

# Our Opposition Matters!



Vince and Denene Premus  
StopNED/Pepperell Homeowners Coalition  
September 24, 2014

For more information go to [www.nashobatrust.org](http://www.nashobatrust.org)

# Agenda

630-700 Welcome and Letter Signing Campaign

700-745 Status: Our Opposition Matters - Vince Premus

745-800 Update from the Municipal Coalition - Stephen Themelis and Beverly Woods

800-830 Overview of Pre-FERC Filing - Paula Terrrasi and Rob Rand

830-900 Questions and Wrap-up

# Much Has Happened Since Last Pepperell Homeowner's Meeting

- Rolling Rally culminates at the State House on July 30
- Governor Patrick withdraws support for NESCOE's tariff proposal
- NESCOE postpones referendum vote on the tariff at New England Power Pool (NEPOOL)
- Legislature voted down HR 4185—big victory against the gas pipeline proponents, but missed opportunity to strengthen solar net metering
- MA Department of Energy Resources (DOER) has published RFP calling for the independent needs/capacity study sought by the opposition
- Coalition of state legislators calling for public hearing to review the lack of public process and environmental impact of the proposal
- KM submitted its pre-FERC filing on September 16
- EEA Secretary Bartlett submits letter to FERC same day citing KM lack of preparation and failure to thoroughly investigate environmental impact

# CLF Appeals Withholding of Public Records on Regional Energy



- NESCOE has claimed that it is not subject to public records laws and has refused to provide any documents—Documents that were obtained by Conservation Law Foundation yielded a number of disturbing findings:
- Significant disdain for public opinion—According to one NESCOE staff member, “strategy should be formulated behind closed doors as the court of public opinion can be fickle and recalcitrant”
- Pipeline and Utility companies enjoy pervasive and improper influence, and access to NESCOE representatives and proceedings
- Gordon Van Welie, President and CEO of ISO New England, admits that the purpose of this initiative is to use public money to OVERBUILD gas pipeline infrastructure

# Culmination of the Anti-Pipeline Rolling Rally at the State House – July 30



Rep. Denise Andrews



Rep. Stephen Kulik

- High visibility media event attended by approx. 1,000 opposition supporters from across the state
- Speakers included State Representatives Shelia Harrington, Stephen Kulik, and Denise Andrews
- Five members of the pipeline opposition delegation had a private audience with Gov. Patrick
- Petition with over 10,000 signatures was presented to Governor Patrick

# Gov. Patrick backs away from regional effort to expand natural gas capacity

*Boston Business Journal*

*Monday, August 18, 2014, 10:55pm EDT*

*Jon Chesto*



“Massachusetts remains committed to working as a region to solve New England’s most pressing energy challenges...we must, however, continue to understand the region’s evolving needs as well as both the short and the long-term impacts these infrastructure investments will have. As such, [we are] reviewing existing analysis on low demand and natural gas needs, necessitating a delay in filing a pipeline related tariff with FERC.”

-Krista Selmi, a spokeswoman for Patrick’s energy staff

**NESCOE suspended its plan for a vote on tariff at NEPOOL’s August meeting**

[http://m.bizjournals.com/boston/blog/mass\\_roundup/2014/08/gov-patrick-backs-away-from-regional-effort-to.html?r=full](http://m.bizjournals.com/boston/blog/mass_roundup/2014/08/gov-patrick-backs-away-from-regional-effort-to.html?r=full)

# Ann Berwick, Chair of MA DPU – NEEP Summit, 2014



- Keynote address to Northeast Energy Efficiency Partnership, Newport, RI 2014
- Key theme was “Critical Need to De-carbonize our electricity supply and reduce our state’s reliance on fossil fuels”
- “Natural gas should be thought of as a window of opportunity to focus on renewables and storage.”
- “Efficient, scalable electricity generation from renewables such as solar, hydro, and wind is expensive...but nowhere near as much as the failure to address climate change.”

