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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability  
OE Docket No. PP-82-5

**Highgate Joint Owners**

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Presidential Permit  
No. PP-82-5

January 8, 2018

# Presidential Permit

## Highgate Joint Owners Order No. PP-82-5

### I. BACKGROUND

The United States Department of Energy (DOE) has the responsibility for implementing Executive Order (E.O.) 10,485, as amended by E.O. 12,038, 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 issuance of the permit is in the public interest and after obtaining favorable recommendations from the U.S. Departments of State and Defense.

On May 14, 1985, DOE issued Presidential Permit PP-82 to the Joint Owners of the Highgate Project<sup>2</sup> (Joint Owners), authorizing them to construct, operate, maintain, and connect electric transmission facilities at the international border of the United States and Canada. The PP-82 facilities, also known as the Highgate Project consist of a 120,000 volt (120-kV) transmission line that connects to the Hydro-Quebec electric system at the United States-Canada border in northwestern Vermont and extends approximately 7.5 miles to Highgate Substation located in Highgate, Vermont. Highgate Substation contains a back-to-back converter station that converts alternating current to direct current and then back to alternating current.

On March 1, 1994, DOE issued Presidential Permit PP-82-2, which increased the allowable rate of transmission over the PP-82 facilities in the import mode from 200 megawatts (MW) to 225 MW, subject to certain operating conditions and limitations.

On February 7, 2005, DOE issued Presidential Permit PP-82-3, which increased the allowable rate of transmission over the PP-82 facilities in the import mode from 225 MW to 250 MW, subject to certain operating conditions and limitations.

On May 2, 2016, DOE issued Presidential Permit PP-82-4, which removed certain operating conditions of the previous permit, since those provisions were no longer necessary.

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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), by Redelegation Order No. 00-006.05 issued on November 17, 2014.

<sup>2</sup> The Joint Owners of the Highgate Project originally included Central Vermont Public Service Corp., Vermont Public Power Supply Authority, Green Mountain Power Corp. (GMP), Vermont Electric Generation and Transmission Cooperative, Inc., Village of Johnson Electric Light Department, Rochester Electric Light and Power Co., Inc., Citizens Utilities Company, and the City of Burlington Electric Light Department.

On April 11, 2017, Vermont Electric Power Company, Inc. (VELCO), on behalf of the Highgate Joint Owners filed an application with DOE, as required by 10 C.F.R. § 205.322, requesting that DOE amend PP-82-4 to reflect a change in the names and ownership interests and authorize, under Article 10 of PP-82, the transfer of the Highgate Project so that Vermont Transco, LLC (Transco) will acquire 94.73% of the ownership interest in the facility from the current Joint Owners. The remaining 5.27% of the ownership would be acquired by the Stowe Electric Department (Stowe). Transco and Stowe would then be the Joint Owners. On June 14, 2017, VELCO informed DOE that Burlington Electric Department will remain a joint owner with 7.7% interest. Based on this modification, under the proposed ownership structure before DOE, Transco would own 87.03%, Stowe would own 5.27%, and Burlington Electric Department would own 7.7% (collectively Highgate Joint Owners).

The international transmission facilities authorized by Presidential Permit No. PP-82, as amended, include a back-to-back converter station in Highgate, Vermont, and a 345 kilovolt (kV) transmission line extending approximately 7.5 miles from the converter station to the United States-Canada border in Franklin, Vermont. The Highgate Joint Owners do not propose to make any physical changes to the Highgate Facilities, but rather ask the Department to amend the permit to reflect the change in ownership of the Highgate Project.

DOE published a notice in the *Federal Register* on July 12, 2017 (82 Fed. Reg. 32,182), inviting comments and motions to intervene. None was received.

## **II. DISCUSSION**

In determining whether issuance of a Presidential permit is in the public interest, DOE as a policy considers the environmental impacts of the proposed project, determines the project's impact on reliability of the U.S. electric grid, and weighs any other factors that DOE may consider relevant to the public interest. When a separate reliability analysis is conducted by an Independent System Operator (ISO)/Regional Transmission Organization (RTO), DOE's practice has been to review the ISO/RTO's analysis and make a determination as to the project's impact on reliability.

### **A. Reliability Analysis**

In this particular proceeding, there are no modifications to the facilities and therefore, there is no change in the Department's previous reliability determination.

### **B. Environmental Analysis**

DOE has determined that this action is among those classes of actions not normally requiring preparation of an environmental assessment or an environmental impact statement and, therefore, is eligible for categorical exclusion under paragraph A13 of Appendix A to Subpart D of Part 1021 of DOE's National Environmental Policy Act (NEPA) Implementing Procedures (10 CFR Part 1021). Specifically, this categorical

exclusion is provided for administrative, organization, or procedural orders. Documentation of the use of this categorical exclusion has been placed in this Docket.

Additionally, per the requirements of 10 CFR Subpart D, DOE has determined that the project described above does not have a significant individual or cumulative effect on the human environment, and that authorizing the proposed action will not (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders; (2) require siting of new facilities or expansion of existing facilities; (3) disturb hazardous substances, pollutants or contaminants; or (4) adversely affect environmentally sensitive resources.

