

Regulatory Mechanisms to Ensure Fuel Adequacy

U.S. DOE Electricity Advisory Committee

Update on the New England Governors' Proposal to Invest in Strategic Infrastructure and Address Price Disparities

New England States Committee on Electricity

September 25, 2014

Docket No. _____
Ex. TDI-SGP-5

Urgent Need for Action

Absent significant change...

- New England's power system will be increasingly vulnerable to electric service disruptions
- Consumers will needlessly pay more for energy than consumers in nearby states and elsewhere
- Our region will remain at an unacceptable economic and competitive disadvantage to neighboring states and regions

After lengthy and robust regional discussions of potential solutions, no other comprehensive long-term solution has emerged to move New England beyond the status quo.

Energy Infrastructure Initiative

States have been working on two major energy incremental infrastructure investment strategies

- 1. Expand pipeline capacity** to increase natural gas supply into New England, reducing supply constraints and associated energy price volatility.
- 2. Expand electric transmission** to facilitate utility-scale development and delivery of no-to-low carbon energy resources.

Expanding Transmission to Facilitate Clean Energy

- Issue one or more coordinated RFPs to advance the development of transmission and delivery of at least 1000+ MWs of clean energy into New England.
- Transmission infrastructure costs recovered through ISO-NE tariff or through merchant projects in a manner that ensures costs are shared appropriately among the states.
- Depending on procurement structure, a subset of states (directly or through their utilities) may procure the power to ensure its delivery into the region.