

**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY**

**Versant Power**

**Docket No. PP-89-3**

**APPLICATION OF VERSANT POWER  
TO RESCIND PRESIDENTIAL PERMIT PP-89-2 AND  
FOR THE COINCIDENT ISSUANCE OF PRESIDENTIAL PERMIT**

Pursuant to Executive Order No. 10485, as amended by Executive Order No. 12038, Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and Section 320, *et seq.*, of the Rules of Administrative Procedure of the Department of Energy (the “Department”), 10 C.F.R. §§ 205.320, *et seq.*, Versant Power (formally known as Emera Maine) hereby tenders for filing the instant Application and respectfully requests that the Department:

- (1) rescind Presidential Permit 89-2 held by Emera Maine and covering certain transmission facilities (collectively, the “Interconnection Facilities”) described, *infra*, that currently interconnect Bangor Hydro’s bulk power electrical transmission system with the transmission facilities owned by NB Power and located in the Province of New Brunswick, Canada; and
- (2) coincidentally issue a Presidential Permit for the Interconnection Facilities to Versant Power.

Applicant Versant Power seeks to ensure that the provisions contained in Presidential Permit PP-89-2 authorizing the interconnection, maintenance and operation of certain specified electric transmission facilities located at the international border of the United States and Canada remain in effect during the voluntary rescission and reissuance of the Presidential Permit.

**I. BACKGROUND**

Presidential Permit PP-89 had originally been held by Bangor Hydro Electric Company (“Bangor Hydro”). On November 29, 2012, by Maine Public Service Company (“Maine

Public”) and Bangor Hydro submitted a filing with the Maine Public Utilities Commission (“MPUC”) requesting approval of a merger between Maine Public and Bangor Hydro, both of which were indirect subsidiaries of Emera Incorporated. On March 19, 2013, Bangor Hydro and Maine Public filed with the Federal Energy Regulatory Commission (“FERC”) an application under Section 203 of the Federal Power Act seeking authorization for the merger of Bangor Hydro and Maine Public. On July 18, 2013, FERC issued an order authorizing the proposed merger. On December 17, 2013, the MPUC conditionally approved the corporate merger of Bangor Hydro and Maine Public. Emera Maine became the surviving corporation following the merger of Bangor Hydro and Maine Public on January 1, 2014. Following the merger, Emera Maine remained an indirect subsidiary of Emera Inc.

On December 30, 2013, prior to the merger of Maine Public and Bangor Hydro, the two companies jointly filed with the Department an application to rescind PP-89 and to reissue that permit in the name of Emera Maine.<sup>1</sup> Maine Public and Bangor Hydro requested that the issuance of the permit be made effective upon the merger of the companies, which occurred on January 1, 2014. That application was noticed in the Federal Register on April 22, 2014. However, no action has been taken by the Department on the application. Presidential Permit PP-89 remains in the name of Bangor Hydro.

On March 24, 2020, ENMAX Corporation (“ENMAX”) indirectly acquired from Emera Inc. all interests in BHE Holdings Inc. (“BHE Holdings”), a Delaware corporation and the parent company of Emera Maine. More specifically, under the terms of the sale, Emera Inc.’s equity interests in BHE Holdings were sold to 3456 Inc., a wholly-owned indirect subsidiary of

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<sup>1</sup> On December 30, 2013, Maine Public and Bangor Hydro also submitted a joint application for the reissuance of three other Presidential Permits to Emera Maine: PP-12, PP-29-2, and PP-81. Concurrent with the present filing, Versant Power is also filing applications with the Department for the reissuance of these three Presidential Permits to Versant Power.

ENMAX. As a result, ENMAX now indirectly controls 100 percent of BHE Holdings. BHE Holdings was the direct and sole parent company of Emera Maine. Under the terms of the sale, Emera Maine was required to change its name. Thus, Emera Maine announced in May 2020 that it had been renamed Versant Power. The contents of the Articles of Incorporation and Bylaws of Emera Maine, as well as the terms of office of the Directors and Officers of the corporation, did not change as a result of the sale and subsequent name change. Versant Power will operate as a stand-alone utility, as had Emera Maine.

The exact legal name of the applicant is Versant Power. Versant Power is a Maine Corporation formed under Maine law with its principal place of business at 970 Illinois Avenue, Bangor, Maine. Versant Power is primarily engaged in the transmission and distribution of electric energy and related services in eastern and coastal Maine and in northern Maine. Versant Power retains all of Emera Maine's system: approximately 1,265 miles of transmission lines that includes the United States portion of four transmission lines that run from Aroostook County to New Brunswick, Canada, as well as the United States portion of the Northeast Reliability Interconnect, a 345 kV transmission line, which runs from the Bangor area to New Brunswick, Canada.

## **II. INFORMATION REGARDING APPLICANT**

### **A. Versant Power**

Versant Power is a Maine corporation in the business of the purchase, sale, transmission and distribution of electricity in the state of Maine. Versant Power is engaged in the transmission and distribution of electric energy and related services to approximately 159,000 retail customers in portions of northern, eastern, and coastal Maine. It installs, operates, and maintains transmission and distribution infrastructure including poles and wires, substations and

meters and provides programs to help customers learn about efficient energy use. Versant Power maintains electricity transmission infrastructure and conducts inspections, but it does not generate electricity. It services areas in eastern, coastal, and northern Maine. Versant Power is the principal operating subsidiary of BHE Holdings, and in 2019 had approximately U.S. \$204 million in total operating revenue and employed approximately 400 people.

