

1 DEPARTMENT OF ENERGY ENVIRONMENTAL IMPACT STATEMENT
2 PUBLIC SCOPING MEETING

3
4 -----

5 CHAMPLAIN HUDSON POWER EXPRESS, INC.
6 TRANSMISSION LINE PROPOSAL

7 -----
8

9 Taken at the Ramada Glens Falls/Lake George
10 Area, 1 Abby Lane, Queensbury, New York, on July 15,
11 2010, commencing at 7:45 p.m.

12
13

14 BEFORE: JERRY PELL, PhD, CCM, U.S. Department of
15 Energy, 1000 Independence Avenue, SW, Washington, DC
16 20585

17
18

19
20

21
22

1 PROCEEDINGS

2 (7:45 p.m.)

3 DR. PELL: We're now going to the formal
4 recorded portion of the meeting. Our stenographer is
5 now commencing to take recorded notes. This is a
6 great opportunity for us to meet with the public.
7 We've had seven meetings. Let me tell you a little
8 bit about myself first. I'm Jerry Pell. I'm an
9 environmental scientist with DOE. I've been with DOE
10 for 34 years. I've actually been working on
11 environmental and energy issues ever since I finished
12 my doctorate 40 years ago.

13 And the reason that we're here tonight is
14 because we have received an application at the
15 Department of Energy for a Presidential permit, which
16 is required by virtue of the applicants desiring to
17 cross with a transmission line from Canada across the
18 U.S. border into the United States. That requires a
19 Presidential permit which results from a White House
20 Executive Order that is about 50 years old, and it's
21 been on the books all this time.

22 When we consider whether or not to issue a

1 Presidential permit, that's considered a major Federal
2 action under the auspices of the National
3 Environmental Policy Act, N-E-P-A or NEPA as a lot of
4 you know. Under NEPA, there are several levels of
5 environmental review depending on the nature and type
6 of project. In this particular instance, we're doing
7 an Environmental Impact Statement or EIS which is the
8 most comprehensive level of review available, and we
9 solicit everything literally imaginable from
10 alternatives to socioeconomic impact, environmental
11 justice, geology, biology, aquatic impacts,
12 socioeconomics. It does not leave much out. One area
13 that it does not particularly focus on is the
14 economics. It's not considered within the scope of
15 environmental analysis.

16 The scoping process is the beginning of the
17 preparation of the Environmental Impact Statement
18 whereby we published a Federal Register notice, which
19 I hope some of you, if not all of you, have read. I
20 try to make those things read as friendly as possible
21 but you always run into the lawyers, and they don't
22 necessarily let you use regular English when you write

1 these things, but we do a have a fairly good range of
2 ideas as to what we should include in the document but
3 until you meet with the public that lives along the
4 route, you never know if you're missing anything, so
5 the whole point of us being here at these seven
6 meetings which started in Bridgeport, then went on to
7 Manhattan, then went on to Yonkers followed by
8 Kingston followed by Albany last night followed by
9 here in Glens Falls here tonight, tomorrow ending in
10 Plattsburgh which is as close to the border as you can
11 get pretty much, the whole point is to make sure we
12 don't miss anything, and that's why we're glad to see
13 you tonight so that if there are impacts we should
14 consider that we might not be aware of, this is our --
15 the hope is that we'll find out from these meetings.

16 Now, as I said, this is just the beginning
17 of the process. We will then produce two things that
18 you will get to see. There will be a scoping report
19 which will not be going out for comment. It will be a
20 final document that -- it will summarize everything
21 that we received by way of input during these seven
22 meetings, and that will be on the website and will be

1 publicly available, and I do encourage you go to the
2 EIS website which is at CHPEXpressEIS.org; again, CHP
3 as in Champlain Hudson Power Express EIS as in
4 Environmental Impact Statement.org. That is the
5 website for the environmental study that we're
6 conducting at DOE. Everything we do is public and
7 will be posted on that website. Comments, official
8 documents, the entire spectrum of material relative to
9 the EIS will be available to you. There's also an
10 opportunity to subscribe so that when something new is
11 put on the web that you might be interested in, we
12 will issue a broadcast that will make you aware of it.

