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NEW ENGLAND FAMILIES HAVE PAID 151% MORE FOR ELECTRICITY SINCE APRIL 2015

U.S. Data: Region needs more energy delivery infrastructure to help maintain or lower consumer costs

New England families pay significantly more for their electricity than any other region in the contiguous U.S.[1] In fact, the most recent data available from the Energy Information Administration (EIA) shows that New Englanders paid, on average, 151% more than the national average for electricity. Massachusetts residents chipped in 154% above the average while Connecticut residents paid 161% above the national average.[2] The only states where families pay more are Hawaii and Alaska, both of which are geographically isolated from affordable electricity sources.

So, why is electricity in New England so expensive? According to the Massachusetts Office of Energy and Environmental Affairs,

"Massachusetts's higher electricity prices are largely due to having to import fossil fuels to use as generation for electricity. In 2015, Massachusetts generated 64% of its electricity from natural gas and 7% from coal."[3]

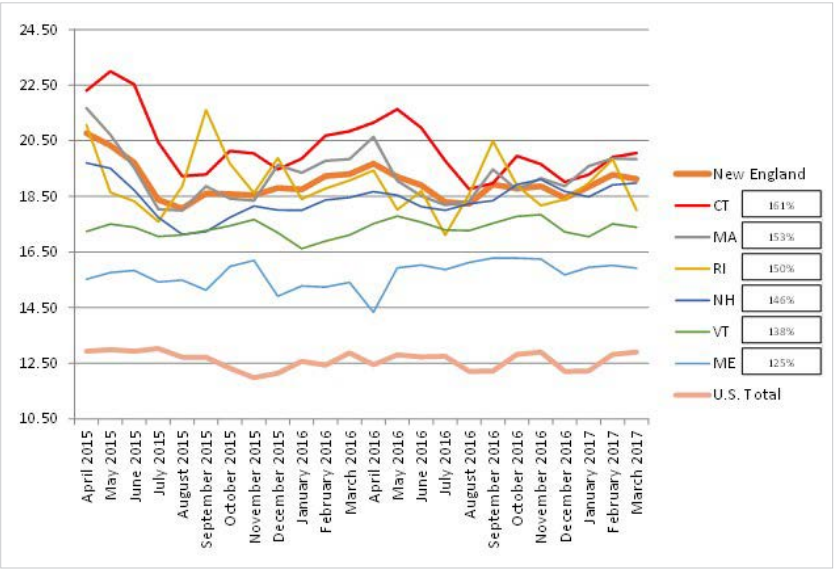
ISO New England adds:

"The dependable performance of New England's fleet of power resources is the cornerstone of a reliable supply of electricity, but that performance hinges on adequate arrangements for and access to fuel. This fuel-security issue has been a growing concern over recent winters, particularly for generators that run on natural gas, but also for those that run on oil either primarily or as an alternate fuel source."[4]

In addition to having relatively few natural resources to draw on for energy production, the region lacks critical energy delivery infrastructure. In lieu of these issues, New England faces several challenges in delivering affordable energy to its families.

According to ISO New England, the organization responsible for overseeing electricity deliveries to families and businesses across New England:

Inadequate fuel infrastructure, particularly natural gas infrastructure to serve New England's growing fleet of natural-gas fired power plants, is a current and growing reliability risk. On the coldest days of the year, a significant portion of the



