



November 30, 2010

Regional Greenhouse Gas Initiative, Inc.
90 Church Street, 4th Floor
New York, New York 10007

Re: Comments of NextEra Energy Resources on the Modeling Assumptions used in the RGGI Reference Case and Sensitivity Cases

To Whom It May Concern:

NextEra Energy Resources appreciates the opportunity to comment on RGGI, Inc.'s (RGGI) assumptions used in the development of the Reference Case and the Sensitivity Cases. NextEra Energy Resources, a subsidiary of NextEra Energy, Inc., is the nation's leading producer of renewable energy from the wind and the sun. NextEra Energy Resources has a growing portfolio of facilities with more than 18,000 net megawatts of generating capacity. NextEra Energy Resources' portfolio includes more than 100 operating projects in 26 states and Canada. Approximately 95 percent of its electricity is derived from clean or renewable sources, including wind, solar, hydro, natural gas and nuclear energy. Primarily a wholesale power generator, NextEra Energy Resources operates power plants and sells the output to utilities, retail electricity providers, power cooperatives, municipal electric providers and large industrial companies.

NextEra Energy Resources operates 2,143 megawatts of fossil fuel-fired electric generation in the RGGI region that is subject to the program. As such, the Company has a keen interest in the 2012 RGGI program review called for under the original Memorandum of Understanding executed by the participating states in December, 2005.

Provided below are comments that NextEra Energy Resources has regarding the assumptions presented at the recent RGGI Stakeholder meeting on November 12, 2010:

NextEra Energy Resources generally agrees with the assumptions used but has two comments on the Reference Case and one comment on the Proposed Federal Regulatory Sensitivity Case.

First, we believe the Vermont Yankee nuclear power plant should not be retired in the reference case. They are far into the process to obtain all the necessary licenses to continue operating, having already been through the lengthy process in which they've successfully received their license extension from the Nuclear Regulatory Commission.

Second, we believe the Hydro Quebec NSTAR High Voltage Direct Current Transmission Line and the associated hydro-electric power additions that will be built to supply electricity through this line should be included in the reference case. This line, which will bring up to 1,200 MW of electricity into the RGGI region, has the ability to displace electricity from in-region units and their associated emissions.

Our final model assumption comment pertains to the Proposed Federal Regulatory Sensitivity Case. NextEra Energy Resources believes there is insufficient time to obtain approvals and licenses and to build an additional two new nuclear units by 2020. One of the named eligible units (Calvert Cliffs) has announced it

won't be moving forward with its license request. Only one other eligible site (Hope Creek/Salem) has even filed a request for an early site permit.

At the November 12th Stakeholder Meeting, stakeholders were asked to comment upon how RGGI should address the fact that model projections show emissions in the region will, under most scenarios, remain under the established cap. NextEra Energy Resources has long supported placing a price on carbon. The current program provides that price and we support the RGGI cap as it currently exists. It is evident that the program is achieving its goal to reduce greenhouse gas emissions. We don't believe that, because the program has been successful, the emissions cap or allowance prices should be arbitrarily changed. The emissions cap and the auction price floor were thoughtfully developed. Making the program more stringent or more costly, particularly during this economic downturn, would only serve to place a greater burden on customers and delay an economic recovery.

We believe any substantive changes to the program as it relates to the electric power sector, especially until after the second control period, would harm entities that have made economic decisions based on a set of laws and regulations. Many companies have purchased allowances from the second control period based on the understanding of those laws and regulations and to change them, thereby retroactively affecting the value of the allowances, is inherently unfair and interferes with the market that RGGI was so careful to design.

NextEra Energy Resources continues to support a greenhouse gas reduction program that is economy-wide. If the states are inclined to make changes to the RGGI program, we would suggest reviewing the options to bring in other sectors as is being done under the California and Western Climate Initiative programs and was envisioned in the original RGGI discussions. This provides additional opportunities to effectively and efficiently reduce greenhouse gases and to make trading with California's or the Western Climate Initiative's programs more compatible. RGGI might include these additional sectors after the economy has rebounded.

On a final note, NextEra Energy Resources is concerned about the expenditure by some states of revenues from the auction of allowances for purposes not related to reducing greenhouse gases. As reported on November 28th in the *New York Times*, New York used \$90 million of RGGI-related revenues to build schools, New Jersey transferred \$65 million into non-environmental programs and New Hampshire has used \$3.1 million on general spending. The use of revenues should be focused on furthering the goals of the program from which they were derived and not as budget-balancing fund. The continued success of the program requires investment into greenhouse gas-reducing activities such as increased energy efficiency, new non-emitting renewable and nuclear generation, and customer cost containment. Diverting funds impedes this goal and we oppose these actions.

NextEra Energy Resources appreciates the opportunity to make these comments and looks forward to continuing to participate in the Program Review process.

Respectfully Submitted,



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