NEW ENGLAND STATES COMMITTEE ON ELECTRICITY

New England States Announce Next Step To Facilitate Development of the Region's Renewable Resources Able to Serve Customers Most Cost-Effectively

November 16, 2010 - The New England States Committee on Electricity (NESCOE) will issue a Request for Information (RFI) to help identify the renewable energy resources within New England and neighboring regions that have the greatest potential for helping New England to meet its renewable energy goals at the lowest overall, or "all-in", delivered cost of electricity. To that end, the RFI, and any subsequent steps that NESCOE or state entities may pursue, will gather information relating to both renewable energy generation projects and any associated transmission projects that may be necessary to deliver the output of those projects to load within New England.

The RFI follows NESCOE's 2010 *Report to the New England Governors on Coordinated Renewable Procurement*¹ and associated stakeholder input. It is a continuing step in New England's efforts to identify and facilitate development of renewable resources that can help meet the region's energy and environmental objectives most cost-effectively. The potential for coordinated procurement was initially identified in the 2009 *New England Governors' Renewable Energy Blueprint*², which included *Renewable Development Scenario Analyses*, conducted by ISO New England. The Governors' Blueprint found that developing far less than New England's maximum renewable resource potential would enable New England to meet its renewable energy goals and that more aggressive development of generation resources - with corresponding transmission infrastructure

¹ The Report and related documents may be accessed at this link: http://www.nescoe.com/Coordinated Procurement.html

² The Blueprint and associated technical analysis may be accessed at this link: <u>http://www.nescoe.com/Blueprint.html</u>

investment - would enable New England to export clean power to its neighbors. The data also showed that in-region development of renewables and access to renewable energy from neighboring systems appears possible with significantly less capital investment for transmission infrastructure than would be required to import an equivalent quantity of power from more remote, non-adjacent region sources that would require new highvoltage transmission lines into New England.

In broad terms, the objectives of the RFI are as follows:

- Identify individual renewable projects, or logical groupings of such projects, for which a targeted coordinated renewables procurement process could meaningfully facilitate commercial operation;
- Provide the basis to identify conceptual transmission designs that could efficiently integrate some or all of the candidate generation projects, with input from ISO-NE and the regional Transmission Owners;
- Broadly estimate the contribution that identified projects, or groups of projects, could make towards meeting the region's renewable energy goals; and,
- Obtain key non-financial information regarding such projects to allow further analysis, with a goal of supporting:
 - Scenario analysis by ISO-NE to quantify the system and regional benefits of developing one or more such project or groups of project;
 - Identification of logical groupings or 'clusters' of projects that may benefit from coordinated transmission development; and,
 - Subject to further consideration by NESCOE and/or state entities, development of a subsequent stage that could support a coordinated renewables procurement process.

In general, the RFI will solicit information from generation projects in New England, Québec, the Maritimes and New York whose output would (a) be deliverable to New England loads and (b) qualify to meet renewable energy goals or mandates in all of the six New England states. The RFI will encourage responses from generation projects in the early stages of development but that have expended some level of effort toward development (*e.g.*, submitted an interconnection request or a proposal into the Forward Capacity market, received or identified land rights and environmental permits required for the generation portion of the project, etc.) but in all cases would encourage responses from projects for which useful information is available and that could be placed into service by 2017.

NESCOE intends to issue the RFI by the end of 2010 and at this time, intends to review RFI responses in the Spring of 2011 and make a decision at that time concerning any subsequent step.

The RFI results will help inform the potential benefits and structure of a coordinated renewables procurement process. As such, in issuing an RFI, NESCOE does not commit itself or any state entity to any specific further action. Correspondingly, NESCOE will seek to structure the RFI to limit the resources expended by renewable developers in participating in the RFI process, and will also minimize the amount of commercially sensitive information requested in this initial stage.

Stakeholders interested in participating in the RFI process may sign up for e-mail updates to stay informed of the RFI process and future milestones by sending an e-mail with your name and contact information to <u>communications@nescoe.com</u>. NESCOE looks forward to the RFI process, and to the active participation of a broad group of New England stakeholders in helping to shape the region's clean energy future.