



NEW ENGLAND GOVERNORS' COMMITMENT TO REGIONAL COOPERATION ON ENERGY INFRASTRUCTURE ISSUES

Securing the future of the New England economy and environment requires strategic investments in our region's energy resources and infrastructure. These investments will provide affordable, clean, and reliable energy to power our homes and businesses; make our region more competitive by reducing energy costs; attract more investment to the region; and protect our quality of life and environment.

As the region's electric and natural gas systems have become increasingly interdependent, ensuring that we are efficiently using existing resources and securing additional clean energy supplies will be critical to New England's economic future. To ensure a reliable, affordable and diverse energy system, we need investments in additional energy efficiency, renewable generation, natural gas pipelines, and electric transmission. These investments will also serve to balance intermittent generation, reduce peak demand, and displace some of the least efficient and most polluting fossil fuel generation, enabling the states to meet clean energy and greenhouse gas reduction goals while improving the economic competitiveness of our region.

New England ratepayers can benefit if the states collaborate to advance our common goals. The Governors therefore commit to continue to work together, in coordination with ISO-New England and through the New England States Committee on Electricity (NESCOE), to advance a regional energy infrastructure initiative that diversifies our energy supply portfolio while ensuring that the benefits and costs of transmission and pipeline investments are shared appropriately among the New England States. At the same time, we must respect individual state perspectives, particularly those of host states, as well as the natural resources, environment, and economy of the States, and ensure that the citizens and other stakeholders of our region, including NEPOOL, are involved in the process. The Governors are committed to achieving consensus as we move forward, consistent with laws and policies across the region.

The New England States believe that investments in local renewable generation, combined heat and power, and renewable and competitively-priced heating for buildings will support local markets and result in additional cost savings, new jobs and economic opportunities, and environmental gains. The New England States further believe that these investments must be advanced in a coordinated approach in order to maximize ratepayer savings and system integrity. We will continue to advocate at ISO-New England, NEPOOL, and elsewhere for greater integration and utilization of renewable generation; development of new natural gas pipeline infrastructure; maximizing the use of existing transmission infrastructure; investment, where appropriate, in new transmission infrastructure; and continuation of the inclusion of energy efficiency – and the addition of distributed generation – in load forecasting and transmission planning.

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New England Governors' Commitment to Regional Cooperation on Energy Infrastructure Issues

We have directed our appropriate staff to work together with NESCOE to ensure that we are taking all necessary steps to meet our common needs and goals. Our commitment to work together on energy infrastructure issues will be informed by recent regional energy infrastructure studies conducted by the States, ISO-New England, and other regional organizations. We believe that by working together we can expand economic development, promote job growth, improve the competitiveness of our industries, enhance system reliability, and protect and increase the quality of life of our citizens. Expanding our existing efforts will ensure that we are on a course toward a transformed energy, environment, and economic future for our region that offers a model for the nation.

Signed,



Dannel P. Malloy
Governor of Connecticut



Paul R. LePage
Governor of Maine



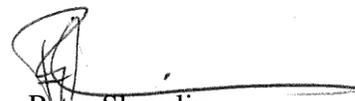
Deval L. Patrick
Governor of Massachusetts



Maggie Hassan
Margaret Wood Hassan
Governor of New Hampshire



Lincoln D. Chafee
Governor of Rhode Island



Peter Shumlin
Governor of Vermont

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New England Governors Sign Energy Statement Committing Region to Cooperation on Infrastructure

Initiative can bring more affordable, cleaner, and reliable power to six states

New England's Governors today committed their six states to an energy initiative designed to bring affordable, cleaner, and more reliable power to homes and businesses across the northeast. This initiative will accelerate regional cooperation on expanding renewable energy and energy infrastructure in New England.

In the joint statement, the Governors are committing to more thoughtful and strategic investments focused on expanding the region's energy portfolio. Regional expansion will bring New England lower electricity and heating costs, increased economic development, competitiveness and job growth, and improved air quality through a reduction in harmful air emissions from the burning of fossil fuels.

