

NECA/CPES

8th Annual New England Energy Conference & Exposition



Renewable Resource Development ***Paying for Policies***

New England States Committee on Electricity
May 18, 2011

OVERVIEW

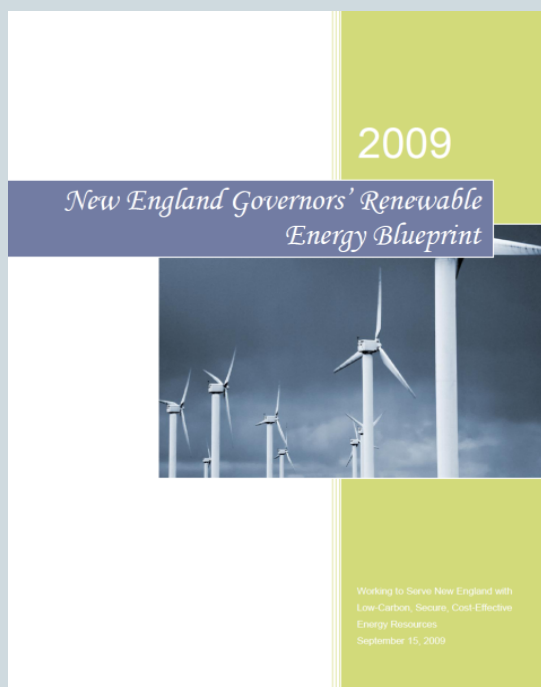
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- **The Point:** Exploring means to help meet renewable energy goals at **lowest ‘all-in’ delivered cost**
- **Quick Look Back:** 2009 *New England Governors’ Renewable Blueprint*, 2010, *Report on Coordinated Procurement*
- **Current:** *Renewable Request for Information*

2009: Governors' Renewable Energy Blueprint

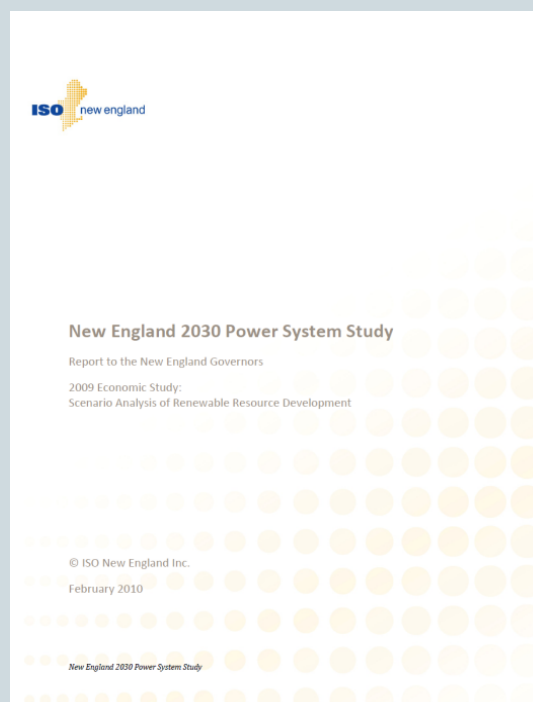
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Policy



Governors' Renewable Energy Blueprint

Technical Analysis



ISO-NE Renewable Development Scenario Analysis

Connecting Wind Energy to Load Centers

Slide Courtesy ISO-NE

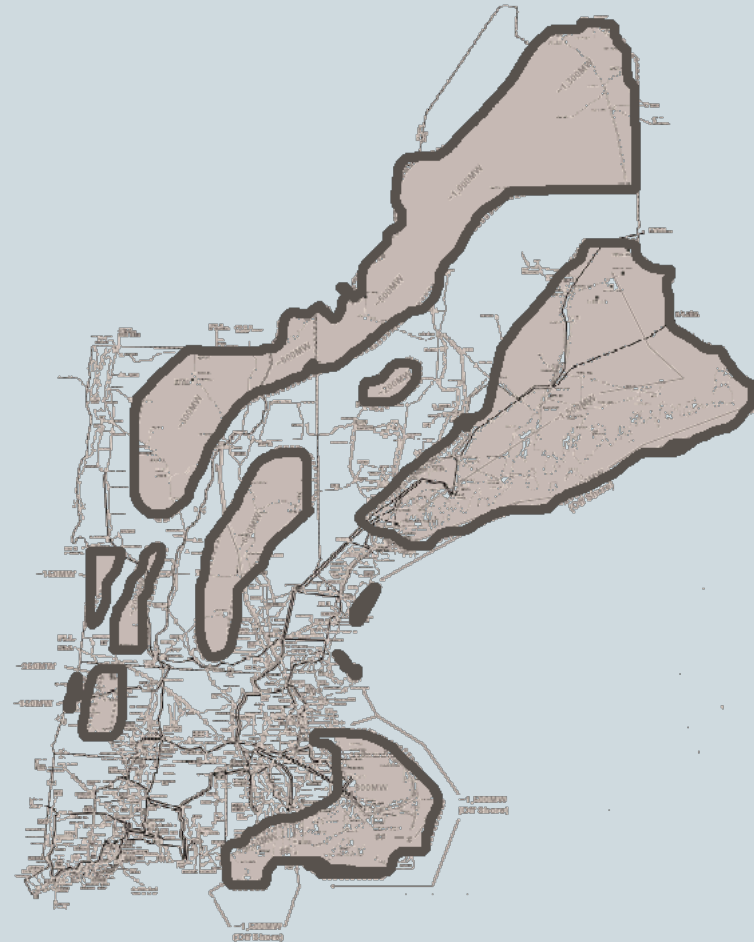
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- Population & electricity demand concentrated along coast
- ISO identified 12,000 MW of on- & offshore wind potential

