

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric)
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

Docket No. 8400

Agreement between Champlain VT, LLC and the Conservation Law Foundation

This Agreement (the “Agreement”), dated the 29th of May 2015, sets forth Agreements reached by the Conservation Law Foundation (“CLF”) and Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or “Petitioner”), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition in December 2014 with the Board requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

WHEREAS, under the proposed Project the electricity shipped through NECPL will be generated by hydro, wind, or other “renewable energy” sources (as defined under Vermont law) in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current to alternating current and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”); and

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”);

WHEREAS, CLF is a private, non-profit environmental membership organization dedicated to the protection and responsible use of New England's natural resources, including resources affected by the transmission of energy. CLF represents the interests of its members in ensuring that the degradation of the natural environment resulting from the development of transmission facilities and the transmission of energy through Vermont is minimized;

WHEREAS, CLF has intervened in the NECPL section 248 proceeding to protect its members' substantial interests in such matters as promotion of clean and cost effective power supply, ensuring energy resources reduce pollution and harmful environmental impacts including reducing greenhouse gas emissions that cause climate change, and protecting Vermont's air, water, and other natural resources and public investments; and

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Agreement, agree that the Board has sufficient information to determine that the Project will promote the general good and otherwise meet the criteria of section 248.

THEREFORE, in consideration of the foregoing and, provided that the PSB approves the Project consistent with TDI-NE's Petition and this Agreement, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. The Parties agree that the Board has sufficient information to approve the Project and issue an Order and Certificate of Public Good ("CPG") in this matter in accordance: (i) with the plans and specifications submitted with TDI-NE's petition; (ii) and with the terms and conditions of this Agreement, and any supplemental prefiled testimony and exhibits to be submitted by TDI-NE in connection with this Agreement.
2. Public Good Benefit Funds.
 - a. TDI-NE shall revise the public benefits plan contained in its section 248 filing such that the combined monetary value of the Lake Champlain Phosphorus Cleanup Fund, Lake Champlain Enhancement and Restoration Trust Fund, and Vermont Renewables Programs Fund is at least 75% greater than the combined value as initially proposed. For the avoidance of any doubt, the sum of these three funds as originally proposed under the section 248 Petition was \$162 million over a 40 year period, and the revised sum of the three funds would be at least \$283.5 million over the same period.
 - b. The Parties shall cooperate to develop a payment schedule that provides for greater annual payments during the initial years of operation, provided that the total Net

Present Value of the benefit payments will remain the same, using TDI-NE's weighted average cost of capital. With respect to the Lake Champlain Enhancement and Restoration Trust Fund, the first payment shall be \$1 million at the Project's financial close, and the second payment shall be \$1 million at the commencement of commercial operation.

- c. The Parties agree that the Public Good Benefit Funds, in conjunction with the other direct and indirect economic benefits enumerated in the section 248 Petition, are sufficient for the Board to find that the Project provides an economic benefit to the State and its residents under section 248(b)(4) and will promote the general good of the State under section 248(a)(2)(A). The Parties further agree that the Lake-related funds address potential concerns regarding the use of a public trust body of water for the Project, during both construction and operation.
3. Renewables Integration. TDI-NE agrees to establish an NECPL Renewables Integration Advisory Committee. TDI-NE, its supplier(s), CLF, developers of renewable energy projects in Vermont and other New England states, RENEW, the Department of Public Service, VELCO and a ISO-NE shall each be invited to serve on the Committee. The Committee would meet bi-annually or such other time period as they mutually agree, in order to consult about technical approaches to optimize and maximize the use of the Project for integration of regional renewable power. TDI-NE will use commercially reasonable efforts to implement reasonable recommendations of the Committee, provided TDI-NE is able to do so consistent with its contractual and regulatory obligations.
4. Oversight and Management of Lake Champlain Funds. Payments for the Lake Champlain Phosphorous Cleanup Fund shall be managed by the State of Vermont through the Clean Water Fund established under 10 V.S.A. § 1388 by Act No. __ (H.35, 2015/2016 Legislative Session). The Lake Champlain Enhancement and Restoration Trust Fund shall be managed by a new advisory board, to be established in a manner similar to the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust Fund for the Champlain Hudson Power Express Project, provided such structure is approved by the Public Service Board. CLF shall be appointed to the advisory board along with other governmental and non-governmental entities. Members of the advisory board shall be paid travel and meal expenses. TDI-NE shall submit a plan for implementation of the Lake Champlain Enhancement and Restoration Trust Fund as a post-CPG compliance filing for PSB review and approval. Prior to such submission TDI-NE shall consider any recommendations made by CLF regarding the structure, governance and membership.

