

October 21, 2022  
Bethany Card, Secretary  
Executive Office of Energy and Environmental Affairs  
100 Cambridge Street, Suite 900  
Boston, MA 02114

By Electronic Mail: [gwsa@mass.gov](mailto:gwsa@mass.gov)  
Re: Comments on the Massachusetts Clean Energy and Climate Plan for 2050

Dear Secretary Card:

The New England Power Generators Association (NEPGA)<sup>1</sup> is committed to providing the power necessary to meet the Commonwealth's goal of net-zero carbon emissions by 2050 and appreciates the opportunity to offer the following comments on the emissions limits proposed for the Clean Energy and Climate Plan (CECP) for 2050.

NEPGA's member companies account for more than 90% of all generating capacity throughout New England – with more 8,000 MW in Massachusetts alone. They also own and operate more than 7,500 MW of renewable and zero-carbon resources throughout the region. NEPGA companies provide well paid, highly skilled jobs to the Massachusetts workforce and pay millions of dollars in taxes to the Commonwealth and its cities and towns – and their employees pay millions more in income taxes.

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 environmental policy for the region. NEPGA therefore offers a unique perspective on how EEA establishes new emissions limits and develops plans to achieve them.

On an economy-wide basis, New England's electric power sector has been responsible for reducing GHG emissions – by more than half since 1990 – where other sectors have remained steady or even increased.

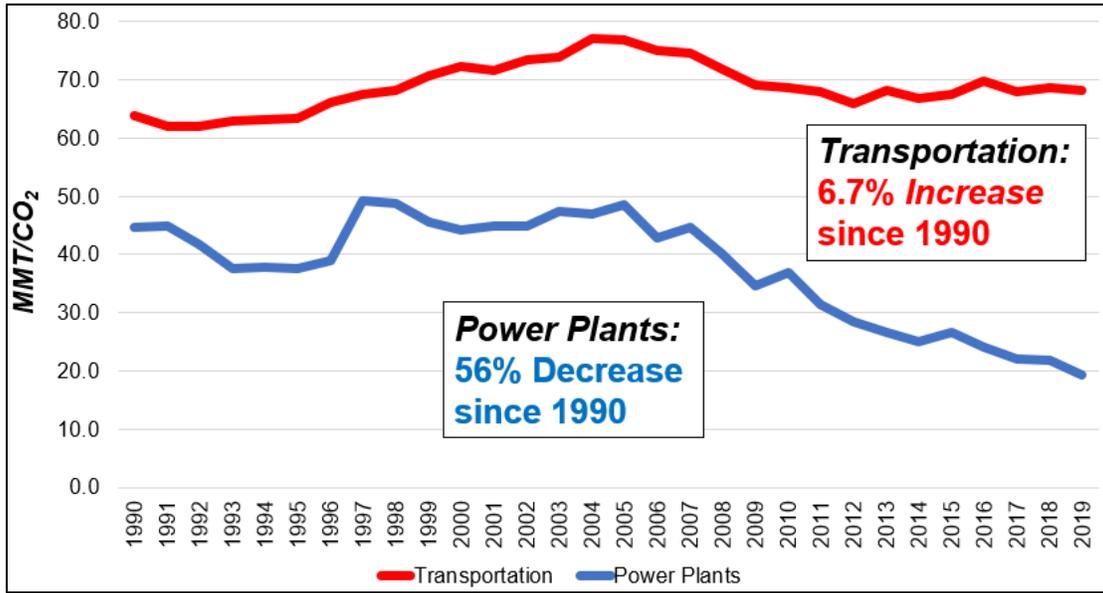
As illustrated below, in Massachusetts, the emissions reductions have been even more dramatic, with CO<sub>2</sub> emissions from power plants cut by 75% from 1990 to 2019, while transportation's have increased by 11%.<sup>2</sup>

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

<sup>2</sup> Source: <http://www.eia.gov/environment/emissions/state/> (Released April 13, 2022)

