December 14, 2018

Thorn Dickinson
Vice President, Business Development
Iberdrola USA Management Corporation
52 Farm View Drive
New Gloucester, Maine 04260

Good Afternoon Thorn:

You have requested Hydro-Québec's assistance in responding to certain data requests pertaining to Hydro-Québec operations received in the CPCN proceeding for the New England Clean Energy Connect ("NECEC") project.

Below is information in response to questions 004-001 and 004-002.

004-001

Regarding the existing hydro-electric facilities that will provide electricity for NECEC, have those dams spilled water instead of generating electricity due to a lack of economic transmission in any of the years 2012-2017? If so,

a. Please provide a volume estimate per year of that spillage.

b. Please provide the reason(s) for that spillage.

Answer:

Yes, in 2017 Hydro-Québec spilled water due to a lack of economic transmission.

The quantity of spilled water in 2017 for this reason represents approximately 4.5 TWhs worth of energy. In the normal course of business, Hydro-Québec uses water to generate electricity. Excess water not used to generate electricity is stored in large reservoirs for use in later periods. As the reservoirs become full, and storing water is no longer an option, water is spilled.

In this category to date in 2018, Hydro-Québec has spilled approximately 10.4 TWhs worth of energy. Without additional transmission export capability, the quantity of spilled water in future years is expected to be comparable to the quantity of spilled water in 2018 under comparable market and operational conditions.

For the 2050 horizon, independent meteorological studies indicate that average flows in northern Québec are expected to increase by approximately 12%. This could lead to additional spilling[1].

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[1] https://www.ouranos.ca/publication-scientifique/Synthesis_Summary.pdf

004-002

Does Hydro-Québec have an estimate of the maximum export capacity that existed at the end of 2017, without the existence of the NECEC line? (If that estimate is not available, but an estimate from a different year is, please provide that).

a. Please provide that estimate in aggregate or to the four export markets of Ontario, ISO New England, Maritimes, and New York ISO.

b. Please provide a discussion of factors that formed the basis of the estimate.

Answer:

Hydro-Québec's maximum export capability during 2017 is estimated at 34.4 TWh. Below is the breakdown of these exports to Hydro-Québec's primary external markets:

- Ontario: 4.6 TWh
- New England: 18.2 TWh
- Maritimes: 2.1 TWh
- New York: 7.9 TWh
- PJM/MISO/Other: 1.6 TWh

Many factors determine the maximum export capability for Hydro-Québec's hydropower system including the following:

- Water levels in individual Hydro-Québec reservoirs
- Specific transmission availability within Québec
- Specific generation availability
- Transmission availability to external markets
- Transmission congestion in external markets
- Wholesale market prices and demand in Hydro-Québec's export markets
- Operational constraints in Hydro-Québec's export markets

Please don't hesitate to contact me if you have any questions about this information.

Sincerely,

Simon Bergevin
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