

New England States Committee on Electricity



INTRODUCTORY REMARKS

**WIND POWER'S ROLE
IN ACHIEVING REGIONAL POLICY
OBJECTIVES**

**NEW ENGLAND
WIND ENERGY EDUCATION PROJECT**

WEBINAR NO. 1

MAY 5, 2010

Anything I say represents my own views.
Not necessarily NESCOE's.

NESCOE: New England's Regional State Committee

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NESCOE'S PURPOSE: To Represent The Interests Of The Citizens Of The New England Region By Advancing Policies That Will Provide **Electricity At The Lowest Possible Price Over The Long Term, Consistent With Maintaining Reliable Service And Environmental Quality**

more information @ www.nescoe.com

A Word About NESCOE

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- **Governed by a board of Managers appointed by each of the New England Governors**
 - Issue by issue, Governors' energy policy advisors, others, active as well
- **Lots of agreement & strong motivation to work cooperatively**
- **Work closely with New England Governors Conference & New England Conference of Public Utility Commissioners**
- **Substantive Focus: System Planning & Expansion, Resource Adequacy**

Why is New England Talking Wind?

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State & Federal Interest

- reducing carbon emissions
- stabilizing & diversifying energy supply
- reducing reliance on foreign fossil fuel

Add other New England Interests

- making sure customers are served by clean energy resources most able to serve them cost- effectively
- relying on competitive markets & processes to identify those resources

New England



Working Together to Facilitate Development of Renewable Resources

- To meet Renewable Portfolio Standards & clean energy goals
- To achieve environmental policy objectives & programs, such as the Regional Greenhouse Gas Initiative
- To identify clean energy resources that can serve customers most cost-effectively through competitive processes

New England Interests are Longstanding...

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- **Each New England state has historically encouraged development of renewable resources in & outside state borders**
 - clean energy grants, net metering rules, renewable portfolio standards, etc.
- **Wind is eligible under all definitions of renewable energy credits in current state & proposed federal renewable portfolio standards**
- **Getting from here to there: while other resources are RPS eligible, wind is considered important to meeting overall objectives**

