

New England Energy Update
Actions for a Cleaner, More Reliable and More Affordable Energy Future.

(Actions Through July 2015)

Continuing to Invest in Energy Efficiency and Distributed Generation

- The New England states continue to support clean energy investments, such as energy efficiency and renewable distributed generation that offer cost-competitive, alternative energy solutions for local consumers and enhance its clean energy economy.
- In Connecticut, the Malloy Administration is supporting enactment of House Bill 6989, to support the deployment of 170 MW of combined heat and power facilities in Connecticut.
- Massachusetts is a national leader in energy efficiency and remains fully committed to the growth of energy efficiency as a major component of achieving the Commonwealth's greenhouse gas emission reduction goals. Among other programs that provide incentives for various distributed generation technologies, Massachusetts also has in place a robust solar program that has resulted in a rapid deployment of solar across the Commonwealth, with a goal of achieving at least 1,600 megawatts of solar generation by 2020.
- In an effort to expand its existing award-winning efficiency programs, the New Hampshire Public Utilities Commission opened IR-15-072, an investigation to explore the establishment of an Energy Efficiency Resource Standard (EERS).
- Rhode Island is committed to addressing its energy system challenges through a balanced approach that utilizes both local and regional actions. The Ocean State will continue to support robust investments in clean energy solutions, including energy efficiency and renewable distributed generation, that reduce energy consumption and costs, and support local economic growth. As evidence of this commitment, Governor Gina Raimondo has proposed the creation of a Rhode Island Infrastructure Bank. The Infrastructure Bank will centralize existing and new green infrastructure financing initiatives, put Rhode Islanders back to work, improve energy efficiency, and make the state more economically competitive.
- Vermont is emphasizing energy efficiency, distributed renewable generation, micro-grids, smart grid demand side management, and battery storage, all of which could help the region in meeting our energy and carbon reduction goals while reducing the pressure on our transmission system. Vermont has pending legislation to advance our distributed generation efforts through the next decade through the establishment of an Energy Innovation Program.

April 23, 2015

- The New Hampshire legislature is considering bills to implement recommendations from the state's 10-year energy strategy, a document that reflects the input from a year-long public process. Those recommendations include opening a grid modernization docket at the New Hampshire Public Utilities Commission, establishing a framework to improve the state's electric vehicle infrastructure, and increasing investments in energy efficiency and demand reduction to save money and reduce energy usage.

Utilizing Existing Authority to Procure Clean Energy Generation and Transmission

- Three of the New England States—Connecticut, Massachusetts, and Rhode Island—have jointly supported the issuance of a draft Request for Proposals (RFP) from private developers of clean energy and transmission. The three States are leveraging their collective authority in a joint procurement to open the possibility of procuring large-scale projects that no one state could procure alone. Through this RFP, Connecticut and Massachusetts are seeking power purchase agreements for more than 1,375 GWh/year of large-scale hydropower or Class I renewables (Connecticut); and up to 817 GWh/year of Class I renewables (Massachusetts).
- Maine believes that additional diversity to New England has the opportunity to improve our competitiveness. In particular, the replacement of the loss of significant clean base-load generation that has retired or is scheduled to retire is critical for the region's competitiveness and environmental objectives. Maine is open to additional infrastructure in our state to advance these objectives and is willing to participate in a load share cost recovery for a project in Maine that advances significant cost-effectiveness for ratepayers.
- New Hampshire is a net exporter of energy and host to many current and proposed renewable and fossil fuel fired generation facilities, helping the region to meet its capacity needs and its clean energy goals. The Granite State will continue to collaborate with other states to address the region's challenges, and may host projects that meet its siting requirements and which provide benefits to the state's residents and businesses, including our second largest industry, tourism.
- Vermont is committed to being a constructive regional partner in solving the region's problems, and have significant contributions to offer, including experience with accurate transmission cost estimation practices it believes would benefit the region if adopted by our partner states. While Vermont has not committed to share in the allocated costs of any regional gas infrastructure or electric transmission projects, Vermont may find itself serving as host to one or more electric transmission projects if such projects meet the legal criteria required in Vermont, including significant benefits for the public good of the state.

