

Quad States Conference: **Energy and Climate Change** Report to members
May 3-4, 2014 in Wells, ME

For the first time all six New England states sent League members to this conference. Name change will be in order! Nearly 50 members attended.

Guest speakers explaining energy generation, transmission, and policy were Jack Cashman (former Public Utilities Commissioner from Maine) and Lea Aeschliman (past League member, former NH legislator and former member of the NH Public Utilities Commission).

The speakers began by explaining Independent System Operator-New England (ISO-NE), which is a non-profit regulatory entity set up in 1997 for the following purposes: ensure reliability of electricity in NE, oversee the electricity markets, and coordinate resource planning. To make this happen, the various state public utility commissions gave up some authority to the ISO. Only recently has the ISO been giving its attention to energy efficiency in addition to its three other functions.

The ISO is very different from the traditional model of power generation, in which a company was granted a geographic area (in exchange for regulation by the state PUC) and was both a generating and a transmission company. As many of us know from recent experience, in NH there are now many generating companies but just a few transmission companies (PSNH for many of us). Splitting generation and transmission functions was intended to reduce financial risk for the transmission companies.

At this point, the only thing that the state PUCs regulate is delivery and cost to the consumer. Energy itself is a free-market commodity, with bid-stacked pricing occurring daily. Because natural gas accounts for 36% of electricity generation in NE, in essence gas sets the cost to the ISO. (This attendee is still trying to understand the commodity bidding process that Mr. Cashman explained to us.) Increasing wind and solar sources would lessen the power of natural gas producers to bid so high.

Currently there are several natural gas lines into New England. One line runs from Canada through Maine into the Boston area. That Canadian source is diminishing. The Algonquin gas line from the shale oil sites in Pennsylvania doesn't bring enough natural gas due to bottlenecks in the system. The Tennessee project (also shale oil) is still 4 to 5 years from completion.

Liquefied natural gas plants in the US and Canada can offer us gas at relatively low prices. But those companies can get higher prices if they sell in Europe. If they decide to ship more gas abroad, we will have a shortage.

Currently in New England our electric power is generated by the following sources:

natural gas 36%,
nuclear 23%,
hydropower 20%,
biomass 5%,
oil 3%,
windpower 1%.

Coal is little used except as back-up; plants must be ready when demand for electricity is high. In NH we have only two plants using coal, part of the time. (The EPA would like to close or reduce coal-fired generation, and a group was formed last fall in the Concord area to put pressure on the Bow power plant.)

What can we use instead to produce electricity? The speakers mentioned tidal power, off-shore wind, and solar power. All are currently very small percentages. Mr. Cashman spoke about geo-thermal, heat pumps and solar as small-scale, individual options.

Of the power produced, Massachusetts and Connecticut consume 73% of New England's energy.

When discussion turned to energy efficiency, the speakers pointed out that utilities need incentives to change. Goals for efficiency and diversity of generation are set by each state (Maine has met its clean energy goal already; NH is unlikely to meet its target of 25% clean renewable sources by 2025). Some of the challenging issues are getting adequate state funding, incentivizing consumers to purchase power from more efficient sources, and to increase efficiency by reducing energy usage with home and business building upgrades and more efficient appliances.

Some states are using Property Assessed Clean Energy (PACE) policy to decrease reliance on gas. It is much easier to do this with commercial rather than residential properties.

The discussion shifted to the Regional Greenhouse Gas Initiative (RGGI), the Northeast's first in the nation carbon exchange/reduction trading initiative, which was implemented in 2009 by 10 states. It set an overall cap on carbon emissions (which were lowered in 2012 by the state governments). Allowances are given or sold to utilities to invest in efficiency or renewable generation. In NH, most funds have gone to consumer rate reduction. The speaker made the point that it is foolish to do this—it saves only pennies for individual consumers and it does nothing to move us toward the state's goal of more renewable energy sources or reduction in energy needed for heating buildings.

After lunch Pam Person, LWV Maine member and member of the LWVUS task force on climate change, spoke on how the LWVUS “tools for climate change” can be used at the local, state, and federal level. Members are encouraged to check the LWV.org website for more information.

Pam mentioned two discouraging facts: the last time the US signed an international agreement on climate change was 1994. Also, so-called dark money funds 100 different climate change denial organizations.

LWVNH members met in late afternoon to discuss what is happening in NH with energy bills. Sally Davis directed us to the NH Office of Energy and Planning <www.nh.gov/oep/energy> where a draft plan for energy policy is posted as a result of SB191, passed in 2013. The Commission has been meeting frequently and will solicit public input on the draft plan over the summer. We will find out public hearing dates and post them on our website's calendar page.

In December 2013, the six New England governors signed a joint energy initiative designed to bring affordable, cleaner, and more reliable power to homes and businesses across the Northeast, which will accelerate regional cooperation on expanding renewable energy and energy infrastructure in New England. We hope the six state Leagues will be able to use our LWVUS positions to advocate for policies that will meet climate change and energy challenges.

Respectfully submitted,
Liz Tentarelli