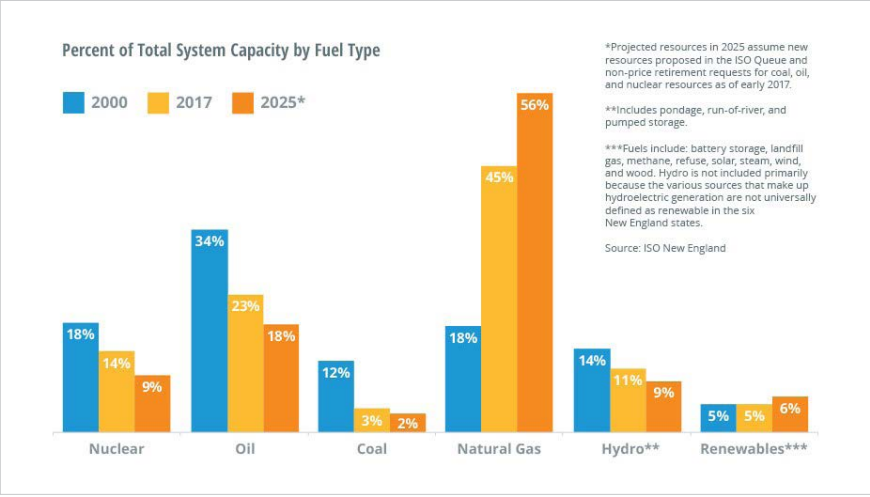
region's power plants can't get the fuel they need to generate electricity.[5]

Simply stated, electricity would become less expensive if more pipelines were built in the region.

According to energy delivery experts in New England, the region needs better access to reliable sources of natural gas and oil. The following facts and statistics strengthen the case for expanded natural gas and liquids infrastructure:[6]

- New England imports about 15% of its electricity from other regions
- Almost half of all electricity consumed in New England comes from natural gas (and this percentage is growing despite huge advances in renewables, which comprise less than 10% of generation)
- Coal, oil, nuclear, and hydropower supplies are dwindling, leaving natural gas and renewables to make up the difference
- Between 2012 and 2020, 4200 Megawatt* – or approximately 15% – of New England's generating capacity will be lost
- Another 5,500 MW is at risk for retirement
- Uncertainty surrounds 3,300 MW of generation from nuclear plants (through retirements)
- An additional 6,391 MW of natural gas generation capacity has been proposed

It is clear that energy delivery is vitally important for New England families, small businesses, and manufacturing for fuel, home heating and cooling, and transportation. Increasingly, natural gas suppliers rely on efficient energy delivery systems – such as pipelines – to provide nearly half the region's electricity, up from just 15% in 2000.[7] With this growing demand for natural gas, New England's infrastructure and pipeline construction must keep pace to deliver affordable supplies.



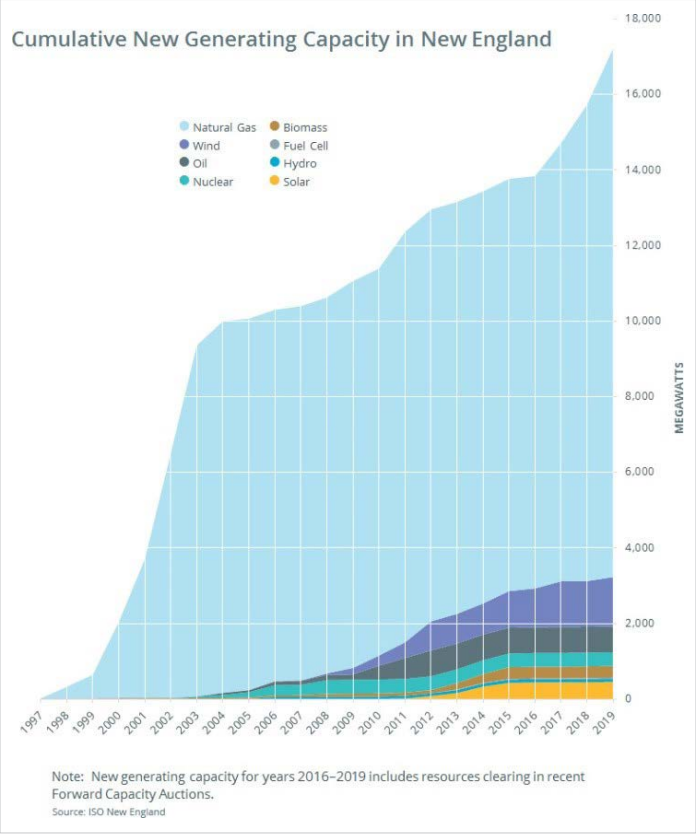
1 MW = approx. 1,000 homes

Implications of Energy Delivery in New England[8]