Versant Power provides transmission service and electric delivery service to two areas – the Bangor Hydro District and the Maine Public District – under two separate Open Access Transmission Tariffs (“OATTs”) on file with FERC. The Bangor Hydro District includes Hancock, Piscataquis and Washington Counties and most of Penobscot County. The Maine Public District serves Aroostook County and a small piece of Penobscot County. Open access to the Bangor Hydro District is provided pursuant to the ISO New England Inc. Open Access Transmission Tariff. More specifically: (a) transmission service over Versant Power’s facilities designated as Pool Transmission Facilities (“PTF”) is provided pursuant to Section II of the ISO-NE Tariff and (b) transmission service over Versant Power’s non-PTF assets is provided pursuant to Schedule 21-VP of the ISO-NE Tariff.<sup>2</sup> Open access to the Maine Public District (“MPD”) is provided pursuant to the Open Access Transmission Tariff for Maine Public District. The transmission facilities in Versant Power’s two districts are not directly interconnected. Indeed, the MPD transmission system is not directly interconnected with any portion of the United States transmission grid. Rather, entities interconnected with the MPD transmission system can only access the ISO-NE system or other parts of the U.S. transmission grid over transmission facilities in New Brunswick, Canada.

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<sup>2</sup> In addition, transmission service over HVDC facilities known as the Hydro-Quebec Interconnection is provided pursuant to Schedule 20A-VP of the ISO-NE Tariff.

Versant Power owns no generating facilities, but has long-term energy purchase contracts for certain qualifying facilities. All energy produced from these facilities is sold into the markets operated by ISO-NE.<sup>3</sup>

Versant Power holds direct interests in the following companies: Bangor Line Company (100%); Bangor Fiber Company, Inc. (100%); The Pleasant River Gulf Improvement Company (100%); East Branch Improvement Company (60%); Bangor Var Co., Inc. (100%), Maine Electric Power Company, Inc. (21.7%), Maine Yankee Atomic Power Company (12%). In turn, Bangor Var Co., Inc. owns 50% of Chester SVC Partnership.

BHE Holdings does not have business activity independent of its subsidiary Versant Power. BHE Holdings owns all the issued and outstanding common stock of Versant Power.

BHE Holdings is directly owned by 3456 Inc., a wholly-owned special purpose subsidiary of ENMAX. ENMAX is owned by the City of Calgary, but operates as an independent private corporate entity and is not controlled by the City. ENMAX provides electricity and energy services in Alberta, Canada. ENMAX Power Corporation (“ENMAX Power”), a wholly-owned subsidiary of ENMAX, owns the electric transmission and distribution system in the Calgary area. ENMAX Energy Corporation (“ENMAX Energy”), a wholly-owned subsidiary of ENMAX, is a licensed and registered energy retailer in the Province of Alberta, Canada, and provides energy and energy-related products and services to residential, commercial, and industrial customers throughout Alberta.

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<sup>3</sup> Versant Power has received market-based rate authority from FERC. Bangor Hydro Elec. Co., Docket No. ER14-264-000, Letter Order dated Dec. 19, 2013.

## **B. Communications**

Communications regarding this Application should be addressed to the following persons:

### *Versant Power*

Philip C. Smith  
Corporate Counsel  
Versant Power  
P.O. Box 932  
Bangor, ME 04401-0932  
philip.smith@versantpower.com

### *Suchman Law LLC*

Bonnie A. Suchman  
Suchman Law LLC  
8104 Paisley Place  
Potomac, Maryland 20854  
(202) 236-8859  
bonnie@suchmanlawllc.com

A signed opinion of counsel, stating that the construction, connection, operation, and maintenance of the proposed facilities will be within the corporate powers of Versant Power and that Versant Power has complied with or will comply with all pertinent federal and state laws, is attached hereto as Attachment B.

## **C. Foreign Ownership and Affiliations**

Versant Power is a wholly-owned subsidiary of BHE Holdings. ENMAX Corporation, acting through its wholly-owned indirect subsidiary 3456 Inc., acquired all interests in BHE Holdings. Following the transaction, ENMAX indirectly controls 100% of BHE Holdings, and BHE Holdings remains the sole, direct parent company of Versant Power. Versant Power operates as a stand-alone utility, as had Emera Maine.

ENMAX Corporation is headquartered in Calgary, Alberta, Canada, and is a wholly-owned corporate subsidiary of the City of Calgary. Through its subsidiaries, ENMAX generates, transmits, distributes and sells electricity to residential, small business and large commercial customers with approximately \$5.6 billion CAD in assets and revenues of \$2.4 billion CAD in 2018. ENMAX operates through two main business segments, ENMAX Energy and ENMAX Power. ENMAX Energy includes the competitive generation and sale of electricity. ENMAX

Power owns and operates electric transmission and distribution infrastructure. Through its subsidiaries, ENMAX offers a range of innovative energy solutions to over 669,000 customers across Alberta including electricity, natural gas, renewable energy and other services. ENMAX operates as an independent private corporate entity and is not controlled in any manner by the City of Calgary.

On May 29, 2019, ENMAX Corporation informed the Committee on Foreign Investment in the United States (“CIFIUS”) about the expected acquisition of BHE Holdings by ENMAX Corporation. CIFIUS determined that there were no unresolved national security concerns in such acquisition.<sup>4</sup>

#### **D. Existing Contracts with Foreign Governments or Foreign Private Concerns**

As discussed above, Versant Power is a wholly-owned subsidiary of BHE Holdings, which is indirectly controlled by 3456 Inc., which in turn is an indirect subsidiary of ENMAX Corporation. In addition, Versant Power provides transmission service from time to time to NB Power, a New Brunswick Crown corporation, pursuant to two agreements subject to the jurisdiction of FERC.