13 There's another website also from the
14 company that TDI itself has. The two websites are
15 linked together so if you do a Google and find
16 yourself on either one, you can easily get to the
17 other.

18 And if you go to the EIS website, you will
19 find links to the actual Presidential permit
20 application that TDI filed with the Department of
21 Energy. You'll find a link to the New York State
22 Public Service Commission filing where there's a

1 voluminous quantity of material including highly
2 detailed maps and will continue to provide future
3 documents, as I said, including the scoping report.

4 Now, subsequent to that, we will be issuing
5 a draft Environmental Impact Statement for public
6 review, and that will be followed by a series of
7 public meetings just like these probably in the same
8 locations where now you will have the opportunity to
9 comment on the actual written document which will be a
10 draft, and your comments at that point will be
11 factored into the preparation of the final EIS.

12 Once the final EIS is completed, that, too,
13 becomes public, and at that point I leave the
14 environmental portion of the process and it then goes
15 to other people in the Department of Energy who will
16 look at electrical power reliability, potential
17 impacts of the project on the electrical -- existing
18 American electric power grid.

19 We are also required to check with the State
20 Department and with the Defense Department. They have
21 to concur on issuing the permit if we decide we are
22 going to do that, and we issue a Record of Decision

1 which announces the process that we went through and
2 whether or not we have elected to issue the
3 Presidential permit.

4 If we decide to issue the permit, that's
5 then followed by the actual Presidential permit
6 itself, and all of these documents will be public.

7 So it's a long process. The Environmental
8 Impact Study process is input to the process but not
9 the only -- not the only consideration that enters
10 into whether or not to grant the Presidential permit.

11 What I want to do now is turn it over to Don
12 Jessome, let him talk to you about the project. He's
13 the President and Chief Executive Officer of
14 Transmission Developers and let you hear how he sees
15 it from his perspective, and then after that, we'll
16 take your comments.

17 MR. JESSOME: Thank you Dr. Pell. Pleasure
18 to be here this evening and I am certainly looking
19 forward to the comments from the audience here later
20 this evening after I've had my spiel here, but let me
21 just tell you about Transmission Developers and also
22 about the project that we're here to talk about this

1 evening.

2 Transmission Developers was formed in 2008,
3 and it's a company that is looking specifically, as
4 the name applies, looking at transmission projects.
5 Very early on, our mandate was to look at a couple of
6 things. One was the -- to choose technology that met
7 with the criteria that our company was looking at
8 trying to achieve. And the key criteria that we
9 wanted to achieve is to bury the cables or bury the
10 transmission line.

11 The reason we wanted to do that is because
12 we felt that it was important for transmission to be
13 built, and transmission has had a lot of hurdles
14 thrown in front of it, and primarily it's because
15 people are concerned about getting transmission towers
16 in their backyards and the viewscape that is
17 associated with that.

18 So we chose a technology very early on to be
19 HVDC technology so that we could bury the cables.
20 I'll talk a little bit more as to why it's DC as
21 opposed to AC in just a minute.

22 The other thing -- the other criteria that

1 we're looking for is to look for projects that were in
2 particularly congested markets and areas where we
3 could bring clean renewable energy to these markets
4 and so that that was another very important criteria
5 for our company; and then thirdly, it's -- again, at
6 the end of the day, someone has to pay for all of
7 these projects, and, you know, there's sort of two
8 different models out there for transmission projects
9 as to how they're paid for. One is sort of the
10 traditional what we call socialized methodology and
11 that would be the traditional, utilities would look
12 into building a transmission project, they would go to
13 their local regulator, the local regulator would take
14 it through the bases to determine whether or not the
15 transmission project should be built, and if it was,
16 it was rolled into what they call a rate base and the
17 customers paid for it.

18 Our project is different. There's a new
19 model that's come in the marketplace over the last 15
20 years. It's called merchants, and really all this
21 means is that we have to go out and find customers to
22 pay for this line. So it's a very different process

1 that we go through. We actually -- I literally have
2 to go out and sign up customers in order to pay for
3 the use of this transmission line.

