press release

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2014 Summer Outlook: ISO-NE Expects Adequate Resources to Meet Demand for Power

Holyoke, MA—April 29, 2014—The New England region is expected to have the resources needed to meet consumer demand for electricity this summer, according to ISO New England Inc., the operator of the region's bulk power system and wholesale electricity markets.

2014 summer forecast

Under summer weather conditions of about 90 degrees Fahrenheit (°F), electricity demand is forecasted to peak at about 26,660 megawatts (MW). If an extended heat wave were to occur and temperatures reached 95°F, the peak could rise to about 28,965 MW. Both forecasts include the demand-reducing effect of regionwide energy-efficiency (EE) measures acquired through the Forward Capacity Market (FCM). If EE measures were not taken into account, the respective peak forecasts would be 28,165 MW and 30,470 MW.

"Widespread energy-efficiency efforts across New England have reduced the region's forecasted peak demand for electricity," said Vamsi Chadalavada, executive vice president and chief operating officer of ISO New England. "Beginning June 1, the remaining units of the Salem Harbor power station in the Greater Boston area will retire, representing a reduction of 585 MW of generating capacity in the region. While ISO New England expects to have sufficient resources to meet consumer demand this summer, this retirement is the first in a series of expected large resource retirements in the coming years that will reduce the available generating capacity in New England, resulting in the need for new resources."

New England has a variety of capacity resource types it can use to meet peak summer demand and maintain reliability, including generators, demand-response resources, and electricity imports from neighboring power systems.

Through the FCM, 29,135 MW of generation has capacity supply obligations this summer; however, the maximum electricity output of a generator may be greater than its supply obligation. The ISO has observed that generators typically have offered the additional megawatts, above their obligation, into the energy market when prices are higher and demand is peaking. If all the region's generators were operating at maximum capability, the total amount of electricity produced would be approximately 30,900 MW.

A total of 1,280 MW of net electricity imports and 700 MW of demand-response resources that can reduce power usage during tight system conditions were also procured through the FCM auction process.

Summer operations and procedures to maintain reliability

During the summer, consumer demand for electricity peaks in New England, largely because of the increased use of air conditioning. Because of the region's growing reliance on natural gas as a fuel to produce electricity, ISO New England has taken steps to communicate about the risks associated with uncertain natural gas supplies during peak operating conditions. Although concerns about fuel supply to natural-gas-fired generators are more significant during the winter months because the pipelines transporting the fuel historically have been at- or near-full capacity, difficulties can arise during the summer months because of planned and unplanned pipeline maintenance.

A recent Federal Energy Regulatory Commission order and subsequent ISO New England tariff changes have improved the ability of ISO system operators to communicate with the operating personnel of interstate natural gas pipeline companies for maintaining power system reliability.

In addition, ISO New England has well-established procedures to ensure system reliability in the event of an unexpected resource outage, an extended heat wave that causes electricity demand to spike, fuel supply issues that affect the amount of generation available, or a combination of these factors. Actions available to ISO system operators include calling on demand-response resources to curtail their energy use, importing emergency power from neighboring regions, and asking businesses and residents to voluntarily conserve energy.

Last summer, electricity usage peaked on July 19, 2013, at 27,379 MW. The all-time record for peak demand was set on August 2, 2006, when demand reached 28,130 MW. In New England, 1 MW of electricity can power approximately 1,000 homes.