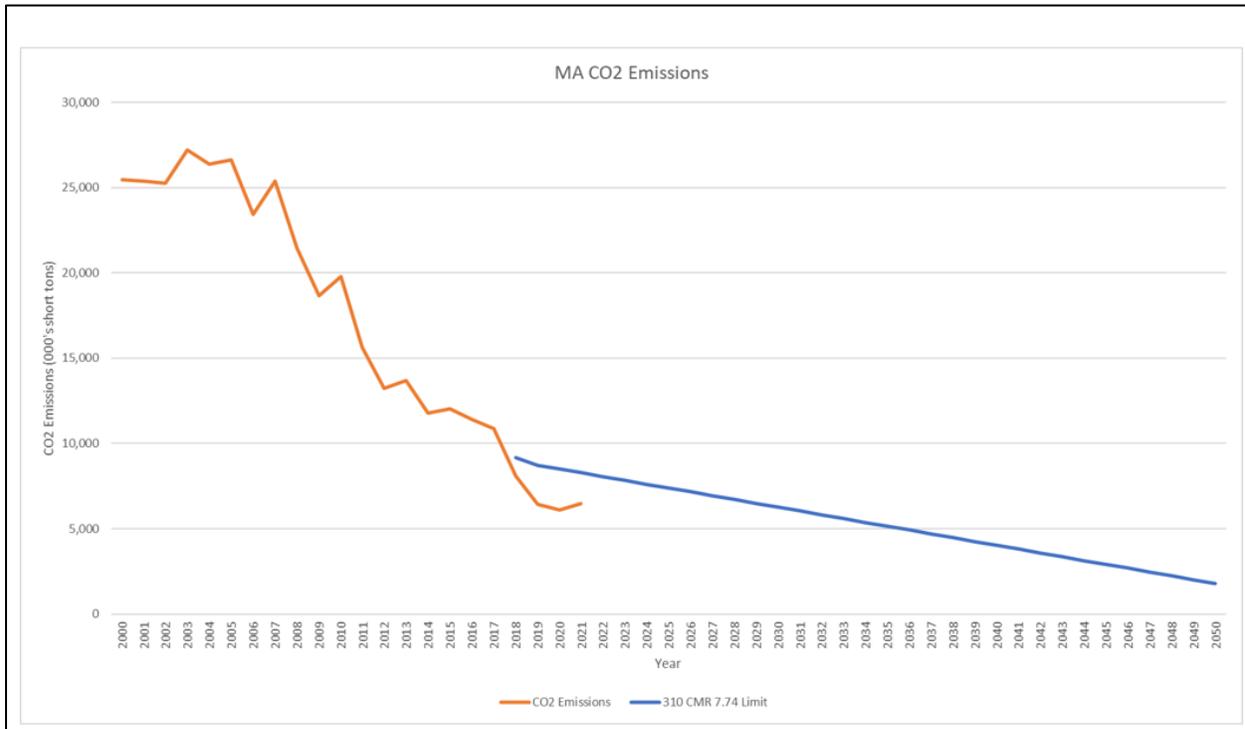
### Massachusetts Emissions since 1990



Source: <http://www.eia.gov/environment/emissions/state/> (Released April 13, 2022)

Moreover, as depicted below, the power generation sector in Massachusetts is on track to continue to reduce emissions, as the Commonwealth established declining hard caps for power plants via 310 CMR 7.74.

### Massachusetts Power Generation Emissions: Historic Data and Future Mandates



Source: Regional Greenhouse Gas Initiative CO<sub>2</sub> Tracking System (<https://www.rggi.org/allowance-tracking/emissions>)

NEPGA appreciates that EEA is considering the role of *all* economic sectors to meet new policy imperatives through the CECP 2050 because the state clearly will not achieve its overall climate goals by focusing on the electric sector alone. Data from the Energy Information Administration, for example, shows that transportation not only saw its emissions rise since 1990, but today represents more than twice the emissions from any other sector in the Commonwealth's economy.<sup>3</sup> We therefore applaud EEA's proposal to reduce transportation emissions by 86% in the proposed 2050 CECP.

NEPGA also appreciates the specific metrics that EEA has identified in meeting its goals, such as the need for nearly all passenger vehicles and most medium and heavy-duty vehicles to be electric by 2050 and for the majority buildings to be heated and cooled by electric heat pumps in the same year.