### **III. THE INTERCONNECTION FACILITIES**

The Interconnection Facilities are identified as follows:

- (a) one 345,000-volt, alternating current electric transmission line that originates at BHE’s Orrington Substation and extends approximately 85 miles eastward crossing the U.S. international border with Canada in the vicinity of Baileyville, Maine.

The original Presidential Permit was issued on January 22, 1996. The Presidential Permit was amended on December 30, 2005, to allow for the construction of the previously authorized

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<sup>4</sup> See July 18, 2019 letter from Thomas P. Feddo, Deputy Assistant Secretary, Investment Security, Department of the Treasury.

345-kV transmission line along a different route (Presidential Permit PP-89-1). The Presidential Permit was amended again on December 18, 2009, to increase the authorized export limit from 400 MW to 550 MW (Presidential Permit PP-89-2).

In the new Presidential Permit to be issued to Versant Power, the interconnection facilities will need to be identified as follows:

- (a) one 345,000-volt, alternating current electric transmission line that originates at Versant Power's Orrington Substation and extends approximately 85 miles eastward crossing the U.S. international border with Canada in the vicinity of Baileyville, Maine.

All maps used in support of the original Presidential Permit application, and any amendments thereto, continue to show accurately the physical location (longitude and latitude) and ownership of the facilities on the international border, except as otherwise provided in this Application. There will be no changes in bulk power system information regarding the interconnection facilities.

#### **IV. REASONS FOR CHANGES IN CORPORATE STRUCTURE**

The application filed by Bangor Hydro and Maine Public for issuance of a new Presidential Permit on December 30, 2013, explained that the requested transfer of the permit was due to the merger of Maine Public and Bangor Hydro. The utilities noted that, following the merger, Emera Maine would administer the appropriate Open Access Transmission Tariffs and that Emera Maine would maintain two OATTs following consummation of the merger – one for the “Northern Division” (former Maine Public transmission facilities) and one for the “Southern Division” (legacy Bangor Hydro transmission facilities). The utilities further noted that, following consummation of the merger, Emera Maine would operate two separate transmission systems that are not directly interconnected (and not interconnected at all but through transmission facilities owned by NB Power). Bangor Hydro's legacy facilities remain under the



functional control of ISO-NE and service over them is provided pursuant to the ISO-NE Tariff. The former Maine Public transmission facilities were not to come under the functional control of ISO-NE as part of the merger. Rather they were to remain in the New Brunswick System Operator Balancing Authority Area and subject to the oversight of the Northern Maine Independent System Administrator, both of which are wholly separate from ISO-NE and its Balancing Authority Area. Consistent with these representations, since consummation of the merger, Emera Maine had operated two separate transmission systems that are not directly interconnected and not interconnected at all but through transmission facilities owned by NB Power, the transmission owning utility in the Province of New Brunswick, Canada.

The Maine Public Utilities Commission approved the indirect purchase by ENMAX Corp. of BHE Holdings' shares on March 17, 2020. As a condition of that transaction, it was agreed that Emera Maine's name would be changed. Accordingly, in May 2020, it was announced that Emera Maine's name was changed to Versant Power. No other changes were made to the utility or the manner in which it conducts its business.

## **V. ENVIRONMENTAL IMPACT INFORMATION**

This Application for rescission and the coincident issuance of a Presidential Permit will have no effect on any of the subject facilities. Accordingly, since there will be no physical change in the facilities and no change in the way the facilities will be operated, Versant Power anticipates no environmental impacts whatsoever as a result of the requested actions.

## **VI. SERVICE AND FEE**

In accordance with the requirements of 10 C.F.R. § 205.326, copies of this application will be provided to the following:

Ms. Kimberly D. Bose	Maine Public Utilities Commission
Secretary	242 State Street
Federal Energy Regulatory Commission	18 State House Station
888 First Street, N.W.	Augusta, Maine 04333-0018
Washington, D.C. 20426	

A check in the amount of \$150.00 made payable to the Treasurer of the United States is enclosed in payment of the fee specified in 10 C.F.R. § 205.326.

## **VII. EXHIBITS**

The following exhibits are included:

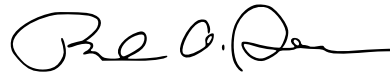
Exhibit A      Presidential Permits PP-89, PP-89-1, and PP-89-2

Exhibit B      Opinion of Counsel for the Applicant

## **VIII. CONCLUSION.**

Versant Power respectfully requests that the Department rescind and coincidentally issue the Presidential Permit pursuant to the terms and conditions set forth in this Application.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bonnie A. Suchman".

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Bonnie A. Suchman, Esq.  
Suchman Law LLC  
8104 Paisley Place  
Potomac, Maryland 20854  
(202) 236-8859

*Attorney for  
Versant Power*

Dated: October 7, 2020

## **ATTACHMENT A**

### **PRESIDENTIAL PERMITS PP-89, 89-1, and 89-2**

**UNITED STATES DEPARTMENT OF ENERGY**

**Office of Fossil Energy  
Washington, D.C.**

**FE Docket No. PP-89**

**Bangor Hydro-Electric Company**

**Presidential Permit**

**Order No. PP-89**

**January 22, 1996**

**PRESIDENTIAL PERMIT**  
**BANGOR HYDRO-ELECTRIC COMPANY**

**ORDER NO. PP-89**

BACKGROUND

The Office of Fossil Energy (FE) of the Department of Energy (DOE) has the responsibility for implementing Executive Order 10485, as amended by Executive Order 12038, which requires the issuance of Presidential permits for the construction, connection, operation, and maintenance of electric transmission facilities at the United States international border.

