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MASSACHUSETTS POWER PLANTS MEET CARBON GOALS EARLY

Boston, MA: The New England Power Generators Association (NEPGA) today released an independent analysis finding that a Massachusetts proposal contract for Canadian, provincially-owned hydropower is exorbitantly expensive and completely unnecessary. Gov. Charlie Baker introduced Senate Bill 1965 providing authority for utilities to sign 15-25 year contracts for up to 1/3rd of all electricity consumed in the state per year. In announcing the proposal, the Governor said it was necessary to meet the carbon emissions targets laid out in the Commonwealth's Global Warming Solutions Act. Dr. Susan F. Tierney of the Analysis Group conducted an independent review of the proposal finding that Massachusetts power plants have met their 2020 carbon emissions reduction targets as of 2013 and that the cost of the contracting proposed in the legislation would dramatically raise costs for consumers.

Dr. Tierney is a former Secretary of Environmental Affairs and a former public utility commissioner in Massachusetts, as well as a former Assistant Secretary of Policy at the U.S. Department of Energy. She is universally recognized as a leader in environmental advocacy, clean energy and competitive electricity markets. NEPGA commissioned Dr. Tierney to provide an independent review of Senate Bill 1965.

Dr. Tierney's report states, "The bottom line is clear – Massachusetts is on pace for power plants to far exceed their 2020 emissions goal under the Global Warming Solutions Act. Senate Bill 1965 is simply not necessary to meet these goals, especially at the direct and indirect costs it would introduce into the region's energy system."

Dr. Tierney's report notes, "This amount of power is not needed for reliability. Nor can it be low cost in light of the full investments (including transmission and new generating assets) needed to supply firm power into New England for so many years..." Based on a conservative cost analysis, the likely price of the contracts would lead to "\$777 million in above-market costs that Massachusetts consumers would be paying every year. Such an exorbitant cost does not appear to be justified even with the other policy considerations weighed."

The report cautions, "If enacted and implemented, Senate Bill 1965 would send the signal to private investors that Massachusetts is willing to adopt public policies that fundamentally change the rules of the game that other power suppliers have depended upon and had to live by. Local power plant owners – some of whom also provide significant quantities of power with no or little carbon pollution – have invested tens of billions of dollars here for the right to compete to serve consumer electricity demand reliably and efficiently, while driving dramatic reductions in emissions."

NEPGA's mission is to support competitive wholesale electricity markets in New England. We believe that open markets guided by stable public policies are the best means to provide reliable and competitively-priced electricity for consumers. A sensible, market-based approach furthers economic development, jobs and balanced environmental policy for the region.

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