

**COMPETITIVE POWER COALITION OF NEW ENGLAND, INC.
c/o Rubin and Rudman LLP
50 Rowes Wharf
Boston, Massachusetts 02110**

October 27, 2004

Public Comment on Final Report
Interagency Ocean Policy Group
White House Council on Environmental Quality
722 Jackson Place
Washington, D.C. 20503

Re: Comments on Final Report of the U.S. Commission on Ocean Policy, "An Ocean Blueprint for the 21st Century"

Dear Commission Members:

The Competitive Power Coalition of New England, Inc. ("CPC") respectfully submits its comments on the Final Report of the U.S. Commission on Ocean Policy, "An Ocean Blueprint for the 21st Century." CPC applauds the substantive recommendations of the Commission and supports the recommendations as being consistent with certain legislative policies put forth by the Massachusetts General Court, especially those articulated by Chapter 164 of the Acts of 1997, *An Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protection Therein*, informally known as the Massachusetts Electric Restructuring Act.

By way of introduction, CPC is a professional trade organization of electric generators whose members represent the overwhelming majority of both the installed and proposed generating capacity in New England. Our members include independent power producers, natural gas suppliers, waste-to-energy facilities, co-generators, and power marketers. CPC is acknowledged as the primary representative of the competitive power supply industry in the region and has been a leading advocate throughout New England for electric utility restructuring which has delivered rate relief, technological advancement, and environmental benefits to the region. CPC members' generation facilities currently reflect a comprehensive fuel diversity that ensures both enhanced environmental quality and increased system reliability. Our member generators have invested billions of dollars, created thousands of jobs, and paid hundreds of millions of dollars in taxes in Massachusetts. CPC members will continue to contribute to substantial improvement to the region's environment through innovation, progressive leadership, and technological advancement as a restructured electric industry evolves in Massachusetts and New England. We believe the only effective way of achieving those objectives is through competitive market forces as contemplated by such laws as the Massachusetts Electric Restructuring Act and not through baseless and draconian governmental regulation.

Two key initiatives articulated in the Massachusetts Restructuring Act are the reform and streamlining of the state's energy facility siting process and the creation of a program designed

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to develop renewable energy projects in Massachusetts and New England. First, the Legislature expressed clearly that the Commonwealth's energy facility siting statute was in grave need of reform. The Commonwealth – indeed, the New England region – was in dire need of more generation capacity in order to meet usage demands and projected future need as populations and economics grew. The Massachusetts siting law prior to 1997 was proficient at discouraging efforts to address these needs. A siting process centered on government inspired central planning guaranteed that any entrepreneurial effort to improve energy capacity was unsuccessful. In response to this situation, the Legislature enacted siting law reforms designed to move our Commonwealth's energy capacity needs forward, not backward, by encouraging innovative clean, efficient, state-of-the-art power plants. All of these units were built with private capital, at no risk to ratepayers, by entrepreneurs with real life expertise. CPC worked closely with legislators, regulators, and other interested parties to help craft a statute that would ensure the Commonwealth did not literally remain in the dark. In fact, the siting reforms were perceived so positively that others in the New England region – namely, Connecticut and Maine – adopted virtually the same statutes soon thereafter. The cornerstone of this reform was a belief that competitive markets were far superior to governmental central planning at meeting the Commonwealth's energy supply needs.

Hand in hand with these reforms, the Restructuring Act made an equally strong commitment to developing renewable energy generation in the Commonwealth. Through the renewable portfolio standard the Legislature sent a clear signal to regulators, developers, and consumers that Massachusetts had a commitment to encourage the development of "green" power. The Legislature went so far as to explicitly enumerate the various renewable power sources, and wind is prominent among them. The unequivocal Legislative intent was to encourage the development of renewable energy resources in the Commonwealth so that Massachusetts citizens might realize both the environmental and economic benefits.

These two legislative initiatives have manifested themselves in the proposed Cape Wind project, which would be the construction of a wind farm in Nantucket Shoals off of the coast of Cape Cod. This project is a direct and intended result of the reformed siting law and the Commonwealth's commitment to developing a base of renewable energy projects to supplement our more traditionally fueled generating units. This project is exactly the type envisioned by the Restructuring Act, as evidenced by the support of the Cape Wind project by the very legislators that actually drafted the legislation.

The Cape Wind project has submitted to almost a score of state and federal regulatory processes. This joint review will result in an Environmental Impact Statement under the National Environmental Policy Act (the most comprehensive environmental review standard under Federal law) as well as an Environmental Impact Report under the Massachusetts Environmental Policy Act ("MEPA"). Notably in Cape Wind's ENF Certificate (#12643), the Secretary of Environmental Affairs explained that Cape Wind voluntarily consented to MEPA review of the entire Cape Wind project as well as a greatly extended ENF comment period to allow for maximum public input, with the Secretary of Environmental Affairs concluding that

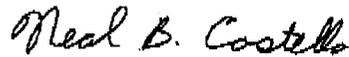
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"these commitments ensure that the impacts of the project will receive full disclosure in the state and regional review process..." The current review process, thus, considers all relevant concerns and issues in a seamless manner, with absolutely no "gap" between federal and state review. In fact, to this date, Cape Wind has received tremendously positive reviews from every regulatory agency that has concluded its process.

In our earlier comments to the Commission we asked that, as the Commission moved forward with its deliberations, any action contemplated in its final report not jeopardize the progressive strides the Commonwealth has advanced over the past seven years. We see no intent on the Commission's part in its final report to harm these advancements. Therefore, we support its policies as articulated to date and ask that the final implementation of the recommendations not deviate from their current direction.

Thank you for your consideration in this matter.

Sincerely,



Neal B. Costello
General Counsel
Competitive Power Coalition of New England, Inc.

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