



141 Tremont St., Boston, MA 02111

(t) 617-902-2354 (f) 617-902-2349

[www.nepga.org](http://www.nepga.org)

August 6, 2008

His Excellency Deval Patrick  
Commonwealth of Massachusetts  
Room 360, State House  
Boston, MA 02133

**RE: VETO of S.2540 – Global Warming Bill**

Dear Governor Patrick:

The New England Power Generators Association urges you to veto S.2540 - *An Act Establishing the Global Warming Solutions Act*. While NEPGA supports properly implemented measures to stabilize and then reduce anthropogenic emissions of CO<sub>2</sub> in an attempt to combat the prospect of global climate change, this Act seriously threatens the industry's efforts of maintaining affordable and reliable electrical supply.

The current state of electrical supply is constantly being challenged by regional demand increases, capacity shortfalls and the potential for loss of existing installed capacity. Generators want to continue to provide Massachusetts with the benefits that consumers have experienced and come to expect over the past several years, but the industry struggles with the ability to develop and maintain generating infrastructure because of the vast complexities of existing policies. Despite these challenges, we are developing cleaner and more efficient electrical generation, lowering emissions of NO<sub>x</sub> by 32%, SO<sub>2</sub> by 48% and CO<sub>2</sub> by 6% in an effort to meet our environmental goals.

On July 2, 2008, you signed an energy bill into law giving final legislative approval to Massachusetts' participation in the Regional Greenhouse Gas Initiative.<sup>1</sup> Massachusetts generators will participate in the first auction of CO<sub>2</sub> allowances on September 25, 2008. Our membership is still grappling with the complexities of that program and has yet to determine what the ultimate impact to cost and reliability will be. The concerns that our collective industry has regarding these programs has gone

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<sup>1</sup> RGGI is a cooperative effort by Northeastern and Mid-Atlantic states to reduce carbon dioxide emissions by generators of greater than 25MW. The 10-state initiative mandates a regional cap of 188 million tons (roughly 2005 emissions) on annual CO<sub>2</sub> emissions. The immediate plan for RGGI is to stabilize emissions from 2009-2014 and then implement a yearly reduction of 2.5% from 2015-2018. Over the set four year period, annual emissions will be reduced by 10% in total.

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unheeded.<sup>2</sup> The signing of this Act into law will only create greater economic uncertainty and further endanger the reliability of the bulk power system. NEPGA strongly recommends that Massachusetts work within the recently enacted RGGI auction program to gauge its effects and success before we embark upon more aggressive economy-wide measures.

In Massachusetts we experience some of the highest energy costs in the nation, in large part because we lead the nation in minimizing the environmental impacts of electricity generation. The ongoing challenge to the business community is to address these issues without eroding the benefits of recent technological innovations or compromising our economic viability, and NEPGA wants to assist in meeting that challenge. NEPGA pledges our support and participation in a stakeholder process to ensure a further reduction of emissions in a manner that best meets the needs of the Commonwealth, but the manner set forth in the Act is irresponsible and fails to consider the realistic economic concerns of the business community.

In consideration of the foregoing, NEPGA respectfully urges you to veto S.2540 - *An Act Establishing the Global Warming Solutions Act.*

Sincerely,



Angela O'Connor

President

New England Power Generators  
Association, Inc.

cc. Chairman Michael Morrissey  
Chairman Brian Dempsey  
Associated Industries of Massachusetts  
Greater Boston Chamber of Commerce  
Massachusetts Business Roundtable  
Massachusetts Taxpayers Association

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<sup>2</sup> ISO-NE stated that “RGGI could shift the dispatch of the generators and their CO<sub>2</sub> emissions, and potentially affect electric system operation and reliability in New England.” (emphasis added).