



141 Tremont St., Boston, MA 02111

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

www.nepga.org

For Immediate Release

Contact: Sandi Hennequin, Vice President NEPGA
(603) 828-9729

NEW ENGLAND POWER GENERATORS ASSOCIATION REACTS TO PROPOSED NORTHERN PASS TRANSMISSION PROJECT

Industry Trade Group Issues Paper Critical of Special Treatment for Transmission Project

Concord, NH: The New England Power Generators Association (NEPGA) has issued a public policy position paper highlighting its concerns with the Northern Pass Transmission Project (NPTP). A copy of the paper can be found on the NEPGA web site at www.nepga.org.

Sandi Hennequin, Vice President of NEPGA explains, "The Northern Pass Project is seeking special treatment and seeks to use the regulatory process to gain unfair advantages in the marketplace. This project is still, very much, in its formative stages. It is not much more than a lot of paper work and lines on a map, so there is plenty of opportunity to fix it." Hennequin added, "NEPGA is not opposed to the project per se, however, the Northern Pass Project is very controversial, and we appreciate that there is strong opposition. We do believe that the Northern Pass Project needs to follow the same rules as its competitors and operate on a level playing field."

The position paper issued by the NEPGA outlines four main areas of concern:

1. ***Eminent Domain:*** NEPGA is opposed to the project's request to use eminent domain to take private property along the proposed route. In the paper, NEPGA stresses that this project is a private facility and not needed to serve reliability needs in the region. Thus, using eminent domain violates both the spirit and the letter of the New Hampshire Constitution and the regulatory process. In addition, the paper emphasizes that providing eminent domain rights to this project, when other competitive electricity projects, like generation and transmission projects, do not use eminent domain, gives NPTP an unfair advantage in the marketplace.
2. ***Potentially Changes Renewable Energy Portfolio Standards:*** Across New England, states have adopted a market-based renewable energy portfolio standard (RPS) that was crafted to support the development of renewable energy projects. Qualifying large-scale hydro projects, which are already a mature technology, will overwhelm the RPS programs in New England, undermine the value of the subsidies, and hinder the development of local renewable power projects. Representatives of the Northern Pass Project have suggested that they would want to change these state laws to allow power from their project to qualify as renewable under RPS programs.

NEPGA is opposed to making these changes as they are unnecessary and would undermine much of the economic underpinnings of the RPS strategy by exporting ratepayers' dollars from the RPS outside of New England.

3. ***Sole-Source, No-Bid Contracting:*** PSNH is proposing that New Hampshire state law be changed and the New Hampshire Public Utilities Commission (PUC) approve a 40-year power purchase agreement that will allow them to enter into a no-bid, sole-source contract with NPTP to purchase power and supply their default service customers. While it is questionable whether PSNH needs the power, NEPGA believes that this type of supply, if it is needed, should be procured through a competitive bid process. This gives all market participants the opportunity to compete, and guarantees the **lowest** cost for consumers. NEPGA opposes sole-source, no-bid contracting and has concerns regarding the appropriateness of PSNH contracting with a project in which they and their affiliates have commercial interest.
4. ***Subsidies from Regulated Utilities:*** NEPGA is concerned about the special treatment that NPTP receives from PSNH. As a franchised regulated distribution company, PSNH has a duty to maintain a fair and open system that treats all customers and suppliers equally. While it is questionable for a distribution utility to be involved in promoting the development of any generation project, if they are going to do so for one project, they should do so for all generators. It would be better for the process if PSNH removed itself from its ties to the NPTP and instead more properly focused on its role as a distribution utility.

Hennequin stated, "The New England Power Generators Association plans to increase our regulatory and legislative advocacy surrounding the Northern Pass Transmission Project to ensure that a level playing field is maintained. We expect increased legislative, federal and state regulatory developments to ramp up in the months to come. In the end, the process would be better served if NPTP were to alter its structure and not seek special treatment. However, should the project proceed as proposed, NEPGA will actively participate in the policy and regulatory processes."

About NEPGA

NEPGA is the largest trade association representing competitive electric generating companies in New England. NEPGA's member companies represent approximately 27,000 megawatts (MW) – or nearly 85 percent – of generating capacity throughout New England. Overall, NEPGA's companies pay over \$190 million annually in state and local taxes. Our member companies provide nearly 5,500 well-paying and skilled manufacturing jobs, while contributing millions of dollars to charitable endeavors throughout the region. NEPGA's mission is to promote sound energy policies which will further economic development, jobs, and balanced environmental policy.