

September 29, 2015

Senator Stanley C. Rosenberg
Senate President

Rep. Robert A. DeLeo
Speaker of the House

Sen. Benjamin B. Downing
Chairman, Joint Committee on
Telecommunications, Utilities & Energy

Rep. Thomas A. Golden Jr.
Chairman, Joint Committee on
Telecommunications, Utilities
& Energy

We write to you as a group of concerned leaders of companies that represent 21 power generating facilities in 16 Massachusetts communities with approximately 1,300 employees. Senate Bill 1965 proposes to contract for a substantial amount of provincially-owned Canadian hydropower equal to one-third of all the electricity consumed in Massachusetts every year, for the next 15-25 years. This intrusion into the competitive electricity market that we compete in harms the Commonwealth's economic competitiveness. This bill undermines the billions of dollars our companies have invested here to support competitive electricity service for consumers and the thousands of workers we are proud to employ in Massachusetts.

If legislation were proposed to carve-out one-third of the life sciences market, or the financial services market, or the information technology market for a government-run, government-subsidized competitor to a Massachusetts company, we believe the Legislature would rightly reject that proposal as bad for consumers, bad for businesses and bad for the investment climate in the Commonwealth. We are not asking for special treatment, but we would appreciate equal treatment. If large-scale provincially-owned Canadian hydro resources can compete each and every day in our market and abide by the same rules and regulations that govern the operation of that market, we welcome the competition. We simply ask that you not stack the deck against us.

Power plants in Massachusetts and across New England have among the lowest emissions profiles anywhere in the country. In fact, recently released analysis conducted by Dr. Susan Tierney at The Analysis Group shows that Massachusetts plants reached their 2020 carbon reduction goal in 2013. This analysis also shows that the contracts contemplated in Senate Bill 1965 could increase costs for consumers by \$777 million above market prices for electricity each year, every year for the life of the contracts. That is nearly \$20 billion of above market costs borne by Massachusetts residents and businesses for provincially-owned Canadian electricity.

Electric power generators have invested in Massachusetts for the opportunity to compete to meet consumer demand reliably and safely. That investment is ongoing at existing facilities as well as some of the first new plants being constructed and developed in the Commonwealth in over a decade. A proposal like Senate Bill 1965 would take away the opportunity for many resources to compete and drive away incentives for further local investments.

As the electricity sector continues to evolve, our companies remain committed to meeting reliability and environmental requirements while constantly competing against each other in the open electricity marketplace. Carving out one-third of that market to Canadian government utilities will harm the plants, jobs and host communities we support here in Massachusetts at the very time more investment is entering the market. We urge you to not support Senate Bill 1965.

Cc: Governor Charlie Baker
Attorney General Maura Healey
Members of the Joint Committee on Telecommunications, Utilities & Energy

A handwritten signature in black ink, appearing to read "Thad Hill". The signature is fluid and cursive, with the first name "Thad" and last name "Hill" clearly distinguishable.

Thad Hill
President and Chief Executive Officer
Calpine Corporation



Robert C. Flexon
President and Chief Executive Officer
Dynegy Inc.

A handwritten signature in black ink, appearing to read 'W. Mohl', with a long horizontal flourish extending to the right.

William Mohl
President
Entergy Wholesale Commodities

Chris Crane

Christopher Crane
President & CEO
Exelon Corp.

Judith Lagano

Judith Lagano
President, East Region
NRG Energy, Inc.



Stefaan Sercu *mml*
President and CEO
GDF SUEZ Energy Marketing NA, Inc.