4 Just a couple of points on that. We are a
5 transmission company, so we are just the transporter
6 of the electricity. We actually do not take title to
7 the electricity. What we do is we provide customers.
8 Typically generators are the customers who look at
9 these types of projects. Generators look at us as a,
10 you know, like a long extension cord to get into the
11 markets that they want to sell their electricity to.
12 So what we provide is a safe, secure, reliable
13 capacity, and in this particular case, it's a thousand
14 megawatts that they can utilize and sell their
15 electricity to any customers.

16 Let me just tell you a little bit about the
17 project itself. The Champlain Hudson Power Express
18 Project we announced back in February of this year was
19 originally a 2000 megawatt project. A thousand
20 megawatts was going to be delivered into New York City
21 and a thousand over to southwest Connecticut. On July
22 the 6th of this year we made a public announcement

1 that we were no longer proceeding with the southwest
2 Connecticut portion of the project, so this evening's
3 discussion is specifically around the thousand
4 megawatts that's going into New York City.

5 The cables themselves are buried starting in
6 Québec and connected to Hydro Québec's system. We
7 will not own the assets in Québec. Those will be
8 built by Hydro Québec. We can't title past the border
9 so the cables are buried, two cables coming down
10 Richelieu River into Lake Champlain. They come out at
11 Whitehall where we go onto a railroad right-of-way of
12 CP Railroad, and we go around the Capital District on
13 to CSX Railway line, and this is all buried cable, so
14 even though we start in the waterways, we go on to
15 land. We actually maintain a fully buried cable
16 system. We come back into the waters of the lower
17 Hudson at Coeymans and down to Yonkers where we're
18 proposing to build a converter station.

19 The converter station is designed such that
20 it takes the DC power and converts it back to AC, and
21 then we have two AC cables that connect to New York
22 City in the metropolitan marketplace.

1 DC technology has been around actually since
2 Thomas Edison first started working on the lightbulbs
3 in New York City over a hundred years ago, and it's --
4 the classic is, as I describe it, the BETA versus VHS,
5 which technology was going to win, and the technology
6 that won the day was AC, and the key reason was Nikola
7 Tesla was able to determine that a transformer could
8 step voltage up and move power very efficiently in
9 overhead transmission lines with AC power, and that
10 won the technology battle, and it has made our lives
11 tremendously easy because of that, and more that
12 electricity occurred, transmission was spread all over
13 the country and, you know, the rest of the story is
14 history.

15 DC never went away though. Dc power is
16 particularly useful in cable format because you can --
17 you can run cables very long distances with DC power.
18 AC is less efficient moving large volumes of power
19 over long distances, so the technology has become very
20 refined over the last 25 years in particular and so
21 HVDC technology is very mainstream today. There's
22 many, many projects all over the world. It's

1 completely compatible with the AC system through the
2 converter stations, and it's a welcome tool in the
3 toolbox of regulator -- not regulators, the control
4 systems that these projects go into because of the
5 ease of being able to move power very efficiently.

6 So with that, I will hand this back to Dr.
7 Pell.

8 DR. PELL: Thank you, Don. A couple of
9 things come to mind listening to Mr. Jessome talk
10 about AC versus DC. DC is not new to transmission in
11 the United States either. There's a major north-south
12 transmission line in the west that is high voltage
13 that is direct current. Now, it's not on the ground,
14 it's above ground on conventional towers but they're
15 the reason that HVDC was chosen was because, just like
16 Don said, the losses are fewer, and so over a long
17 distance, the losses could really have a significant
18 impact on the amount of power being delivered being
19 less than the amount being generated, so DC is the
20 transmission mechanism of choice for long distance
21 transmission.

22 Your car battery is DC, in case you didn't

1 know that. Your battery in your cell phone is DC.
2 The batteries that you're all probably familiar with
3 are all DC devices.