Source: YouTube, “**Ann Berwick 2014 NEEP Summit Power Talk**”

# Ann Berwick Response – August 6, 2014



THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

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AND ENVIRONMENTAL AFFAIRS

August 6, 2014

VIA FIRST CLASS MAIL

Dr. Vincent E. Premus  
43 Elm Street  
Pepperell, MA 01463

RE: Your July 25, 2014 Open Letter to Ann Berwick

Dear Dr. Premus:

Thank you for your thoughtful "open letter" to me dated July 25, 2014 regarding the Kinder Morgan/Tennessee Gas Pipeline, LLC (TGP) proposed natural gas pipeline. I completely appreciate your perspective, and would like to clarify my view on the issues you make.

The six-state solution that the New England States Committee on Energy is facilitating would allow for open and transparent regional solicitations for electric transmission (to support clean energy such as wind and hydro) as well as a natural gas pipeline. It would also provide an electric ratepayer cost recovery mechanism for both through Federal Energy Regulatory Commission (FERC) tariffs. However, the competitive procurement process has not been initiated and the states, including Massachusetts, have made no decisions whatsoever with respect to any projects. I want to emphasize this last point. There seems to be widespread misunderstanding about the Governors' and the NESCOE intention and process. The process is meant to put in place a structure and a cost allocation methodology for the region to procure more clean energy and natural gas, NOT to support or endorse any particular project. It does not reflect support for the TGP or any other project or, for that matter, the need for any specific amount of natural gas.

When you make

Dr. Vincent E. Premus

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without any fossil fuels if we thought that were even remotely possible. It is not. This Administration is deeply committed to energy efficiency and renewable power. The American Council for an Energy Efficient Economy has ranked Massachusetts the number one state for energy efficiency three years running. The Governor has also set a goal of creating 1600 megawatts of solar power in Massachusetts by 2020 (up from 4 MW of installed solar power when he took office), and has been an outspoken supporter of offshore wind. Notwithstanding these policies, the region is skating dangerously close to the edge in terms of sufficient energy resources. The Black and Veatch low-demand case that you reference does not take into account the closing of the Vermont Yankee facility, Brayton Point, or Mount Tom or, for that matter, several thousand megawatts of other coal and oil facility closings that are projected for the next decades.

I of course agree with you that the region's use of natural gas—and other fossil fuels—should be absolutely minimized. I also agree that the state and the region needs to replace leak-prone natural gas pipelines, although I do not agree that we currently have reliable figures on the amount of gas that is being lost to leakage. In that regard, the Department of Public Utilities (DPU) has hired an independent consultant who is currently reviewing gas companies' procedures for identifying leak-prone pipe and the methods used to classify leaks, in order both

"I of course agree with you that the region's use of natural gas...should be absolutely minimized."

is lost and that Governor natural gas in expedited rate setting natural gas

ilities Siting make the decision on the DPU for and others will opportunity to

weigh in at FERC with respect to the state's view of any proposal. None of the filings that would initiate that process, either here or at FERC, have yet been made.

Thank you again for your thoughtful letter. I hope you find this response helpful.

Sincerely,

Ann G. Berwick, Chair

Then show us Chairman Berwick—"to take no action is to take action."

# ISO New England – Independent System Operator



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## Our Three Critical Roles



### Grid operation:

Every minute of every day, we coordinate and direct the flow of electricity over the region's high-voltage transmission system.



### Market administration:

We design, run, and oversee the billion-dollar markets where wholesale electricity is bought and sold.



### Power system planning:

We do the studies, analyses, and planning to make sure New England's electricity needs will be met over the next 10 years.

