

# Objective and Scope of Scenario Analysis Initiative

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# Introduction

- New sources of supply needed over the long term
- Now is the time to consider and shape future power supply
- Knowledge of options - and their attributes – essential for informed decision making
- ISO New England to convene stakeholder process and provide technical support and information

# Scenario Analysis: Goal

- Provide study results that will help inform energy policy makers
  - Must have a long-term outlook
  - Be significantly different to show distinct results
  - Not necessarily “realistic,” but shows impacts
- Outcomes of scenario analysis can provide:
  - A wide range of information to policy makers
  - Help identify issues
  - A framework for influencing long-term outcomes for the region

# Scenario Analysis: Background

- RSP06 identified several key issues:
  - Projected capacity deficiency by 2009
  - Lack of fuel diversity
  - Environmental emission constraints
  - Cost of electricity
  - Need for transmission expansion
- RSP06 also finds that New England's need for resources will grow by more than 4,000 MW by 2015

# Scenario Analysis: Background (cont.)

- Regional examination of the possible options for meeting this need should take place now
  - Options to be considered include combinations of demand and supply resources including
    - Energy efficiency, wind, coal, gas, oil, hydro, nuclear capacity, and imports from Canada and New York
    - Conceptual transmission and fuel delivery alternatives will be considered
  - Build on RSP06 assumptions
- Scenario analysis has been chosen as a means to assist in developing:
  - Possible new Market rules
  - Possible energy policies for the region to address these issues
  - Findings that can complement RSP07

# Scenario Analysis: Purpose

- Phase I: Identify and analyze alternative resource scenarios for meeting the region's long-term power supply requirements. Characterize resource options
  - Analyze implications for:
    - Cost
    - Reliability
    - Environment
  - Involve and exchange information through open stakeholder process
  - Target completion: June 2007

# Scenario Analysis: Purpose (continued)

- Phase II: Identify barriers to achieving desirable results as identified by policy makers
  - Physical – resource development and risks
  - Market – rules
  - Policy - regulations
- Discuss possible solutions to overcoming barriers
  - Schedule to be determined

# Scenario Analysis: Scope of Phase I

- Role of ISO-NE is to facilitate the region's exploration of options to address issues and to provide analysis
- Analysis limited to five scenarios due to ISO-NE budget, time and other resource constraints
- ISO-NE will not select a scenario choice or analysis – the outcome is not a “Plan”
- Process not designed to reach consensus or choose the best option

# Scenario Analysis: Process

- A Steering Committee has been formed with Co-chairs to guide the process
  - ISO-NE
    - Kathleen Carrigan & Steve Whitley
  - New England Conference of Public Utilities Commissioners (NECPUC)
    - Don Downes/Connecticut (CT), Clifton Below/New Hampshire (NH) & David O'Brien/Vermont (VT)
  - New England Power Pool (NEPOOL)
    - Brian Forshaw, Connecticut Municipal Electric Company
    - Pete Fuller, Mirant

# Scenario Analysis: Process (continued)

- Working Group meetings
  - ISO-NE staff to coordinate a diverse open stakeholder process
  - Meetings over an eight month period from November 2006 through June 2007
  - ISO-NE staff to perform technical analysis
- Work products
  - Modeling results
  - Draft and final summary findings