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U.S. House of Representatives

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December 19, 2019

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The Honorable David Johanson
Chairman
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Chairman Johanson:

I am writing today to request that the U.S. International Trade Commission (USITC) conduct an investigation and prepare a report under section 332(g) of the Tariff Act of 1930 regarding renewable energy and the potential economic effects of imports of hydro-generated electricity from Canada to Massachusetts.

Over the past three decades, Massachusetts has seen the retirement of both nuclear and coal-generated power plants across the Commonwealth. With these facilities offline, there has been a growing strain on the ability of New England's bulk power generation and transmission system to meet the demands of consumers. High electricity rates undermine the competitiveness of Massachusetts businesses and make it difficult for residents, particularly low-income households, to afford their utility bills.

At the same time, many New England states have set ambitious goals for seeking alternative renewable means of providing energy while also reducing greenhouse gas emissions. As part of the Commonwealth's strategy to meet these challenges, in June 2019, the Massachusetts Department of Public Utilities approved a 20-year contract with Hydro-Quebec for the import of hydro-generated electricity from Canada via the New England Clean Energy Connect project. To better understand the strategies in place in New England to increase the use of renewable energy and reduce greenhouse gases, as well as the potential economic effects for Massachusetts of hydroelectric imports from Canada, I request that the USITC conduct an investigation and prepare a report that provides, to the extent practical, the following information:

- (1) An overview of the current situation in New England and Massachusetts with regard to: renewable energy goals and commitments, and progress towards meeting these goals; electricity sources and rates for residential and commercial uses; and the status of the transition from nuclear and fossil fuels to renewable sources;
- (2) A description of the essential elements of the Commonwealth's long-term contract for the procurement of clean energy from Hydro-Quebec, including expected quantities, prices,

timing, investments, and any other relevant factors;

- (3) To the extent possible, a quantitative analysis of the potential economic effects on the Commonwealth of the import of hydroelectricity from Canada on residential and business rate payers on environmental indicators such as greenhouse gas emissions. The analysis should consider the potential economic effects of the imports in the context of (i) recent market conditions and (ii) alternative approaches to meeting the Commonwealth's renewable energy goals and commitments; and
- (4) Any relevant case studies involving other states or countries that provide insights into the potential economic effects of imports of hydro-generated electricity, including on the rates paid by commercial and residential customers and on environmental indicators such as greenhouse gas emissions.

I request that the Commission deliver the report by 12 months from the date of this letter. As I intend to make the report available to the public, I request that confidential business information not be included in the report. Your assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Neal", with a long horizontal flourish extending to the right.

Richard E. Neal
Chairman