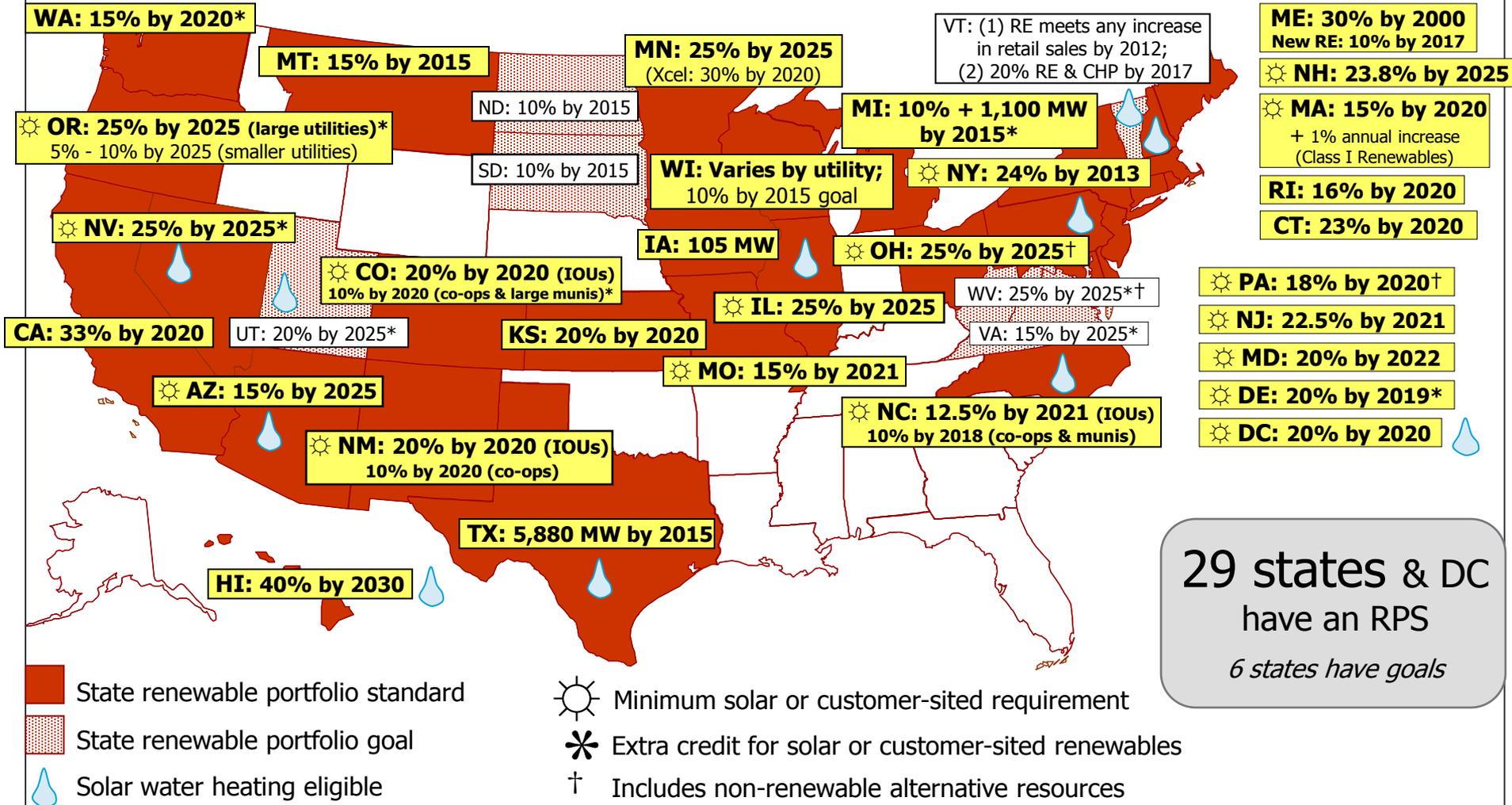


A quick look at Renewable Portfolio Standards ...

U.S. Renewable Portfolio Standards

Slide Courtesy, North Carolina Solar Center / Interstate Renewable Energy Council

