

Massachusetts Municipal Wholesale Electric Company

***ISO-New England
Consumer Liaison Group***

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What is MMWEC?

- **A non-profit public corporation providing wholesale power market services to Massachusetts municipal utilities**
 - Function as a Joint Action Agency for Public Power in Massachusetts
 - Provide energy, financial, risk management and other services
 - Manage and oversee power generation assets
 - Develop new power generation assets
- **The Massachusetts Municipal Wholesale Electric Company is a Political Subdivision of Massachusetts**

Power Generation Assets:

- **Manage and operate the 526MW gas and oil-fired Stony Brook Energy Center located in Ludlow, MA**
- **Manage and operate the 15MW Berkshire Wind Power Project located in Hancock and Lanesborough, MA**
- **Joint ownership and oversight for two nuclear plants and one oil-fired plant located in New England**

Stony Brook Energy Center Details



- **Two simple cycle fast-start oil-fired Peaking Units; 172MW**
- **A 354MW combined cycle dual-fueled (gas and oil) Intermediate Unit**

Overview of Fuel Supply & Transportation at the Stony Brook Energy Center:

- **Current oil prices are approximately 4 times higher than natural gas prices**
- **Natural gas transportation is provided by the Tennessee Gas Pipeline and Columbia Gas of Massachusetts**
- **Natural gas supply is typically purchased from counterparties on a same-day or next-day basis**

Fuel Selection at the Stony Brook Energy Center:

- **Traditionally MMWEC bids Stony Brook into the wholesale market using natural gas prices during the summer months and fuel oil prices during the winter months**
- **Over the past two years, low pressure on the Tennessee Gas Pipeline during the summer months has restricted gas transportation to Stony Brook**
- **Stony Brook is now bid into the wholesale market using a mix of both natural gas prices and fuel oil prices during the summer months**

Fuel Selection at the Stony Brook Energy Center:

- **Probable causes for low gas pressures during the summer months:**
 - Increased Power Generation using Natural Gas
 - Less Energy Expended to Pressurize the Tennessee Gas Pipeline
 - Less LNG supplementing the New England Gas Pipelines
 - No firm gas transportation arrangement
- **Possible results from lower gas pressures:**
 - Increase in New England's wholesale electric prices
 - On dual-fueled units (like Stony Brook), significant economic losses will be incurred every time a unit's gas supply is curtailed and it is forced to utilize higher cost fuel oil
- **Possible Solutions**
 - Greater coordination between the electric and gas markets
 - More flexible gas transportation contracts