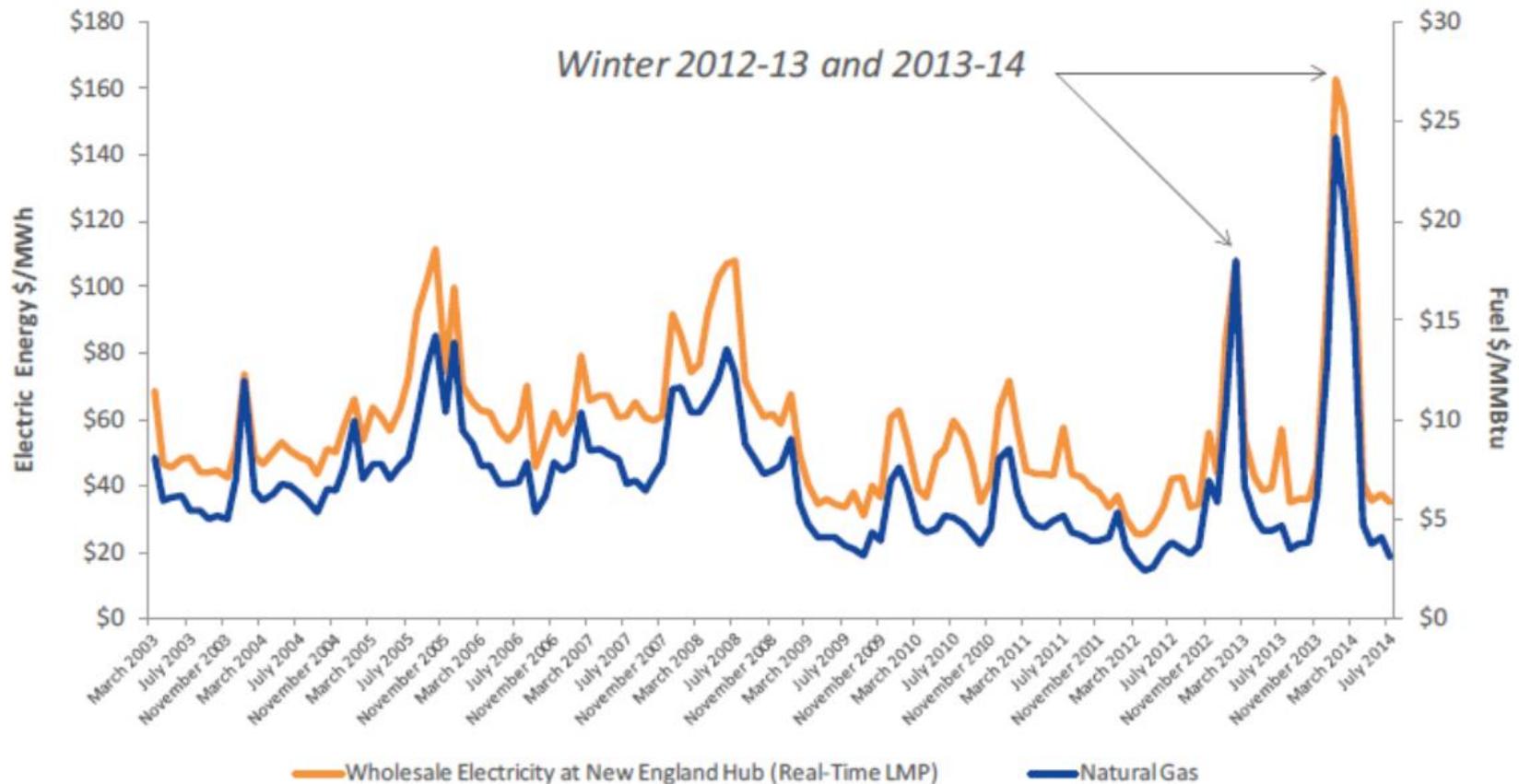
Created and authorized by the Federal Energy Regulatory Commission (FERC)—ISO New England operates under the *ISO New England Inc. Transmission, Markets, and Services Tariff*.

