



Dear Governor Baker,

November 9, 2020

We, the members of the Massachusetts business and non-profit community, have long worked together with your office to find energy solutions that reduce environmental impacts and emissions while securing lower energy costs. We are proud that our collective efforts have resulted in increased renewable energy generation at competitive prices.

Despite renewable power's advances, it is still being shut out from full participation in electricity markets by the New England Independent System Operator (ISO-NE). This exclusion hurts both renewable generators and ratepayers. It keeps prices artificially high for consumers while perpetuating financial advantages to conventional generators.

We are particularly concerned about the impact ISO-NE decisions will have on the successful development of the maturing offshore wind industry which is poised to bring much needed jobs and economic opportunity as well as substantial amounts of carbon-free power to Massachusetts.

We join RENEW Northeast in insisting that the ISO-NE capacity market use baseline cost data that reflects significant cost declines in the price of renewable energy development. ISO-NE continues to use cost assumptions closer to that of the Cape Wind project than today's projects, despite the fact that offshore wind development today is estimated to cost 50% less. Reliance on this data hinders offshore wind's full participation in ISO-NE markets, prolonging the use of dirtier power and, most importantly, locking in rate increases that consumers will have to shoulder for decades.

Just this summer, New York issued a whitepaper that detailed offshore wind costs consistent with actual regional offshore wind contract prices. ISO-NE simply needs to adopt these accurate New York numbers and offshore wind will be able to fairly compete in and bring down the overall cost of the capacity market.

We urge you to direct your energy team to advocate for adopting the New York baseline cost assumptions for offshore wind at the upcoming NEPOOL Markets Committee Meeting on November 9th and 10th. In so doing, Massachusetts will be taking an important step toward:



- **Lowering electricity rates to consumers while preserving reliability** - a more competitive market drives prices down for end users with no impact on reliability because the market will still procure all capacity the grid operator has determined to be necessary;
- **Building a strong new clean energy economy**- access to all ISO-NE markets ensures that offshore wind can create jobs, supply chain businesses and economic benefits; and
- **Addressing critical carbon reduction goals** - offshore wind offers the most impactful source of climate friendly power our region has available.

Thank you for hearing our concerns and taking action for Massachusetts businesses large and small. To learn more about RENEW's proposal, please visit <https://renewne.org/fair-market>.

Sincerely,

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