Economic Recovery

June 25, 2020
Economic Recovery

Agenda

• Electric Infrastructure
• CMP 2020 Capital Investment
• NECEC
• Shovel Ready
• Benefits for Maine
• Benefits for Electrification
• Environmental Benefits
• Broadband & Other Benefits
• Proposed Commission Action
Electric Infrastructure

- Like the road system, the electrical grid infrastructure is critical to Maine.
- Beneficial electrification of heating and cooling systems, industrial processes and transportation will require a greatly expanded and strengthen grid, estimated at 3 to 5 times greater than present.
- Right now, continued investment means more jobs and tax revenue for Maine.
- CMP is forging ahead with $224M in new transmission and distribution improvements (separate from the NECEC project) in 2020 notwithstanding the recession.
Economic Recovery

CMP 2020 Capital Investment

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Spend (Excluding NECEC)</td>
<td>$224M</td>
</tr>
<tr>
<td>Resiliency</td>
<td>$8M</td>
</tr>
<tr>
<td>Reliability Improvements</td>
<td>$44M</td>
</tr>
<tr>
<td>Substation Upgrades</td>
<td>$32M</td>
</tr>
<tr>
<td>Transmission Upgrades</td>
<td>$30M</td>
</tr>
<tr>
<td>Transmission FERC Compliance</td>
<td>$46M</td>
</tr>
<tr>
<td>New Connection</td>
<td>$34M</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$6M</td>
</tr>
<tr>
<td>Operation Technology</td>
<td>$16M</td>
</tr>
<tr>
<td>Facilities Projects</td>
<td>$6M</td>
</tr>
<tr>
<td>Fleet Additions</td>
<td>$2M</td>
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</tbody>
</table>

NECEC System Improvements $200M

- New 345 kv Line Coopers to Maine Yankee
- 2 115 kv Rebuilds Sections 6Z and 64
- New Dynamic Device Likely in Buxton
NECEC

- But the project that can really make a difference in restoration of the Maine economy is the NECEC project.

- 1,200 MW of around the clock renewable hydro power delivered to the NE grid in Lewiston
NECEC - Shovel Ready

- State DEP, LUPC and PUC permits already issued.

- Army Corps of Engineers and Presidential permits due this summer.

- Contract awarded for timber mats, clearing and line construction.

- Construction can start in the Fall of 2020.
Immediate Benefits for Maine

- 1,600 construction jobs now, when we need them.
- 319 ongoing jobs estimated.
- $18 million in new local tax revenues yearly.

<table>
<thead>
<tr>
<th>County</th>
<th>Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Androscoggin</td>
<td>$10,559,188</td>
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<tr>
<td>Cumberland</td>
<td>$380,594</td>
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<tr>
<td>Franklin</td>
<td>$1,628,801</td>
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<tr>
<td>Kennebec</td>
<td>$699,041</td>
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<tr>
<td>Lincoln</td>
<td>$1,379,320</td>
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<tr>
<td>Sagadahoc</td>
<td>$52,464</td>
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<tr>
<td>Somerset</td>
<td>$3,348,858</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,048,266</strong></td>
</tr>
</tbody>
</table>
Benefits of Electrification

- Increased system stability.
- More “headroom” for Maine renewable projects.
- RECs available for Maine Renewable projects elsewhere in NE and NY not reduced by NECEC.
- Reduce electrical energy cost throughout NE, estimated at $14 - $44 million annually, because it will displace the most expensive generation now.
- $200 Million in Maine grid upgrades
Environmental Benefits

- Reduce greenhouse gases by more than 3 million tons annually (equivalent of 700,000 cars).
- Conserve 42,800 acres of land and $5M for future land conservation
- Replace culverts to allow for improve fish passage at 25 locations.
- Ban the use of herbicides and pesticides.
- Guarantee recreational vehicle, hunting & fishing access.
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Broadband & Other Benefits

In determining that the NECEC meets the public need and public interest standards, the Maine Public Utilities Commission approved, and CMP and HQ agreed to, a $258 million stipulation agreement consisting of ratepayer benefits, low income customer benefits, and community and state-wide benefits. These benefits as well as those provided by other NECEC-related agreements include:

**Communities**
- $15M for fiber optic and broadband expansion (5 yrs.)
- $10.5M for economic development and promotion of regional tourism (10 yrs.)
- $6M for education funding, UMF, UMO, Franklin and Somerset Counties (10 yrs.)
- $3M in benefits to the Passamaquoddy Tribe (40 yrs.)
- More than 50 miles of expanded snowmobile and recreational trail opportunities

**Consumers**
- $140M for rate relief (40 yrs.)
- $50M for low-income customer benefits (40 yrs.)

**Technology and Policy**
- $15M for electric vehicle infrastructure (5 yrs.)
- $15M for heat pump support (8 yrs.)
- $2.5M for decarbonization & Maine energy resource planning studies (by 2022)
Proposed Commission Action

• NECEC may be the largest single component of a Maine pandemic economic recovery program.

• Work can start this Fall, and jump start infusion of tens of millions of dollars into the Maine economy this year alone.

• And simultaneously strengthen our energy grid and broadband capacity.

• Without any appropriation of State or Maine customer money.

• By recognizing the value of the project, send a message to HQ and Avangrid to continue investing.
Thank you
Power On!