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MASSACHUSETTS GHG REGULATIONS WOULD INCREASE EMISSIONS AND COSTS – ARE UNLAWFUL

Boston, MA: The New England Power Generators Association (NEPGA) today filed comments with the Massachusetts Department of Environmental Protection (DEP) raising fundamental legal and policy objections with proposed draft regulations capping Greenhouse Gas (GHG) emissions from power plants. NEPGA's comments find that the proposal violates the Global Warming Solutions Act: "the legislature recognized that electricity markets are different from other areas of economic activity, because activity in Massachusetts – consumption of electricity – can lead to GHG emissions out of state." These proposed regulations would do exactly that.

The independent electricity market operator, ISO New England, [confirmed](#) these findings showing that the draft regulations would actually increase regional GHG emissions. They found that as the regulations impose a more stringent cap, regional GHG emissions actually become worse. As stated in NEPGA's comments, "In short, both logic and available modeling lead one to conclude that the 7.74 Rules would not reduce 'Statewide greenhouse gas emissions,' when DEP's definition of the term is fully taken into account. The regulations may reduce Massachusetts power plant emissions, but when both the regional nature of the power system and the consumption aspect of the definition is also included, the overall net impact of the regulations will not be a reduction."

This counterproductive result is compounded by the fact that while raising GHG emissions, the proposal would also increase regional electricity costs by more than \$40 million per year. NEPGA notes, "The \$40 million is pure deadweight loss to Massachusetts and New England consumers and the regional economy as a whole. Imposing these regulations at such cost and with no benefit would be arbitrary and capricious."

NEPGA President Dan Dolan commented on the filing, "NEPGA members are committed to helping to meet Massachusetts climate change goals. Power plants have cut emissions by 60% since 1990. This has driven Massachusetts economy-wide emissions down 24%, only 1% off its 2020 goal. Despite this remarkable track record, DEP proposes to impose punitive regulations that would cause consumers across New England to pay more to increase emissions. That simply doesn't make any sense."

NEPGA's comments further note, "The electricity sector has dramatically out-performed every other sector in cutting CO2 emissions and now represents barely more than a third of the emissions from the transportation sector. DEP should now shift its focus to sectors, such as transportation, that have not shown a similar downward emissions trajectory."

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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