



M. Jodi Rell
GOVERNOR
STATE OF CONNECTICUT

July 30, 2010

Dr. Jerry Pell
Office of Electricity Delivery and Energy Reliability (OE-20)
U.S. Department of Energy
1000 Independence Avenue, SW.
Washington, DC 20585

Re: Notice of Intent to Prepare an Environmental Impact Statement and To Conduct Public Scoping Meetings, and Notice of Floodplains and Wetlands Involvement; Champlain Hudson Power Express, Inc.

Dear Doctor Pell:

On behalf of the State of Connecticut, I write to offer comments on the Champlain Hudson Power Express, Inc. proposal to construct a direct current transmission line between Quebec, Canada, and Yonkers, New York, but which no longer proposes to extend an additional direct current transmission line to Bridgeport, Connecticut.

Thank you for holding a public scoping meeting in Bridgeport on July 8, 2010. I firmly believe that open and frequent communication among stakeholders and decision makers is critical when contemplating a proposal of this magnitude. Connecticut appreciates the high level of communication that we have had with the project sponsors over the last year as we have discussed and evaluated the environmental effects of various options for cable placement within Connecticut waters and at the cable's Connecticut landfall. I hope that the U. S. Department of Energy (DOE) will continue to actively engage all stakeholders in this process including the New York State resource agencies.

The State of Connecticut has long recognized the linkages between energy policy, environmental policy and our economy. We strive to develop and implement policies that recognize these linkages and leverage each for the benefit of the others. Innovative projects such as that embodied in the Champlain Hudson application have the potential to serve a similar purpose. While I am surprised that the project developers have reduced the scope of the proposed project before Connecticut's resource agencies could reach a conclusion concerning the project's environmental efficacy, it is very likely that Connecticut will nonetheless benefit indirectly from an additional regional supply of clean energy. Connecticut recognizes the potential benefits of the original proposal in supplying Connecticut with non-carbon-based, renewable energy which

could have substantially assisted in achieving our goal of deriving 20% of our electric energy from such sources by the year 2020.

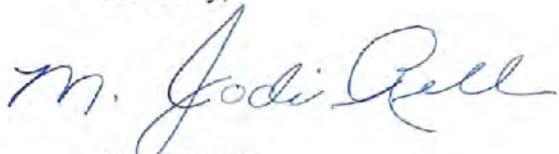
The State of Connecticut has garnered a national reputation for taking decisive actions designed to reduce air pollution and protect water quality, natural resources and submerged lands for our citizens and their environment, while implementing policies aimed at ensuring an affordable and reliable supply of electricity to meet our needs. As federal air quality standards are strengthened to further protect public health, effectively managing our energy policy becomes even more critical to achieving our environmental goals. The key to our future success is closely linked to federal energy policy. Like our homes and businesses and even our cars and trucks, our nation's energy infrastructure must become cleaner and more efficient. By adopting energy efficiency and renewable energy targets, Connecticut is among the states which have taken the lead to synchronize environmental and energy goals. The federal government must be an active partner working with states to ensure that federal energy policy complements and enhances existing state policies.

As DOE prepares a draft environmental impact statement (EIS) as a prelude to acting on the Champlain Hudson application, I urge you to consider the following:

- The Environmental Protection Agency (EPA) is on the verge of finalizing a revised National Ambient Air Quality Standard for ozone. The new standard will be 20-40% more stringent than the current standard and will require significant emission reductions, possibly by 70% or more, within the eastern United States.
- DOE should work with the New York Independent System Operator (NY-ISO) and the New York Public Service Commission (NY PSC) to assess the air quality impacts associated with importing an additional 1,000 MW of clean new capacity to the greater New York City (NYC) metropolitan area. This effort should assess ozone precursor reductions, toxic air pollutant emissions reductions, and any environmental justice benefits associated with reduced emissions from older, less efficient electric generating units (EGUs) in the area to be served by this new capacity.
- DOE should also work with NY-ISO to identify those EGUs likely to become uneconomic as a result of an influx of significant new capacity so that EPA may develop appropriate air quality modeling assumptions for the implementation of the revised ozone standard.
- DOE should evaluate the economic benefits of this additional 1,000 MW arising from its impact on marginal electric supply costs, including the potential for these benefits to accrue beyond the immediate NYC metropolitan area.
- The EIS should consider and discuss the potential of the proposed cable, now terminating at Yonkers, to be extended in geographic reach or expanded in capacity if market conditions should become favorable to such enhancements in future years. Consideration of this possibility in the EIS should include potential environmental impacts associated with extending infrastructure, such as cables, east into Long Island Sound.

Thank you for the opportunity to comment. Please do not hesitate to contact Amey Marrella, Commissioner of Environmental Protection, if the State of Connecticut may be of further assistance regarding these comments.

Sincerely,

A handwritten signature in blue ink that reads "M. Jodi Rell". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

M. Jodi Rell
Governor

MJR/awm/pef

cc: Kevin M. DelGobbo