On December 16, 1988, Bangor Hydro-Electric Company (Bangor Hydro) filed an application with the Department of Energy (DOE) for a Presidential permit to construct electric transmission facilities at the international border between the U.S. and Canada. Bangor Hydro proposes to construct an 80-mile, 345-kilovolt (kV), overhead transmission line which will cross the U.S.-Canadian border at Baileyville, Maine, and terminate at an existing 345/115-kV substation located at Orrington, Maine. These facilities will connect at the international border with similar facilities to be constructed by the New Brunswick Electric Power Commission (NB Power).

The interconnection will operate in parallel with an existing 345-kV international interconnection owned by the Maine Electric Power Company (MEPCO). According to Bangor Hydro, the existing MEPCO line operates nearly continuously at its 700-megawatt (MW) limit. Bangor Hydro's new line will increase by 300 MW the power transfer capability between NB Power and the New England region.

Bangor Hydro claims that the additional 300 MW of transfer capacity will provide opportunities for short-term economic interchanges of power between NB Power and the New

England region. In addition, Bangor Hydro estimates that the new facilities will make available approximately 30-40 MW of emergency capacity to the electric utilities in the New England region even if no generating capacity is actually purchased by New England utilities. Finally, Bangor Hydro claims that the increased power transfer capability will provide for the transmission of long-term capacity from Canada if and when additional power purchases are made.

In addition to the 345-kV line, Bangor Hydro will add reactive compensation to support the increased power transfer from New Brunswick. This will be provided by the addition of approximately 100 million volt-amperes reactive (Mvar) of shunt capacitors at the Maxcys substation and 120 Mvar of shunt capacitors at the South Gorham substation.

Notice of the application was placed in the Federal Register on January 19, 1988, (54 FR 2201) soliciting comments, protests, or petitions to intervene. In response to this notice, petitions to intervene were received from the following electric utilities: Maine Electric Power Company; Nova Scotia Power Corporation; Central Maine Power Company, New Brunswick Power Commission; and Connecticut Light and Power Company and Western Massachusetts Electric Company (joint petition). None of the intervenors protested Bangor Hydro's application or presented any information or issues to be addressed in the proceeding. During the review process, New Brunswick Power Commission and Nova Scotia Power Corporation withdrew their petitions to intervene.

## DECISION

In reviewing the Bangor Hydro application, the DOE determined that granting a Presidential permit would constitute "a major federal action significantly affecting the quality of the human environment" and, therefore, prepared an environmental impact statement (EIS) in compliance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the President's Council on Environmental Quality (CEQ) regulations. A Notice of Intent to prepare an EIS and to hold public scoping meetings was placed in the Federal Register on May 22, 1989 (54 FR 22006) and public scoping meetings were held in Brewer, Calais,



Milford, and Machais, Maine, on June 13, 14, and 15, 1989. In October 1993, the DOE published and distributed approximately 350 copies of a draft EIS to interested individuals and agencies. Following distribution of the draft EIS, DOE announced a public comment period and conducted public hearings in Bradley and Woodland, Maine, on January 10 and 11, 1994, to solicit oral comments on the draft EIS. All comments received during the public hearings and the 72-day comment period were addressed in the final EIS, which was published and distributed in August 1995. Based on the information contained in the final EIS, the DOE has prepared a Record of Decision which has been placed in this Docket.

The DOE has also determined that the proposed project would not adversely impact the reliability of the U.S. electric power supply system. A staff analysis in support of this determination has also been placed in this Docket.

Finally, the Secretary of State and the Secretary of Defense favorably recommended that the request for a Presidential permit be granted as hereinafter provided.

#### ORDER

Pursuant to the provisions of Executive Order 10485, as amended by Executive Order 12038, and the Rules and Regulations thereunder (Title 10, Code of Federal Regulations, section 205.320 et seq.), permission hereby is granted to Bangor Hydro-Electric Company to construct, connect, operate, and maintain at the international border of the United States and Canada, one alternating current, 345-kV, overhead transmission line as further described in Article 2 below, upon the following conditions:

Article 1. The facilities herein described shall be subject to all conditions, provisions and requirements of this permit. This permit may be modified or revoked by the President of the United States without notice, or by the DOE after public notice, and may be amended by the DOE after proper application thereto.



Article 2. The facilities covered by and subject to this permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

One 345-kilovolt (kV) alternating current transmission line crossing the U. S.-Canada border at Baileyville, Maine, and extending approximately 83.8 miles to an existing substation at Orrington, Maine. This Order provides for the expansion of the Orrington substation to accommodate the new international facilities.

The facilities authorized herein are more specifically shown and described in the application filed by Bangor Hydro on December 16, 1988, in Docket PP-89.

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Northeast Power Coordinating Council and consistent with that of the North American Electric Reliability Council. In addition, the facilities authorized herein shall be operated in such a manner so as not to cause the maximum rate of transmission on a combination of the subject facilities and the 345-kV facilities authorized by Presidential Permit PP-43 to exceed 1000 MW in the import mode. Whenever the PP-43 facilities are out of service, the facilities authorized herein shall be limited to a maximum rate of transmission of 700 MW in the import mode.

