

10.09.13 Canadian Wind Energy Association Annual Conference & Expo Remarks

AS PREPARED:

Governor Deval L. Patrick

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Thank you, Robert, for that warm welcome. And thank you to CanWEA for inviting me to be with you today.

I'd like to talk a little bit about the Massachusetts clean energy initiatives, and the part that wind generation has played in it. Like Canada, Massachusetts has been a leader in renewable energy. Wind generation has grown by 40 times since I took office in 2007. We had more land-based wind installed in 2012 than in any other year before.

But our gains haven't been without challenges.

Massachusetts is a densely populated state, about half the size of Nova Scotia. Issues around appropriate siting, as well as generic ones about the predictability of federal regulatory and tax policy, are continuing concerns. In the U.S., in particular, a century of favor for fossil fuels puts renewables generally on an uneven playing field. Yet this is a sector worth cultivating. And I'd like to suggest some reasons why.

I have spent most of my career in the private sector. One of the things that worried me most about the companies I worked in or with was the overemphasis on managing for the next quarter, on getting short-term results sometimes at the expense of the firm's long-term interests.

That behavior has crept into the way we govern in America, where we govern for the next election cycle, or the next news cycle, instead of for the next generation. I am convinced that the expansion of opportunity requires economic growth, and that sustained growth does not happen without a long-term strategy, executed with discipline.

Our strategy in Massachusetts is to invest in education, innovation and infrastructure.

We invest in education because brainpower is Massachusetts' most abundant natural resource. There are over 300 universities and research institutions within a 90-minute drive of downtown Boston. In many ways, our key industry is knowledge. So, we cultivate it by investing money, time and new ideas in the public schools; in public higher education and college affordability; and in early education.

We invest in innovation because enabling and encouraging industries that depend on brainpower is the best way for Massachusetts to take advantage of the knowledge explosion happening in the world economy today.

We invest in infrastructure -- the unglamorous work of government -- because rebuilding roads, rails, bridges, expanding broadband to every community, building new classrooms and labs and more affordable housing gives private initiative and personal ambition the platform for growth.

For a host of reasons, clean and alternative energy is a natural place on for us to focus. At the end of the energy pipeline with no coal or natural gas resources of our own, Massachusetts is at the mercy of the volatile fossil fuel market. Our residents and businesses control over or recourse for steep increases in home heating oil or electricity prices. Put these realities alongside the national challenge of energy independence and the international challenge of climate change and the ingredients were right for innovation in these industries.

So, we decided to develop policy strategies to transform our energy marketplace and take control of our energy future. We focused on creating demand by expanding clean energy adoption through incentives for residents and businesses, and supporting community and municipal projects; and on encouraging supply by requiring utilities to generate an increasing portion of their energy mix from clean and renewable sources. We took a hard look at ways we could reduce greenhouse gas emissions and we set ambitious goals.

We've also been working with industry to create markets for wind while driving down costs— by incentivizing our utilities to work collaboratively to find the cleanest, cheapest renewable energy in our region. Our public utilities just completed our largest procurement of renewable energy -- 565 megawatts of wind -- the cost of which will be lower than coal and nuclear power. We are committed to continue this approach by building out the infrastructure that diversifies our regional resource mix to bring in significant amounts of renewable power, including hydro and wind power from Canada.

Offshore wind in particular plays an important role in our strategy. Construction began earlier this year on the first port in North America specially equipped to support offshore wind projects. This terminal will be positioned to serve offshore wind projects up and down the Atlantic coast, making Massachusetts a North American hub of the sector.

Already Siemens has established their offshore wind headquarters in Massachusetts and more will follow as North America's first offshore wind project, Cape Wind, moves forward next year.

We built the largest enclosed wind blade testing facility in the world with the capability to test blades up to 90 meters in length. Maybe some of you in the audience have a 90 meter blade design on the drawing board, I invite you to come to Massachusetts and test it out. We're helping wind companies push the engineering limits to create more efficient and effective blades. And when I say push to the limit, we test the blades to failure, creating one heck of an explosion. We're testing blades from all over the world including some from LM Windpower that manufactures blades here in Canada.

With our entrepreneurial ecosystem, Massachusetts is a premiere destination for wind industry innovation and companies like First Wind, Northern Power Systems, Aeronautica and Vertex Environmental who are all here with me today representing Massachusetts. In fact, Vertex Environmental will be opening an office just outside of Toronto next week.

So, we are taking the imperatives of tackling climate change and reducing greenhouse gas emissions, and answering them with innovations in both behaviors and technology. By doing so, we made clean energy not only an environmental priority but a core economic strategy for Massachusetts.

By any measure, the clean energy sector is booming.

Massachusetts had the third straight year of strong job growth in our clean energy sector. We are up another 11.8 percent since last year. Over the past two years this industry has grown by 24 percent, to more than 5,500 clean energy firms employing nearly 80,000 clean energy workers.

Massachusetts is No. 1 in the United States in energy efficiency, a slot we've held for the past two years. We rank first in the U.S. for investments in energy efficiency, where \$2 billion of investment has produced \$6 billion in savings and over 46,000 jobs. The City of Boston was also recognized in September as America's most energy efficient city.

I mentioned at the outset the 40-fold growth we've seen in wind generation in the last 7 years. Well, because of policies we put in place, we have 90 times as much installed solar in the same period. Earlier this year, because prices continued to fall and demand to rise, and because of the virtually ubiquitous potential of solar technology, we blew through my ambitious goal of 250 megawatts by 2017. So, I set a new one – 1.6 gigawatts by 2020.

Today, Massachusetts ranks first in America for clean tech policy, first for clean energy investments, and second for clean tech leadership.

Now, there are important economic and environmental reasons to keep this progress going, and the exceptional results we have already experienced are just some of them.

Meanwhile, energy bills in Massachusetts are down by 25% since their peak in 2009 -- which means we have the breathing room to refine the technologies and to invest in solar, energy efficiency, biogas and wind (offshore or land-based) – or the host of other solutions to the climate challenge we face, and to strengthen the markets to compete over the long-term.

Which brings me back to my central point. We must govern for the long-term. The progress we have made is not because of government acting alone or the private sector acting alone. It is because in partnership we have looked to the future and the greater long-term good. The growth and promise of the clean tech sector has been a critical example of that approach.

As we look to the future, I believe Massachusetts and its partners, like Canada, can work hand-in-hand to address this generational challenge of energy and how to procure it, manage it and use it wisely. I look forward to advancing that agenda.

Thank you again for having me.