
United States
Department of Energy

Office of Electricity Delivery and Energy Reliability

Bangor Hydro-Electric Company

OE Docket PP-89-2



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.¹ 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.

¹ 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

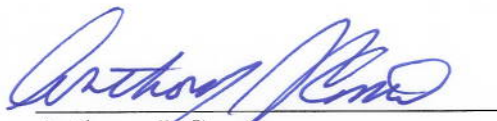
Pursuant to the provisions of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), Article 3 of Presidential Permit PP-89-1 issued to BHE on January 30, 2005, authorizing BHE to construct, operate, maintain, 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
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Permitting, Siting and Analysis
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