



August 4, 2022

General Assembly
State House
Hartford, CT 06106-1591

Dear Majority Leader Rojas, Chair Arconti, and Honorable Representatives,

It was with great interest that I read your July 12 letter to ISO New England, and I applaud your recognition of the role the regional electric grid can play in achieving deep decarbonization across the economy. State leaders like you can help lead the way toward a better path forward for Connecticut and New England.¹

It is clear that this moment requires a bold vision and thoughtful leadership. The climate challenge can and should be addressed. That challenge is compounded by the impact of destabilizing geopolitical forces on energy commodities – impacts that consumers are already suffering from. Reliability, which must be the bedrock of a clean energy future, is receiving needed renewed attention as other states such as Texas, California, and Ohio have experienced their own challenges. Those examples each have unique factors. New England too must address its reliability needs based on the specifics of this region while also supporting and enabling a decarbonized future.

Connecticut, along with other New England states, has been clear on the need to reduce carbon. However, a step further is needed: public policies crafted to decarbonize in a way that works with the existing markets that promote reliability through competition (which, in turn, fosters efficiency and innovation). NEPGA therefore urges Connecticut to address climate change head on by putting in place a meaningful price on CO₂ emissions. Doing so will not only help finance clean energy growth, but sustain existing zero and low-carbon generation and provide the reliability needed to electrify transportation and heating.

NEPGA stands ready to help solve these persistent challenges and enable the clean energy future Connecticut has called for. As the trade association representing competitive generating companies, NEPGA's members own and operate roughly 25,000 MW – or approximately 90% of all generating capacity throughout New England.² NEPGA therefore brings unique experience and perspective to the challenges of a changing electric grid.

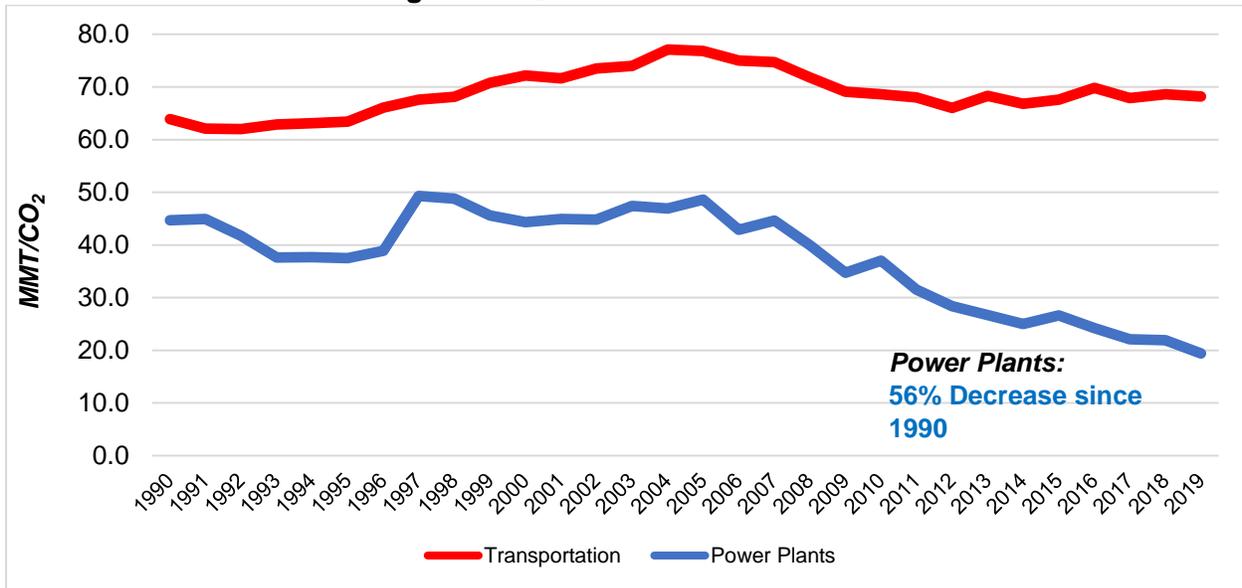
It is NEPGA's own members that have been responsible for significant GHG emissions reductions from power plants – 51% *since 1990* – while emissions in other sectors have remained steady and even increased.³

¹ The comments expressed herein represent those of NEPGA as an organization, but not necessarily those of any particular member.

² In Connecticut, NEPGA members provide more than 7,300 MW, or 82% of all the generating capacity in the state. NEPGA companies also provide roughly 1,500 well-paying, highly skilled jobs to the state's workforce, pay over \$39 million in taxes to the state and its cities and towns and contribute millions of dollars in income taxes paid by employees.

³ Source: <http://www.eia.gov/environment/emissions/state/>, released April 13, 2022

New England CO₂ Emissions from 1990 to 2019



Doubling down on the remarkable reductions already seen in electricity generation can most cost-effectively be achieved through a meaningful price on carbon.

Markets, after all, are not static. They can – and should – evolve over time to meet the challenges society faces. The electricity market powering New England is no different. A recent, extensive [study by ISO New England](#) explored ways to use the region’s wholesale electricity markets to cut economy-wide emissions 80% by 2040. Carbon pricing, done effectively, is more cost effective for consumers than any other proposal considered. NEPGA also released an independent [analysis](#) underscoring this point while also demonstrating the household spending savings under carbon pricing for total energy consumption versus the current path.

We recognize that these topics are often politically challenging. However, failure to act in a durable, sustainable manner carries with it a far greater cost than any potential carbon price. It will take determination and vision to move Connecticut and New England forward.

Quite simply, we need your help. The current reliance on using electricity consumers to finance individual energy projects through long-term contracts is [unsustainable](#). It undercuts innovation in new technologies and undermines investments being made to support reliability in the region.

Connecticut, working in concert with other New England states, can chart a new, better path forward by supporting ongoing efforts to develop alternatives that better align with the electricity market architecture. NEPGA and its members stand ready to work with you and other policymakers continue to power and decarbonize the economy of Connecticut.

Sincerely,

Dan Dolan,
President