

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

March 15, 2019

Mr. Gordon Van Welie
President and CEO
ISO New England, Inc.
1 Sullivan Rd
Holyoke, MA 01040

Dear Mr. Van Welie:

Attached please find a statement, reflecting the consensus views of the six New England Governors. As the statement indicates, the New England Governors commit to working together in coordination with ISO New England and others on the issues outlined in the statement. We look forward to this collaboration with ISO New England.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip B. Scott", with a long horizontal line extending to the right.

Philip B. Scott
Governor of Vermont
Chair, Coalition of Northeastern Governors

PBS/kp



New England Governors' Commitment to Regional Cooperation on Energy Issues

March 15, 2019

Reliable and affordable energy is essential to ensuring that New England continues to attract investment in the region and grow our economies, while protecting our environment and quality of life. Recognizing the importance of this task, the six New England states reaffirm our commitment to cross-border collaboration and advancement of our common goals, while working to ensure that the region's energy system fosters continued reliability and more affordable electricity for local homes and businesses.

In recent years, our electric system has faced challenges in its ability to ensure reliable service during prolonged periods of cold winter weather. A just-in-time fuel supply constrained by natural gas pipeline capacity competing to serve both heating needs and power plant demands underlies this challenge. Consequently, states have been working to diversify their energy supply and reduce carbon emissions through the integration of new clean energy generation and energy efficiency measures. Wholesale markets were designed to select resources in a fuel neutral way at the least cost; they were not designed to achieve some states' environmental mandates.

A particular challenge is the retirement of nuclear generation resources, which serve approximately 25% of the region's annual electricity demand. For example, closure of the 2,100 MW Millstone nuclear facility, which Connecticut state agencies have determined to be at risk of retirement as early as 2023,ⁱ could expose New England ratepayers to increased winter energy security risks. Its retirement could also increase the New England power sector's greenhouse gas emissions by 25%.ⁱⁱ

Recognizing that the entire New England region has a stake in ensuring a reliable energy system that also produces affordable outcomes for consumers, the New England Governors commit to work together, in coordination with ISO New England and through the New England States Committee on Electricity (NESCOE), to evaluate market-based mechanisms that value the contribution that existing nuclear generation resources make to regional energy security and winter reliability. In addition, to the extent a state's policies prioritize clean energy resources, those states commit to work together on a mechanism or mechanisms to value the important

attributes of those resources, while ensuring consumers in any one state do not fund the public policy requirements mandated by another state's laws. The New England states have demonstrated leadership in advancing market-based approaches such as the Regional Greenhouse Gas Initiative and we are hopeful collaboration can address this important issue as well.

Sincerely,



Ned Lamont
Governor of Connecticut



Janet T. Mills
Governor of Maine



Charles D. Baker
Governor of Massachusetts



Christopher T. Sununu
Governor of New Hampshire



Gina Raimondo
Governor of Rhode Island



Philip B. Scott
Governor of Vermont

ⁱ See *Interim Decision*, Docket No. 18-05-04, PURA Implementation of June Special Session Public Act 17-3, Connecticut Public Utilities Regulatory Authority 27 (December 5, 2018) available at <http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7ccd55d05bce0d168525835a00699329?OpenDocument>.

ⁱⁱ See *Connecticut Department of Energy & Environmental Protection and Connecticut Public Utilities Regulatory Authority's Resource Assessment, Appraisal, and Determination Pursuant to Executive Order No. 59 and Public Act 17-3 3* (February 1, 2018) available at <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/cbc977effc0e623985258227005d607e?OpenDocument>.