Preliminary screening eliminated wind sites near urban & sensitive geographic locations

(renewables in queue at the time of the study was approximately 3,700 MW)

- Transmission required to connect potential wind resources to load centers in New England



Scenario Examples

Slide, Courtesy ISO-NE

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Description <i>Partial list of scenarios</i>	New Capacity (Megawatts)	Percent of New England Energy (%)	Preliminary Transmission Cost Estimates
<i>From New England:</i>			
4,000 MW of offshore wind <i>plus</i> 1,500 MW of inland wind	5,500 MW	12%	\$6 B
12,000 MW of wind	12,000 MW	23%	\$19 B to \$25 B
<i>From New England and Eastern Canada:</i>			
5,500 MW of wind (from above) <i>plus</i> 3,000 MW of additional imports from Québec and New Brunswick*	8,500 MW	15%	\$10 B
12,000 MW of New England wind <i>plus</i> 3,000 MW of additional imports from Québec and New Brunswick*	15,000 MW	26%	\$23 B to \$29 B

*Estimate does not include facilities in Québec and New Brunswick; only includes cost of potential transmission in New England.

Blueprint *Technical* Conclusions: Ample Resources, Choices

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The New England Region has ...

- **vast** quantity of **untapped renewable resources**: more than 10,000 MW on & off-shore wind power potential

If developed conservatively...

- there are **ample** renewable resources to enable New England **to meet renewable energy goals**

If developed aggressively...

- **New England could export** renewable power to neighboring regions

Blueprint *Policy* Conclusions: Facilitation Opportunities

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New England states have...



