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## FERC Filing Confirms New England's Sixth Capacity Auction Procured Resources Needed for 2015–2016

Holyoke, MA—April 30, 2012—A filing today at the Federal Energy Regulatory Commission (FERC) confirmed that the power system resources needed to meet regional electricity demand in 2015–2016 have been procured through the sixth Forward Capacity Market auction administered by ISO New England Inc.

**Finalized results**

Under the Forward Capacity Market (FCM), ISO New England projects the capacity needs of the region's power system three years in advance and then holds an annual auction to purchase the power resources that will satisfy those future regional requirements. Resources that clear in the auction are committed to provide power or curtail demand when called upon by the ISO, or risk financial penalties.

The capacity auction was conducted April 2 and 3 and concluded at the floor price of \$3.43 per kilowatt-month (kW-month) with 36,309 megawatts (MW) of demand- and supply-side resources. That includes the 33,456 MW that ISO New England projects will be needed to meet electricity demand in New England from June 1, 2015, to May 31, 2016, plus a surplus of 2,853 MW. In total, the auction procured 30,757 MW of generating resources, 3,628 MW of demand resources, and 1,924 MW of imports.

**Bids to withdraw from the capacity market for 2015–2016**

In advance of and during New England's Forward Capacity Auctions, existing power plants and demand resources may submit "delist" bids to withdraw from the capacity market for that one-year period or permanently. Those bids are evaluated to determine whether the resource is needed to ensure reliability on the power system for the capacity year. Resources that submit delist bids and are allowed to leave the capacity market may still participate in the region's other wholesale markets.

In all, 191 delist bids were submitted and the ISO accepted 185 bids to withdraw a total of about 1,889 MW of capacity because power system reliability can be maintained without relying on those resources in 2015–2016. Another 79 MW of delist bids were rejected because the resources will be needed to ensure reliability in 2015–2016.

## Vermont Yankee

For this auction, Entergy Nuclear Power Marketing submitted a bid to withdraw the 604-megawatt Vermont Yankee nuclear station from the capacity market for one year. In two earlier auctions, ISO New England rejected Entergy's delist bids to withdraw Vermont Yankee from the capacity market for the 2013–2014 and 2014–2015 commitment periods. Those rejections were based on studies showing that the plant would be needed in those future years to support the grid's ability to reliably meet demand in Vermont, southern New Hampshire, and portions of Massachusetts.

Unlike the previous two auctions, the ISO was able this year to accept Entergy's bid to withdraw Vermont Yankee from the capacity market for 2015–2016 because of some ongoing and expedited transmission system upgrades as well as new resources that have been procured through the Forward Capacity Market. Vermont Yankee is still eligible to participate in the region's wholesale energy and ancillary services markets in 2015–2016 and in subsequent Forward Capacity Auctions.

The Forward Capacity Market was developed by ISO New England, the six New England states, and industry stakeholders to promote investment in generation and demand-response resources to meet future demand. The table below shows that each of the first six auctions concluded at the floor price with surplus capacity. The results ensure that the region will have sufficient resources to meet future demand. Resources that clear in the auction are committed to provide power or curtail demand when called upon by the ISO, or risk financial penalties.

### Results of the First Six Forward Capacity Auctions

AUCTION <sup>1</sup>	Total Qualified (MW)	Cleared Gen (MW)	Cleared DR <sup>2</sup> (MW)	Cleared Imports (MW)	Total Capacity Acquired (MW)	Capacity Required (MW)	Floor Price <sup>3</sup>	Excess Supply (MW)	Prorated Price <sup>4</sup>
FCA #1 (2010/11)	39,165	30,865	2,279	934	34,077	32,305	\$4.50	1,772	\$4.25
FCA #2 (2011/12)	42,777	32,207	2,778	2,298	37,283	32,528	\$3.60	4,755	\$3.12
FCA #3 (2012/13)	42,745	32,228	2,867	1,900	36,996	31,965	\$2.95	5,031	\$2.54 <sup>5</sup>
FCA #4 (2013/14)	40,412	32,247	3,261	1,993	37,501	32,127	\$2.95	5,374	\$2.52 <sup>6</sup>
FCA #5 (2014/15)	40,077	31,439	3,468	2,011	36,918	33,200	\$3.21	3,718	\$2.86 <sup>7</sup>
FCA #6 (2015/16)	38,731	30,757	3,628	1,924	36,309	33,456	\$3.43	2,853	\$3.13 <sup>7</sup>

1. Initial results from each auction; amounts will change with monthly and annual reconfiguration auctions.

2. Demand resources include energy efficiency, demand-response resources, and real-time emergency generation (RTEG). RTEG resources are capped at 600 MW.

3. Floor price is per kilowatt-month.

4. Prorated price is per kilowatt-month.

5. Prorated price in Maine for 2012/2013 is \$2.47/kW-month.

6. Prorated price in Maine for 2013/2014 is \$2.34/kW-month.

7. No price separation occurred in FCA #5 or FCA #6 so the prorated price will be the same across all six states.