



## Energy Services

November 22, 2024

**Via Email:** [NESCOEstates@gmail.com](mailto:NESCOEstates@gmail.com) [pacmatters@iso-ne.com](mailto:pacmatters@iso-ne.com)

Re: HQUS Comments Potential Transmission Needs for a Longer-term Transmission Planning RFP

Hydro-Québec ("HQ") through its U.S. subsidiary H.Q. Energy Services (U.S.) Inc. ("HQUS"), appreciates the opportunity to provide comments on the letter submitted on October 16, 2024, by the New England States Committee on Electricity ("NESCOE") in working to initiate a request for proposals under the Longer-term Transmission Planning ("LTTP") process. HQ supports continued efforts to advance needed infrastructure investments throughout the Northeast region and commends NESCOE and ISO-NE for their work in developing and implementing a process to enable transmission solutions which address system needs and facilitate the reliable and affordable achievement of the region's clean energy goals.

HQ is the largest generator of clean energy in North America, with a generation portfolio comprised of nearly 100% renewable energy. HQ has played a significant role in the continuing decarbonization of the New England electricity system through the delivery of clean, and renewable electricity and electricity products, and is expanding these activities through the development of the New England Clean Energy Connect project and associated contract for incremental clean energy deliveries.<sup>1</sup> In the future, we look forward to exploring additional opportunities to utilize bi-directional transmission to facilitate greater two-way exchange of clean energy and fully capture the unique advantages both regions can offer in meeting the current and future electricity system challenges throughout the clean energy transition.

Greater interregional transmission with Québec provides a valuable source of clean dispatchable generation required to achieve deep decarbonization of New England's economy, while supporting renewable generation investments in New England by utilizing the flexible and long-duration storage capability of the HQ system and its vast interconnected storage reservoirs.<sup>2</sup> This storage capacity will become increasingly valuable as the region's supply mix shifts toward renewable resources by absorbing excess renewable production that would otherwise be curtailed, creating an additional market for this production and opportunities to redeliver excess renewable energy back to New England during periods of high demand and low domestic renewable production.

The use of bidirectional transmission to better match New England's renewable production with demand can reduce congestion and curtailment risk for generators in the United States, mitigating uncertainties and minimizing economic deterioration for existing and future renewable energy projects. Additionally, the highly controllable features of the HQ system can help ensure that adequate clean supply is available to meet demand in New England during periods of low renewable production,

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<sup>1</sup> NECEC is a 1,200 MW 345 kV HVDC transmission line that will deliver clean energy from HQ and interconnect to the ISO-NE transmission system at Lewiston, Maine pursuant to a 20-year Power Purchase Agreement entered into between the Massachusetts Electric Distribution Companies and HQUS.

<sup>2</sup> HQ's generation portfolio is comprised primarily of large-scale hydropower, with an interconnected reservoir storage system which can store up to 176 million MWh of energy.

reducing the need to dispatch expensive and high-emitting resources and producing significant economic, environmental, and reliability benefits.

The LTPP process and first solicitation are essential for reducing congestion and constraints in the New England power system. The resulting transmission solutions will optimize the use of existing and future resources, including the interconnections between New England and Québec, by helping to ensure the efficient delivery of clean energy to meet regional demand.

Recognizing that the LTPP process will require an appropriate amount of time to adequately solicit and evaluate solutions, HQ encourages New England to simultaneously implement market reforms to complement and optimize future transmission solutions. Such market reforms include actions to remove impediments for greater two-way exchange of clean energy between New England and neighboring systems, such as the Through or Out Service charges<sup>3</sup>, or “Exit Fees” which create economic barriers for energy imports from New England to Québec in periods where excess clean generation may be available. Market structures should be created and implemented that properly compensate clean and dispatchable resources and long-duration storage to support the integration of significant volumes of renewable generation into the New England system.

We look forward to the continued collaboration with NESCOE, ISO-NE, and New England regional stakeholders in working to expand the clean energy partnership and deliver effective clean energy solutions throughout this process.



Serge Abergel  
Chief Operating Officer  
H.Q. Energy Services (U.S.) Inc.

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<sup>3</sup> OATT Schedule 8 – Through or Out Service - The POOL PTF RATE.