MAURA HEALEY
ATTORNEY GENERAL

Media Contact

Chloe Gotsis
(617) 727-2543

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AG Study: Increased Gas Capacity Not Needed to Meet State's Electric Reliability Needs

Study Finds No Regional Electric Reliability Issues Through 2030; Cheaper, Cleaner Alternatives to New Gas Pipeline to Meet Worst Case Power Scenarios

BOSTON— Attorney General Maura Healey today announced that a study commissioned by her office has determined that the region is unlikely to face electric reliability issues in the next 15 years and additional energy needs can be met more cheaply and cleanly through energy efficiency and demand response.

The study 1MB was designed to, first, determine whether the region is facing electric reliability challenges through 2030 and, second, identify the most cost-effective and clean solutions for addressing any of those challenges.

“As we make long-term decisions about our energy future, it’s imperative we have the facts,” said AG Healey. “This study demonstrates that we do not need increased gas capacity to meet electric reliability needs, and that electric ratepayers shouldn’t foot the bill for additional pipelines. This study demonstrates that a much more cost-effective solution is to embrace energy efficiency and demand response programs that protect ratepayers and significantly reduce greenhouse gas emissions.”

The study, conducted by the Analysis Group over the last three months and guided by a Study Advisory Group, found that through 2030 the region’s power system reliability will be maintained during our coldest winter months. The study used extremely conservative assumptions, including applying winter conditions from 2004 (one of the coldest years in two decades).

Analysts also modeled a worst case scenario under which New England becomes even more reliant on natural gas power than expected, *and* experiences a short-term disruption in other fuels, causing the electric system to be more stressed than expected on very cold days. Under those conditions, the study determined that the region could need roughly 2,400 MW for a few hours across nine very cold days by 2029/2030. That is the energy-equivalent of an additional 0.42 billion cubic feet per day of new gas capacity.

To solve that deficiency, the study evaluated several options including 1) reliance on incremental dual fuel-power plants (the status quo), 2) a higher reliance on firm liquefied natural gas (LNG), 3) incremental natural gas capacity, 4) energy efficiency and demand response, 5) energy efficiency and low-carbon imports on existing transmission, and 6) energy efficiency and low-carbon imports with new transmission. Solutions were compared to the status quo and evaluated for both their costs/savings for ratepayers and their impacts on New England’s greenhouse gas (GHG) emissions.

The study concluded that all of the solutions would ensure the reliability of the electric system in a worst case scenario. However, investment in energy efficiency and demand response would result in the greatest customer savings and would reduce GHG emissions. New gas pipelines infrastructure would result in less customer savings and would actually drive up GHG emissions. Energy efficiency combined with firm low carbon imports on existing transmission lines would also save customers money and would produce the greatest reduction in GHG emissions.

The study also reviewed two “infrastructure scenarios” – first, an oversized pipeline (new 0.5 Bcf/day natural gas pipeline in service in 2020), which would bring customer savings, but significantly increase GHG emissions; second, low carbon imports (2400 MW in-service in 2020 over existing and new transmission lines) which was the only alternative studied that would meet the region’s climate goals by 2030, but was the most expensive studied alternative.

The study accounted for recent news that Pilgrim Nuclear Power Plant is scheduled to shut down no later than June 2019, resulting in the loss of 680 MW of non-GHG emitting power.

Also today, Attorney General Healey provided a copy of the study to the Federal Energy Regulatory Commission for its consideration as part of the federal review of the Kinder Morgan Northeast Energy Direct pipeline project.

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