

VERMONT GREEN LINE

Vermont Green Line Transmission Project

Notice of Open Solicitation for Transmission Service

Starting on August 6, 2018 Vermont Green Line Devco, LLC (“Vermont Green Line”) will commence an additional open solicitation process for capacity on the proposed Vermont Green Line transmission project (the “Project”). The Project is a proposed approximately 59-mile high voltage direct current (“HVDC”) transmission line from Plattsburgh, New York to New Haven, Vermont that will be capable of delivering up to 400 MW. Through the open solicitation, Vermont Green Line intends to allocate up to 100 percent of its capacity rights in the Project capacity to anchor customers.

This is the fourth solicitation seeking potential customers for the Project. An initial open solicitation was conducted in late 2012 through early 2013, with responses due by April 30, 2013.¹ Subsequently, in 2016 capacity over the Project was a component of a bid in the recent open and competitive Request for Proposals (“RFP”) process conducted by the electric distribution companies in Connecticut, Massachusetts, and Rhode Island (the “EDCs”) in coordination with various state regulatory agencies. In late 2016, a third solicitation was conducted offering the same transmission capacity and services targeting merchant generator opportunities.

This solicitation is being conducted in accordance with the Federal Energy Regulatory Commission’s January 17, 2013 Final Policy Statement on the Allocation of Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded Transmission Projects and on Priority Right to New Participant Funded Transmission (the “Policy Statement”).² The purpose of the solicitation is to identify and select a customer or customers with whom Vermont Green Line will negotiate an allocation of up to 100 percent of the 400 MW of capacity of the Project. While Vermont Green Line requests responses by August 20, 2018, earlier responses are encouraged. If interested parties satisfy the criteria described in this notice, Vermont Green Line may commence negotiations immediately.

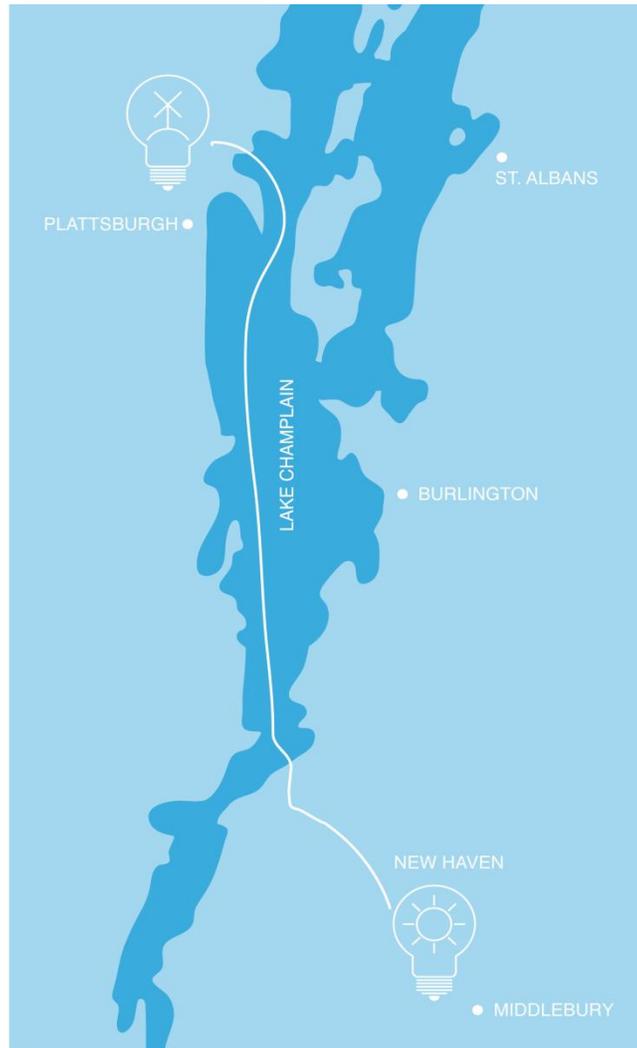
Summary Description of the Vermont Green Line

The Project is a HVDC 400 MW Voltage Source Converter HVDC transmission system connecting the New York Power Authority Plattsburgh Substation in Beekmantown, Clinton County, New York, and the Vermont Electric Power Company (“VELCO”) New Haven Substation in New Haven, Addison County, Vermont. The transmission line will be buried along public roadways and submerged beneath the waters of Lake Champlain. The

¹ That solicitation was conducted by GII Development LLC, and at the time the Project was referred to as the “Grand Isle Intertie.” In that solicitation, the Project was described as a 230kV, 400 MW, PAR controlled transmission line originating from the New York Power Authority’s Plattsburgh substation in Plattsburgh, NY and terminating in Vermont at a new VELCO “Champlain substation” in Essex, VT. Although the route and configuration of the Project has changed over time, the transmission capacity available over the Project, as well as the termination points of the Project, have remained essentially the same.

² 142 FERC ¶ 61,038 (2013).

approximately 40 mile long HVDC underwater cable will be buried along the lakebed of Lake Champlain.



Additional information about the project is available at vermontgreenline.com.

Current Status of Project Development

Vermont Green Line will be submitting an Elective Transmission Upgrade (“ETU”) interconnection request to ISO-NE. In the ETU Interconnection Request, the project will be designated as an External ETU, Merchant Transmission Facility/Other Transmission Facility. The interconnection request will seek service supporting the import of 400 MW of energy and capacity (Capacity Network Import Interconnection Service (“CNIIS”)) into the ISO-NE transmission system at the New Haven, VT 345 kV point of interconnection.

