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April 23, 2009

VIA ELECTRONIC MAIL: sen-walaska@rilin.state.ri.us

Senator William A. Walaska
Senate Committee on Environment & Agriculture
Rhode Island State House, Room 307A
Providence, RI 02908-5767

Re: Senate Bill 0488 - *An Act Relating to Health and Safety – Energy Independence*

Dear Senator Walaska:

Thank you for taking the time to meet with me on Tuesday to introduce the New England Power Generators Association (NEPGA)¹ and discuss our concerns with Senate Bill 488. As I had indicated, NEPGA supports properly implemented measures to stabilize and then reduce anthropogenic emissions of CO₂; however, we are concerned that the proposed conditions placed upon the issuance of permits, licenses and other administrative approvals within SB 488 is overly burdensome and could interfere with the ability of electric generation facility owners to maintain existing facilities.

The language that we are concerned with is contained within the paragraph below:

In considering contributions to and effects of the action for which approval is requested, the approving agency shall consider both the individual application and the cumulative effects of ***other past, present and*** reasonably foreseeable future actions. (SB 0488, Page 10, lines 7-9) (emphasis added)

The challenge of maintaining adequate electrical supply is constantly being burdened by regional demand increases, capacity shortfalls and the potential for loss of

¹ NEPGA's member companies represent approximately 26,000 megawatts of generating capacity throughout the region, and 1,362 megawatts in Rhode Island. NEPGA's members in Rhode Island contribute over \$7.5 million dollars in annual property tax revenue and employ approximately 100 workers. NEPGA's mission is to promote sound energy policies which will further economic development, jobs, and balanced environmental policy.

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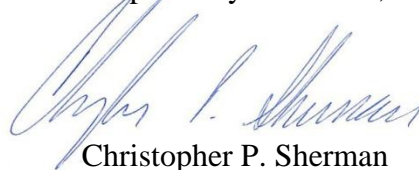
existing installed capacity. Simultaneously, the industry struggles with the ability to develop new generating infrastructure and to maintain existing capacity because of the complexities of permitting and stakeholder obstructions. NEPGA urges the removal of the language that would condition the issuance of a permit on undefined and subjective past and present cumulative effects of climate change because of the unforeseen consequences of that language. In the most extreme cases an agency could prohibit an existing facility from conducting routine maintenance that is necessary to ensure the reliability of that facility. NEPGA maintains that such an outcome was unintended by the proponents of this bill and suggests the following language be removed from line 9, page 10 of SB 488:

In considering contributions to and effects of the action for which approval is requested, the approving agency shall consider both the individual application and the cumulative effects of ~~other past, present and~~ reasonably foreseeable future actions.

This change will allow generating facilities to deal prospectively with climate change issues and maintain electric reliability. Rhode Island's environmental initiatives should be prudently implemented in an economically efficient manner that does not compromise the integrity of the competitive energy markets or the economy in New England. Among the benefits of the competitive market system has been substantial new investment in efficient generating plants, much of it in Rhode Island. These units are cleaner and more efficient, so emissions of key pollutants have gone down even as electricity consumption throughout the region has increased. As a result of competitive market signals for cleaner energy facilities, the competitive market has delivered 10,000 megawatts of privately financed energy facilities that have decreased regional carbon dioxide emissions by 7.5%, nitrogen oxide emissions by 44%, and sulfur dioxide emissions by 65%.

Thank you for opportunity to provide written comments on SB 488. Please contact me at the information provided above if I can provide any further information.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chris P. Sherman".

Christopher P. Sherman
General Counsel