



FACTSHEET Impact on Oil Imports

Oil is the dominant fuel source, constituting more than 44 percent, of the electrical generation capacity in Southeastern Massachusetts¹. Due to transmission constraints, this region is an area of “locked in” generation, meaning that excess capacity cannot be moved to other areas in New England because of transmission constraints². Thereby, when Cape Wind comes on the grid, larger fossil fuel plants will be backed off. The oil fueled Canal Station will mostly be affected, consuming about 330 million gallons of oil a year.

This will result in a considerable reduction in the amount of oil imported to the region when the wind farm is up and running. The wind farm capacity of 454 megawatts is equivalent to 12 percent of the total fossil generation capacity in Southeastern Massachusetts, which is 3,600 megawatts³. Low bidders like the wind farm (due to their zero fuel cost) get dispatched first. Highest bidders, such as oil, are knocked off the bid stack when they are over the so called “clearing price” to meet the demand of the market at the time of bid.

The cost of electricity generated by oil is considerably more than that generated by coal, it is most likely that oil generators will be the ones backed off. Cape Wind’s power output will be equivalent to one-quarter of the Canal plant generation. On that basis, Cape Wind will offset about 2 million barrels of oil every year which is equivalent to 20 barges the size of Bouchard #120 that went aground in Buzzards Bay in April 2003 en route to the Canal plant, killing hundreds of birds and causing devastating effects on the shell fishing industry⁴.

Considering the fact that 63 percent of our crude oil is imported from the OPEC cartel and unstable countries like Iraq, Venezuela and Nigeria⁵, the impact of the wind farm in reducing this situation is truly significant in our local region. It is simply misleading and disingenuous to compare the impact of the wind farm to the entire energy consumption of the United States.

¹ Commissioner O’Connor’s Presentation to the MTC Stakeholder Meeting in Hyannis on October 31, 2002.

² “Report Questions Power Line Limits,” John Leaning, Cape Cod Times, November 8, 2003.

³ O’Connor, Ibid.

⁴ The Bouchard barge carries 4.1 million gallons of fuel oil. Hence, 82 million gallons of oil is equivalent to 20 such barges. Data on barge capacity from: “Barge owner admits gaffe in damage report,” Jack Coleman, et. al., Cape Cod Times, May 21, 2003.

⁵ “03 Oil Prices Averaged Highest in 20 Years,” Richard Valdmanis, Reuters News Service, December 31, 2003.