5. Oversight and Management of Electric Ratepayer Payment. As provided for under Paragraph 1 of the executed Agreement between TDI-NE and VELCO dated December 4, 2014, “For each year, Vermont Transco LLC, acting directly or through [a special purpose entity], shall distribute all funds received from TDI-NE pursuant to this paragraph, net of any required taxes or costs incurred in administering this arrangement, for the benefit of retail ratepayers in the State of Vermont.” TDI-NE shall seek an amendment of the VELCO Agreement, and/or provide supplemental testimony, to provide the necessary details on the administration and reporting of these Vermont Electric Ratepayer payments, to establish that 100% of the payments less any required taxes or costs incurred by VELCO shall be transferred directly to Vermont electric retail customers.
6. Confirmation of Renewable Energy Attributes. TDI-NE shall file with the PSB, as a post-CPG compliance filing, all contracts (redacted to protect business confidential and trade secret information) with energy suppliers who will utilize the NECPL. The purpose of the filing shall be to confirm TDI-NE’s representations in the Petition that energy to be shipped on the NECPL will be from hydro, wind, or other “renewable energy” sources (as defined under Vermont law). In addition, TDI-NE will endeavor to obtain facility-specific information from its shipper(s) in order to track the source of energy shipped on the NECPL.
7. Enforcement of Agreement. The Parties agree that this Agreement is a valid binding contract with consideration provided by both parties. As part of any CPG requirement, all provisions of the Agreement shall be enforceable by the Public Service Board. In addition, the Parties agree that Section 2 (Public Benefit Funds) shall be separately enforceable in a court of competent jurisdiction, but only in the event that CLF can establish in such court that the PSB has failed or refused to materially enforce the CPG requirement(s) related to the Public Benefit Funds, or the PSB is prevented from doing so by an order of a court of competent jurisdiction. In the event CLF substantially prevails in obtaining a court order to enforce the CPG requirement(s) related to the Public Benefit Funds, TDI-NE agrees to pay CLF’s reasonable and verifiable attorney’s fees up to a maximum of \$50,000.
8. Changes to the Project. This Agreement pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact CLF’s rights hereunder, the Parties shall negotiate in good faith to amend the Agreement as necessary. The Parties acknowledge that should they fail to reach agreement to amend the Agreement, CLF may present its position to the Board concerning such Project changes, provided CLF otherwise acts consistently with this Agreement.

9. Other Provisions

- a. The Parties agree that they will jointly file this Agreement with the PSB on or before June 12, 2015.
- b. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Agreement.
- c. CLF agrees that any prefiled testimony and exhibits that it files in this proceeding shall be consistent with this Agreement and further that CLF agrees to not take actions during the section 248 proceeding to oppose the Project or otherwise undermine this Agreement. CLF further agrees to refrain from taking any actions or positions in any other state or federal regulatory or permitting proceedings that are specific to the Project or to TDI-NE's ownership or operation of the Project that would be inconsistent with this Agreement or would conflict with TDI-NE's construction and operation of the Project. The current list of such regulatory and permit proceedings is as follows, with the understanding that other Project-specific permits or regulatory approvals may be required prior to the commencement of construction:


PERMIT	RESPONSIBLE AGENCY
Presidential Permit and NEPA Review	U.S. Department of Energy
Section 404/Section 10 Permit	U.S. Army Corps of Engineers
Right of Way Permit (Section 1111)	VT Agency of Transportation; Towns of Benson, Ludlow, Alburgh
Certificate of Public Good (Section 248)	Vermont Public Service Board
Certificate of Public Good (Section 231)	Vermont Public Service Board
Lake Encroachment Permits (Lakes Champlain and Bomoseen)	VT Agency of Natural Resources
401 Water Quality Certificate	VT Agency of Natural Resources
Vermont Stream Alteration Permit	VT Agency of Natural Resources
Vermont Wetland Permit	VT Agency of Natural Resources
Operational Stormwater Permit	VT Agency of Natural Resources
Construction Stormwater Permit	VT Agency of Natural Resources
Vermont Floodplain Permit	VT Agency of Natural Resources


- d. In any proceedings other than TDI-NE's Project-specific permit and regulatory proceedings as provided for in section 9.c., and in keeping with the terms of this Agreement, CLF reserves its rights to present its views regarding electric transmission generally, funding processes for transmission projects, and potential

NECPL suppliers and their resources in whatever manner it chooses.

- e. The Parties agree that the Board should accept into evidence the prefiled direct and supplemental testimony and exhibits of TDI-NE. The Parties so move.
- f. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning any permit or other regulatory approval specific to the Project shall be consistent with this Agreement.
- g. This Agreement represents the entire Agreement between the Parties with respect to the Project. It may be modified only upon mutual written Agreement by the Parties and is subject to any necessary Board approvals.
- h. Other than as may be specifically provided herein, this Agreement shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Agreement shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Agreement or to enforce an order of the Board resulting from this Agreement.
- i. This Agreement should not be construed by any party or tribunal as having precedential effect on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings, the Parties reserve the right to advocate positions that differ from those set forth in this Agreement.
- j. The Parties agree that, should the Board fail to approve this Agreement in all material aspects, the terms set forth herein shall terminate and the Parties shall have the right to submit filings in this docket and the terms of this Agreement shall not be construed by any party or tribunal as having precedential impact on any testimony or positions that may be advanced in these proceedings. Any disputes arising under this Agreement shall be resolved by the Board under Vermont Law.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

By:  5/31/15
Donald Jessome
General Manager
Champlain VT, LLC d/b/a TDI New England

By:  5/29/15
Christopher Kilian
Vice President and Director
Conservation Law Foundation, Vermont