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## COMPETITION DRIVING CONTINUED SAVINGS FOR NEW ENGLAND ELECTRICITY CONSUMERS

**Boston, MA:** Consumers are benefiting tremendously from the high level of competition and efficiencies delivered by power generators in New England's competitive electricity marketplace, the New England Power Generators Association (NEPGA) today highlighted.

Last week, ISO New England, the independent regional operator of New England's transmission system, highlighted that March 2012 saw the lowest wholesale energy prices in the nine years a competitive marketplace for electricity has served New England consumers. This followed recent news from the two largest Massachusetts utilities that the results of competitive auctions to serve their consumers resulted in rate decreases of between 16%-19% with similar auction results in other New England states over the last several months. This substantial drop in electricity supply costs now makes it only approximately 40% of the total rate paid by consumers.

"This is great news for consumers. The decrease in natural gas prices has helped spur much of the cost savings that are being passed on to consumers. These savings, however, would likely not be as great or realized as quickly without a competitive market structure that eliminates utility ownership of power plants," said NEPGA President Dan Dolan,

Dolan added, "These impressive consumer benefits are proving the wisdom of the decision to instill competition in the supply of electricity, just as it exists for virtually every other commodity. The last several years have seen huge investments in providing reliable, efficient and ever cleaner electricity supplies. These investments have been made by individual companies and not utilities so that rate-payers did not bear the risks and costs of construction delays, cost overruns and poor operating performance that they did under traditional monopoly price regulation."

This competitive picture stands in stark contrast to one of the few areas of vertically-integrated utilities left in New England. Recent press reports highlight that Public Service of New Hampshire is finding that purchases from the competitive marketplace are cheaper than running their utility-owned plants. Despite this, ratepayers continue to shoulder the costs of keeping the plants idle for six months of the year while providing a guaranteed profit for the utility.

For competitive power generators, no such guarantee exists. They must compete against each other to provide the lowest cost product to be selected to operate and only then have an opportunity to recover their costs and potentially earn a return. These competitive pressures and incentives are what help drive the most value for consumers.

*The New England Power Generators Association (NEPGA) is the largest trade association representing competitive electric generating companies in New England. NEPGA's members' represent 85%, or nearly 27,000 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. [www.nepga.org](http://www.nepga.org)*