The Governors said the agreement will "ensure that we are on a course toward a transformed energy, environment, and economic future for our region that offers a model for the nation." They directed their staff to continue working together over the next few months – through the New England States Committee on Electricity (NESCOE) and in cooperation with ISO-New England, operator of the region's electric grid network – to develop a regional strategy that "meets our common needs and goals."

The agreement states that "Securing the future of the New England economy and environment requires strategic investments in our region's energy resources and infrastructure...New England ratepayers can benefit if the states collaborate to advance our common goals." The agreement also seeks to ensure that "the benefits and costs of transmission and pipeline investments are shared appropriately among the New England States."

The agreement calls attention to the fact that the region's electric and natural gas systems have become "increasingly interdependent," creating a need for cooperative investments in energy efficiency, new and existing renewable generation, natural gas pipelines, and electric transmission.

The Governors said their Initiative "must respect individual state perspectives, particularly those of host states, as well as the natural resources, environment, and economy of the States, and ensure that the citizens and other stakeholders of our region, including the New England Power Pool (NEPOOL), are involved in the process."

The states believe that investments in local renewable generation, combined heat and power, and renewable heating for buildings "support local markets and result in additional cost savings, new jobs and economic opportunities, and environmental gains." Furthermore, these types of

investments must “be advanced in a coordinated approach in order to maximize ratepayer savings and system integrity.”

The agreement for the Regional Energy Infrastructure Initiative was signed by Governors Dannel P. Malloy, Connecticut; Paul LePage, Maine; Deval L. Patrick, Massachusetts; Margaret Wood Hassan, New Hampshire; Lincoln D. Chafee, Rhode Island; and Peter Shumlin, Vermont.

Comments from the Governors:

“We have seized on every available opportunity to bring down the cost of electricity, heat, and power for our families and businesses,” said Governor Malloy, Connecticut. “We have enjoyed some success but energy prices here are still higher here than in other parts of the country because of severe constraints on the flow of electricity and natural gas into our state. By working closely with New England neighbors who face similar challenges we can thoughtfully plan and develop the network of electric transmission lines and natural gas pipeline needed to meet our goal of providing cheaper, cleaner, and more reliable power for Connecticut.”

“New England’s energy costs are not competitive,” said Governor LePage, Maine. Our high energy prices drain family budgets and are a significant barrier to attracting business investment, especially in energy-intensive industries. At the same time, we are geographically positioned to take advantage of competitively priced natural gas and hydropower resources if we collectively invest in key infrastructure. This energy infrastructure initiative can bring these world-class resources to start powering New England industry and start saving money for families across our states.”

“This is an economically and environmentally important collaboration,” said Governor Patrick, Massachusetts. “By expanding opportunities for large-scale hydro, wind and other renewable energy sources, we are putting thousands of our residents to work and creating a healthier region for the next generation.”

“In order to build an innovative energy future and encourage the economic growth that will create good jobs, we must take steps to lower energy prices for New Hampshire’s businesses and families while making sure that we are protecting what we love about our state,” said Governor Hassan, New Hampshire. “Continued collaboration among the New England states allows us to explore accelerating the pursuit of additional natural gas and other energy sources in innovative ways that will reduce energy costs and increase reliability throughout the region while protecting New Hampshire ratepayers and the natural resources that are critical to our state's economy and to what makes our state special.”

“I am pleased to join with our neighboring states to advance this energy infrastructure initiative which will position Rhode Island to take advantage of cleaner and more affordable energy,” said Governor Chafee, Rhode Island. Through this collaborative effort the New England states will pursue a diversified energy portfolio, with the infrastructure needed to support it that will bring long-term environmental and economic benefits to Rhode Island residents and businesses alike. As part of that strategy, I remain committed to the advancement of clean, affordable hydropower,

as well as other renewable resources that can improve electric reliability, stabilize and lower long-term energy costs, and help reduce harmful greenhouse gas emissions.”

“Building on the work we started two years ago to coordinate procurement of power in the region, I am pleased that the states today agree to work together on infrastructure improvements to ensure we make New England power more reliable, and more cost competitive.” said Governor Shumlin, Vermont. “Coordinating electric and gas transmission in the region will put downward pressure on power rates into the future, and ensure any infrastructure built is both needed and cost effective for Vermonters and all New England consumers.”