The operating limitations contained herein are predicated on the installation of approximately 100 million volt-amperes reactive (Mvar) of shunt capacitors at the Maxcys substation and 120 Mvar of shunt capacitors at the South Gorham substation. Without the installation of this reactive compensation, the facilities authorized herein shall be operated in such a manner so as not to cause the maximum rate of transmission on the subject facilities and the PP-43 facilities to exceed 700 MW in the import mode.

Article 4. No change shall be made in the facilities covered by this permit or in the authorized operation of these facilities unless such change has been approved by the DOE.

Article 5. Bangor Hydro or its agent shall at all times maintain the facilities covered by this permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this permit shall be subject to the inspection and approval of a properly designated representative of the DOE, who shall be an authorized representative of the United States for such purposes. Bangor Hydro shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties.

Article 7. Bangor Hydro shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. Bangor Hydro shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the center of the transmission circuit are the only ones which must be resolved. Bangor Hydro shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable: for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of the facilities covered by this permit; or for damage to, or loss of the property of, or injuries to the person of Bangor Hydro officers, agents, servants or employees, or of others who may be on said premises; any of which may arise from or be incident to the exercise of the privileges granted herein; and Bangor Hydro shall hold the United States harmless from any and all such claims.

Article 9. Bangor Hydro shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between Canada and the United States over the facilities authorized herein. Bangor Hydro shall prepare, maintain, and preserve complete and accurate records concerning the transfer of such electric energy, and shall furnish a report to DOE annually by February



15, detailing for each month of the previous calendar year: (1) the gross amount of kilowatt-hours of electric energy received; (2) the maximum hourly rate of transmission in kilowatts; and (3) the consideration paid for such energy during each month of the preceding calendar year.

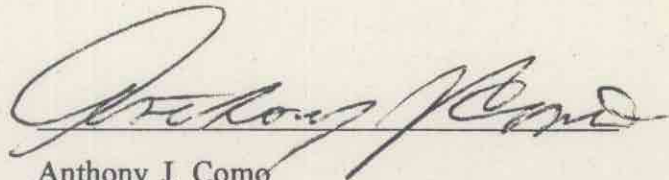
Article 10. Neither this permit nor the facilities covered by this permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the facilities by the operation of law. In the case of such an involuntary transfer, this permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 20, Code of Federal Regulations, section 205.323, has been received by the DOE. Upon receipt by the DOE of such an application, this existing permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer.

Article 11. Upon the termination, revocation or surrender of this permit, the 345-kV transmission line, which is owned, operated, and maintained by Bangor Hydro and described in Article 2 of this permit, shall be removed within such time as DOE may specify and at the expense of Bangor Hydro. If Bangor Hydro fails to remove such facilities and/or any portion thereof authorized by this permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the land associated with the facilities at the expense of Bangor Hydro. Bangor Hydro shall have no claim for damages by reason of such possession, removal or repair. However, upon a showing by Bangor Hydro that certain facilities authorized herein, such as portions of its rights-of-way or the transmission line within the United States, are useful to other utility operations within the bounds of the United States, the DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 12. To the extent that the Record of Decision in this proceeding was predicated on the implementation of certain mitigative measures identified in the EIS, these measures are

incorporated by reference as a condition of this permit. Consequently, Bangor Hydro is required to implement those mitigative measures specified in Section 4.4.1 and Section 4.4.2 of DOE/EIS 0166 as they apply to the corridor and facilities described in Article 2 above.

Issued in Washington, D.C. on January 22, 1996.

A handwritten signature in dark ink, appearing to read "Anthony J. Como", is written over a horizontal line.

Anthony J. Como  
Director  
Office of Coal and Electricity  
Office of Fuels Programs  
Office of Fossil Energy

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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

Bangor Hydro-Electric Company  
OE Docket No. PP-89-1

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Amendment to Presidential Permit  
Order No. PP-89-1

December 30, 2005

# **PRESIDENTIAL PERMIT AMENDMENT**

## **Bangor Hydro-Electric Company**

### **Order No. PP-89-1**

#### **I. BACKGROUND**

The Department of Energy (DOE) has responsibility for implementing Executive Order (E.O.) 10485, as amended by E.O. 12038, which requires the issuance of a Presidential permit by DOE before electric transmission facilities may be constructed, operated, maintained, or connected at the borders of the United States. DOE may issue such a permit if it determines that the permit is in the public interest and after obtaining favorable recommendations from the U.S. Departments of State and Defense.

On December 16, 1988, Bangor Hydro-Electric Company (BHE) applied to DOE for a Presidential permit to construct, operate, maintain, and connect a single-circuit, alternating current (AC) 345,000-volt (345-kV) electric transmission line that would originate at BHE's existing Orrington Substation, located near Orrington, Maine, extend approximately 84 miles eastward, and cross the U.S.-Canada border near Baileyville, Maine. In August 1995, DOE published a Final Environmental Impact Statement (EIS) (DOE/EIS-0166) for the proposed action of granting a Presidential permit to BHE, and issued the Record of Decision (ROD) on January 18, 1996 (61 FR 2244, 1/25/96). On January 22, 1996, DOE issued Presidential Permit PP-89 to BHE for the construction, operation, maintenance, and connection of the proposed transmission line along a route identified in the 1995 EIS as the Stud Mill Road Route.

