

NECPL - SUMMARY OF ECONOMIC AND PUBLIC GOOD BENEFITS IN VERMONT

(All figures in nominal \$)

<u>PUBLIC GOOD BENEFITS</u>	<u>ANNUAL</u>	<u>LIFE OF PROJECT</u>
▪ VT Electric Ratepayer Benefit	\$3.4 million (avg.)	\$135.7 million
▪ VT Renewable Programs	\$1.0 million	\$40.0 million
▪ Lake Champlain Phosphorous Cleanup	\$2.0 million	\$82.0 million
▪ Lake Champlain Trust Fund	\$1.0 million	\$40.0 million
		<u>\$297.7 million</u>
<u>TAXES AND REQUIRED LEASE PAYMENTS</u>		
▪ VT Property Taxes	\$7.2 million (avg.)	\$301.2 million
▪ VT Corporate Income Taxes	\$8.2 million (avg.)	\$328.3 million
▪ VTrans Lease Payments	\$0.5 million (avg.)	\$21.9 million
		<u>\$651.4 million</u>
<u>DIRECT SPEND DURING CONSTRUCTION (2016-2019)</u>		
▪ VT Sales Tax	\$10.5 million (avg.)	\$31.4 million
▪ NECPL VT Employment	\$27.8 million (avg.)	\$83.3 million
▪ NECPL VT Non-Employment Expenditures	\$33.6 million (avg.)	\$100.7 million
		<u>\$215.3 million</u>
<u>DIRECT SPEND DURING OPERATION (2019-2059)</u>		
▪ NECPL VT Employment	\$4.0 million (avg.)	\$158.3 million
▪ NECPL VT Non-Employment Expenditures	\$3.8 million (avg.)	\$151.6 million
		<u>\$309.9 million</u>
TOTAL		<u>\$1.474 billion</u>

OTHER ECONOMIC BENEFITS

▪ Vermont Ratepayer Savings (first 10 years)	\$294.0 million
▪ Increase in Vermont GSP (Construction Period)	\$116.6 million
▪ Increase in Vermont GSP (first 10 years)	\$316.4 million

NOTES ON ECONOMIC BENEFITS SUMMARY

A. PUBLIC GOOD BENEFITS

1. VT Electric Ratepayer Payment
 - a. To VELCO for distribution to VT ratepayers.
 - b. \$2.5MM in initial year of operations plus 1.5% annual escalator for the subsequent 39 years.
2. VT Renewable Energy Programs
 - a. To Clean Energy Development Fund.
 - b. \$1MM/year contribution for 40 years, no escalator.
3. Lake Champlain Phosphorous Cleanup Fund
 - a. Contributions to a Fund to be established.
 - b. \$1MM at Financial Close, \$1MM at COD.
 - c. \$2MM/year for 40 years. No escalator.
4. Lake Champlain Enhancement/Restoration Trust Fund
 - a. Contributions to a Fund to be established.
 - b. \$1MM/year for 40 years. No escalator.

B. TAXES AND REQUIRED LEASE PAYMENTS

5. VT Property Taxes
 - a. Average of \$7.2MM/year for 40 years. Calculated via the Replacement Cost New Less Depreciation methodology (subject to a floor of 30% of replacement cost) with an adjustment for assessed value. Calculated assuming weighted average tax rate for all overland communities.
 - b. Includes average of \$4.0MM/year during construction for taxes on construction work in process.
6. VT Corporate Income Taxes
 - a. Average of \$8.2MM/year for 40 years.
7. VT Sales Tax
 - a. For purchase of project equipment.
 - b. Total is for three year construction period.
8. VT Lease Payments
 - a. For use of State roads (U.S. Route 4, VT Routes 22A, 7, 103, and 100) and railroad rights of way.
 - b. \$0.5MM/year for 40 years. No escalator.

C. DIRECT SPEND DURING CONSTRUCTION AND OPERATIONS

9. VT Employment
 - a. Total based upon average of 140 Vermont jobs annually during 3 years of construction and 22 Vermont jobs annually during 40 years of operations.
10. VT Expenditures
 - a. Direct Vermont-based expenditures by TDI-NE during construction and operations.
 - b. Employment expenditures during construction of \$83.3MM and \$158.3MM during operations.
 - c. Non-labor expenditures during construction of \$100.7MM and \$151.6MM during operations.

D. OTHER ECONOMIC BENEFITS

11. VT Ratepayer Savings
 - a. Calculated for first 10 years of Operation.
 - b. Due to decline in retail energy and capacity prices due to NECPL.
12. Increase in Vermont GSP During Construction
 - a. GSP = Gross State Product.
 - b. Due to indirect and induced jobs and spending.
13. Increase in Vermont GSP During Operations (first 10 years).
 - a. Due to a reduction in energy and capacity costs, and induced and indirect jobs and spending.