

141 Tremont St., Boston, MA 02111

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

www.nepga.org

February 12, 2008

VIA HAND DELIVERY

Rep. Naida Kaen, Chair
Science, Technology & Energy Committee
New Hampshire House of Representatives
304 Legislative Office Building
33 N. State Street
Concord NH 03301

RE: New Hampshire Department of Environmental Services Proposed Revisions to New Hampshire House Bill 1434.

Dear Chair Kaen:

Reference is made to the New Hampshire Department of Environmental Services' ("DES") February 7, 2008, proposed revisions to House Bill 1434, which DES representatives presented to the Science, Technology & Energy Committee at last week's work session on HB 1434. New England Power Generators Association, Inc. ("NEPGA") filed comments on the initial legislative proposal on November 21, 2007, and seeks an opportunity to properly analyze and further comment on the proposed revisions. NEPGA's member companies represent approximately 25,000 megawatts of generating capacity throughout the region and 2,310 megawatts in New Hampshire. These detailed and technical regulations will directly impact the generating resources of our member companies.

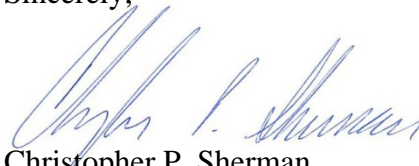
While NEPGA supports properly implemented regional and national measures to stabilize and then reduce anthropogenic emissions of CO₂, we maintain that the Regional Greenhouse Gas Initiative ("RGGI") must be implemented in an economically efficient manner that does not compromise the integrity of the competitive energy markets in New Hampshire and New England. New Hampshire law anticipates the implementation of the allowance budget program in an equitable manner that does not favor one source over another¹ and maintains strict adherence to the goals of the RGGI program. While NEPGA has not had an opportunity to

¹ "New Hampshire should encourage equitable and appropriate environmental regulation, based on comparable criteria, for all electricity generators..." See, RSA § 374-F:3(VIII).

properly review the proposed revisions,² we are very concerned that preference is given to a category of generation based not on their environmental characteristics, but rather, based solely on their ownership structure and status as a regulated utility.

In furtherance thereof, NEPGA respectfully requests that, given the complexity and potential impact of the proposed revisions, the Science, Technology & Energy Committee, or the appropriate New Hampshire regulatory agency, release an official public notice of the proposed changes and provide a sufficient opportunity for public comment. The success of the RGGI program is contingent on an open and transparent process that ensures the input of all stakeholders.

Sincerely,



Christopher P. Sherman
General Counsel

² NEPGA notes that while we are on the e-mail distribution list for all RGGI correspondence and have always received notice in a timely manner, we did not receive any notice of these proposed changes from DES.