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## ISO New England Meets Initial Milestone for New Capacity Market Design

### Now Accepting “Show of Interest” Applications from New Power Resources

Holyoke, MA—November 1, 2006—ISO New England Inc., operator of the region’s bulk power system and wholesale electricity markets, today achieved its first milestone in implementing the region’s Forward Capacity Market (FCM), a wholesale market enhancement that will promote investment in the power resources needed to meet growing consumer demand and maintain a reliable bulk power system.

Beginning today, ISO New England will begin accepting applications from entities interested in providing a new resource through the FCM to meet the region’s future energy needs. All prospective new capacity resources serving New England, including distributed generation resources greater than five megawatts, must complete a “Show of Interest” application. Such applications shall be accepted until at least December 31, 2006, for new capacity resources seeking to participate in the first FCM auction, planned for February 2008. In addition to fulfilling other qualification measures, new resources would need to be available and ready to operate by June of 2010. The Show of Interest window for all other demand resources will be announced at a later date.

“While we have much work ahead of us in developing the FCM market, this initial step brings the region that much closer to attracting the new power supplies needed to meet future demands,” said Gordon van Welie, ISO New England President and CEO. “The application process will demonstrate interest in investing in New England’s energy infrastructure.”

The application is available on ISO New England’s Web site at [http://www.iso-ne.com/markets/othrmkts\\_data/fcm/qual/index.html](http://www.iso-ne.com/markets/othrmkts_data/fcm/qual/index.html).

#### **Innovative Market Design**

Under the new FCM design, ISO New England will project the needs of the power system three years in advance and then hold an annual auction to purchase power resources to satisfy the region’s future needs. These resources include increased electricity supply from power plants or decreased electricity use through demand-response resources. The ISO plans to hold the first forward capacity auction in February 2008, with the resources being paid roughly two and one-half years later – in June 2010.