



April 22, 2016

Dear Legislator,

You will be considering very important energy legislation in the coming weeks. As our state's energy profile undergoes profound changes, we believe it is imperative that this legislation achieve the following goals:

- Provide reliable and affordable energy to all residents;
- Put us on track to meet statutory requirements to reduce climate-disrupting pollution;
- Maintain Massachusetts' leadership on clean energy policy and implementation;
- Boost our economy by keeping more of our energy dollars and jobs in the region;
- Ensure that the benefits of a clean energy economy are accessible to all residents, especially those in overburdened and underserved communities.

Cost We must ensure that electricity remains affordable for residents, businesses and municipalities. Electric bills for Massachusetts families are below the average of all states in the country.¹ This is because our successful energy efficiency and conservation programs have reduced demand and stabilized bills. We should double down on those effective programs, which are delivering \$1.24-\$4.00 in benefits for every dollar invested.² Energy efficiency and energy conservation are the most cost-effective avenues available. Demand response programs reduce peak demand, thereby lowering the cost of electricity in wholesale markets, and in turn lowering retail rates.³

The cost of clean, renewable energy is becoming competitive. In 2013, the Commonwealth's electric companies signed cost-competitive contracts for wind power in New England, and the price has only dropped since.⁴ The average cost of solar, prior to any incentives, has decreased 47% since 2008.⁵ The cost of offshore-wind-generated electricity is expected to drop over 33% by 2023 if we support robust deployment.⁶ Legislation in Massachusetts must prioritize these resources in order to continue delivering affordable, reliable electricity for all customers: energy efficiency, demand response, wind and solar power.

¹ https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf

² <http://aceee.org/press/2014/03/new-report-finds-energy-efficiency-a>

³ <http://energy.gov/oe/technology-development/smart-grid/demand-response>

⁴ <https://www.bostonglobe.com/business/2013/09/22/suddenly-wind-competitive-with-conventional-power-sources/g3RBhfV440kUyVCjhI/story.html>

⁵ <http://cleantechnica.com/2015/09/30/2015-cost-solar-index-massachusetts-released-solar-people/>

⁶ <http://www.offshorewindma.com/osw-news/wind-energy-could-get-cheaper-with-newer-bigger-projects/>

Economic Vitality Massachusetts spends \$22 billion a year on energy, and of that \$18 billion leaves our economy and heads to New York, Pennsylvania, Texas, Canada and overseas.⁷ In contrast, investing in energy efficiency, solar and wind means investing in our communities and workers. The Massachusetts solar industry alone is responsible for over 15,000 local jobs, over 8,700 in installation.⁸

We OPPOSE:

- **New Fracked Gas Pipelines** Any bill with language promoting more natural gas pipelines, via a tariff on electricity bills or some other means, is a non-starter and must be defeated. Kinder Morgan's recent suspension of the Northeast Energy Direct pipeline project due to lack of distribution commitments vindicates Attorney General Maura Healey's study⁹ of last November, which concluded that more natural gas pipelines are unnecessary. These pipelines will burden the ratepayer with excess (and probably stranded) costs, and risk perversely increasing costs to Massachusetts ratepayers by enabling the export of natural gas to Europe, thereby forcing us to compete for gas at the much higher worldwide market price. Utilities and pipeline companies want ratepayers to cover what should be their investment risks; as we learned the hard way in the 2008 financial crisis, companies that are overly protected from downside risk take too much of it. In addition, our residents do not want unsightly clear-cut land and risky pipelines traversing conservation lands, and cutting through – and devaluing - their private property. We must oppose the remaining proposed pipeline project: Spectra Energy's Access Northeast. We don't need new fracked gas pipelines which would only damage our economy, our natural environment, our property values and our climate future.