Securing & Utilizing State Authority to Find Solutions to Infrastructure Challenges

- Maine strongly believes that the region's economy is limited by existing natural gas pipeline capacity. Maine's Public Utilities Commission is now considering exercising authority to contract with natural gas capacity to provide ratepayer benefits, and the preference would be to regionally move forward to expand natural gas capacity collectively and in a coordinated basis to advance significant cost-effective infrastructure in a timely manner.
- Rhode Island is committed to moving forward on a regional basis to address New England's shared energy infrastructure challenges and improve our economic competitiveness. The Affordable Clean Energy Security (ACES) Act, passed in 2014, enables the state and/or its electric/gas distribution utility to participate in regional (or multi-state) competitive procurement processes to identify cost-effective energy infrastructure projects, including transmission to facilitate the delivery of renewable power and/or large-scale hydropower, as well as natural gas pipeline and capacity expansion projects. ACES also establishes a transparent regulatory process to ensure that any preferred regional infrastructure project is consistent with state economic, energy, and environmental goals.
- Massachusetts is committed to pursuing the development of new energy infrastructure that addresses the critical energy needs of the region and our Commonwealth. This includes regional efforts to facilitate the construction of transmission to northern New England and the provinces of Canada for regional access to large-scale renewable and other clean energy resources. It also includes regional efforts to expand natural gas capacity into New England to address reliability risks to the electric system and price impacts on electric consumers during the winter period. These initiatives are most effectively addressed by the states together. Massachusetts stands ready to participate on a regional basis, including an equitable sharing of the costs associated with any infrastructure that will provide net benefits for Massachusetts consumers. The Massachusetts Department of Public Utilities has an open proceeding to determine how we can pursue our fair share of additional gas capacity through our regulated electric utilities.
- In Connecticut, the Malloy Administration is supporting legislation that would authorize the state to support significant amounts natural gas infrastructure, clean energy generation and transmission, and measures that reduce demand for natural gas, electricity, or both. Specifically, the Malloy Administration is seeking legislative enactment of Senate Bill 1078, which would authorize the Connecticut Department of Energy & Environmental Protection to solicit long-term contracts of resources—including natural gas capacity, LNG, large-scale hydropower, Class I renewables, and other resources--that can secure our proportional share (ie., approximately one quarter) of the infrastructure solutions needed by the region, estimated in the 2014 Connecticut Integrated Resources Plan to be at least one

billion cubic feet per day of natural gas capacity or equivalent resources. As drafted, Senate Bill 1078 would enable the Department to solicit these resources in coordination with other states, and would allow the Department to procure resources only if the benefits exceed the costs, necessitating similar action by other New England states. The Connecticut legislative session will conclude on June 3, 2015.

- To ensure that all stakeholders and communities have a say in the projects that affect them, Governor Hassan signed into law Senate Bill 99 in 2013. That bill updated the membership of the committee that reviews large energy projects, required additional public hearings on those projects, and will result in new siting criteria in revised administrative rules later in 2015.
- The New Hampshire Public Utilities Commission has opened IR 14-338, a Review of Default Service Procurement Processes for Electric Distribution Utilities, to consider ways for new for state-regulated utilities to respond to the wholesale markets with more flexibility to reduce price volatility.
- Recognizing that our region's average retail price of electricity harms our economic competitiveness, the New Hampshire Public Utilities Commission opened IR 15-124, an investigation into potential approaches to Ameliorate Adverse Wholesale Electricity Market Conditions in New Hampshire.
- Vermont is currently processing a docket through its Public Service Board for a 1000MW DC transmission line application, which if approved is intended to bring large hydropower to southern Vermont transmission points that connect power to greater New England.