4 Your automobile alternator is called an
5 alternator because it actually generates AC,
6 alternating current. Within the alternator built in
7 is a circuit, a rectifier circuit that converts back
8 alternating current produced by the generator to
9 direct current for use by the automobile. As I said,
10 your car battery's DC, and the alternator ultimately
11 puts out DC although it starts as AC.

12 I wanted to mention also for the record just
13 to be very clear because there has been some question
14 about this at previous meetings, this is not a
15 Department of Energy project. As Don mentioned, it is
16 a merchant project. Don comes to us for a permit.
17 Whether or not the project goes forward is not -- we
18 have no vested interest in that outcome, and if the
19 project does go forward, DOE has no vested interest in
20 its success.

21 The Presidential permit only permits Don's
22 line to cross the border. He still has the complete

1 set of State and local permitting requirements to
2 satisfy so he needs the Presidential permit, it's a
3 necessary condition, but it's certainly not a
4 sufficient condition so this -- the process here at
5 DOE is superimposed on top of everything else that the
6 applicant has to obtain approvals on.

7 There are four cooperating agencies working
8 with DOE on this report: U.S. Army Corps of
9 Engineers; U.S. Environmental Protection Agency; and
10 two State agencies, the New York State Department of
11 Public Service Commission and New York State
12 Department of Environmental Conservation, so you have
13 five agencies involved in making sure that the EIS
14 satisfies each of these agencies' needs as complete
15 and comprehensive, so it's an intensely collaborative
16 and cooperative process, which means State government
17 and Federal government.

18 Having said all that, I'd like to turn to
19 the comments themselves. Are there any officials here
20 that are elected that would like to be recognized
21 before they make a comment?

22 (There was no response.)

1 DR. PELL: Are there any government
2 officials that would like to be recognized and perhaps
3 make a comment?

4 (There was no response.)

5 DR. PELL: Okay. Since there are no elected
6 or governmental officials asking to be recognized, we
7 will proceed with the people who have asked to speak
8 starting with Ms. Julia Stokes who is with an
9 organization called the Saratoga P.L.A.N. Good
10 evening, Julia.

11 JULIA STOKES: Hi. Saratoga P.L.A.N. is the
12 Regional Land Trust and Open Space Small Growth Group
13 in Saratoga County, and we're interested in two
14 issues, and since you're going to be using the
15 railroad right-of-way all the way through Saratoga
16 County -- I'm sorry, or Mr. Jessome will be, where
17 there are areas where the railroad right-of-way is
18 wide enough that they bring the power corridor all the
19 way to the edge, we'd like the opportunity for trail
20 corridors along that with appropriate fencing. We've
21 worked very successfully with CSX and with Norfolk
22 Southern to accommodate trails along the Mechanicville

1 railroad property and just south of the City of
2 Saratoga Springs is the CSX, so we'd like to be able
3 to look at the maps to see where those rail corridors
4 are actually wide enough to accommodate putting the
5 trail on top of that line.

6 The other issue that we would like to raise
7 would be archaeology. I'm sure that the State
8 Preservation Office in New York will be involved.
9 Particularly where you're coming out of the Champlain
10 and you're crossing Saratoga County, that is where a
11 major portion of the Revolutionary War was fought, and
12 we want to make sure that any archaeological resources
13 are protected as well. Thank you.

14 DR. PELL: Thank you, Julia. As a matter of
15 fact, archaeology is a routine portion of the
16 Environmental Impact Statement, and with regard to
17 your question about pedestrian walkways and paths of
18 that nature, are you planning on submitting anything
19 written for the record that elaborates on exactly what
20 you have in mind?

21 JULIA STOKES: I can.

22 DR. PELL: It might be useful, if you can.

1 It's not a requirement or a request, of course. It's
2 just a suggestion you may want to consider doing.

3 JULIA STOKES: I drew some maps for Mr.
4 Jessome what I was talking about.

5 DR. PELL: Can you hear that?

6 JULIA STOKES: I'm sorry. I drew some
7 diagrams, but I can do that. Saratoga P.L.A.N. also
8 received "active party status," so we'll be filing
9 along with that.

