



June 13, 2014

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Eric Cantor
Majority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Majority Leader Cantor:

On behalf of the Canadian Electricity Association (CEA) – the authoritative voice of the electricity sector in Canada – I am writing to applaud key principles and provisions reflected in H.R. 3301, *The North American Energy Infrastructure Act*.

As CEA noted during testimony before members of the Energy and Commerce Committee last October, electricity plays an integral role in the vibrant Canada-U.S. energy relationship. There are over 35 electric transmission cross-border interconnections, which together form a highly integrated North American grid.

These linkages offer numerous advantages to both countries, including a higher level of reliable service through enhanced system stability and expanded access to non-emitting, competitively-priced resources. Such access is made possible through the open electricity trading regime, whose growth has been enabled by the strong level of grid integration. In 2013, the value of cross-border sales was US\$2.75 billion, while the total volume represented further growth in the recent upward trend in bilateral trade.

Ongoing and future expansion of the physical linkages between the Canadian and U.S. segments of the grid will likewise yield significant benefits to consumers. At present, there are no less than half a dozen cross-border power lines under various stages of development all along our shared border. In fact, in the last two months alone, applications were filed for Presidential Permits from the Department of Energy (DOE) for two new projects – the Great Northern Transmission line (connecting Minnesota and Manitoba) and the New England Clean Power Link (connecting Vermont and Québec).

These projects attest to the enduring appeal of cross-border infrastructure as an advantageous option for pursuing benefits which are specific to the economic needs, reliability demands and public policy interests of the local jurisdictions involved. And in a broader context, the pursuit of these benefits is just one of many factors underscoring a much larger need for major investment in new infrastructure across North America.

What's more, each of these pending cross-border transmission projects will support the development of clean, non-emitting energy resources, including resources located in the U.S. Greater integration across the grid will therefore help ensure that North America's clean energy potential is maximized, rather than left stranded.

In light of the above, it is imperative that Canada and the U.S. have permitting approaches that are modernized, efficient, imbued with a high standard for environmental protection and closely aligned. These critical goals will be promoted by several provisions within H.R. 3301 – namely, the establishment of fixed timelines for permitting processes for cross-border energy projects; modernization of procedures to avoid duplication of existing market and regulatory measures; and efficiencies in project reviews, including for routine proceedings such as transfers of ownership.

In addition, CEA supports H.R. 3301's proposed repeal of the statutory requirement for DOE electricity export authorizations, as that which is governed under these authorizations is already addressed or can be addressed through separate market or regulatory mechanisms, or a combination thereof. Likewise, CEA welcomes the amendments made in committee to H.R. 3301 which retain a rigorous standard for environmental review and which focus this review on the impacts associated with the portion of the project at the international border.

Finally, CEA would observe that many of the principles underlying H.R. 3301 mirror recent regulatory reforms enacted in Canada. In 2012, in recognition of the cumbersome and often duplicative review processes around major infrastructure projects, the Government of Canada modernized the review process for such projects. CEA supports achieving greater synergies between the permitting processes in place on either side of the border, as such synergies can assist in maximizing efficiencies and providing maximum certainty to project sponsors and permit applicants.

Given the shared benefits of the North American grid and its need for significant upgrades in the coming years, CEA supports steps being taken by policymakers in both Canada and the U.S. to enact meaningful regulatory reforms. CEA appreciates the thoughtful and worthwhile contribution to this broader effort reflected in H.R. 3301.

Sincerely,



Jim R. Burpee, P. Eng.
President and Chief Executive Officer