

POSITION STATEMENT

Kinder Morgan Natural Gas Pipeline

The North Central Massachusetts Chamber of Commerce is a business advocacy, economic development organization working to create and sustain relationships among businesses and between businesses and the community. With a diverse membership base of nearly 1000 member firms, employing over 25,000 people in the region, the Chamber is working to foster economic opportunity in Fitchburg, Leominster, and surrounding communities. This policy position is intended to serve as guidelines for the Chamber's Government Affairs efforts and has been reviewed and approved by the Chamber's Government Affairs Committee and Board of Directors.

Adopted: September 24, 2015

Background: According to the U.S. Energy Information Administration (EIA), Massachusetts ranks as the third most expensive state in the country for electricity. The EIA has also stated that Massachusetts has exceptionally high natural gas prices, resulting from a serious lack of pipeline capacity supplying the power generation sector. Natural gas is used by power plants in New England to produce over 40 percent of the region's electric power, meaning a significant increase in the price of natural gas also results in higher electric rates. In an increasingly competitive and globalized economy, these high energy costs place businesses and industry in North Central Massachusetts at a competitive disadvantage. Higher energy costs also impact residents and working families in the region and the state. Residential electric rates have doubled in New England since 1990, with much of the increase occurring since 2004. In addition, about half of households in the state rely on natural gas as their primary energy source for home heating. Gas prices are a function of supply and demand in the market, and the current regional supply infrastructure cannot meet the increasing demands of the state.

Position: The North Central Massachusetts Chamber of Commerce supports measures and initiatives that support and encourage a reliable, diverse and more affordable energy supply that keeps pace with the region's growing population and economy, while protecting our environment. Given the strained natural gas capacity in New England and the region's increasing reliance on Natural Gas for our electricity, the North Central Massachusetts Chamber supports the development of the Kinder Morgan NED pipeline to transport natural gas into the region and state. The Chamber believes that the project will increase the availability of natural gas in New England, reduce price volatility and increase capacity to help support the future needs of the region and the Commonwealth.

While this statement is policy as of the effective date of this document, the Chamber reserves the right to adopt changes and make modifications and additions to its policies, and will continue to monitor issues as they develop. Please contact Roy Nascimento, President at (978) 353-7600 with any questions regarding this policy position.