

News Release

Eversource Energy and Hydro-Québec Reaffirm Commitment to Northern Pass Project and Clarify Cost Recovery Structure

MANCHESTER, New Hampshire (March 31, 2017) – In response to recent inquiries concerning the Northern Pass project, Eversource Energy and Hydro-Québec wish to reaffirm their mutual and strong commitment to the project and provide clarity about how the project will be funded.

“We are proud to partner with Hydro-Québec to deliver clean, reliable hydropower into New England,” said Jim Judge, President & CEO of Eversource Energy. “We are both committed to Northern Pass as part of the solution to New England’s energy challenges, and look forward to a successful outcome in the final stages of state and federal permitting in 2017.”

Northern Pass Transmission, Inc. (NPT), a wholly owned subsidiary of Eversource Energy, is developing the U.S. transmission project to interconnect with Hydro-Québec’s system and allow the delivery of 1,090 MW of clean hydropower into New England. NPT is responsible for financing and constructing the project, and will then recover its costs once the project is in service delivering power to the region. It is the method by which project costs will be recovered that has raised questions recently.

When the project was initiated, it was expected that NPT would recover its costs through future revenues that Hydro-Québec would receive from the delivery of energy into the New England wholesale market. More recently, however, alternative methods to pay for new transmission projects have been proposed by states seeking to procure deliveries of clean energy to meet their climate and energy diversity goals.

The next significant opportunity will occur this spring, when Massachusetts solicits proposals for large quantities of clean energy. If NPT is selected, its costs will be paid by the distribution companies that purchase Hydro-Québec’s clean energy. The Transmission Services Agreement (TSA), which was initially approved by the Federal Energy Regulatory Commission in 2011 and remains in effect today, will be amended and supplemented to reflect the outcome of the Massachusetts solicitation.

“Alongside Eversource, we are very much looking forward to participating in the upcoming Massachusetts request for proposals. The clean energy legislation adopted by Massachusetts recognizes the important role of hydropower in the supply mix. We already supply over 10% of New England’s electricity, but Hydro-Québec can do more to help the region meet its ambitious carbon reduction goals,” said Éric Martel, Hydro-Québec CEO.



Importantly, continued development of NPT does not depend on the outcome of any one solicitation, and Eversource and Hydro-Québec will continue to evaluate future opportunities as they arise. There is a clear and growing demand for clean energy in New England as the region faces the retirement of many older generating units and the need to achieve the region's environmental objectives. Meeting this demand will require that additional energy infrastructure be built. To help meet this demand, Eversource Energy and Hydro-Québec stand firmly behind the Northern Pass project, and believe it will deliver significant value to the province of Québec and advance New England's clean energy future.

The Northern Pass is a 192-mile electric transmission line project that will bring New Hampshire and the rest of New England 1,090 megawatts of clean hydropower. This reliable and affordable source of power will also bring a wide range of benefits exclusively to New Hampshire, including millions of dollars in energy cost savings, additional tax revenue, and jobs during construction. To learn more about Northern Pass, go to www.northernpass.us. You can also email questions to info@northernpass.us or call 1-800-286-7305.

Eversource (NYSE: ES) transmits and delivers electricity and natural gas for more than 3.6 million electric and natural gas customers in Connecticut, Massachusetts and New Hampshire. Eversource harnesses the commitment of its more than 8,000 employees across three states to build a single, united company around the mission of delivering reliable energy and superior customer service. For more information, please visit our website (www.eversource.com) and follow us on Twitter ([@EversourceCorp](https://twitter.com/EversourceCorp)) and Facebook (facebook.com/EversourceEnergy).

Hydro-Québec generates, transmits and distributes electricity. Its sole shareholder is the Québec government. While using mainly hydroelectric generation, it supports the development of other technologies—such as wind energy and biomass—through purchases from independent power producers. It also conducts R&D in energy-related fields, including energy efficiency. The company has four divisions: Hydro-Québec Production, Hydro-Québec Transénergie, Hydro-Québec Distribution and Hydro-Québec Équipement et services partagés and Société d'énergie de la Baie James (SEBJ), a subsidiary of Hydro-Québec. For more information, please visit our [website](#) and follow us on Twitter ([@HydroQuébec](https://twitter.com/HydroQuébec)).

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