



New England Ratepayers Association

September 14th, 2016

Pamela G. Monroe, Administrator
New Hampshire Site Evaluation Committee
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Docket No. 2015-06 Joint Application of Northern Pass Transmission, LLC and Public Service Company of New Hampshire DBA Eversource Energy for a Certificate of Site and Facility

Dear Ms. Monroe:

The New England Ratepayer Association wishes to submit the following comment:

On August 17th the Massachusetts Supreme Court vacated a ruling by the Massachusetts Department of Public Utilities that would have permitted electric utilities to charge electric ratepayers for pipeline capacity and then sell the gas to generators. Due to market inefficiencies that do not incent natural gas generators to subscribe to firm natural gas capacity, this ruling is essentially a de facto proscription of additional natural gas pipeline expansion into the New England market.

Natural gas generators set the marginal price for electricity approximately 80% of the time. Because New England's natural gas pipelines are constrained, especially but not exclusively during the winter months, electricity price volatility mirrors the volatility of the New England natural gas market—leading to the extreme price spikes that we saw during the 2013 and 2014 winters.

As a result of the Massachusetts Supreme Court ruling and systemic natural gas infrastructure deficiencies, any new natural gas plants may provide power in the summer but will do nothing to ease the wholesale electricity price volatility during colder months. That is a terrible situation for New Hampshire's families and businesses.

The implications of the Massachusetts' ruling further increases the importance that the Northern Pass Project be completed. We are not going to build new coal, oil or nuclear plants. We have very high market barriers to new entrants (not to mention this new legal decision) that will suppress any expansion of New England's natural gas pipeline capacity. Northern Pass is now the "last man standing" when it comes to energy infrastructure projects that can smooth out the volatility plaguing our region's electricity market. The families and businesses of New Hampshire deserve relief from high electricity prices and approving Northern Pass is an important first step.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Brown', with a long horizontal flourish extending to the right.

Marc Brown
President
New England Ratepayers Association
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Concord, NH 03302
603-369-4301