

The Commonwealth of Massachus::tts House of Representatives Leate House, Boston 02133-1054

TODD M. SMOLA REPRESENTATIVE

1ST HAMPDEN DISTRICT

Brimfield • Holland • Palmer Sturbridge • Wales • Ware • Warren STATE HOUSE, ROOM 124 TEL. (617) 722-2100 FAX: (617) 722-2390

www.reptoddsmola.org Todd.Smola@mahouse.gov Conor.Welch@mahouse.gov

Contact: Conor Welch 617-722-2100

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Representative Smola supports bill expanding hydroelectric and offshore wind energy

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) recently backed legislation to expand the Commonwealth's portfolio of renewable energy sources through the procurement of offshore wind and hydroelectric power.

The bill, which was approved by the House of Representatives on a 154-1 vote on June 8, requires utility companies to utilize a competitive bidding process to enter into long-term contracts for the purchase of a combined 2,400 megawatts of power from both hydro and offshore wind sources.

The proposal is designed to help offset the projected loss of more than 10,000 megawatts of power due in part to the closing of the Plymouth nuclear power plant, which is scheduled to be decommissioned next year and to cease operation by May of 2019.

"Today's vote represents a continuation of the work we started with the passage of the solar net metering bill in April," said Representative Smola. "By promoting more clean and renewable energy resources, we are taking important steps to reduce the state's over-reliance on environmentally-harmful fossil fuels and to meet our emissions reduction mandates."

Under the bill, utility companies will be required to pursue long-term contracts ranging from 15-20 years to purchase 1,200 megawatts of hydropower and 1,200 megawatts of offshore wind by 2027, which represents the largest procurement of offshore wind in the country. Utilities must begin soliciting hydropower contracts on January 1, 2017 and contracts for offshore wind by June 30, 2017.

The bill contains an additional provision that will allow energy distribution companies to implement a "remuneration" charge of up to 2.75 percent – subject to approval by the Department of Public Utilities – to recover some of the costs associated with taking on the long-term contracts specified in the bill. The bill also contains safeguards to protect the state's ratepayers by requiring clean energy resources used by developers to be both reliable and cost effective.

Under the 2008 Global Warming Solutions Act, Massachusetts is required to reduce its greenhouse gas emissions by 25% below 1990 levels within the next four years. On May 17, the Supreme Judicial Court ruled that the Department of Environmental Protection must promulgate new regulations to comply with the 2008 law because its current regulations fall short of the law's requirements.

According to ISO New England, in 2015 nearly half (49%) of the state's electricity production was generated by natural gas, with only 9% from renewables and 7% from hydro. The bill passed by the House will boost the percentage of the state's electricity derived from renewable energy sources to 20%.

The bill now heads to the Senate for further action.

For additional information please contact Representative Smola at <u>Todd.Smola@mahouse.gov</u> or (617)722-2100.

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