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REPORT OPPOSES “ILLCONCEIVED” MASSACHUSETTS ENERGY BILL

Boston, MA: The New England Power Generators Association (NEPGA) today issued an independent report from Dr. Susan F. Tierney of the Analysis Group highlighting costs and consequences of proposed legislation in Massachusetts that would provide long-term contracts for provincially-owned large-scale hydropower. The Massachusetts [Clean Energy Resources bill](#) would require that, by the end of 2014, utilities solicit proposals to provide power for at least one-third of the state’s total electricity use from large-scale hydropower or new renewable energy resources. NEPGA has expressed grave concerns with the impacts this proposal would have on electricity prices for consumers and a dramatic change to the competitive market structure.

Dr. Tierney’s report highlights that the cost of the transmission to transport power from provincially-owned Canadian hydropower would cost at least \$1 billion alone with the power sold likely to add yet another \$1 billion. “When considered in total, the costs of the power and the transmission delivery will not come cheap for Massachusetts consumers.” She goes on to say, “the approach outlined in this bill is destined to have negative cost and other unintended consequences for Massachusetts consumers and the state’s economy. It is too much, too fast, too costly, and too risky, with far too many troubling implications for Massachusetts.”

The bill has been described by proponents as designed to help meet Massachusetts’ carbon reduction goals. In response, Dr. Tierney’s report states, “However well-intentioned those goals are, this bill is not the way to reach the state’s goals. The bill would introduce many unintended costs and financial risks for Massachusetts consumers and its utilities, and would wreak havoc on the state’s and region’s electric industry.”

Instead, the Commonwealth “should take advantage of the clean energy *and* market-based principles that Massachusetts and other New England states have been at the forefront of pursuing, and provide transitional approaches that respect both of those approaches, rather than supporting one at the peril of the other.” Dr. Tierney notes, “The most cost-effective way to meet the state’s carbon emissions targets is through non-discriminatory regulations that allow any resource that can qualify to compete. This is the hallmark model that has been used in virtually every successful emissions market in the world, including the Regional Greenhouse Gas Initiative that all New England states participate in today. This particular bill makes a giant step in the other direction. This bill is not the path forward.”

The New England Power Generators Association (NEPGA) is the trade association representing competitive electric generating companies in New England. NEPGA’s members’ represent 80%, or nearly 26,000 megawatts, of all the available generating capacity in New England. NEPGA’s mission is to promote sound energy policies which will further economic development, jobs, and balanced environmental policy. NEPGA believes that sustainable competitive markets are the best means to provide long-term reliable and affordable supplies of electricity for consumers. For more information go to www.nepga.org and follow NEPGA on Twitter [@NEPGA](#).