- A recent analysis found that the bottom 20 percent of earners spend almost 10 percent of their income solely on electricity, more than seven times the portion of income that the top fifth pays.[9]
- Of those low-income earners that

spend 10 percent of their income on power bills, 50 percent of them are African-American families.[10]

- Assuming the country continues current levels of renewable energy deployment, denying traditional energy delivery will cost New England – and surrounding states – more than 78,000 jobs and curtail the region's gross domestic product by $7.6 billion by 2020.[11] 7 million young people, seniors and hard-working families, living in poverty across the region would feel the brunt of this loss.[12]
- Per the EIA, New England already has the highest regional residential electricity in the continental United States. All seven states are in the top 10 nationally in terms of highest residential rates.
- Adding more energy delivery infrastructure capacity could save collectively New England ratepayers between $2.1 billion and $2.8 billion per year.[13]
- On average, a motorist in New England is saving $1.26 per gallon of gasoline.[14]



Despite all of this, there is good news. Expansion of energy delivery from pipeline buildouts has had a positive effect on consumers across New England and the nation at large. Families and motorists in the region have saved more than $7.7 billion in gasoline costs compared to 2012 based on data compiled by the Energy Information Administration (EIA). With pipelines responsible for moving roughly 70% of the nation's crude oil and petroleum products,[15] these savings have been achieved largely due to stable energy delivery.[16] Now, many families and households in New England are turning those savings into more travel and leisure activities. Just this year, over Memorial Day Weekend, AAA estimated that travel was at its highest levels since 2005, with more than 39.3 million Americans driving or flying 50 miles or more from home.[17] Consider this: A New England road trip from Bridgeport, Connecticut, to Bar Harbor, Maine, cost $47.20 less than it did in 2012.[18]

Public Policy Has Negatively Impacted New England Energy Delivery

By repeatedly denying proposals for pipeline development and expansions, New England's policymakers and regulators continue to block several opportunities to bring more necessary supplies and capacity improvements to the region. Despite the lack of a viable solution to address shortfalls during extreme weather, such as the Polar Vortex of 2014 or the heat wave earlier this month, policymakers have been unable or unwilling to remove barriers that would allow for pipeline expansion. In response, ISO New England has introduced market rules encouraging power plant owners to buy pipeline space to boost construction – but the rules will not take effect until 2018.

Families, Communities and Finances: The Consequences of Denying Critical Pipeline Infrastructure

A report recently released by Consumer Energy Alliance (CEA) found that rejecting pipeline infrastructure and baseload power generation would remove almost a third of U.S. electricity generation capacity by 2030, dangerously raising electric rates nationwide, especially on poverty-stricken households. It also found significant impacts on energy security and fuel supplies as well as varying harmful regional implications.

About Consumer Energy Alliance

Consumer Energy Alliance (CEA) brings together families, farmers, small businesses, distributors, producers and manufacturers to support America's energy future. With more than 450,000 members nationwide, our mission is to help ensure stable prices and energy security for households across the country. We believe energy development is something that touches everyone in our nation, and thus it is necessary for all of us to actively engage in the conversation about how we develop our diverse energy resources and energy's importance to the economy. Learn more at ConsumerEnergyAlliance.org.

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8. Consumer Energy Alliance (CEA) recently issued a report entitled, "Families, Communities and Finances: The Consequences of Denying Critical Pipeline Infrastructure," which found that rejecting pipeline infrastructure and baseload power generation would remove almost one-third of U.S. electricity generation capacity by 2030, dangerously raising electric rates nationwide, especially for poverty-stricken households. It also found significant impacts on energy security and fuel supplies as well as varying harmful regional implications.
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