October 7, 2008

Massachusetts Department of Energy Resources
100 Cambridge Street
Boston, MA 02110-1313

RE: Comments of Industrial Wind Action Group, Inc. regarding the feasibility of compliance with import provisions of the Green Communities Act.

Dear Sir or Madam:

The Industrial Wind Action Group ("IWA") wishes to comment upon the feasibility of compliance with Section 105 (c) and (e) of the Green Communities Act (the "Act"), pursuant to the department's request for comments.

IWA is a national organization comprised of subscribers residing throughout the United States. The majority of our subscribers live in eastern U.S. states including Massachusetts and New York with up to a third living within the ISO-NE control area. Many are directly impacted by renewable energy legislation implemented in the State of Massachusetts. IWA is based in New Hampshire.

While we understand policies in the New England region strongly encourage the development of renewable generation, at no time do these policies require renewable generators to be accountable for producing electricity that is capable of meeting demand needs. Rather, such renewable policies merely ask that energy be placed on the grid with no consideration of time of day or year the output is produced nor do these policies carry a requirement that the energy meet growing capacity needs. As a result, the least expensive, quickest built renewable projects, i.e. onshore wind energy facilities, are getting proposed and erected, ensuring the highest possible return for developers and the least reliable generation for ratepayers. Since onshore wind energy is unpredictable and cannot be counted on to meet demand, we argue that it is a lower value option over other reliable alternatives that can deliver capacity. This is a basic flaw of the RPS programs within the region that we hope Massachusetts regulators will address in the near future.

Section 105 provision (c) is an important first step in addressing this issue at least in regard to imports. Out-of-region generators are actively seeking to take advantage of the generous incentives under the MA RPS while depriving the State of any economic opportunities related to building generation within the region. Without the capacity requirement, these renewable facilities – at best – may aid in fuel displacement, but will not materially result in the decommissioning of existing fossil fuel plants, will not negate the need to build new, more reliable generation, and will

not provide economic benefit to the region. So what do the Massachusetts ratepayers gain in return for maintaining open borders on imported renewables? Very little.

The Conservation Law Foundation maintains that the provisions of Section 105 unfairly discriminate against out-of-state generators in violation of the Commerce Clause. We agree with Ridgewood Power when it asserts that imposing these differences is comparable to those rules adopted and implemented by the ISO-NE pertaining to imports. Cape Wind's point is also worth reiterating, that these provisions "*only set the terms of participation in a state-sponsored incentive program (i.e., eligibility to receive Massachusetts RECs), but do not impose any adverse prohibition or burden upon the import or trade of externally generated renewable power within Massachusetts, which could continue unfettered by any implications of the Massachusetts RPS initiative.*" Limiting the economic incentives of state-initiated programs to in-region generation is fair and appropriate.

Finally, we are compelled to respond to First Wind's assertion that their project development plans are predicated on open access to the MA RPS program and that any changes which might "favor" some renewables over others would be contrary to the intent of the RPS program. These comments are remarkably self-serving and seemingly indifferent to MA electricity consumers (and many politicians) who firmly believe their public dollars are paying for the deployment of renewable resources that will a) actually result in building fewer fossil fuel power plants, b) bring jobs and economic value to the region, and c) produce renewable power that will drive their homes and businesses equally on hot summer afternoons as it could on cold winter nights. As long as renewable generators hold no responsibility for delivering capacity and that no such limits are placed on out-of-region generation, none of the above "beliefs" will likely be realized. Building renewables for the sake of building renewables, which is the effect of the existing MA RPS rules, is a costly and haphazard approach to meeting the state's renewable energy goals.

Thank you for permitting us this opportunity to comment on this important issue.

Respectfully,

Lisa Linowes
Executive Director