10 DR. PELL: That's great. The more input we
11 get, the better. Thank you.

12 I'd like to go on now to Mr. Gordon Boyd
13 who's with an organization called Energy Next,
14 Incorporated.

15 GORDON M. BOYD: Thank you very much. I'm
16 Gordon Boyd. I'm President of Energy Next. We are an
17 energy consulting firm based in Saratoga Springs. We
18 are buyers' agents for energy consumers through
19 Chambers of Commerce, trade associations and municipal
20 governments across New York State but particularly
21 here in the Capital Region.

22 Electric consumers in Capital Region's Zone

1 F pay between a \$100 and \$200 million in premium
2 electric costs every year because of transmission
3 congestion. This is a vestige of the way the old
4 utility system was constructed but under our semi-
5 deregulated market system, it means that people who
6 are downstream of bottlenecks and congestion points in
7 the transmission system pay more, and that's the
8 pretext and the reason for your project, the Champlain
9 Hudson project to relieve congestion in New York City.

10 But there is congestion here on the pathway
11 of that project in between Québec and New York City,
12 and we would like to recommend that the project
13 consider dropping off some of that power on its way
14 through the Capital Region.

15 Now, I've mentioned the economic
16 justification for doing that, which is compelling, I
17 think, from the consumer's point of view, but I
18 believe there are also environmental benefits that
19 would accrue from that as well. One is that a number
20 of customers in the Capital Region desire to purchase
21 renewable energy, but because the price of power here
22 is such a premium compared with areas of the state to

1 the west and the north where a number of renewable
2 projects are being developed and are looking for
3 customers, the power from those renewable energy
4 projects is unaffordable by the time it gets to the
5 Capital Region, again, because of the overall cost of
6 congestion.

7 The second environmental benefit that would
8 accrue from relieving congestion here would be to
9 relieve the pressure on existing fossil generation
10 both within the region and that generation we do
11 import, so I think that would be an overall
12 environmental benefit but there is a tremendous cost
13 that we're paying here analogous to New York City but
14 not in such large numbers because we don't have as
15 many kilowatt hours going through the system here, but
16 we would recommend that be considered as part of the
17 EIS. Thank you.

18 DR. PELL: Thank you very much, Gordon. You
19 mention congestion. As somebody who's with DOE, it
20 was my office of Electricity Delivery and Energy
21 Reliability, OE. OE has issued a congestion study that
22 designated National Interest Electricity Transmission

1 Corridors, one of which was the northeast corridor
2 along the coast down to the New York City area, so
3 we're well familiar with the congestion issue, and I
4 thank you for bringing that up.

5 As far as dropping power off in the Capital
6 area, that's a comment for Don to take under
7 advisement. Don, correct me if I'm right or wrong on
8 this, but it seems to me that if I'm right, you would
9 have to establish a new converter station in the
10 Capital area in order for that power to be useful to
11 be dropped off. That converter station would both be
12 an expensive proposition plus have impacts of its own,
13 so I guess what I'm really trying to say is nothing is
14 easy.

15 GORDON M. BOYD: I didn't say it would be
16 easy or free, but since we are paying an extra cost
17 for power here that if you look over the last number
18 of years is running between a hundred to \$2 million a
19 year to about a million consumers, so it's a
20 significant amount of money to our local economy. I
21 think that the cost of converting and so on could be
22 amortized into that surplus to everybody's benefit.

1 One way to do it would be to, obviously,
2 convert and then reconvert on the way down. Another
3 option the -- the developers might want to consider is
4 just laying a second pair of cables that would
5 terminate somewhere here in the region and handle it
6 that way.

7 DR. PELL: Thank you very much, Gordon.
8 Don, do you want to add anything to that, or do you
9 think we've covered it adequately?

