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February 13, 2004

Dr. Susan Tierney, Chair  
Massachusetts Ocean Task Force  
Executive Office of Environmental Affairs  
251 Causeway Street  
Boston, MA 02114

**RECEIVED**  
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COASTAL ZONE MANAGEMENT  
Exec. Office of Environmental Affairs

Dear Dr. Tierney:

I am writing to inform you that U.S. Department of Energy has publicly discussed the potential for natural gas shortages facing the nation and the significant impact that various sectors of our economy face from such shortages. Within the past few months, the nation has seen stocks of natural gas in underground storage reach unusually low levels due to a combination of cold weather in parts of the country and declines in both domestic production and net imports. Price volatility of natural gas during this winter has also been significant.

A tightening of the supply of natural gas has come at the same time that current demand has grown considerably across many sectors of the region's economy. In a report dated September 25, 2003, the National Petroleum Council stated that "North America is moving to a period in its history in which it will no longer be self-reliant in meeting its growing natural gas need; production from traditional U.S. and Canadian basins has plateaued... The solution is a balanced portfolio that includes increased energy efficiency and conservation; alternate energy sources ... including renewables."

New England is particularly vulnerable to constraints in natural gas supply issues because the region has no indigenous supply of natural gas. New England obtains its natural gas through a complex pipeline infrastructure that delivers the commodity from external sources such as the Gulf region of the U.S. and Canada. However, the New England pipeline capacity is marginally adequate and is quickly becoming overburdened because the pipeline system was designed to supply industrial and heating uses, and now also supplies fuel for 41% of New England's electricity needs. Therefore, New England's supply methodology creates a volatile market whereby natural gas prices are among the most expensive in the country.

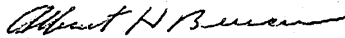
With New England experiencing record peaks in electricity demand, rising electric costs and unhealthy air quality alerts, it is a concern that delays in the permitting of proposed projects will impede the development of renewable energy proposals that are critical to the creation of a sustainable energy future. New England's energy outlook could benefit significantly by utilizing our ocean resources in combination with current renewable energy technologies to

address our growing energy needs. This in turn will help to combat global warming, polluting emissions and environmental degradation, energy price volatility and fuel supply constraints. The existing permitting regimen for offshore renewable energy projects involves a comprehensive environmental review process including a Federal NEPA Environmental Impact Statement and a State MEPA Environmental Impact Report. This rigorous permitting process sufficiently protects our natural resources while recognizing society's need for energy security and domestic sustainability.

The Task Force recommendations do not specifically recognize that New England depends on the ocean to transport most of its fuels, and therefore, coastal development policies should favor uses which (1) provide for continued fuel transport; or (2) develop indigenous offshore energy sources, such as wind and wave power.

In light of increasing risk associated with the nation's supply of natural gas, it may not be in the public's best interest to curtail renewable energy projects that could contribute to reducing the fuel supply requirement and price volatility risks. Additionally, increasing the use of renewable energy is likely to favorably impact the regional economy, reduce societal health costs, improve our environment and increase regional energy security.

Respectfully submitted,



Albert H. Benson  
U.S. Department of Energy-Boston Regional Office