During the State of Maine's permitting proceeding for the proposed transmission line, the Maine Board of Environmental Protection indicated a preference for a route other than the Stud Mill Road Route, one that would be more closely aligned with existing linear facilities in the area. Therefore, on September 30, 2003, BHE applied to DOE in the current proceeding (OE Docket No. PP-89-1) to amend Presidential Permit PP-89 to allow for construction of the previously authorized 345-kV transmission line along a route different from the Stud Mill Road Route or from the other alternative routes analyzed in the 1995 EIS.

In its application, BHE requested authority to construct the proposed international transmission line along a route referred to as the Modified Consolidated Corridors Route. Like the international transmission line authorized by Presidential Permit PP-89, the proposed project, referred to as the Northeast Reliability Interconnect (NRI), also would originate at the Orrington Substation, extend eastward approximately 85 mi (137 km), and cross the U.S.-Canada border near Baileyville, Maine, but would be more closely aligned with existing linear facilities than the originally proposed route. At the U.S.-Canada border, the proposed transmission line would connect with a Canadian transmission line to be constructed, operated, and maintained by New Brunswick Power Corporation (NB Power), a Crown corporation of Canada's Province of New Brunswick.

Notice of BHE's application to amend PP-89 was placed in the *Federal Register* on October 29, 2003 (68 FR 61659), requesting that comments, protests, or petitions to intervene be submitted to DOE by November 28, 2003. A timely Petition to Intervene

and Comments was submitted by the PJM Interconnection (PJM). In its Petition to Intervene, PJM noted that it is a regional transmission organization and administrator for the Mid-Atlantic Area Council and is responsible for assuring the reliable operation of the bulk power system within the PJM Control Area. As such, PJM notes that it is concerned with the construction of any transmission facilities that may potentially have an impact on the PJM transmission system. PJM did not oppose or otherwise express an opinion on BHE's request to amend PP-89.

Pursuant to 18 CFR 385.214, there being no objection to PJM's timely request to intervene, it became a party to this proceeding.

## **II. DISCUSSION**

As part of its permit amendment application, BHE submitted technical studies which supplemented and updated the electric reliability studies submitted in the original PP-89 proceeding. These latest studies confirm and support DOE's original finding that the proposed NRI, in combination with the existing 345-kV MEPCO line authorized by Presidential Permit PP-43, can import up to 1,000 MW from Canada, and export up to 400 MW to Canada, without adversely impacting the reliability of the regional electrical grid. Therefore, this amended permit retains these same electric reliability conditions contained in PP-89.

DOE's decision to amend PP-89 is based, in part, on the environmental analysis contained in the *Final Environmental Impact Statement for the Bangor Hydro-Electric*



*Company Northeast Reliability Interconnect* (Final EIS) (DOE/EIS-0372) and as discussed in the ROD in this proceeding. To the extent that the ROD is predicated on implementation of mitigation measures identified in the Final EIS, those measures are incorporated by reference as a condition in Article 12 of this permit.

### **III. FINDING AND DECISION**

In determining whether issuance of a permit for a proposed action is in the public interest, DOE considers the environmental impacts of the proposed project pursuant to the National Environmental Policy Act of 1969 (NEPA), determines the project's impact on electric reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and any other factors that DOE may also consider relevant to the public interest.

DOE has assessed the impact that the installation and operation of the proposed international transmission facilities would have on the reliability of the U.S. electric power supply system. Based on the information in the docket and as discussed above, DOE has determined that amending Presidential Permit PP-89, as requested by BHE and as conditioned herein, would not adversely impact the reliability of the U.S. electric power supply system.

DOE also has assessed the impact that the amendment of Presidential Permit PP-89 would have on the environment pursuant to NEPA. This assessment is documented in the Final EIS (DOE/EIS-0372) and in the ROD.

The Departments of State and Defense have concurred in the granting of this amendment to Presidential Permit PP-89.

Based upon the above discussion and analysis, DOE has determined that amending Presidential Permit PP-89 as requested by BHE and as conditioned herein is consistent with the public interest.

#### **IV. Order**

Pursuant to the provision of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), Presidential Permit PP-89 issued to BHE on January 22, 1996, granting permission to BHE to construct, operate, maintain, and connect electric transmission facilities at the international border of the United States and Canada is hereby amended to read as follows:

Article 1. The facilities herein described shall be subject to all conditions, provisions, and requirements of this Permit. This Permit may be modified or revoked by the President of the United States without notice, or by DOE after public notice, and may be amended by DOE after proper application thereto.

Article 2. The facilities covered by and subject to this Permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

One 345,000-volt, alternating current electric transmission line that originates at BHE's Orrington Substation and extends approximately 85 miles eastward crossing the U.S. international border with Canada in the vicinity of Baileyville, Maine. The transmission facilities authorized herein shall be constructed along the route identified as the Modified Consolidated Corridors Route in the *Final Environmental Impact Statement for the Bangor Hydro-Electric Company Northeast Reliability Interconnect* (DOE/EIS-0372).

The facilities authorized herein are more specifically shown and described in the application filed by BHE in this docket and in the Final EIS (DOE/EIS-0372).

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Northeast Power Coordinating Council, ISO-New England, and consistent with that of the North American Electric Reliability Council or their successors.

The facilities authorized herein shall be operated such that the instantaneous rate of transmission over a combination of the facilities permitted herein and the facilities authorized by Presidential Permit PP-43 shall not exceed 1,000 MW in the import mode or 400 MW in the export mode

Article 4. No change shall be made in the facilities covered by this Permit or in the authorized operation or connection of these facilities unless such change has been approved by DOE.