# Winter Reliability Program



- In 2013-14, ISO-NE explicitly excluded Liquefied Natural Gas from participating during peak-shaving times
  - Concerned that reduced opportunity costs during a time of high gas demand would lower gas prices and send the wrong signal about the scarcity of natural gas
  - Result was that electricity prices spiked to more than \$150/MWh briefly during December, 2013
- In 2014-15, under FERC Docket No. ER14-2407-000, ISO-NE magnanimously allows LNG to participate...or does it?
  - Provides for an end-of-season payment to generators that contract for firm LNG to offset the risk of unused contract volumes
  - However, the price of \$3/MMBtu is “inadequate to incentivize sufficient contracting given the volatility of the natural gas market and the risk of holding unused LNG inventory.” —GDF Suez

# High Gas Prices Drove Wholesale Electricity Prices to Record Levels Over the Past Two Winters



Source: G. Van Welie, "Managing the Reliability of the Electric Grid While the Power Industry Undergoes Rapid Transformation," *Massachusetts Restructuring Roundtable*, 9/19/14

# David Cay Johnston article – June 11, 2014



**OPINION**

**US electricity markets are anti-consumer**

*Congress and government regulators need to step in*

June 11, 2014 1:30AM ET

by **David Cay Johnston** - [@DavidCayJ](#)

“Accusations of market manipulation dog the electricity markets from coast to coast, raising questions about the integrity of these secretive entities and whether they can ensure sufficient generating capacity at all times.” —David Cay Johnston

# State of Minnesota Ruling Favors Renewable Electricity Generation – January, 2014



The world's best thinkers on energy & climate



## Natural Gas Loses to Solar Energy on Costs, A First

Like it? *Posted January 9, 2014* 16 comments

Keywords: Electricity, Energy Security, Natural Gas, Tech, Solar Power, Sustainability, Utilities, Efficiency, Cleantech, Green Business, Energy, Energy and Economy, Fuels, News, court ruling, energy costs

95 120 12 0 227

Posted by:



Lewis Milford

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“For those who already think natural gas will win out over renewable power, a judge in Minnesota has said, not so fast...”

Administrative law judge for Minnesota’s Public Utilities Commission decided in favor of a \$250 million USD distributed solar installation over natural gas fueled generation plant in response to a 100 MW RFP:

- The distributed solar proposal offered competitively-priced energy generation at firm prices
- Fewest new environmental impacts
- Significant protections against the imposition of project cancellation costs

# Net Metering and Solar Photovoltaics

- Net metering allows customers of certain electric distribution companies to generate their own electricity to offset their usage.
- Once an electric distribution company fills its net metering caps, it can no longer allow customers to take service under its net metering tariff.
- Current cap is equal to 3 % of company's historical peak load:†
  - National Grid 153 MW
  - NSTAR 149 MW



685-kilowatt installation at Staples headquarters in Framingham

Legislate increase in cap, or eliminate entirely, to reach goal of 1600 MW by 2020.

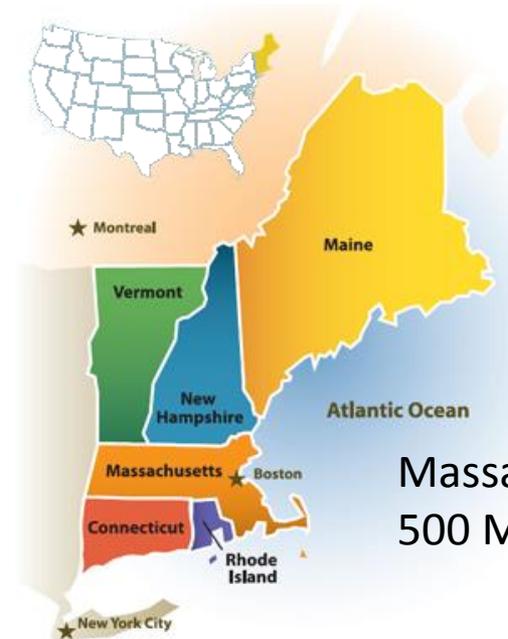
†Source: <http://www.mass.gov/eea/> (last accessed 9/21/14)

# While Massachusetts Struggles to Reach 1,600 MW by 2020, consider Germany...

Germany @  
37,000 MW  
in 2014



*Area: 140,000 sq. mi.  
Population: 80,000,000  
GDP: \$3.3 Trillion USD*



Massachusetts @  
500 MW in 2014

*Area: 70,000 sq. mi.  
Population: 15,000,000  
GDP: \$900 Billion USD*

Germany has been the world's top PV installer for several years—37,000 MW as of July 2014, ahead of China, Italy, Japan, and the United States.

