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STATEMENT OF THE NEW ENGLAND POWER GENERATORS ASSOCIATION BEFORE THE NEW HAMPSHIRE ENERGY PLANNING ADVISORY BOARD.

My name is Angela O'Connor, President of the New England Power Generators Association (NEPGA). NEPGA is the largest trade association representing competitive electric generating companies in New England. NEPGA's member companies represent approximately 20,000 megawatts (MW) of generating capacity in the region. NEPGA's mission is to promote sound energy policies which will further economic development, jobs, and balanced environmental policy. We believe that sustainable competitive markets are the best means to provide long-term, reliable and affordable supplies of electricity for consumers.

The stated purpose of this forum is to "... identify key energy issues for potential Legislative or Executive action in order to combat in the present the effects of dramatic increases in energy costs and to develop for the future a state energy policy premise on the fundamental goal of security, affordability and sustainability."

In order to assure reliable, sustainable and affordable electricity for consumers in New Hampshire it is the recommendation of the New England Power Generators Association that the Energy Planning Advisory Board include in any recommendation that new generation built in New Hampshire be part of a competitive process. Building electric generation requires significant capital investment. The risk of that investment should belong with the companies willing to compete to provide that power – not from the electric ratepayers of New Hampshire that are still paying off billions in stranded costs for the cost over-runs that utilities incurred the last time they built generation. To provide background on utility owned generation, attached please find a fact sheet, number nine in our educational series, titled: "*Meeting New England's Electricity Supply Needs: Regulated vs. Unregulated Generation*".

NEPGA does not believe it is in the best interest of consumers to expand utility ownership of generation, and should a decision be made to permit utility generation in limited cases, we recommend that there always be a competitive process requiring that the utilities compete to with merchant generators to build such plants. This process will ensure that there is no unnecessary risk to consumers, and that ratepayers will benefit from the most efficient entity building long-term, cost-effective generation. Power plants in New Hampshire that are owned and operated by independent merchant generators are cleaner, more reliable, and run more efficiently than ever before and generators remain dedicated to providing the reliable power that helps drive the economy in New Hampshire now and into the future. Providing information and educational materials on wholesale energy markets in New England, and the value of those markets to consumers, is an important objective of NEPGA. I hope that you find the attached fact sheet informative and helpful as you consider the benefits of independent merchant generators, instead of consumers, taking the financial risk of building the future generation that New Hampshire and New England needs.

Thank you for the opportunity to provide the generators perspective on this important issue. If you have any questions about the attached installment in our educational series, or previous fact sheets on wholesale markets that can be found on our website at www.nepga.org, please don't hesitate to contact me directly.