**Cooperative
experience,
inclination to do
more**



**Siting processes
that could
accommodate
some degree of
coordination**



**Long-term
contract
approval
mechanisms**

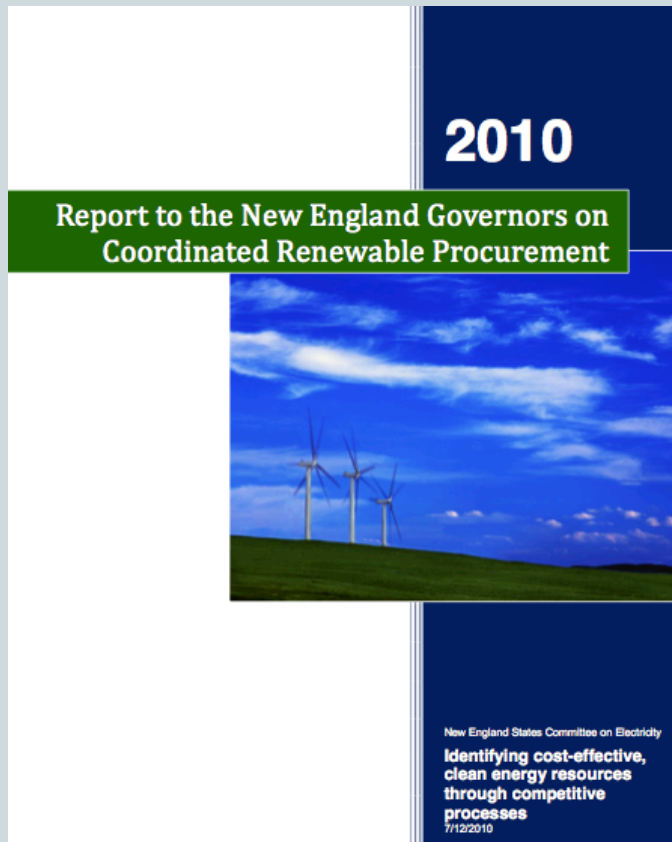


**Common Contract
Themes:**

**Competitive
Processes
&
Interest In Securing
Low Cost, Cost-
effective, Or Cost
Stabilizing Power**

2010: Report to the New England Governors Coordinated Renewable Procurement

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- Assessed New England states' power procurement practices, processes, looked for coordination opportunities
- Preliminary information about potential mechanisms to coordinate competitive procurement of renewable resources
- Identifies some potential terms & conditions & possible regulatory approval process approaches concerning renewable procurement

➤ http://www.nescoe.com/uploads/Report_to_the_Governors_July_2010.pdf

Coordinated Procurement Could ...

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“... **aggregate demand** for renewable power and **enhance buying power, stimulate the market** for renewable resources; and, provide value to renewable project developers by **creating larger revenue streams** than might otherwise be possible. Using cooperative competitive processes may, therefore, facilitate development of cost-effective, low-carbon renewable electric generation in and around the region.” Report at 5.

But yes... “Large-scale renewable power procurement is complex and coordinating across EDC territories and state lines increases the complexity substantially.” Report at 24.

2011: Renewable *Request for Information*

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RFI: Market inquiry about resources with potential to help meet renewable energy goals at ***lowest ‘all-in’ delivered cost*** & for which a coordinated competitive procurement process could facilitate commercial development http://www.nescoe.com/Coordinated_Procurement.html

Criteria:

- *New resources*
- *Deliverable to New England loads*
- *Operational by 2016 and*
- *Eligible for all 5 New England states’ RPS and VT’s renewable goals (wind, solar, landfill gas, small hydro & biomass)*
- *Other: sought information from transmission developers on transmission that could facilitate delivery*



Renewable RFI: Generation Responses

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Highlights:

- 4,700 MW by 2016

- 90% wind on & off shore

- 50+% Maine on-shore wind

Technology	Within New England						Outside of New England	Total
	CT	MA	ME	NH	RI	VT		
Biomass	82.0	137.3	30.0					249.3
Landfill gas		1.6					1.6	3.2
Small Hydro			3.0					3.0
Solar	4.0	27.0						31.0
Wind - on-shore		4.0	2519.3	351.0			584.5	3458.8
Wind - off-shore			30.0		1000.0			1030.0
Total	86.0	169.9	2582.3	351.0	1000.0		586.1	4775.2

Technology	Year of initial commercial operation						Total
	2011	2012	2013	2014	2015	2016	
Biomass	46.4	0.9	77.0	30.0	55.0	40.0	249.3
Landfill gas	1.6		1.6				3.2
Small Hydro	3.0						3.0
Solar		17.0			14.0		31.0
Wind - on-shore	20.0	586.3	413.5	481.0	1643.0	315.0	3458.8
Wind - off-shore					1030.0		1030.0
Total	71.0	604.2	492.1	511.0	2742.0	355.0	4775.2

Renewable RFI: Transmission Responses

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Highlights:

- 1 off-shore
- 1 NY-VT upgrade
- 5 Maine to load, generally consistent with generator submissions

Project Number	Description	Miles of New Transmission	Technology	Capacity (MWs)
1	Off-shore transmission system to deliver energy from off-shore wind turbines to loads in southern New England	Not specified	Not specified	Up to 4000 MW, in 1000 MW increments
2	Interconnection between upstate NY and northern VT	Not specified	230 or 345 kV interconnection points	600
3	Connection from Maine Public Service Company transmission system to CMP transmission system	~26	345 kV AC line within Maine	200+ (at least 200 MW of wind projects have been identified)
4	HVDC link between northern Maine and downtown Boston	~300	HVDC overhead line and submarine cable	800
5	Transmission upgrades in western Maine	Not specified	115 and/or 345 kV AC lines	Up to 1100
6	HVDC link between central Maine and northern Massachusetts	230	HVDC underground line	1100 (with potential for some additional increase on existing lines)
7	AC transmission upgrades between Maine and southern New England	Unknown	Unknown	1000-2000

NEXT STEPS

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- Assessing RFI responses
- Discussing with ISO-NE whether/what tariff mechanisms could help support transmission development potentially required for coordinated competitive procurement effort
- If New England decides to proceed with coordinated renewable procurement, further work on coordination mechanics, model terms & conditions, etc.
- Continue assessing significant ongoing renewable resource development activity in & around New England