

May 5, 2006

New England Energy Alliance E-Newsletter

New England Governors and Eastern Canadian Premiers to address energy issues at upcoming annual conference. On May 12 and 13 the governors and premiers, meeting in Newport, RI, will hear from two panels discussing regional energy issues and concerns, along with potential solutions to the region's growing energy problems. Concerns about the increasing demand for natural gas for electric power generation, as well as for use in homes, offices and factories, prompted Rhode Island Governor Donald Carcieri as chairman of the New England Governors Conference to push for the energy agenda. According to his energy policy advisor Andrew Dzykewicz "the Governor believes there needs to be more coordinated attention focused on this issue than has been the case in recent years. He's pleased to see that other governors and the premiers agree that the topic is important and timely and looks forward to this as a first step toward closer cooperation to ensure we have the supplies we need when we need them." The panels will include experts on electric power, natural gas, renewable resources and energy efficiency, and the regulatory requirements in Canada and the US, as well as the commercial and contractual issues affecting natural gas supplies.

Alliance and New England Council issue report on role of nuclear energy in New England. The report [*Nuclear Energy in New England*](#) issued last month concluded that New England's five nuclear power plants:

1. **Provide an essential and reliable source of electricity that maintains grid stability.** The second largest source of supply, New England's nuclear energy plants generate more than a quarter of the region's electricity at capacity factors that far exceed other generating technologies. Nuclear units typically operate "round-the-clock" for more than 500 days before refueling.
2. **Generate electricity at the lowest cost.** Nuclear energy plants have the lowest production costs of any major source of electricity – less than a third of the cost of natural gas-fired generation.
3. **Produce no air emissions.** In generating electricity, nuclear energy plants produce no nitrogen oxide or sulfur dioxide that cause smog and acid rain, and no carbon dioxide, a major greenhouse gas, or particulate matter which has been linked to public health effects.
4. **Comply with strict regulatory requirements.** The U.S. Nuclear Regulatory Commission enforces strict safety and operating standards that every plant must comply with — with records and proceedings available for public scrutiny. Moreover, nuclear energy plants are among the most secure industrial facilities in the country.

The report -- and an op-ed co-authored by the presidents of the Council and the Alliance, which appeared in the *Providence Business News* -- points out that five existing plants generate 26 percent of the region's electricity. Alliance President Carl Gustin also discussed the role of nuclear energy in New England in an interview with Mike Nikitas on *NECN's Good Morning Live* program on April 24th.

Alliance comments on Congressional action to block Cape Wind and Weaver's Cove projects. In letters to *Senators Pete Domenici and Jeff Bingaman*, chairman and ranking member of the Senate Committee on Energy and Natural Resources, the Alliance expressed concern about "recent actions in Congress to bypass regulatory review processes by inserting special-interest language in legislation to create formidable and unwarranted barriers to successful permitting." In one case, new veto power over the Cape Wind project is granted to the governor of Massachusetts regardless of whether the project meets all regulatory requirements. The other protects a bridge that had been slated for demolition in an effort to derail an LNG project that is moving through the regulatory process. The Alliance takes no position on either project but expresses concern that "While these actions have been aimed at specific projects, they send a clear and unequivocal message to the developers of other projects that the review process is uncertain and even arbitrary. In the end, it can only mean fewer proposals for energy facilities and additional costs for New England's consumers and businesses."

Organizations warn of tight summer electricity supply outlook. On April 26, two separate reports forecasted record electricity demand this summer and the possible use of emergency measures to avoid shortages. The reports by ISO New England, the region's grid operator, and the Northeast Power Coordinating Council, the organization that oversees electric reliability for the Northeast, concluded that while there may be adequate supplies this summer under normal weather conditions, the time to be adding new electric generating facilities in the region has already arrived. In a *media statement* and letters to editors, the Alliance said "these analyses show the situation is likely to get substantially worse without new investment in power plants, transmission lines and new LNG facilities. Regional policymakers and decision makers should heed these warnings and support new energy infrastructure as it is vital to the region's economic well being." Additional information is available at www.iso-ne.org and at www.npcc.org.

Alliance comments on Massachusetts' Proposed Greenhouse Gas Reduction Rules. The Commonwealth's existing regulatory rules for greenhouse gas emissions should not be bypassed through legislative action... Massachusetts has already adopted strict greenhouse gas emission caps, and an emission rate, for power plants, and has proposed rules to govern banking and trading of emission reduction credits. Put another way, Massachusetts has already done what other states are still talking about, which makes it a national leader...the proposed rule in Massachusetts provides greater assurance than the RGGI model rule that existing base-load capacity will be able to meet emission reduction targets without shutting down or significantly reducing output. This point is very important because existing coal and oil-fired plants contribute significantly to the reliability of the electric transmission grid and to the region's fuel diversity.

Op-ed in *Connecticut Post* warns that indecision on LNG threatens economy. The *op-ed* draws on a report prepared last year by the New England Council noting that the economic consequences of a two-year delay in natural gas system infrastructure construction could cost New Englanders approximately \$3 billion by 2010 in higher natural gas prices. The op-ed urges public officials to support timely action on proposals to build LNG facilities.

New coalition features Greenpeace founder Moore and former EPA Administrator Whitman. On Monday, April 24, Dr. Patrick Moore, co-founder of Greenpeace and Christine Todd Whitman, former New Jersey governor and EPA administrator, announced the formation of a new coalition favoring nuclear power. Moore said, “In order to create a better, safer environment and secure energy for our future, the United States must regain its nuclear energy leadership. There is a great deal of scientific evidence showing nuclear power to be an environmentally sound and safe choice. A doubling of nuclear energy production would make it possible to significantly reduce greenhouse gas emissions while increasing our energy supply.” Whitman added that “Nuclear energy should be a part of this plan to meet our growing energy needs, particularly since nuclear power releases no air pollutants and no greenhouse gases.” Additional information on the coalition is available at www.cleansafeenergy.org.

Alliance co-sponsors 2006 Northeast Energy Efficiency Summit: The Northeast Energy Efficiency Partnerships is celebrating its 10 year anniversary with a regional summit on “Best Practices for Reliability, Affordability, and Sustainability” to be held May 17th at the Hyatt Harborside Hotel in Boston. Additional information available at www.NEEP.org/summit.

The New England Energy Alliance is a coalition of energy providers, business and trade organizations and other concerned about future energy supplies. For more information visit our website www.newenglandenergyalliance.org.