



33 Broad St, 7th Floor, Boston, MA 02109

(t) 617-902-2354 (f) 617-902-2349

www.nepga.org

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Contact: Laura Wareck
(978) 660-9587

NEPGA RESPONSE TO MASSACHUSETTS ENERGY BILL PASSAGE

Boston, MA: The New England Power Generators Association (NEPGA) is deeply disappointed to see the Massachusetts legislature today approve energy legislation that is expected to dramatically increase costs for consumers and undermine billions of dollars in energy investments here in Massachusetts. The legislation would provide 20 year contracts for more than one-third of the Massachusetts electricity market from select suppliers, such as Canadian government-owned utilities and developers of offshore wind facilities. As the Associated Industries of Massachusetts recently stated about the bill, “the above-market costs passed to ratepayers in the form of rate hikes could be larger than any utility rate hike in history.”

Commenting on the bill, NEPGA President Dan Dolan said, “This energy bill represents the single biggest step away from a competitive electricity market ever taken in New England. Massachusetts was a leader in developing competition in the electricity industry nearly 20 years ago, a decision that was then affirmed by state-wide referendum. Since then, consumers have seen competitive pricing, dramatically lower emissions and more than \$13 billion in power plant investments. In just the last 18 months Massachusetts and the region have seen the lowest sustained wholesale electricity prices in the history of the region.”

Dolan went on to say, “Power plant owners in Massachusetts will now be barred from competing for nearly 60% of the Commonwealth’s electricity market. Instead, consumers will be forced to pay for huge amounts of power at above-market prices, eliminating opportunities for innovation and cost containment. More can and should be done to lower carbon dioxide emissions. This plan, may be the most expensive way to get there I’ve seen.”

In addition to the remarkable wholesale electricity price competition occurring today, the open marketplace has driven numerous other benefits for consumers:

- Power plants in Massachusetts have cut carbon dioxide emissions by more than 51% since 1990 – nearly twice that of any other sector of the economy;
- Over 4,200 megawatts of retiring power plants have been replaced in the competitive market without long-term contracts or state guarantees;
- Over the last eight years, while Eversource residential customers in Massachusetts have seen their average bills rise, the cost to actually purchase the electricity in the market has gone *down* 19%. Electricity bills continue to increase due to costly utility spending and mandated public policy programs. This bill will exacerbate that situation.

The energy bill now moves to the Governor. NEPGA strongly urges the Governor to veto the legislation. NEPGA will continue to review its options moving forward.

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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