10 MR. JESSOME: No, it's quite accurate.

11 DR. PELL: Go into the microphone, please.

12 MR. JESSOME: Sure. So absolutely, if we
13 were to try and interconnect to the Albany area, we
14 would have to put another converter station, and just
15 to, you know, from a price perspective, a thousand
16 megawatts, I'm not saying we could build a converter
17 station for \$200 million, so -- and it's fairly
18 linear. Depending upon the size, it could actually go
19 up slightly depending on the sites, but that's the
20 kind of cost we're talking about, so, you know, this
21 project is, you know -- all of the studies that we
22 have done, particularly with the system operator which

1 is absolutely critical for liability reasons is from
2 point A to point B, and we picked those two points at
3 this point in time. You know, future projects can
4 certainly be considered, but at this point in time,
5 the project that we're looking at does terminate down
6 by the Yonkers facility.

7 DR. PELL: Okay. Thank you, Don. That
8 completes the list of people. The speakers now are
9 open to the floor. If anybody wants to speak, we'd be
10 glad to hear from you. All you have to do is raise
11 your hand and come forward. Nobody wishes -- there we
12 go. Sir, would you be kind enough to come to the
13 microphone and give us your name?

14 SKIP STRANAHAN: Yeah. I didn't come
15 prepared. I actually came right from work. I
16 apologize for my looks.

17 DR. PELL: No problem, no problem.

18 SKIP STRANAHAN: I represent "We the People"
19 in Warren County. I'd like to know who is paying for
20 this \$3.8 billion --

21 COURT REPORTER: I need your name, please.

22 DR. PELL: Can we at least get your name

1 first, please?

2 SKIP STRANAHAN: Skip Stranahan.

3 DR. PELL: Thank you. Can we spell that for
4 the benefit of the stenographer?

5 SKIP STRANAHAN: S-T-R-A-N-A-H-A-N.

6 DR. PELL: Thank you, sir. Tell us again
7 the name of the organization.

8 SKIP STRANAHAN: "We the People." We're a
9 foundation for constitutional government. We think
10 that it's been neglected for years here, but my
11 question is simple, is there public funding in this
12 \$3.8 billion you intend to spend or whose money are
13 you spending?

14 DR. PELL: Well, this isn't supposed to be Q
15 and A, but I will answer your question because it's
16 important. The short answer is no. As I mentioned
17 before, DOE has no vested interest, there's no
18 taxpayer money involved. As Don mentioned, it's a
19 merchant proposition. The money comes from TDI and
20 from their financial affiliations. Your taxpayers'
21 dollars are involved not at all. In fact, the conduct
22 of these meetings and the Environmental Impact

1 Statement preparation are all paid for by TDI, so the
2 short answer to your question is there are no taxpayer
3 dollars involved, but just as a matter of detail, now
4 that the Connecticut portion of the proposed project
5 has been dropped, I think now the overall cost of the
6 project has come down from the proposed 3.8 to about
7 half that, \$1.9 billion, but no, no tax money.

8 SKIP STRANAHAN: I have a second question.
9 What kind of impact would us using all Canadian power
10 off this line have on the people here as far as
11 employment and us being self-sufficient with energy in
12 America?

13 DR. PELL: We do look at socioeconomic
14 impacts, and we will look at the potential employment
15 benefits that would improve in the construction of the
16 project and within the operation so the EIS will
17 address that to some extent.

18 SKIP STRANAHAN: Thank you.

19 DR. PELL: You are more than welcome. Thank
20 you. Anybody else care to comment?

21 (There was no response.)

22 DR. PELL: Nobody? We're all satisfied we

1 have nothing further to say, is that true?

2 (There was no response.)

3 DR. PELL: We're all friends here. You're
4 more than welcome to come forward. Well, okay, I'll
5 tell you what, we'll adjourn the formal portion of the
6 meeting. Don and I will hang around for a while.
7 It's still early. If you want to talk to either of us
8 off-the-record, we'll be glad to chat with you.

9 Again, I can't thank you enough for coming
10 out tonight. It's really great hearing from you. It
11 will be a while before it happens, but I look forward
12 to seeing you all again when the draft EIS is out for
13 review.

14 In the meantime, you have our website, you
15 know how to reach me, and you're more than welcome and
16 invited to contact us at any time for any reason. If
17 we can be of any assistance, I assure you, we will.
18 So have a good night. Thank you very much.

19 (Time noted: 8:32 p.m.)

20

21

22