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April 25, 2018

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: Long-Term Contracts for Clean Energy Generation Projects Pursuant to Section 83D of Chapter 169 of the Acts of 2008 – D.P.U. 17-32

Dear Secretary Marini:

Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy (collectively, the “Distribution Companies”), wish to inform the Department of Public Utilities (“Department”) that the Distribution Companies are in the final stages of contract negotiation pursuant to Section 83D of the Green Communities Act, as added by Chapter 188 of the Acts of 2016, An Act to Promote Energy Diversity (hereinafter “Section 83D”), as further discussed below.

The Request for Proposals for Long-term Contracts for Clean Energy Projects issued on March 31, 2017 (the “RFP”) anticipated that the Distribution Companies would submit a long-term contract or contracts for Department review and approval on April 25, 2018. As the Department is aware, however, the Section 83D selection and contract negotiation process was seriously impacted by severe winter weather conditions and regulatory decisions in other jurisdictions that were outside the control of the Evaluation Team. Due to those events, the Distribution Companies have not yet completed contract negotiations.

The Distribution Companies responded to three powerful nor’easters during the first two weeks of March.¹ The Distribution Companies operated continuously under activated emergency response status for sustained durations in March to restore power to affected areas. During that time, members of the Evaluation Team were pulled from their regular business activities to respond to the storms. As a result, the work of the Evaluation Team was severely impacted, resulting in cancelled meetings, delayed document reviews, the absence of key technical personnel and decision-makers, and related issues. The storm duty responsibilities of Distribution Company personnel lasted in some cases significantly beyond the end of the storms, resulting in delays in the contract negotiation process.

¹ Governor Baker declared a State of Emergency in response to the first nor’easter on March 3, 2018. See Governor’s Declaration of Emergency, March 3, 2018, available at: <https://www.mass.gov/files/documents/2018/03/06/StateOfEmergency-03.03.18.pdf>.

On January 25, 2018, it was announced that Northern Pass Transmission, Hydro bid (“NPT Hydro”) had been selected as the winning bid. However, on February 1, 2018, the New Hampshire Site Evaluation Committee (“NHSEC”) voted unanimously to deny the Northern Pass Transmission project a Certificate of Site and Facility. As reported in the Department of Energy Resources’ (“DOER”) February 16, 2018 update,² the Distribution Companies requested information from NPT Hydro regarding the impacts of the NHSEC decision and held meetings with the DOER and the Independent Evaluator on February 9, 12, and 13 to discuss the information and determine next steps. On February 14, 2018, the Distribution Companies, in coordination with the DOER and with participation from the Independent Evaluator, notified NPT Hydro that the Distribution Companies would continue conditional contract negotiations with the project, with the option of ceasing discussions with NPT Hydro and terminating its conditional selection by March 27, 2018. Additionally, the New England Clean Energy Connect 100% Hydro project (“NECEC Hydro”) was offered to enter into concurrent conditional contract negotiations. NPT Hydro and NECEC Hydro accepted these terms on February 15, 2018.

The above process took considerable time and attention from the Evaluation Team, essentially extending the Section 83D selection process by three weeks beyond the originally-anticipated schedule. Subsequently, the Distribution Companies pursued two full concurrent negotiations through March 27, 2018. On March 28th, the NPT Hydro negotiation process was terminated.

Despite these unanticipated events, the Distribution Companies are in the final stages of negotiations with NECEC Hydro based on the prices, terms and conditions bid by the counterparties. Although some key contract terms have yet to be agreed, the Distribution Companies are committed to working with NECEC Hydro in good faith to resolve those remaining issues. Assuming that those efforts are successful, the Distribution Companies will submit to the Department as soon as possible thereafter a petition for approval of such agreements, along with detailed supporting exhibits.

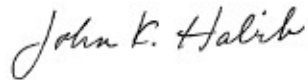
Thank you for your attention to this matter. Please contact any of the undersigned counsel if you have any questions regarding this notice.

² See DOER Update on Section 83D Clean Energy Solicitation, available at: <https://macleanenergy.files.wordpress.com/2018/02/doer-statement-update-2-16-18.pdf>.

Respectfully submitted,

**MASSACHUSETTS ELECTRIC COMPANY
and NANTUCKET ELECTRIC COMPANY
each d/b/a/ NATIONAL GRID**

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cc. Alan Topalian, Hearing Officer
Service List