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Testimony before the
Energy, Environment and Economic Development Committee
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SB140 - Establishes standards for Public Service Company of New Hampshire
construction of renewable generation assets

Good afternoon Chairwoman Fuller-Clark, Vice Chair Hassan and members of the Committee. Thank you for the opportunity to provide these comments today. My name is Angela O'Connor and I am the President of the New England Power Generators Association (NEPGA). NEPGA is the largest trade association representing competitive electric generating companies in New England representing over 20,000 megawatts (MW) of generating capacity in the region. Specifically, we represent FPL Energy who owns and operates Seabrook as well as Granite Ridge in New Hampshire. Collectively they represent over 1,800 megawatts of power in the state.

Our mission is to promote sound energy policies that will further economic development, jobs, and balanced environmental policy. We believe that sustainable competitive markets are the best means to provide long-term, reliable and affordable supplies of electricity for consumers.

Last year I had the privilege of testifying before the New Hampshire Energy Planning and Advisory Board. At that time I encouraged the planning board to make new generation built in New Hampshire part of a competitive process. I am here again today before you to make the same appeal: any new generation built in New Hampshire should be part of a competitive process.

The fact is competition is the only way to make sure that consumers are protected and costs stay as low as possible. With competition in a restructured market, it is the company building the power plants that takes the financial risk and not the ratepayer. – if the company building the power plant is inefficient, then the company pays not consumers. It is the company that pays for the building costs, overruns etc. not the consumer...And there is no guaranteed profit or return on investment. That's the way it should be for everyone.

Simply stated building electric generation is expensive. It requires significant capital investment. And that risk should be borne by the companies not the consumer.

That is true even if a decision is made to permit utility generation in limited cases, such as a small biomass plant in the North Country; we recommend that there always be a competitive process

requiring that the utilities compete with merchant generators to build such plants. It is the only way to make sure the most efficient entity build the most cost effective power plant to benefit consumers and ensure that there is no unnecessary risk to consumers

Power plants in New Hampshire that are owned and operated by independent merchant generators are more reliable, and run more efficiently than ever before. Generators remain dedicated to providing the reliable power that helps drive the economy in New Hampshire now and into the future. To that end I have provided a fact sheet that you will find informative and helpful as you consider the benefits of independent merchant generators, instead of utilities and therefore ratepayers, taking the financial risk of building generation that New Hampshire and New England needs entitled: "Meeting New England's Electricity Supply Needs: Regulated vs. Unregulated Generation".

Once again, on behalf of NEPGA, thank you for the opportunity to provide the generators perspective on this important issue. If you have any questions, or if I can be of further assistance, please don't hesitate to contact me directly.