



February 9, 2016

The Honorable Ed Markey  
United States Senate  
255 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Joseph Kennedy, III  
United States Congress  
306 Cannon House Office Building  
Washington, DC 20515

Dear Senator Markey and Congressman Kennedy,

On behalf of the Northeast Public Power Association (NEPPA), the trade association representing 78 not-for-profit electric companies in the six New England States, I want to thank you for introducing S. 2494 and H.R. 2984, the “*Fair Ratepayer, Accountability, Transparency and Efficiency Standards (RATES) Act.*” The bill makes a critical change to the Federal Power Act to allow consumers to challenge rates that go into effect under operation of law, and I write to offer NEPPA’s endorsement of and support for this bill.

As you know, most NEPPA members participate directly in the mandatory capacity markets administered by ISO-New England. We have observed firsthand as these markets have become more complex, and more costly, as they try to increase revenue to generators. These new rules are designed to incent new infrastructure development, but this we have development has not come to fruition, despite runaway costs to consumers. Since public power systems are motivated by consumer objectives, rather than by profit, the capacity market is particularly challenging for us.

After the cost of capacity skyrocketed in Forward Capacity Auction 8, many of us had questions about whether the market rules had produced a rate that was just and reasonable. Had your legislation been law at that time, we believe the consumers we serve could have gotten an answer to that question. While we believe there is much work to be done to reform the capacity markets, the Fair RATES Act is an important first step.

To that end, please do not hesitate to call on me, any member of my staff, or other NEPPA members to provide technical expertise, local experience, or independent analysis you may need related to this issue.

Again, thank you for your on-going commitment to fighting for consumers in New England.

Sincerely,

David F. White, Executive Director  
NEPPA