# Region Is Losing Non-Gas Resources

*More than 3,000 MW of generation has announced retirement in the coming years*

## Major Retirement Requests:

- Salem Harbor Station (749 MW)
  - 4 units (coal & oil)
- Vermont Yankee Station (604 MW)
  - 1 unit (nuclear)
- Norwalk Harbor Station (342 MW)
  - 3 units (oil)
- Brayton Point Station (1,535 MW)
  - 4 units (coal & oil)
- *Additional retirements are looming*



Source: *Generator Retirement Study*, ISO New England, 2012.

# Minimum Generation Emergency Warning September 17, 2014



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### Minimum Generation Emergency Warning on September 17, 2014 at 04:00

ISO New England is declaring a Minimum Generation Emergency Warning for All of New England. The Minimum Generation Emergency Warning is in effect from 04:00 to 07:00 September 17, 2014.

- Date: Wed Sep 17, 2014 4:00AM
- Committee: Emergency Operations System Notices

For three consecutive days earlier this month, consumers were using so little electricity that the grid operator had to ask power plants to NOT generate electricity.

# MA Department of Energy Resources Gas-Electric Reliability Study RFP



- Solicitation is out for bid to perform the independent gas-electric needs/capacity study sought by the anti-pipeline grassroots campaign
- Expected to be conducted independently of New England States Committee of Electricity
- Expected to include an assessment of the “Low Demand Scenario” and what it will take to get us there.

# EEA Sec. Maeve Bartlett Letter to FERC September 16, 2014



*The Commonwealth of Massachusetts*  
*Executive Office of Energy and Environmental Affairs*  
100 Cambridge Street, Suite 900  
Boston, MA 02114

DEVAL L. PATRICK  
GOVERNOR  
MAEVE VALLIELY BARTLETT  
SECRETARY

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September 16, 2014

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Room 1A  
Washington, DC 20426

Re: Tennessee Gas Pipeline Company, L.L.C., Docket No. PF14-22-000  
Request to Use Pre-filing Procedures  
Proposed Northeast Energy Direct Project

Dear Ms. Bose:

I have received notice that Tennessee Gas Pipeline, LLC, ("Tennessee Gas" or "the Company"), proponent of the Northeast Direct Natural Gas Pipeline, has submitted a pre-filing application with the Federal Energy Regulatory Commission ("FERC"). I understand that FERC will be providing more information to the public in the near future with regard to opportunities for the public to learn more about the project and also to comment on the proposed pipeline.

As you are aware, Governor Patrick wrote to Acting Chairman LaFleur this summer to encourage a robust and full public review of this proposal. As the pre-filing stage of the FERC proceeding has commenced, so has the opportunity for full and meaningful input from the public. I urge FERC to consult with the Commonwealth's Energy Facilities Siting Board to make sure that a comprehensive public outreach plan is developed and implemented and that there are meaningful opportunities for public input. The Company has repeatedly pledged to the Commonwealth's Executive Office of Energy and Environmental Affairs (EEA) and to the public that it will be open to making adjustments to its proposal during the pre-filing process. FERC should use its resources during this pre-filing process to hold the Company to that pledge.

