

**MEDIA RELEASE: FOR IMMEDIATE RELEASE**

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**RE: NEPPA CALLS FOR SPECIAL COMMISSION TO ADDRESS FUTURE ELECTRICITY NEEDS**

 *“Blue Ribbon Commission” would submit proposals to Congress, federal regulators*

FEB. 25 - Members of the Northeast Public Power Association (NEPPA) traveled to Washington, D.C. today to call on federal legislators to convene a panel of experts who would take a fresh look at the way our region and others address future demands for electric power.

New England’s grid is managed by an Independent System Operator (ISO) that runs a complex, rule-based auction to determine which power plants will be needed to meet future demand. That auction, known as a “capacity market,” is supposed to give price signals to potential new entrants to incentivize new construction when needed. But states have increasingly wanted to re-assert their authority over what types of resources get built and which are allowed to retire.

NEPPA members have struggled with the capacity market structure for years.

“Not-for-profit utilities used to be able to supply their own generation to meet their community’s needs, whether that be building new natural gas, solar, or ownership in a larger plant,” said Bonnie Biocchi, NEPPA’s Executive Director. “But the rules changed suddenly and made it far too risky to invest in something unless it was definitely going to beat the market price.”

The rules change almost constantly, Biocchi added. In fact, no two auctions have been held under the same set of rules since the market began.

Further, not-for-profit utilities and states have plenty of reasons for wanting power plants that aren’t necessarily the cheapest resource available. While the market typically selects natural gas plants (New England gets about half its power from natural gas), a state or community might want the resource diversity of wind or solar or the emissions-free benefits of nuclear.

But as the rules became more complex in trying to accommodate additional objectives the markets were never designed to achieve, federal lawmakers have struggled to wrap their arms around the problem and a potential solution that meets stakeholders’ needs. NEPPA’s call for a new Blue Ribbon Commission seeks to provide the necessary bandwidth to address the problem holistically – even if that means going back to the drawing board on how the region decides what gets built and what goes offline.

NEPPA members held a briefing for congressional staff before heading to individual offices to make their pitch. One lawmaker they are hoping will take notice is Rep. Joe Kennedy III (D-MA), who last year authored a bill to resolve one of the most egregious failures in the law – the inability to legally challenge an auction result if the federal regulators’ initial review ends in a tie. That bill is now law, and Kennedy, along with Sen. Ed Markey, the bill’s author in the Senate, are seen as leaders on the topic of capacity markets.

“Generators, environmental groups, and consumers all agree the markets aren’t working,” Biocchi said. “We’re hoping our representatives in Congress will demand some answers about what will.”

***The Northeast Public Power Association is a private, not-for-profit 501 c (6) trade association serving the public power industry. Founded in 1965, NEPPA represents and serves consumer-owned utilities in the six-state region of New England. NEPPA represents nearly eighty public utility companies who provide over 13 Billion KWh of electricity annually to over 2 million customers. Their mission is to advocate for state and federal policies that ensure the lowest possible cost to the consumer and deliver cost effective services and training to its members. NEPPA is governed by an elected Board of Directors comprised of 21 public power officials representing member utilities throughout the New England region. NEPPA’s state-of-the-art training center and office are located in Littleton, MA.***