NYISO accepted Vermont Green Line’s interconnection request in 2012. Vermont Green Line requested 400 MW of Energy and Capacity Resource Interconnection Service. The current status of the project is shown in the NYISO’s Interconnection Requests & Transmission Projects

list as Queue Position 386. The NYISO Feasibility and System Reliability Impact Study are complete.

The Project is expected to be available in the 2023 timeframe.

The Vermont Green Line Customer Solicitation

This solicitation has been developed and will be conducted pursuant to guidance outlined by the Policy Statement. The Policy Statement indicates merchant transmission developers may use an open solicitation to select a prospective customer or customers with whom the transmission developer will negotiate on the specific rates, terms, and conditions of procuring transmission capacity on the proposed transmission line, in this instance the Project.

Vermont Green Line is seeking transmission customers interested in signing contracts for the “Transmission Scheduling Rights” to transport energy, capacity, and/or renewable energy credits (“RECs”) across the Project in the New York to New England direction only. These Transmission Scheduling Rights are for unidirectional Firm Point-to-Point transmission service from the New York end of the Project to the New England end of the Project.

Vermont Green Line anticipates that several types of customers may be interested in owning Transmission Scheduling Rights on the Project – suppliers with generation resources in New York, New England load that would like access to New York resources, or other entities interested in shipping energy, capacity, and/or RECs from New York to New England. As Vermont Green Line seeks transmission customers, it invites all interested parties to respond to this solicitation.

Criteria for Customer Selection

The Policy Statement advises developers of transmission capacity to specify in their solicitation the criteria that will be used to select transmission customers with whom they will negotiate rates. Vermont Green Line has established the following threshold criteria and additional metrics to select prospective transmission customers with whom it will negotiate.

Threshold Criteria:

1. Respondents must have investment grade credit according to generally accepted principles in the financial community, or equivalent means of securing credit support for the project’s agreed upon rate structure.
2. Respondents must be willing to sign contracts for 20 years. Vermont Green Line is willing to consider shorter durations, if a potential customer is bidding a resource into an RFP in New England that would result in a long-term contract, and the tenor of a contract resulting from that RFP is less than 20 years.
3. Respondents must either (a) be in service, or have a projected in-service date on or before that of the Vermont Green Line, or (b) take service and pay the agreed upon tariff rate upon COD of the Vermont Green Line.

In addition to those criteria, Vermont Green Line will consider

1. First mover status.
2. A respondent's ability to assist with Project development needs, including obtaining necessary siting approvals and governmental and regulatory authorization and requirements.
3. A respondent's ability to submit the necessary requests for participation in the ISO-NE Forward Capacity Auction associated with the Project's expected in-service date and to qualify and receive a Capacity Supply Obligation in that Forward Capacity Auction.
4. A respondent's level of experience in developing and/or operating generation resources for which they are seeking transmission service.
5. Load respondents' experience with executing long-term contracts with generation.

Vermont Green Line will evaluate the responses of prospective customers to this open solicitation based on these criteria. Vermont Green Line will consider individual as well as joint responses from prospective customers for up to 400 MWs of the Project's Transmission Scheduling Rights.

Respondents to this open solicitation should indicate the following:

1. The respondent's credit rating or equivalent means of securing project financing. If respondent is a generation resource, the respondent's ability to finance the existing or new generation project and support the transmission payments over the life of the contracted Transmission Scheduling Rights;
2. The amount of transmission service sought;
3. The anticipated commencement of Transmission Scheduling Rights;
4. The desired length of contract for Transmission Scheduling Rights;
5. Project development experience, or business description if project development is not relevant;
6. A description of the RFP, if any, to which a respondent intends to submit a proposal, and how the proposal will conform or not conform to the criteria of that RFP; and
7. If relevant, any temporal limitations, such as hourly, daily or seasonally, that are associated with the generating resource offered, or of the transmission service requested if respondent is a load-serving entity.

In compliance with the Policy Statement, Vermont Green Line will select Customers whose responses to each of the above criteria and metrics, in the opinion of Vermont Green Line, most closely match the needs of the Project to be successfully permitted, developed and secure financing.

Next Steps

Responses to this solicitation are welcome through August 20, 2018 and should be submitted to:

National Grid Ventures
Attn: Anthony LaRusso
404 Wyman Street

Waltham, MA 02451
(781)907-2778
Anthony.LaRusso@nationalgrid.com

All responses should address the criteria and metrics described in this notice.

Any questions should be sent to the email address above, and answers will be posted to an FAQ page on the Project website at <http://vermontgreenline.com>. Interested parties will have the opportunity to receive electronic updates regarding the Project or schedule a preliminary meeting to discuss transmission service requests by sending a request to the above email address. Any additional information regarding the Project will be available to participants on <http://vermontgreenline.com>.

Vermont Green Line anticipates selecting parties with whom to negotiate by August 31, 2018. In the event of potential oversubscription of Project capacity, information will be posted on the Project website to address capacity allocation arrangements. If, through the open solicitation process, it becomes evident that the transmission line could be oversubscribed, Vermont Green Line will allocate capacity to those customers who value it most highly as reflected by a customer's offered rates, terms, and conditions.

Vermont Green Line reserves the right to terminate the open solicitation process or withdraw from negotiations with interested counterparties at any time.

About Vermont Green Line

Vermont Green Line is a limited liability company organized under the laws of the State of Delaware and was formed to develop an independent electricity transmission line between upstate New York and Vermont, under Lake Champlain. Vermont Green Line is a subsidiary of Grid America Holdings Inc. GridAmerica is an indirect wholly-owned subsidiary of National Grid, a Delaware corporation.