Article 5. BHE shall at all times maintain the facilities covered by this Permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this Permit shall be subject to the inspection and approval of a properly designated representative of DOE, who shall be an authorized representative of the United States for such purposes. BHE shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties.

Article 7. BHE shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this Permit. BHE shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the centerline of the transmission line are the only ones which must be resolved. BHE shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable: for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of the facilities covered by this Permit; or for damages to, or loss of the property of, or injuries to the person of BHE officers, agents, servants or employees or of others who may be on said premises; any of which may arise from or be incident to the exercise of the privileges granted herein; and BHE shall hold the United States harmless from any and all such claims.

Article 9. BHE shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between the United States and Canada over the facilities authorized herein. BHE shall make and preserve full and complete records with respect to the electric energy transactions between the United States and Canada. BHE shall furnish annual reports to DOE, by the 15th of February each year, detailing for each month of the previous year: (1) the gross amount of electricity imported into the U.S., in kilowatt hours; (2) the consideration associated with the import; and (3) the maximum hourly rate of transmission, in kilowatts. Annual reports must be filed regardless of current activity and whether or not deliveries of electric energy have been made. If no transactions have been made, a one-sentence report indicating “no activity” for the previous year is sufficient.

Reports shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, 1000 Independence Avenue, SW, Washington,

D.C. 20585-0305. Properly identified reports will also be accepted via facsimile at (202) 586-5860 to meet time requirements, but original copies should still be filed at the above address.

Article 10. Neither this Permit nor the facilities covered by this Permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the facilities by the operation of law. In the case of such an involuntary transfer, this Permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 10, Code of Federal Regulations, section 205.323, has been received by DOE. Upon receipt by DOE of such an application, this existing Permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer.

In the event of a proposed voluntary transfer of the facilities, the existing permit holder and the party to whom the transfer would be made shall file a joint application with DOE for a Presidential permit together with a statement of the reasons for the transfer.

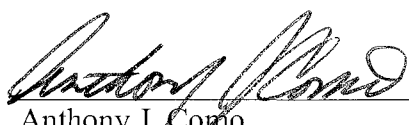
Article 11. Upon the termination, revocation or surrender of this Permit, the 345,000-volt transmission facilities which are owned, operated, maintained, and connected by BHE and described in Article 2 of this Permit, shall be removed and the land restored to its original condition within such time as DOE may specify and at the

expense of BHE. If BHE fails to remove such facilities and/or any portion thereof authorized by this Permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the land associated with the facilities at the expense of BHE. BHE shall have no claim for damages by reason of such possession, removal or repair. However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 12. BHE shall be required to implement those mitigation measures identified in Section 2.4, Chapter 4, and Appendices E, F, and G of the Final EIS (DOE/EIS-0372).

Article 13. This Permit shall be effective upon publication in the *Federal Register* of the ROD for this proceeding.

Issued in Washington, D.C. on December 30, 2005.

  
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Anthony J. Como  
Director, Permitting and Siting  
Office of Electricity Delivery and  
Energy Reliability

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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

Bangor Hydro-Electric Company

OE Docket PP-89-2

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Presidential Permit Amendment  
No. PP-89-2

December 18, 2009



# **Presidential Permit Amendment**

## **Bangor Hydro-Electric Company**

### **Order No. PP-89-2**

#### **I. BACKGROUND**

The Department of Energy (DOE) has the responsibility for implementing Executive Order (EO) 10485, as amended by EO 12038, which requires the issuance of a Presidential permit for the construction, operation, maintenance, or connection of electric transmission facilities at the United States international border.<sup>1</sup> DOE may issue such a permit if it determines that the permit is in the public interest and after obtaining favorable recommendations from the U.S. Departments of State and Defense.

On January 22, 1996, DOE issued Presidential Permit PP-89 authorizing Bangor Hydro-Electric Company (BHE) to construct, operate, maintain, and connect a 345-kilovolt (kV) electric transmission line that was to extend from Orrington, Maine, to the U.S.-Canada border at Baileyville, Maine. At the Canadian border, the proposed transmission line was to connect to similar facilities to be built by New Brunswick Electric Power Commission (NB Power), a Crown corporation of Canada's Province of New Brunswick. The authorized facilities were not constructed.

On September 30, 2003, in OE Docket No. PP-89-1, BHE applied to DOE to amend Presidential Permit PP-89 to allow for the construction of the previously authorized 345-kV transmission line along a different route than the one selected or those analyzed in the Environmental Impact Statement (EIS) in OE Docket No. PP-89. A natural gas transmission line had been constructed in the general vicinity of BHE's previously authorized facilities along a corridor approved by Maine's Department of Environmental Protection (MDEP), and the MDEP indicated its preference for BHE to construct the proposed electric transmission line in a corridor more closely aligned with the natural gas line.

On December 30, 2005, DOE issued Order No. PP-89-1 amending PP-89 and authorizing BHE to construct the 345-kV transmission line along the route preferred by the MDEP. Article 3 of that Order limits operation of the permitted facilities, in combination with the 345-kV international transmission line owned by Maine Electric Power Company (MEPCo) and authorized by Presidential Permit PP-43, to an instantaneous rate of transmission of 1000 MW in the import mode and 400 MW in the export mode. The BHE facilities were constructed and placed in service on December 5, 2007.