Massachusetts, through its Executive Office of Energy and Environmental Affairs and agencies within that Secretariat, has a number of interests affected by the proposal and will be an active participant in the pre-filing process and any subsequent application

- "Unclear whether Massachusetts needs additional infrastructure to meet demand."
- "Particularly concerned whether the company is planning to serve customers outside the state or New England."
- "Given the Commonwealth's climate goals, it is critical that any efforts to build additional natural gas infrastructure are limited only to what is determined to be necessary."
- "To date the company has not undertaken the type of detailed analysis to facilitate meaningful review of the route or demonstrated that it has fully considered alternative routes to minimize impacts."

# Northeast Utilities and Spectra Energy Expansion—Implications for TGP?

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MARKETS TECHNOLOGY

## \$3b plan promises more natural gas in New England

2 pipeline operators aim to boost supply

By **Jack Newsham** | GLOBE CORRESPONDENT SEPTEMBER 16, 2014

Two of the largest players in the New England natural gas market have formed a partnership to expand the capacity of two major pipelines, they said Monday, the latest of several proposals to increase the supply of natural gas to the region and moderate the costs of heating and electricity.

The pipeline operator, Spectra Energy Corp., of Houston, and Northeast Utilities, the parent of Nstar and Western Massachusetts Electric Co., said they will invest \$3 billion in a project to bring an additional 1 billion cubic feet of gas a day into New England, or enough to supply about 3.5 million homes.

Does planned expansion of existing infrastructure pull the rug out from under KM?

# Cheryl LaFleur, FERC Chairman

## Massachusetts Restructuring Roundtable

9/19/14



- “My job is to provide energy as a reasonable cost.”
- “Over the past 4 years, I have developed a thick skin and gotten used to people hating me.”
- “Have to turn investment into something steel in the ground.”
- “We can’t be against everything. We have to build something.”

Need federal legislation that imposes a stringent threshold before the practice of “eminent domain” can be invoked—This has to be the means of last resort.

# Dear Chairman LaFleur,

In determining public convenience and necessity, require an affirmative finding that:

- 1) There is no adverse impact on the short and long term economic incentives for developing clean and renewable energy solutions on a state and regional basis,
- 2) There is no adverse impact on both state and regional current policies to cut back on greenhouse gas emissions, including from leakage as well as combustion, or increase in the risk of violating both state and federal clean air act laws and regulations,
- 3) In determining public convenience and necessity, require an affirmative finding that no state policy to preserve wetlands and both public and private conservation, whether federal , state, or local, is being undermined by the location of the pipeline,
- 4) The deployment of infrastructure to deliver natural gas that is in excess of the state's and region's current gas requirements, thus be available for export as LNG, is contrary to a finding of public convenience and necessity for the petitioned for capacity.

# Do Your Job ISO New England!



Gordon Van Welie – President and  
CEO, ISO New England

- Stop trying to manipulate gas pricing signals
- Stop seeking permission from FERC to use public money to OVERBUILD gas pipeline infrastructure
- Start to remove obstacles to more timely integration of renewables
- Start to improve synchronization of gas and electric markets.
- Develop a plan that balances demand, environmental impact, health, and safety—whether or not you are statutorily required to do so.

Do your job like your neighborhood, your home, and your child's safety depend on it!

# Summary

- To ISO New England:
  - Start doing your job—you work for us, NOT Tennessee Gas!
  - Stop manipulating gas/electric market pricing signals
  - Develop a plan that balances demand, environmental impact, health, and human safety.
- To our State Legislature: Remove the administrative obstacles to a robust, secure energy supply
  - Raise the Net-Metering Cap immediately; Germany @ 37,000 MW today—but Massachusetts goal is only 1,600 MW by 2020?
  - Draft legislation to synchronize the gas-electric markets
- To our federal delegation: Draft legislation that introduces statutory requirements on FERC that:
  - 1) Imposes Clear Conditions on Invocation of Eminent Domain, and
  - 2) Insures Compliance with State/Federal Clean Air Act Laws and Regulations

# Important Dates

- October 18 – Statewide Yard Sale
- November 4 – Election Day
- November 15 – Stop the Pipeline Statewide Summit
- January 6, 2015 (est.) – MA Legislative Recess Ends