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VIA ELECTRONIC MAIL: climate.strategies@state.ma.us

Ms. Lee Dillard Adams
Climate Strategies Group
Department of Environmental Protection
Bureau of Waste Prevention
One Winter Street, 6th Floor
Boston, MA 02108

RE: NEPGA Comments on Proposed 2020 Emissions Reduction Target and Draft Climate Implementation Plan

Dear Ms. Dillard Adams,

Pursuant to the request for comments from the Massachusetts Department of Environmental Protection regarding the Massachusetts Global Warming Solutions Act (“GWSA”) Draft Implementation Plan (“Plan”), the New England Power Generators Association, Inc. (“NEPGA”) hereby respectfully files these comments.¹ NEPGA is the largest trade association representing competitive electric generating companies in New England. NEPGA’s nineteen member companies represent over 27,000 megawatts (MW) of generating capacity in the region, and more than 12,000 MW’s in Massachusetts alone. NEPGA’s mission is to promote sound energy policies which will further economic development, jobs, and balanced environmental policy.

Proposed 2020 Emissions Reduction Target

As mandated within the GWSA, the Secretary of the Executive Office of Energy and Environmental Affairs (“EOEEA”), in consultation with other state agencies and the public, must set an emissions reduction target of 10-25% below 1990 levels by 2020 by January 1, 2011. Within the draft Plan, released April 30, 2010, Ian Bowles, EOEEA Secretary, expressed his intention to set an emissions reduction target between 18 and 25% below 1990 levels. According to the information within the Plan, modeling results indicate that Massachusetts is expected to achieve emissions reductions of approximately 19% below 1990 levels by 2020 through existing state policies which include RGGI and the Renewable Portfolio Standard. As such, NEPGA supports an emissions reduction target of 19% or below

¹ The views expressed in these comments do not necessarily represent the positions of each of NEPGA’s members. In addition, nothing in these comments should be deemed to waive any rights that NEPGA or any of its members may have to challenge the administrative, procedural or substantive validity of the implementation plan.

1990 levels for 2020. This realistic and attainable reduction level meets Secretary Bowles' targeted range (as well as the legislative mandate), while also removing the need for implementing additional regulatory policies which may unintentionally increase overall costs for consumers.

Worth noting is that generators of all fuel types throughout Massachusetts and New England have taken steps toward emissions reductions, independent of mandatory regulatory standards and targets since the restructuring of the New England energy market. Billions of dollars have been privately invested over the years for the construction of new, cleaner, renewable and more efficient facilities, as well as to provide environmental upgrades to existing facilities. As a result, capacity has increased substantially while greenhouse gas emissions, including NO_x SO₂ and CO₂, have significantly declined. NEPGA is confident that Massachusetts can continue to incent such private investments which ultimately improve the environment; however, infrastructure enhancements are contingent upon a business climate that allows for sound and prudent investments through a consistent regulatory framework. NEPGA urges the EOEEA to consider the billions of dollars invested in clean, renewable and efficient technologies already taking place when setting the final 2020 emissions level.

Draft Implementation Plan

As part of the draft Plan, a consultant team analyzed each sector of the Massachusetts economy and identified areas and opportunities for emissions reductions. Of particular concern to NEPGA within the Plan is the suggestion that significant reductions of emissions in the energy supply sector may be achieved through both proposed and additional expansion of transmission lines to increase imports of Canadian wind and/or hydroelectric energy. NEPGA strongly opposes these suggestions. Unless safeguards are put in place, large Canadian imports will undoubtedly compromise New England markets, making it challenging for existing regional renewable resources to remain economically viable. In addition, as proposed, these measures will drastically reduce the value of renewable resources currently being developed and diminish the potential for the development of future renewable projects within the region.

The idea of achieving emissions reductions through the importing of electricity from Canada is also contrary to the goals set forth in the Massachusetts Green Jobs Act of 2008. The legislation specifically mandates that the Massachusetts Clean Energy Technology Center ("Center") only approve investments that demonstrate "a defined benefit to the economy of the commonwealth." The clear intent of the legislation is to facilitate the funding of clean energy projects which will ultimately stimulate economic and job growth within Massachusetts. Again without appropriate safeguards, blindly accepting imported power in the manner suggested in the Plan significantly hinders the potential for long-term job opportunities from existing, new and developing regional generation resources, largely shifting those economic benefits to Canada in the process.

Furthermore, the EOEEA should consider that measures to increase Canadian imports may not always result in the intended consumption of low-carbon energy, a practice commonly referred to as "greenwashing." Greenwashing occurs when the generating source of energy being imported from a neighboring market into New England is not directly

identifiable, leaving no guarantee that the import is actually from a non-emitting resource. To alleviate this concern, EOEEA should make sure that the non-emitting generating source is clearly identifiable.

NEPGA appreciates this opportunity to comment on the above-mentioned matters and requests that the EOEEA and additional state agencies consider its comments as submitted herein. Please contact me by email at aoconnor@nepga.org if I can provide any further information or clarification.

Sincerely,

A handwritten signature in black ink that reads "Angela M. O'Connor". The signature is written in a cursive, flowing style.

Angela M. O'Connor
NEPGA President