



ENERGY POLICY

Statement of Support

The Cape Cod Chamber of Commerce supports a balanced, stable and reliable energy portfolio for the Commonwealth that is cost competitive, environmentally responsible and supports the resiliency of coastal regions. As energy projects and initiatives emerge that are in, or will affect our region, the Chamber will evaluate our support by considering four metrics: Reliability & Efficiency, Reasonable & Stable Cost, Environmental Responsibility, and Economic Benefits to the Region.

Economic Prosperity

The Cape Cod region is grounded in a Blue Economy – one where its water resources drive economic prosperity. This acknowledgement forces the recognition that the environment is our economy, and that balancing both is critical to our region’s health and wellness. As such, this metric will be applied to any energy projects in our coastal waters such as offshore wind and tidal or current projects, or those that could adversely affect water and coastal resources.

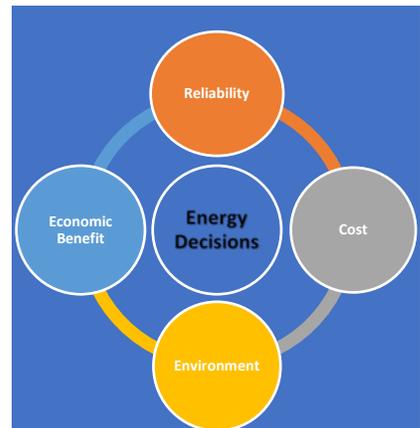
Since 1921, the Cape Cod Chamber of Commerce has worked to strengthen and promote the economic viability, cultural richness, environmental sensitivity and the social needs of Cape Cod. We work to support business for Cape Codders, and advocate policies that improve the quality of life and work on Cape Cod. Massachusetts’ investment in sound energy policy is a critical component to the region’s future prosperity.

Affordability/Availability

In recent years, the United States has successfully emerged from decades of dependence on foreign fossil-fuel-based energy, to an era of energy surplus. However, Massachusetts and its neighboring states have never had access to an inventory of affordable energy resources. In New England, we sit at the terminus of the energy pipeline, which when combined with other factors such as peak demand pricing, has resulted in some of the highest energy costs in the country. Also, with aging fossil fuel based power plants coming off line, we have come to rely disproportionately on natural gas (38-55%) for electricity.

According to ISO New England, more than 4,200 megawatts (MW)—an amount equal to almost 15% of the region’s current generating capacity—will have shut down between 2012 and 2020, and is being replaced primarily by new natural-gas-fired plants. The upcoming closures of just two of those resources—Brayton Point Station in May 2017 and Pilgrim Nuclear Power Station by May 2019—will remove 2,200 MW of non-gas-fired capacity. Pilgrim Station’s closure alone will increase our natural gas

ISSUE HIGHLIGHTS



MA sits at the end of the energy pipeline = high cost

Dependent on natural gas

Maintaining safe & reliable infrastructure is critical

Cost competitiveness a major economic issue

Renewable resources represent a major opportunity

“ The Saudi Arabia of Wind”
6,000 MW of energy potential

Ecological resiliency is key

reliance by another 19-36%. This situation has resulted in price volatility in the electrical, heating and fuel markets.

It is important to understand our current dependence on energy generation from other locales in the US and Canada, and ensure that our existing transmission and distribution infrastructure is adequate to meet present and future needs. Our current energy demand relies heavily on natural gas, and will into the future. For that reason, investment in safe and adequate natural gas infrastructure is important to meet the heat and electricity needs of our residents and businesses.

From a business's perspective, cost competitiveness of energy is a major economic issue for the region and is cited regularly as a barrier to business growth. Massachusetts businesses pay significantly more than the national average for electricity¹. Balancing a stable and resilient energy portfolio with the need to be cost competitive with other regions is critical to economic growth.

Renewables

In terms of energy resources, what Massachusetts lacks in fossil fuel resources, it more than makes up for in renewable energy opportunities. As an example, our offshore waters have been dubbed the "Saudi Arabia of wind" with at least 6,000 MW of wind energy potential.² As capital and operating costs of offshore generation become competitive with other energy sources, Massachusetts will be well positioned as a major player in the nation's offshore wind industry. With this evolution emerges an opportunity to recapture some of the billions of dollars currently spent on energy imports, grow regional energy production and build new industries that will create meaningful jobs and economic opportunities for the Commonwealth.

Technological innovations in renewable energy capture from wind, solar and others are also making it possible to tap our region's energy resources in a cost competitive way. Advancements in storage technology, efficiency and adoption of demand response practices are reducing peak demand requirements and their associated costs, while also addressing the intermittency challenges with some renewables.

Climate Change

Energy source decisions also play a major role in the larger climate change debate. As a coastal region with 559.6 miles of coastline, the effects of sea level rise as well as increased storm frequency and intensity will have major impacts on residents and businesses, who will disproportionately bear the costs of these impacts. Energy decisions that will mitigate these impacts should be supported.

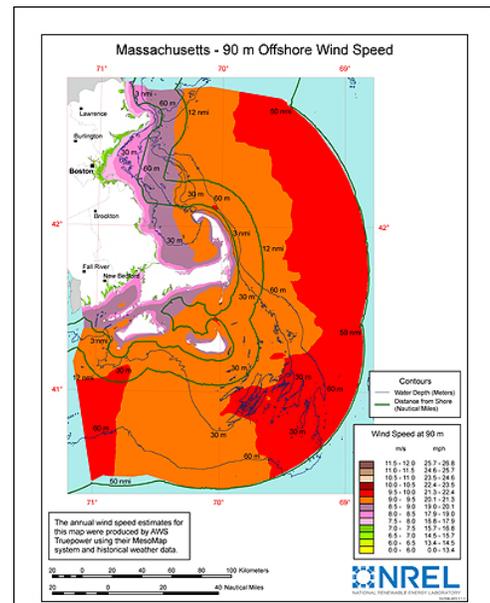


Figure 1. Offshore wind resource - Massachusetts

¹ <https://www.eia.gov/electricity/state/>

² <http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/wind/wind-energy-facts.html>