

New England Governors and Canadian Premiers Meet as Energy Prices Hit Historic Lows

Boston—As the New England Governors and Eastern Canadian Premiers meet at their annual gathering, the [New England Power Generators Association](#) and the [COMPETE Coalition](#) would like to take an opportunity to underscore that these talks come as electricity and natural gas prices are at historic lows in New England.

June's average wholesale electricity price was the lowest since the ISO New England markets began as we know them in 2003. Despite historic winter weather in New England four of the six lowest average price months for wholesale electricity have occurred in 2015. ISO New England has cited abundant natural gas supplies, low fuel prices and low demand levels as driving the electricity price decrease with the average price of natural gas in June (\$1.63/MMBtu) also the lowest since 2003.

The open, competitive market in New England is also driving investments to keep power supplies in the region competitively priced and reliable. In July alone New England saw an unprecedented amount of new resource investment based here in the region all being pursued as market-based investments at the developer's risk without a state-subsidized contract:

- NRG [announced](#) it was repowering its Canal power plant in Sandwich, MA targeting a completion date of June 2019.
- Emera Energy [announced](#) it is making an \$80 million investment in its Tiverton, RI plant to increase efficiency, boost capacity and improve emissions.
- Invenergy [announced](#) its intention to develop a 900-MW power plant in Burrillville, RI to become commercial in June 2019. (all projects listed pending regulatory approvals)

These summer announcements are in addition to more than 1,800 MW of new supply projects currently under development that have cleared the forward capacity market in recent years – 750 MW in Salem, MA, 815 MW in Oxford and Wallingford, CT and 190 MW in Medway, MA. What all these investments have in common is reliance on market fundamentals and putting their own capital at risk, without the promise of a long-term contract or ratepayer guarantees.

“As these projects move forward, only the most cost-effective supply sources will be selected to meet consumer needs. The New England competitive electricity market is driving competitive pricing, reliability and environmental improvements for consumers. We hope the New England states continue supporting these types of New England-based investments to keep prices competitive and support thousands of local jobs,” said NEPGA President Dan Dolan.

A [recent study prepared for the COMPETE Coalition](#) looked at empirical data over the past two decades to conclude that customers in states with workably competitive electricity markets – including New England states – were better off in terms of price, investment and reliability than were customers in states with government-managed electricity monopolies.

“New England's competitive energy marketplace is working and delivering value and sustainability to consumers,” said COMPETE Coalition Counsel William Massey, a former U.S. Federal Energy Regulatory Commissioner. “Allowing these markets to continue to work is the best path forward for New England's energy consumers and the region's economy.”

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