We SUPPORT:

- **Doubling the Renewable Portfolio Standard (RPS).** The RPS sets the amount of renewables electric utilities are required to purchase. It is currently set at 11% and increases 1% a year. At that rate we will be at 25% renewables by 2030. In contrast, California and New York each have requirements of 50% renewable electricity by 2030, i.e. double ours; Maryland just increased their RPS to 25% by 2020, i.e. a full ten years before us; Oregon now has an RPS requirement of 50% by 2040; Vermont has a requirement of 75% by 2032; and Hawaii has a requirement of 100% by 2045. Increasing our RPS by 2% a year is necessary if Massachusetts is to maintain its status as a climate leader, and will help ensure we meet our requirements under the Global Warming Solutions Act. Increasing our reliance on local renewable energy also decreases long-term cost volatility, as energy sources such as wind and solar are free, and technology costs will decrease with volume. (See Senator Downing bill S. 1757)

⁷ http://www.acecma.org/acecma/file/DOERStateMktsConf_4-11-12.pdf

⁸ <http://solarstates.org/#state/massachusetts/counties/jobs>

⁹ <http://www.mass.gov/ago/docs/energy-utilities/beros-study-final.pdf>

- **Offshore Wind set-aside of 2,000 MW.** It is estimated the winds off our coasts could produce 8,000 MW of electricity. Established companies are interested in developing this resource and ready to hire our residents to help them do so. Once complete, the New Bedford Marine Commerce Terminal will be the first facility in the nation designed to support the construction, assembly, and deployment of offshore wind projects.¹⁰ All that these critical economic development projects need to move forward and create hundreds of new jobs are long-term contracts. This is another opportunity to keep energy dollars in our region's economy. (See Rep. Haddad bill H. 2881)
- **Additional Cost Effective Transmission Capacity to Support Wind Power.** In order to reliably bring renewables into Massachusetts, including onshore wind from Maine and New York, additional transmission capacity may be required. A good energy bill will ensure that strong environmental standards and a robust stakeholder process are employed for any transmission projects. It is also critical to include safeguards for the ratepayer; electric utilities earn a guaranteed rate of return of 10-12% on transmission, and thus have a mercenary interest in over-investing. They also have relationships with the large-scale transmission companies; we must make the process transparent and deny "self-dealing" between electric utilities and their subsidiaries.
- **Fix Solar Bill** The passage of H. 4173 allowed stalled solar projects to move forward, putting people back to work. However, the work is not done. The new net metering cap is expected to be reached within months, and investors and 15,000 Massachusetts solar industry workers will again be threatened. In addition, reimbursing low-income and community solar at 60% of the rate received by rooftop and municipal projects means residents of lower means, who spend disproportionately more of their income on energy,¹¹ are effectively prevented from access to clean energy. This inequity does not represent Massachusetts' values and must be fixed. Note New York and California, when facing the same decision, eliminated net metering caps and maintained retail net metering rates for all - they did not disproportionately hit their lower-income residents. Furthermore, as battery technology develops, solar and wind will increasingly become part of our 24/7 energy system.
- **Environmental Justice in Siting Energy Facilities** Low-income residents and communities of color are commonly underrepresented in facility siting decisions. These populations are disproportionately affected by poor air quality, exposure to toxic chemicals, and limited access to open space. Environmental justice can only be achieved when all concerned have equal access to the decision-making process and everyone enjoys equal protection from environmental harm. H. 3527 would require that an applicant proposing to

¹⁰ <http://www.portofnewbedford.org/shipping/operating-areas-marine-terminals/south-port-area.php>

¹¹

http://groundswell.org/frompower_to_empowerment_wp.pdf

construct a generating facility over 100 megawatts would need to follow specific procedures to ensure that the neighboring community that would be impacted be informed well in advance of the expected potential environmental and public health effects of the facility; the proposed mitigation efforts; and a list of federal, state and local permit, approvals, certifications or authorizations required to construct and operate the facility. (See H. 3527 by Rep. Dubois)

We look forward to working with you to ensure that Massachusetts continue its leadership in energy conservation and efficiency, and grow its expertise in developing, installing and managing clean and renewable energy facilities.

We would welcome an opportunity to speak with you in more detail about these issues.

Sincerely,



Cathy Buckley
Chapter Chair



Emily Norton
Chapter Director



Ed Woll
Chair, Energy Committee