Corps takes whatever steps are necessary to ensure that it can obtain all relevant confidential information in order to conduct these permit analyses.

needed and prudent to maintain grid reliability, GridSolar believes that a number of different non-transmission alternatives are available that are practicable, technically and logistically feasible, and actually cost less in total than the MPRP. Each of these alternatives – which include electrical efficiency, demand response, smart grid solutions, and distributed generation – individually or in combination(s), would result in “less adverse impact on the aquatic ecosystem,” and would have far fewer “adverse environmental consequences” than the MPRP. *See* 40 C.F.R. § 230.10(a).

Accordingly, because there are multiple Less Environmentally Damaging Practicable Alternatives (LEDPA) available, the Corps cannot issue the proposed 404 permit. *Id.*

To assist the Corps with its review of reasonable and practicable non-transmission alternatives, we submit the following attached materials for inclusion in the project record. As noted above, some of the information contains confidential information, pursuant to MPUC Order in the MPRP case. We have noted “Redacted” where this is the case. We have also uploaded this information to our web site, where it is available for public access and review. The web site is www.gridsolarme.com. (Click on Environmental Permitting, and go to USACOE – Section 404.)

Attachments

Exhibit 1. PUC Staff Bench Analysis, Oct. 26, 2009 (Redacted)

Exhibit 2. La Capra Associates, *Non-Transmission Alternatives Assessment and Economic Evaluation of the Maine Power Reliability Program*, June 30, 2008. (Redacted)

Exhibit 3. GridSolar, LLC, *Petition*, Jan. 28, 2009 (Confidential Exhibit B is not provided.)

Exhibit 4. GridSolar, LLC, *Supplemental Petition*, Sept. 8, 2009 (Confidential Exhibit A is not provided.)

Exhibit 5. GridSolar, LLC, *Second Supplemental Petition*, Oct. 27, 2009 (Confidential Exhibit 3 is not provided.)

Exhibit 6. GridSolar, LLC, *Surrebuttal Filing*, Feb. 2, 2009 (Confidential Exhibit – Surrebuttal 1 is not provided.)

Exhibit 7. Robert Fagan, Synapse Energy Economics, *Direct Testimony*, Jan. 28, 2009 (Redacted)

Exhibit 8. Robert Fagan, Synapse Energy Economics, *Surrebuttal Testimony*, February 3, 2010 (Redacted)

Exhibit 9. Peter Lanzalotta, Lanzalotta & Associates, *Direct Testimony*, Jan. 28, 2009 (Redacted)

Exhibit 10. Peter Lanzalotta, Lanzalotta & Associates, *Supplemental Direct Testimony*, Oct. 23, 2009 (Redacted)

Exhibit 11. Peter Lanzalotta, Lanzalotta & Associates, *Surrebuttal Testimony*, February 3, 2009 (Redacted)

Exhibit 12. Glenn Poole, Industrial Energy Consumers Group, *Testimony*, Oct. 27, 2009

Exhibit 13. RG Pratt, Pacific Northwest National Laboratory, US Department of Energy, *The Smart Grid: An Estimation of the Energy and CO2 Benefits*, January 2010.

Exhibit 14. A Faruqi, The Brattle Group, *Unlocking the €53 Billion Savings from Smart Meters in the EU*, Oct. 2009.

Exhibit 15. William Behrens, ReVision Energy, *Surrebuttal Testimony*, Feb. 2, 2010 on behalf of GridSolar, LLC.

Thank you very much for your consideration of our request and acceptance of the information we are providing. If there is any further information you require, please let us know.

Sincerely,

A handwritten signature in black ink that reads "Stephen F. Hinchman". The signature is written in a cursive, flowing style.

Steve Hinchman, Esq.
Attorney for GridSolar, LLC

Attachments: Exhibits 1 – 15