

New England States Committee on Electricity

Status Report: Coordinated Renewable Procurement

August 10, 2011- The New England States Committee on Electricity (NESCOE) provides this status report to New England stakeholders about the states' continuing interest in developing the region's renewable resources able to serve customers at the lowest all-in cost, and the potential to do so through coordinated renewable procurement.

As previously reported, NESCOE's Request for Information (RFI) conducted in early 2011 confirmed that sufficient potential resources exist to enable New England to develop or import Renewable Portfolio Standard-qualifying renewable energy to meet the region's renewable energy goals. The RFI was further successful in identifying representative transmission projects in various stages of development that, subject to further analysis, could facilitate the delivery of renewable energy to New England consumers. The information submitted in response to the RFI provided the New England states with a reasonable basis to conclude, preliminarily, that coordinating the states' efforts with respect to the competitive procurement and delivery of such resources may enable the states to achieve their various objectives in a more cost-effective manner than if each state sought to independently satisfy all of their individual clean energy objectives.

In July 2011, the six New England Governors adopted a Resolution which expressed the Governors' continued interest in exploring the potential for joint or separate but coordinated competitive procurement as a means to identify those renewable resources able to serve customers at the lowest over-all delivered cost.¹ The Governors directed continued investigation into the potential for coordinated competitive procurement and that the Governors be provided a progress report when they next convene.

To meet that directive from the Governors, NESCOE is interested in developing a "baseline" of indicative costs for various representative renewable energy development scenarios. To this end, NESCOE has retained Sustainable Energy Advantage, LLC to provide indicative cost analysis associated with developing new on-and off-shore wind resources in New England and New York and RLC Engineering to provide indicative, high-level cost estimates associated with representative transmission development scenarios that could facilitate the delivery of energy from new renewable generators in

¹ The Resolution is available at this link:

http://www.nescoe.com/uploads/NEGC_Coord_Procure_Res._.pdf

New England.² The resulting renewable resource supply curves for two study years, 2016 and 2020, will help signal to the states the potential ranges of “all-in” costs associated with meeting regional renewable goals and inform the next steps.

The purpose of these analyses is *not* to produce a system development plan, to identify specific resources for potential development or to suggest that certain resources may be the most attractive alternatives for meeting the region’s renewable energy goals. Instead, the purpose of these analyses is to increase information available to policy-makers about the ranges of indicative costs associated with various options.

Sustainable Energy Advantage, LLC and RLC Engineering, LLC both possess data and specific knowledge of New England’s power system to enable the requested analysis to be concluded relatively expeditiously. NESCOE anticipates posting the results of such analysis early in the fourth quarter of 2011 and welcoming any feedback stakeholders may wish to offer regarding the results.

Separately, NESCOE announced the formation of an *Interstate Transmission Siting Collaborative*. The purpose of the Siting Collaborative is to consider, and to implement as appropriate, means to increase coordination of states’ siting processes required for interstate transmission facilities in New England. This effort, while not exclusively focused on transmission to access renewable resources, is intended to help facilitate development of the region’s no-and low-carbon resources. As an initial step in this effort, in September 2011 the Siting Collaborative will meet with New England transmission owners and developers. The purpose of this conversation is for the states to listen to ideas and suggestions from New England’s transmission development community regarding areas where improved coordination efforts would deliver regional value.

² These initial analyses will not include Canadian resources due to the material disparity of data between New England/New York wind resources and Canadian wind resources.