

THE
NEW ENGLAND
COUNCIL

September 2, 2003

Dear Senator:

On behalf of the New England Council, I am writing to urge you to support efforts to ensure the availability of reliable energy in New England.

As the blackout of 2003 has taught us, all regions of the country are vulnerable to a massive disruption in our power supply. The blackout has made it vividly clear that the region must take the steps to ensure the availability of reliable energy before we, too, find ourselves in the dark.

New England's economic health, future growth and the well being of its citizens are directly linked to the availability of reliable, reasonably priced energy and environmentally sound energy policies. As a region, we have made advances toward achieving a diversified fuel mix. Through restructuring of our electricity and gas markets over the past several years, we have made way for the development of new energy supplies and delivery infrastructure; thereby increasing our economic competitiveness. While regional advancements over the past decade have been noteworthy, challenges remain that demand our attention.

First, it is vital that we enhance New England's energy infrastructure. Expansion of the region's network of power generators, electric transmission lines and natural gas pipelines is needed to achieve greater access to supplies, increased capacity, lower costs to consumers and improved reliability. A streamlined regulatory environment is necessary to encourage continued development of additional generation capacity and, more importantly, infrastructure enhancement of our electric transmission lines and natural gas pipelines. The siting process for these critically needed improvements must be eased.

Second, fuel supply diversity continues to be essential to ensure that future energy supplies are reliable, stable and reasonably priced given New England's geographic location and the fact that it lacks its own fuel sources. The regulatory climate at the state and federal levels must maintain and improve the region's electric-generation capabilities in multiple fuels, including coal, oil, hydro, natural gas, nuclear and renewal sources for power generation.

The recent blackout should also not discourage us from participation in larger wholesale markets. While restructuring has helped us realize improvements in our generation resources in recent years, further economic efficiency, reliability, fuel supply diversity and environmental benefit can be realized if these facilities are dispatched as part of a larger regional market. Of course, details of a potential RTO that could include New England are technically and legally complex and should be the subject of public discourse. Moreover, governance of any RTO must be independent and equitable giving New England and those who participate in the New England market a representative and effective voice in the management of a regional organization. New England must, of course, share proportionately in the benefits of any proposed regional market from its inception.

Finally, although the region has made great strides in energy efficiency over the past thirty years, we must continue to encourage greater energy efficiency and development of innovative technologies for power generation and energy use as a means to reduce demand, lower costs and protect the environment.

The six New England states must continue to work together to coordinate energy, environmental and economic policies and integrate planning efforts and resources. By taking the appropriate steps together now, we will be able to meet our growing energy needs in a cost-effective manner without risking the reliability of the system.

Thank you for this opportunity to share our views with you on this issue. As always, if you have any questions, or if we can be of assistance, please do not hesitate to contact our office.

Very Truly Yours,

James T. Brett
President & CEO