NEPGA's membership is well positioned to be a partner as the Commonwealth continues to decarbonize its economy. In fact, the power plants that NEPGA's members own and operate are poised to become the very backbone of economy-wide decarbonization efforts. Consider: The state's 2020 *Energy Pathways to Deep Decarbonization* study indicates that electricity load could increase significantly by 2050, from approximately 65 TWh to 105 TWh.<sup>4</sup> This analysis is echoed by the work of ISO New England, which is forecasting that demand for electricity will meaningfully grow over the next decade.<sup>5</sup>

As businesses and families increase their dependence upon electricity for necessities such as commuting and home heating, the reliability and affordability of the electric grid will become ever more important to the quality of life in, and economic strength of, the Commonwealth. The power sector has been preparing for this increased electricity demand for years and will be ready to continue to reliably serve the many and important needs of New England's decarbonized economy.<sup>6</sup>

Because economy-wide decarbonization will require New Englanders to use more electricity than they ever have in the past, it is critical for the state to pursue options that will ensure that generating resources are fairly compensated through the most efficient and competitive ways possible.

NEPGA applauds EEA's proposal to develop a "successor" to procurements through a regional market mechanism. For more than 20 years, competition in the region's wholesale electricity markets has ensured the most efficient prices for consumers and placed financial risks on those most able to manage them – all while also driving down emissions.

While it is clear that New England needs to make significant investments in large quantities of clean energy in order to decarbonize its economy, it is critical to evolve public policy away from long-term contracts for a variety of reasons.

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<sup>3</sup> Source: <http://www.eia.gov/environment/emissions/state/> (Released April 13, 2022)

<sup>4</sup> <https://www.mass.gov/doc/energy-pathways-for-deep-decarbonization-report/download>

<sup>5</sup> <https://isonewswire.com/2022/05/10/electricity-use-in-new-england-expected-to-increase-over-the-next-decade-according-to-2022-celt-report/>

<sup>6</sup> In collaboration with ISO New England and stakeholders across the region, NEPGA's members have been working on ways to better align the wholesale electricity markets with the massive changes anticipated for the region's grid and economy. Examples of such efforts include the "Resource Capacity Accreditation in the Forward Capacity Market" and the "Day-Ahead Ancillary Services Improvements" projects.

Long-term contracts incentivize only a small portion of the infrastructure needed to address the demands of climate change – at a needlessly high cost to society.<sup>7</sup> They are also financially unsustainable over time and force captive ratepayers to bear undue financial risks. For example, one needs to look no further than Avangrid’s recent announcement that it will postpone two of its major offshore wind projects by a year and seek to rewrite some of its contracts because of cost pressures and supply-chain challenges.<sup>8</sup>

Perhaps most damagingly, long-term contracts undermine the competitive electricity markets, which have already significantly reduced carbon while also keeping the electric grid reliable and its prices competitive. The region’s wholesale electricity markets are, and will continue to be, critical to the Commonwealth’s ability to cost-effectively meet its energy and climate goals.

If the region were to place a meaningful price on carbon, it would incentivize investors to put their resources into low and non-emitting generation and also continue to foster competition among existing resources to further reduce their emissions. This latter point is critical because many studies indicate that most, if not all, of the existing power generation fleet will be needed for reliability for decades to come. While NEPGA has and will continue to support carbon pricing, we also recognize that it is insufficient for one state to try to go it alone – even a state with a relatively large energy demand, such as Massachusetts. It would also be insufficient to apply a carbon price to only one sector. For these reasons, we applaud the Commonwealth for continuing to show such responsible leadership on these issues and use the 2050 CECP to call for region to work together.

NEPGA looks forward to continuing to work with EEA and other stakeholders within a regional process to better align the wholesale electricity markets with the collective goal of delivering a clean energy economy. Regional market structures will be the most efficient and competitive way to meet the necessary economy-wide emissions that Massachusetts law requires, and NEPGA urges the Commonwealth to maintain its leadership in this critical issue.

If regional efforts are successful, they will pay dividends for the people of Massachusetts, who will therefore be able to more cost-effectively and efficiently decarbonize through electrification, while also protecting the reliability of the electric grid we all depend upon.

Sincerely,



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Dan Dolan  
President

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<sup>7</sup> <https://isonewswire.com/2022/04/20/iso-ne-finalizes-study-analyzing-potential-market-designs-for-the-future-grid/>

<sup>8</sup> <https://www.bostonglobe.com/2022/09/22/business/supply-chain-issues-slow-development-major-mass-offshore-wind-farm/>