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ISO New England's First Forward Capacity Market Auction Completed Successfully

Preliminary Results Point to Competitive Market's Ability to Fulfill Regional Resource Needs

Holyoke, MA—February 6, 2008—ISO New England Inc., operator of the region's bulk power system and wholesale electricity markets, today announced the successful conclusion of the region's first-ever Forward Capacity Market (FCM) auction. While final calculations will take place over the next week, preliminary results indicate the auction worked as designed and attracted sufficient resources to fulfill the region's future reliability needs.

"The completion of this first auction is a significant achievement and speaks to the commitment of the region's stakeholders and policymakers to address New England's energy challenges," said Gordon van Welie, ISO New England President and CEO. "The seamless implementation and robust participation in this auction show that the Forward Capacity Market is delivering on its promise to attract and secure the resources needed to maintain the reliability of New England's power system."

Some 39,155 megawatts (MW) of resources from new and existing demand- and supply-side resources competed to provide the 32,305 MW needed for reliability in the 2010 to 2011 timeframe. The auction consisted of eight rounds over a three-day period, starting at a price of \$15.00 per kilowatt-month (kW-month). Bidding in the final round reached the minimum price established for this auction at \$4.50 per kW-month, with excess supply remaining.

ISO New England will finalize and certify auction results in the next week. At that time, specific details will be made available, including information on the types of resources selected.

The Forward Capacity Market was developed by ISO New England, the six New England states, and industry stakeholders to promote investment in demand- and supply-side resources. Under FCM, ISO New England projects the needs of the power system three years in advance and then holds an annual auction to purchase the power resources that will satisfy the future regional requirements. ISO New England contracted with Power Auctions LLC to assist with the running of the auction.

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