

NORTHEAST INTERNATIONAL COMMITTEE ON ENERGY (NICE)

2000 - 2001 Report to the

26th CONFERENCE OF NEW ENGLAND GOVERNORS AND EASTERN CANADIAN PREMIERS

Background

The Northeast International Committee on Energy (NICE) was established by the Conference of New England Governors and Eastern Canadian Premiers in 1978 to monitor and act upon common energy issues in the New England-Eastern Canadian region.

Since its establishment, NICE has hosted more than a dozen roundtables and conferences on energy and published numerous energy reports. In recent years, NICE has been paying particular attention to significant developments in the areas of electric restructuring, natural gas developments, and resource and infrastructure development.

2000-2001 Report

At the 25th Conference of New England Governors and Eastern Canadian Premiers held in Halifax, Nova Scotia in July 2000, Resolution 25-12 was adopted directing NICE to:

- ☞ continue to monitor developments in the energy markets;
- ☞ adopt a letter to then-Secretary Richardson of the U. S. Department of Energy (DOE) recommending that the U.S. DOE work with the NICE and states and provinces to maintain an open North American energy market and clarify the treatment of large-scale hydro-electric power under federal restructuring legislation;
- ☞ collaborate with the NEG/ECP Committee on the Environment, the Province of New Brunswick and the Premier's Round Table on Environment and Economy to conduct a workshop to examine global warming issues in our region, evaluate the conclusions of the workshop and present a recommended action plan to the 2001 annual meeting of the NEG/ECP;

- examine ways to encourage energy conservation, demand-side management programs, energy efficiency the development of new energy technologies;
- continue to define and develop a graphical computerized energy database for the region;
- report back on key jurisdictional energy issues in the region, including the region's energy storage capacity and infrastructure.

The NICE met twice in 2001. At the February 14th meeting in Montréal, Québec, NICE exchanged information on jurisdictional energy issues, and discussed the status of major new energy projects in the region (such as the Sable Island gas development and the Churchill Falls hydro-electric facility). The Committee also reviewed the region's winter fuels (i.e., natural gas, electricity, heating oil, propane and kerosene) markets to assess the supply and demand situation. This discussion occurred in the context of the serious price disruptions in heating oil experienced in New England in the winter of 1999/2000. The Record of Discussion from this meeting is attached, to provide an update of key jurisdictional energy issues, as is NICE's letter to then U.S. DOE Secretary of Energy William Richardson, expressing NICE's willingness to work with the DOE on developing renewable programs for any federal restructuring proposal.

NICE also previewed the March 2001 climate change workshop to be held in Fredericton, New Brunswick. The NICE worked with the Committee on the Environment to design the workshop, and to develop the subsequent NEG/ECP Climate Change Action Plan (CCAP). The CCAP incorporates considerable programmatic language promoting energy efficiency and renewable energy sources. Submissions from New England states on current energy efficiency and renewable programs were helpful in drafting similar sections of the CCAP. The Plan also encourages the use of new, more efficient and environmentally sound energy technologies through cooperation with the U.S. Environmental Protection Agency's Environmental Technology Verification (ETV) project.

Additionally, the NICE refined the concept of the graphical energy database under development. This database, which will incorporate information on energy sources, supplies, storage, transportation, facilities trade, will be based on a computerized map of the region which can also be viewed by sub-region (New England or Eastern Canada), by state/province, and by at least one additional level of detail beyond the jurisdictional level. The user can display infrastructure by type (source, generation, transportation, storage, etc.), fuel (electricity, natural gas, petroleum, etc.), or a user-defined display based on a series of interactive menus (for example, a display of the region's natural gas-fired power plants and pipelines). A beta-version of the program for comment is expected by the end of 2001. A fully-functional database, to be distributed on CD-ROM, will be available by the 2002 meeting of the Conference of New England Governors and Eastern Canadian Premiers.

The NICE met a second time in 2001 in Prince Edward Island on June 26th and 27th. The purpose of this meeting was to conduct a final review of the NEG/ECP Climate Change

Action Plan in conjunction with the Committee on the Environment (which met with NICE on June 26th to finalize the Plan), and develop a work-plan for NICE for the coming year. A Record of Discussion from that meeting is attached.

2001-2002 Work Plan

NICE recommends to the Conference of New England Governors and Eastern Canadian Premiers that the Conference mandate its Northeast International Committee on Energy to:

- ☞* work with the NEG/ECP Committee on the Environment on the implementation of the NEG/ECP Climate Change Action Plan;
- ☞* conclude its development of a graphical energy database and submit it to the next meeting of the Conference of New England Governors and Eastern Canadian Premiers;
- ☞* cooperate with the Province of New Brunswick on the development of an energy workshop to be held in St. John's, New Brunswick in the spring of 2002;
- ☞* continue to exchange information and programmatic summaries on energy supply, demand and trade in the region.