



Une division d'Hydro-Québec

April 11, 2011

Mr. Brian Mills
Senior Planning Advisor
Office of Electricity Delivery and Energy Reliability (OE-20)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585
Brian.Mills@hq.doe.gov

Richard Cacchione
President
75, boul. René-Lévesque Ouest
18e étage
Montréal (Québec) H2Z 1A4

Tel.: 514-289-3292
Fax: 514-289-3254
cacchione.richard@hydro.qc.ca

**Subject: Northern Pass Transmission LLC
Docket No. PP-371
Corrections**

Dear Mr. Mills:

Hydro-Québec followed with interest the DOE scoping meetings held throughout the state of New Hampshire in March, as part of the process of considering the application for a Presidential permit for the Northern Pass power transmission line. As you know, Hydro Renewable Energy Inc., a subsidiary of Hydro-Québec, has entered into a transmission service agreement with Northern Pass Transmission LLC, a subsidiary of Northeast Utilities and NStar, with respect to this project. partner in Northern Pass Transmission LLC, a subsidiary of Northeast Utilities and NStar, in this project.

Unfortunately, we noted that on a number of occasions in the course of the hearings, a great deal of misinformation about Hydro-Québec was expressed, of such a nature as to damage the reputation of our company and of the project that we plan to carry out in partnership with Northern Pass Transmission. We therefore wish to respectfully bring to your attention and correct some of that erroneous information.

Hydro-Québec is a public utility whose sole shareholder is the Québec government. It generates 98% of its electricity using hydropower, a renewable resource. Many times during the scoping meetings, stakeholders questioned the social and environmental acceptability of Hydro-Québec projects to the communities in Québec most closely concerned.

Unprecedented efforts were deployed to make the Eastmain-1-A/Sarcelle/Rupert diversion project socially and environmentally acceptable to the Crees. First, a historic agreement between the Québec government and the Grand Council of the Crees of Québec, the *Paix des Braves*, was signed in February 2002. The agreement includes the Crees' consent to the project. The agreement was signed after a referendum was

held in all the Cree communities concerned, in which close to 70% of the Crees approved of the *Paix des Braves*.

At the same time, Hydro-Québec and the Crees signed the *Boumhounan Agreement*, specific to the Eastmain-1-A/Sarcelle/Rupert diversion project, setting out Hydro-Québec's guarantees and commitments to the Crees of James Bay. The agreement also covers the establishment of a number of funds to benefit the Crees. As provided by the agreement, the Crees were involved in carrying out the draft-design studies, communicating the study results to their communities, building the project and conducting the environmental follow-up. As is the case for all projects carried out in Québec, this project did not displace a single individual. The project, still in progress, has been cited by the Observatoire des énergies renouvelables (Observ'ER), an industry reference for renewable energy, as "a model for taking environmental constraints into account" in its 12th global inventory of electricity production from renewable sources,

So you will understand how surprised we were to hear it said during the recent hearings that Hydro-Québec was associated with the supposed displacement of thousands of Crees in the James Bay region (Pembroke, Franklin, Plymouth, Whitefield). We were also surprised to hear it said that the project required the construction of a 200-mile tunnel, when in fact the 2.9-km (1.8 mi.) tunnel was an environmental measure requested by the Crees of James Bay. It is also untrue that the project flooded thousands of square miles (Lincoln).

We feel compelled to point out that for all hydropower projects of recent decades, huge public consultation program with the various communities concerned, both Native and non-Native, have been undertaken. The projects are also covered by formal agreements with the Native communities on the impacts and benefits.

Furthermore, we strongly object to some of the excessive language used, associating Hydro-Québec with projects that would be deemed illegal and criminal in the U.S. (Plymouth, Whitefield). In our opinion, such unacceptable statements damage the company's reputation. On the contrary, Hydro-Québec is well-known for its extensive efforts to protect the environment and assume a leadership role in the field of sustainable development.

We would like to point out that hydropower projects carried out in Québec are subject to a very thorough environmental and social impact assessment by two levels of government, provincial and federal. Canada's environmental regulations are among the most stringent in the world. For the Eastmain-1-A/Sarcelle/Rupert diversion project at James Bay, two Cree representatives sat on the federal commission reviewing the project.

We also feel bound to correct misinformation stated at various DOE hearings with respect to greenhouse gas emissions produced by Québec hydropower. Thanks to hydropower, Hydro-Québec generates 30% of Canada's electricity, but only 1.5% of the

GHG emissions of Canadian electric utilities. Similarly, our exports to the Northeastern states have helped avoid approximately 39 million tons of GHG emissions since 2001.

It was also claimed that Hydro-Québec was responsible for the death of a herd of caribou in 1984 when a large amount of water was released into the Rivière Caniapiscau at James Bay (Pembroke and Whitefield). That is false. In fact, the Ministère de l'Environnement du Québec (Québec department of the environment) issued a report clearly confirming that the loss of caribou was caused by exceptionally heavy rains and that the hydropower development of the river in no way caused this incident. It also confirmed that the caribou would not have been able to cross the river even in its natural state.

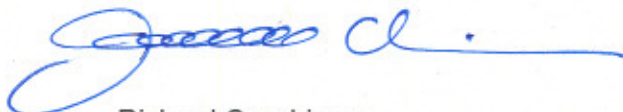
We would further like to point out that the formation of methylmercury in reservoirs has never had any effect on the health of the Crees living at Baie-James (James Bay) and that there has never been a case of mercury poisoning from eating fish in Québec. All the follow-ups undertaken over a period of 20 years among the Cree populations have found very low mercury levels, of no concern for health, and totally comparable to levels seen in the non-Native population in general. The formation of methylmercury is a well-known transitory phenomenon, and it is well controlled.

It is also false to claim that Hydro-Québec has harnessed 13 of Québec's 16 biggest rivers (Plymouth). Québec is actually very fortunate in having a huge number of rivers—some 4,500—and only 74 have been harnessed for hydropower generation.

Finally, contrary to the belief of some participants in the scoping meetings, Hydro-Québec reservoirs are in no way responsible for earthquakes or increased seismic activity (Haverhill). Such assertions are unfounded in observable facts or science.

I hope that you will find this information useful. You may find further information on hydropower in Québec on the Website www.hydroforthefuture.com. If we can provide any further information about Hydro-Québec's activities, please feel free to contact me.

Yours truly,



Richard Cacchione