www.dsireusa.org / January 2010

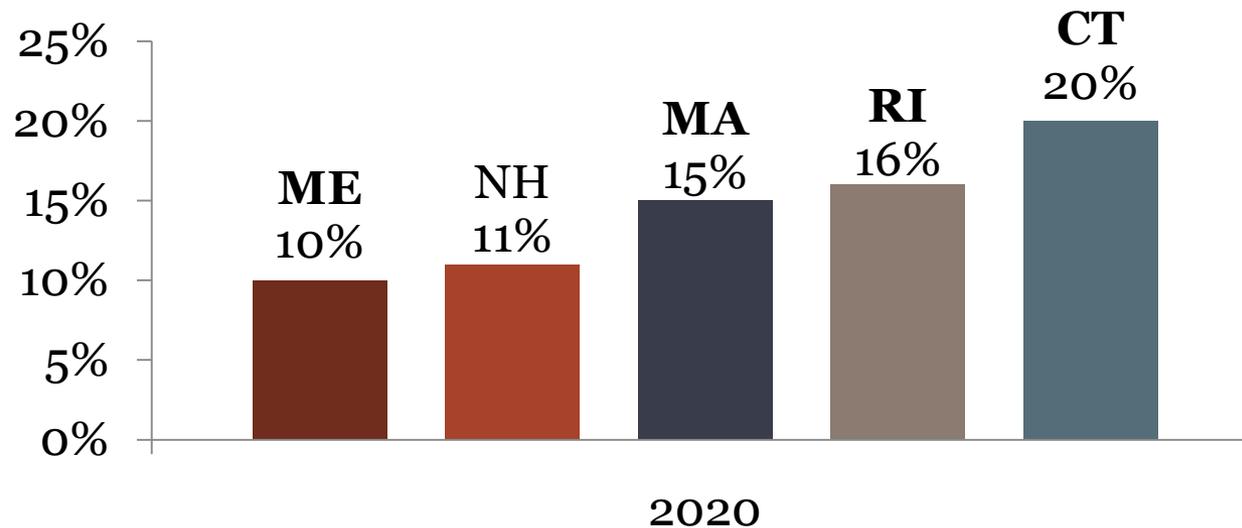


29 states & DC
have an RPS
6 states have goals

New England Renewable Portfolio Standard

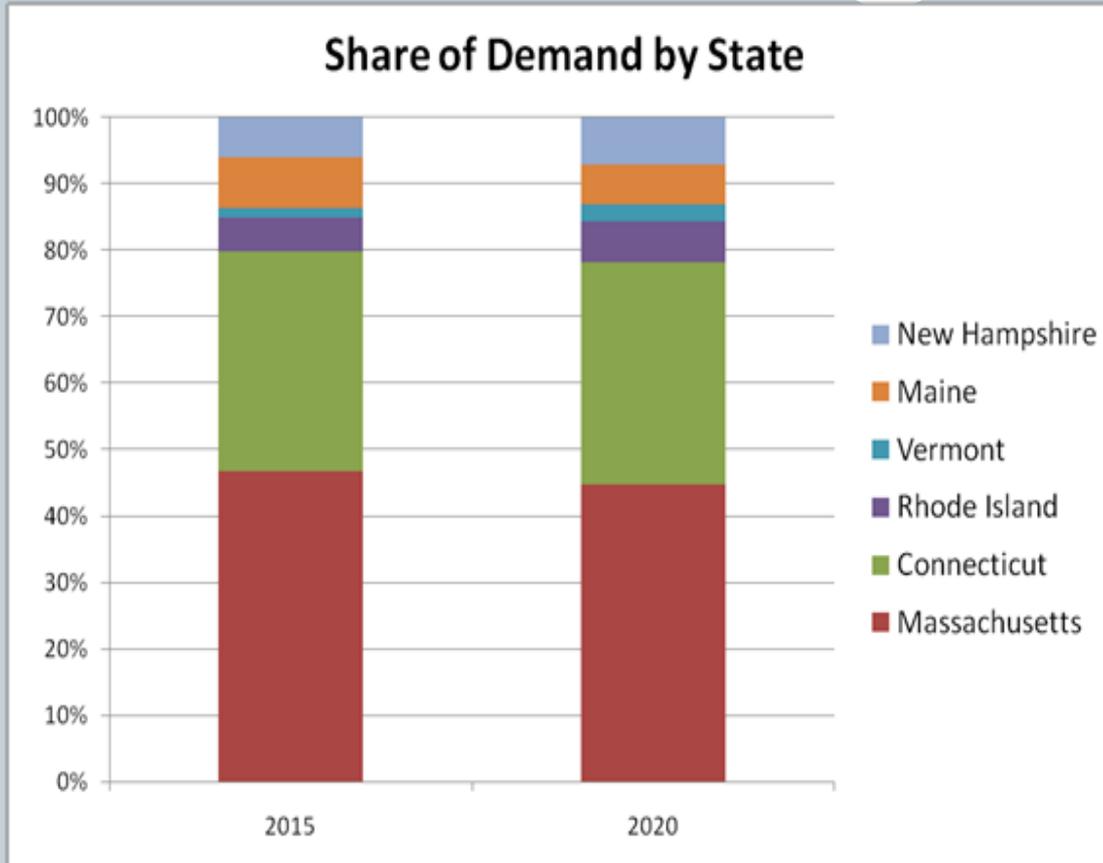
Slide Courtesy of ISO-NE

State Renewable Portfolio Standards



RPS State by State, Over Time

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Few notes:

No RPS in Vermont, but a renewable goal; assume 1% in 2013, increasing 1% a year

Excludes RPS tiers designed solely to maintain the historical contribution of renewable energy

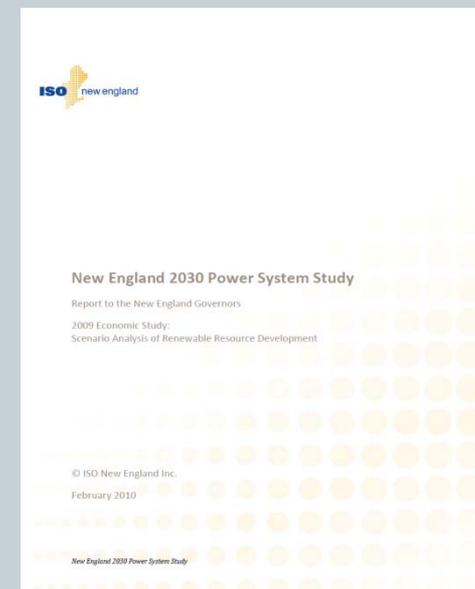
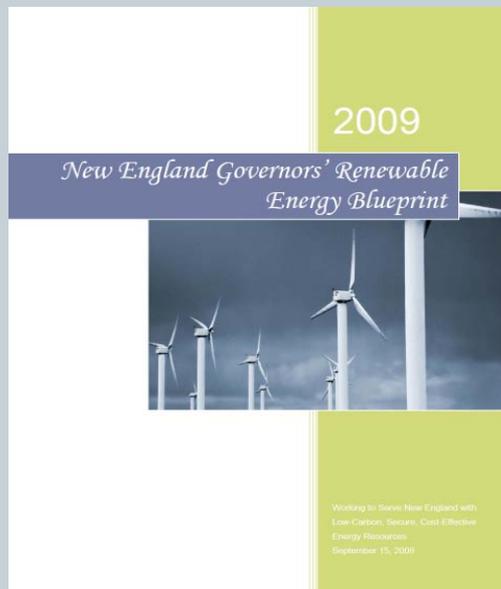
Slide Courtesy of Sustainable Energy Advantage

