MARGARET WOOD HASSAN
Governor

STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

July 14, 2015

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Town Administrator
Town of Brookline

Mr. Brian McCarthy
Town Administrator
Town of Pelham

Ms. Susan Silverman
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Town of Fitzwilliam

Ms. Carol Jameson
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Town of Richmond

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Ms. Eileen Cabanel
Town Manager
Town of Merrimack

Ms. Gail Cromwell
Chair, Board of Selectmen
Town of Temple

Dear Members of the NH Municipal Pipeline Coalition:

Thank you for your letter regarding your collective concerns with the proposed Northeast Energy Direct Project (NED Project). I know many of you have written to me separately, and I appreciate and understand the concerns that you have outlined in your letters. Please know that I am working to ensure that these concerns are adequately addressed in both the state and federal project review process.

Yet, while I understand your concerns, I am also working to ensure that our state remains among the best places to live and work in the nation. Part of that effort is finding solutions to address the high energy costs for both electricity and heating that are a burden on our people, our businesses, and our state. In order to reduce costs, we know that we need to continue to invest in demand-side resources like energy efficiency and demand response, continue our work to diversify our energy resources, and take steps to modernize our energy systems. But we also know that natural gas will play an important role in our energy mix for both thermal and electric generation needs, as it provides base load support for renewables, is part of our transition to distributed energy, and is replacing dirtier fuels such as coal and oil.

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In the past few years, we have made some progress toward our energy goals and as both a state Senator and Governor I have supported initiatives like the Regional Greenhouse Gas Initiative (RGGI) that help reduce our greenhouse gas emissions and provide crucial funding to support energy efficiency and low-income weatherization programs – helping to reduce costs for residents and municipalities and bringing us closer to a stronger energy future. My Fiscal Year 2016/2017 budget proposal also included important funding for the state's Site Evaluation Committee (SEC) and used proceeds from the Renewable Energy Fund (REF) to support renewable energy development in the state. And I will continue to support and encourage energy efficiency investments and renewable energy development that helps reduce costs and improve our environment.

At the same time that we take steps to encourage these kinds of important energy investments, we must also grapple with the best way to site proposed energy projects that are an important component to a sustainable and affordable energy future. This starts with ensuring that any proposed energy project will deliver real benefits to ratepayers and host communities, while also ensuring that the siting respects local viewpoints and protects our natural resources. I believe that our SEC should not approve projects that aren't right for New Hampshire, and that as a state we must work together to innovate, negotiate and get to solutions that lead to a stronger, more diverse and affordable energy future.

Recent changes to the SEC will help get us to energy solutions that work for our local communities and deliver clear benefits to our people. In 2014, I was proud to sign SB245, a bill relative to the siting of energy facilities. Because of that law, the SEC now includes two members of the public ensuring that the views of the public are adequately represented in energy siting proceedings. The new SEC also includes a more extensive public hearing and input process and allows for a more participatory and transparent process to maintain the appropriate balance between need and potential negative impact.

In addition to the state SEC process, the proposed NED Project must also go through an extensive federal review. The Federal Energy Regulatory Commission (FERC) will soon begin the environmental review of the NED Project. The federal review will involve an extensive public input process with public scoping meetings scheduled later this month in three towns across southern New Hampshire. The environmental impact review will analyze the potential impact of the project on water resources, wildlife, soil, land use, air quality, noise, cultural and historic resources, public safety, and more. The federal review will also look at alternative routes and measures to avoid or mitigate potential negative impacts.

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Thank you again for your letter. I hope that you will all participate in the SEC process and the FERC process for the NED proposal and raise your concerns with the bodies responsible for approving the project. I also encourage you to engage on state energy policy issues related to reducing our energy use and promoting energy independence through small scale clean energy in our state.

With every good wish,

Margaret Wood Hassan
Governor

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