On April 17, 2009, BHE applied to DOE to amend Presidential Permit PP-89-1 to increase the authorized export limit from 400 MW to 550 MW.

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<sup>1</sup> The authority to administer the International Electricity Regulatory Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Assistant Secretary for the Office of Electricity Delivery and Energy Reliability (OE), in Redelegation Order No. 00-002.10C issued on May 29, 2008.

When DOE issues Presidential permits, it routinely places limits on the amount of power that can be transmitted using a particular international transmission line. DOE usually defines these power limits as the “maximum instantaneous rate of transmission.” In its application, BHE also requested that DOE instead refer to this limit as the “scheduled rate of transmission.” BHE asserted that this term more clearly describes how energy is scheduled and actually flows over the power system of North America.

Notice of BHE’s application to amend PP-89-1 was published in the *Federal Register* on June 19, 2009 (74 FR 29197), requesting that comments, protests, and petitions to intervene be submitted to DOE by July 20, 2009. None were received.

## II. DISCUSSION

In support of its request, BHE submitted technical studies demonstrating that the PP-89-1 facilities, along with upgrades to the MEPCo 345-kV international transmission facility, can allow for scheduled electric power flows across the New Brunswick-New England Interface in continuous quantities up to 550 MW in the export mode without negatively impacting the reliability of the U.S. electric power supply system. The studies that support this conclusion are the *Operational Planning Study*, commissioned by ISO-New England, New Brunswick System Operator, New Brunswick Power Transmission Company, Central Maine Power Company and Bangor Hydro Electric Company, dated September 20, 2007, and the *Breaker Study* completed in June, 2007.

## III. FINDING AND DECISION

In determining whether issuance of a Presidential permit is in the public interest, DOE considers the environmental impacts of the proposed project pursuant to DOE’s National Environmental Policy Act (NEPA) Implementing Procedures (10 CFR Part 1021), the project’s impact on electric reliability, and any other factors that DOE may also consider relevant to the public interest.

DOE has assessed the impact that the issuance of this amended permit would have on the environment pursuant to NEPA. This assessment is documented in the *Final Environmental Impact Statement* (DOE/EIS-0166) and in the Record of Decision (ROD) prepared in association with the issuance of Presidential Permit No. PP-89. The NEPA analysis in the EIS addressed the impacts from magnetic fields at the maximum capacity of 1000 MW during emergency conditions. Because the change from 400 MW to 550 MW falls below 1000 MW and will not require any physical changes to the previously authorized and now existing facilities, DOE has determined that the EIS and ROD prepared for the original permit are adequate for satisfying DOE’s obligations under NEPA for this action.

DOE also has assessed the impact that the change in export limit would have on the reliability of the U.S. electric power supply system. Based on the information in this docket, DOE has determined that amending Presidential Permit PP-89-1, as requested by BHE and as conditioned herein, would not adversely impact the reliability of the U.S. electric power supply system. In addition, DOE has no objection to BHE’s request to



refer to the power limit as the "scheduled rate of transmission." Accordingly, DOE has adopted this suggested language in amending this Permit.

The Departments of State and Defense have concurred in the granting of this amendment.

Based upon the above discussion and analysis, DOE has determined that amending Presidential Permit PP-89-1, as requested by BHE and as conditioned herein, is consistent with the public interest.

#### **IV. ORDER**

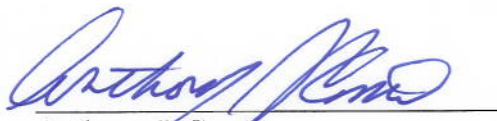
Pursuant to the provisions of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), Article 3 of Presidential Permit PP-89-1 issued to BHE on January 30, 2005, authorizing BHE to construct, operate, maintain, and connect electric transmission facilities at the international border of the United States and Canada, is hereby amended to read as follows:

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Northeast Power Coordinating Council, ISO-New England, and consistent with that of the North American Electric Reliability Corporation or their successors.

The facilities authorized herein shall be operated such that the scheduled rate of transmission over a combination of the facilities permitted herein and the facilities authorized by Presidential Permit PP-43 shall not exceed 1,000 MW in the import mode or 550 MW in the export mode.

All other terms and conditions of Presidential Permit PP-89-1 shall remain in full force and effect.

Issued in Washington, D.C. on December 18, 2009

  
Anthony J. Como  
Acting Deputy Assistant Secretary  
Permitting, Siting and Analysis  
Office of Electricity Delivery and  
Energy Reliability

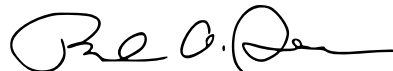
## **ATTACHMENT B**

### **OPINIONS OF COUNSEL**

#### Statement and Opinion of Counsel

The undersigned, being Counsel for Versant Power, states and gives his opinion, pursuant to 10 CFR Section 205.322(a)(6), as follows: (a) that he has examined and is familiar with the corporate powers of Versant Power, pursuant to its Articles of Organization and Operating Agreement; (b) that he has examined and is familiar with the contents of this “Application of Versant Power to Rescind Presidential Permit PP-89-2 and for the Coincident Issuance of Presidential Permit,” to which this statement and opinion is attached as an exhibit; (c) that in his opinion the construction, connection, operation and maintenance of the facilities as proposed in the Application will be within the corporate power of Versant Power; and (d) that, with respect thereto, Versant Power has complied or will comply with all pertinent federal and state laws.

DATED: October 7, 2020



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Bonnie A. Suchman