New England Governors' Renewable Energy Blueprint

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Policy

Technical Analysis



The Blueprint's Road

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September 2008

February 2009

March 2009

July 2009

September 2009

Today

Governors' Resolution

Governors write to President Obama, Congress

States request ISO-NE technical analysis

ISO-NE issues Renewable Development
Scenario Analysis (finalized, 2010)

Governors Adopt Blueprint

Working on coordinated procurement

New England Governors to Washington February 2009



*“As New England’s
Governors, we believe we
have an opportunity in
these difficult economic
times to make a lasting
difference in the way we
generate and use electricity
and the associated
economic, environmental
and health benefits that
such a change will bring to
our region and our
citizens. “*

Letter to President Obama and
Congressional Leaders,
February 5, 2009

Policy Choices Informed By Data

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➤ New England asked ISO-NE to study:

“significant sources of renewable energy available to New England, the most effective means to integrate them into our power grid, and the estimated costs”

➤ ISO-NE conducted technical analysis:

- Looks out 20 years
- 9 *conceptual* transmission paths
- Focus on wind resources:
 - Up to 12,000 MW of wind in New England
 - 7,500 MW onshore & 4,500 MW offshore
 - Incremental cases from 2,000 to 8,000 MW



What the Blueprint is *Not*

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- *Not* meant to discount contribution other low-carbon resources will make to New England
- *Not* meant to signal any reduced interest in efficiency & demand reduction
- ***Not* an identification of preferred resource locations or preferred transmission pathways**
 - Competitive markets or solicitations will determine what resources are developed, where, and by whom

A Few of the Study's Findings

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- The New England region has a vast quantity of untapped renewable resources
 - **more than 10,000 MW on & off-shore wind power potential**
 - **can be developed incrementally**
- If developed at conservative levels, there are ample renewable resources to enable New England to meet renewable energy goals
- Development of renewables in & around the region appears possible with significantly less capital investment for transmission than would be needed to import an equivalent quantity of power from remote, out-of-region sources on new, high-voltage transmission lines

Resource Development Facilitation Opportunities

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The Blueprint also identified opportunities for New England ...



- To conduct joint or coordinated **competitive procurement** of renewable power
 - Common interest across the New England states in securing *low cost, cost-effective or cost-stabilizing power*
- To **coordinate siting** reviews for interstate transmission facilities that emerge as the most cost-effective way to deliver renewable power to consumers

New England Governors' Blueprint Resolution

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BE IT FURTHER RESOLVED that the New England Governors authorize their regulatory and policy officials to use the Blueprint as a resource to help support development of New England's renewable resources in their public advocacy, rule-making, policy development and other initiatives; and

BE IT FURTHER RESOLVED that the New England Governors authorize their regulatory and policy officials to review the availability of renewable resources in the region, including those identified in the Blueprint, and to consider potential mechanisms for the joint or coordinated but separate competitive procurement of renewable resources, and to report the results of such a review to the Governors within the next twelve months.

Final Renewable Development Thoughts ...

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New England has the essential elements in place to help bring our cost-effective, secure, low-carbon resources to market:

- **natural resources**, including significant wind potential
 - **technical analysis** to inform policy choices
 - **cooperative experience**, inclination & authority
- experience with **competitive markets & mechanisms** to identify clean energy resources able to serve customers most cost-effectively
- **mutual state & national interest** in increasing renewable power

And, Some Siting Take-Aways...

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- **Wind is important** to meeting our energy & environmental policy objectives
- Ultimately, whichever renewable resources & associated transmission projects emerge from the market as the most cost-effective option, **delivering renewable power to our consumers will require siting** new transmission facilities in New England
- **New England has had siting successes.** In recent years, we've reviewed, approved & sited significant new transmission facilities. On the generation side, we've seen more than 10,000 MW of new supplies added to the system
- **Siting is inherently local.** State siting processes ensure decision-makers are aware of local concerns

We appreciate NEWEEP's work to provide objective information about siting wind facilities & to shed light on these important issues

Thanks.