### **C. Concurrences**

On July 20, 2017, DOE obtained the concurrence of the Department of Defense regarding the proposal to amend Presidential Permit 82-4 to reflect a change in names and ownership of the Highgate Project. On November 13, 2017, DOE obtained the concurrence of the Department of State as well.

## **III. FINDINGS AND DECISION**

Based on its review of VELCO's application, DOE finds that the project will not have a negative impact on the reliability of the U.S. grid if operated consistently with the North American Electric Reliability Corporation (NERC) policies and standards, terms and conditions of the Presidential Permit, and other regulatory and statutory requirements.

In addition to DOE's reliability determination, based upon the results of the environmental analysis, concurrences of the Departments of State and Defense, and the public comment process, DOE determines that the issuance of a Presidential permit to Highgate Joint Owners is consistent with the public interest.<sup>3</sup>

## **IV. DATA COLLECTION AND REPORTING**

The responsibility for the data collection and reporting under Presidential permits authorizing electric transmission facilities at the U.S. international border and orders authorizing electricity exports to a foreign country has been transferred from the Office of Electricity Delivery & Energy Reliability to DOE's Energy Information Administration (EIA). Highgate Joint Owners must submit Form EIA-111 "Quarterly Electricity Imports and Exports Report," or any successor forms, as specified by the EIA. Highgate Joint Owners must also follow EIA instructions in utilizing the Data xChange Community Portal. Questions regarding the data collection and reporting requirements

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<sup>3</sup> This Order is consistent with the Department's practices regarding change in multiple joint ownership adopted in Presidential Permit Orders 82-3 and 82-4 and deemed appropriate given the unique nature of the Applicant.

can be directed to the EIA by email at [EIA4USA@eia.gov](mailto:EIA4USA@eia.gov) or by phone at 1-855-342-4872.

## V. ORDER

Pursuant to the provisions of E.O. 10,485, as amended by E.O. 12,038, and the regulations issued thereunder (Title 10, Code of Federal Regulations, Part 205), permission is granted to Highgate Joint Owners (Vermont Transco, Burlington Electric Department and Stowe Electric Department) to construct, own, maintain, and connect electric transmission facilities at the international border of the United States and Canada, 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 DOE after 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 three-phase, alternating current transmission line, designed and constructed for 345kV use, but operated at 120 kV, and a back-to-back converter station. The transmission line extends approximately 7.58 miles from the converter station in Highgate, Vermont to the U.S.-Canada border in Franklin, Vermont.

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with all policies and standards of the Federal Energy Regulatory Commission, NERC, Regional Entities, Reliability Coordinators, and Independent System Operators, or their successors, as appropriate, on such terms as expressed therein and as such criteria, standards, and guides may be amended from time to time. The facilities shall also be operated consistent with other regulatory and statutory requirements.

Furthermore, the facilities described in Article 2 shall be operated in such a manner that the scheduled rate of transmission of electric energy entering the United States over the facilities operated herein shall not exceed 250 MW.

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. Highgate Joint Owners 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 designated representative of DOE,

who shall be an authorized representative of the United States for such purposes. Highgate Joint Owners 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. Highgate Joint Owners shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this Permit. Highgate Joint Owners 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 must be resolved. Highgate Joint Owners 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 of any kind which may arise from or be incident to the exercise of the privileges granted herein. Highgate Joint Owners shall hold the United States harmless from any and all such claims.

Article 9. Highgate Joint Owners 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. Highgate Joint Owners shall make and preserve full and complete records with respect to the electric energy transactions between the United States and Canada. Highgate Joint Owners shall collect and submit the data to EIA as required by and in accordance with the procedures of Form EIA-111, "Quarterly Electricity Imports and Exports Report" and all successor forms.

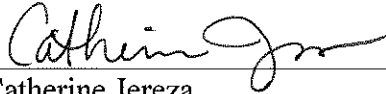
Article 10. Neither this Permit nor the facilities covered by this Permit, or any part thereof, shall be transferable or assignable, unless specifically authorized by DOE in accordance with Title 10, Code of Federal Regulations.

Article 11. Upon the termination, revocation or surrender of this Permit, the permitted facilities which are owned, operated, maintained, and connected by Highgate Joint Owners 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 Highgate Joint Owners. If Highgate Joint Owners should fail 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 Highgate Joint Owners. Highgate Joint Owners 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 may not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 12. Highgate Joint Owners have a continuing obligation to give DOE written notification as soon as practicable of any prospective or actual changes of a

substantive nature in the circumstances upon which this Order was based, including but not limited to changes in authorized entity contact information.

Issued in Washington, D.C., on January 8, 2018.

A handwritten signature in cursive script, appearing to read "Catherine Jereza", written over a horizontal line.

Catherine Jereza  
Deputy Assistant Secretary  
Transmission Permitting and Technical Assistance Division  
Office of Electricity Delivery and Energy Reliability