

DOE'S GRID RESILIENCE & RELIABILITY NOPR

THE APPROACH WAS FLAWED, BUT THE ISSUE IS REAL

While FERC rejected the Department of Energy's Notice of Proposed Rulemaking to enhance grid resilience and reliability, it highlighted an ever-increasing vulnerability in our nation's energy system: **a severe lack of energy infrastructure in New England.**

"FERC rejects DOE NOPR, kicking resilience issue to grid operators," Utility Dive, 8 Jan. 2018.

How Real is the Issue?

NEW ENGLAND IS NOW IMPORTING **RUSSIAN GAS**

"Tanker carrying liquefied natural gas from Russia's Arctic arrives in Boston" The Washington Post, 28 Jan. 2018.

"Our Russian 'pipeline,' and its ugly toll" The Boston Globe 13 Feb. 2018.

"Gas from Russian Arctic to warm homes in Boston" Financial Times 22 Jan 2018

Why does New England lack infrastructure?

State officials have prioritized activists' goals at the expense of providing low-cost reliable energy to residents in the Northeast.



New York has **BLOCKED FOUR NEW PIPELINES** aiming to transport gas from the Marcellus and Utica basins to New England since **April 2016**

"Cuomo's evolving pipeline approach catches eye of national environmentalists," POLITICO, 25 September 2017.



Massachusetts Supreme Court **REJECTED PIPELINE COST-SHARING** leading companies to pause construction in **June 2017**

"\$3.2 billion natural gas pipeline put on hold," Associated Press, 30 June 2017.



New York **BANNED FRACKING** in June 2015

"New York State Officially Prohibits High-Volume Hydraulic Fracturing," New York Dept. of Environmental Conservation, 29 June 2015."

ISO New England conducted a study at the beginning of 2018 that considered almost two dozen scenarios that included

21 OUT OF THE 22 CASES STUDIED

LED TO THE USE OF EMERGENCY ACTIONS THAT INCLUDE PUBLIC REQUESTS FOR ENERGY CONSERVATION.

THE REPORT CONCLUDES ALL BUT FOUR SCENARIOS RESULT

IN FUEL SHORTAGES REQUIRING ROLLING BLACKOUTS.

Due to a lack of energy infrastructure, New England's power supply is particularly vulnerable



"New England Has a Power Problem" The Wall Street Journal, 23 Feb. 2018.



"Amid power crunch, Pilgrim remains offline in wake of Eversource repairs," WCVB, 8 Jan. 2018.

The price for natural gas

in most parts of the country at the end of December 2017

\$3/MMBTU

in New England at the end of December 2017

\$35.35/MMBTU

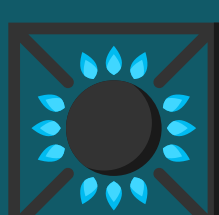
*MMBTU = million British Thermal Units

"U.S. National Average Natural Gas Price," Nasdaq, 31 Jan. 2018.

"Cold Snap Makes New England the World's Priciest Gas Market," Bloomberg, 26 Dec. 2017.

IN THE NORTHEAST

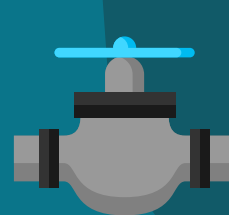
RESIDENTS PAY



29% MORE

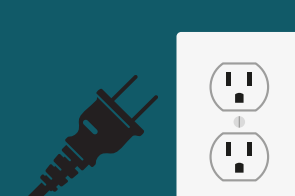
FOR THEIR NATURAL GAS THAN THE U.S. AVERAGE

INDUSTRIAL USERS PAY



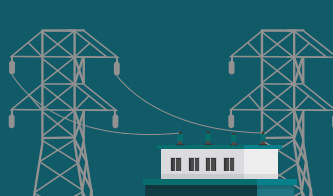
MORE THAN DOUBLE

FOR THEIR NATURAL GAS THAN THE U.S. AVERAGE



44% MORE

FOR THEIR ELECTRICITY



62% MORE

FOR THEIR ELECTRICITY

"What If...Pipelines Aren't Built Into The Northeast?" Global Energy Institute, U.S. Chamber of Commerce, 5 April 2017.

In April, the Global Energy Institute modeled the economic impact of New England's continued severe lack of access to energy development infrastructure and found the following



THE LOSS OF NEARLY **78,400 JOBS** BY 2020

THE DISPLACEMENT OF MORE THAN **\$4.4 BILLION** IN LABOR INCOME

THE DESTRUCTION OF NEARLY **\$7.6 BILLION** IN GDP