

Consumer Liaison Group Meeting Summary March 6, 2024

Introduction

The **Consumer Liaison Group (CLG)** is a forum for sharing information between ISO New England (the ISO or ISO-NE) and electricity consumers in New England. The CLG meets quarterly and attracts a diverse group of attendees at each meeting. Meetings are free and open to the public. Participants generally include consumers and consumer representatives (including state consumer and ratepayer advocates), state business and industry associations, chambers of commerce, individual businesses, trade groups, nonprofit organizations, and other end users. Several New England Power Pool (NEPOOL) members and state regulators are also regular, active participants in CLG discussions.¹ CLG meetings generally follow the same format:

- **Opening remarks** from the CLG Coordinating Committee Chair;
- **A representative from the ISO**, who provides an update on regional energy issues and initiatives that have or will be taking place at NEPOOL and ISO stakeholder meetings that can have an impact on electricity prices;
- **A keynote speech** typically from an industry or business executive, policymaker, or regulator—who provides a unique perspective on a particular topic or issue;
- **A panel discussion**, often representing industry, the ISO, regulators, and consumer perspectives, facilitated by a moderator; and
- **A community roundtable** hosted by a CLG Coordinating Committee member.

The following is a brief summary of the meeting, which was hosted in a hybrid format – remotely (via WebEx) and in-person in Portland, Maine – on **March 6, 2024**.

The topic and speakers were selected by the Consumer Liaison Group Coordinating Committee (CLGCC). The meeting summary is intended to capture the general discussions that took place at the meeting; it does not necessarily reflect the views of the ISO or the CLGCC.

March 6: Incorporating Demand Response into Electricity Markets and Transmission Planning

Meeting objective: To hear about the ways demand response is being incorporated into the region’s electricity markets and regional transmission planning.

Opening Remarks

Liz Anderson, division chief of the energy and ratepayer advocacy division at the Office of the Massachusetts Attorney General, and CLGCC chair (Massachusetts), welcomed meeting attendees. Anderson mentioned that the CLGCC is working to amend the CLG bylaws. Anderson introduced Sonja Birthisel for the community welcome.

Sonja Birthisel, director of the Wilson Center at the University of Maine, and CLGCC member (Maine), gave the community welcome. Birthisel discussed the history of the Wabanaki Nations in Maine, and highlighted a series of past and current transmission projects in the state that faced varying levels of resistance, including opposition from indigenous groups and communities. She talked about the importance of siting and building the necessary clean energy projects while

¹ NEPOOL is a group formed in 1971 by the region’s private and municipal utilities to foster cooperation and coordination among the utilities in the six-state region for ensuring a dependable supply of electricity. Today, NEPOOL members are ISO stakeholders and market participants. More information is available at www.nepool.com.

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acknowledging community impacts, fostering dialogue, and creating an equitable and just transition. She continued on with a discussion of demand response and an opportunity to reduce load and minimize the needs for new transmission infrastructure. She concluded by welcoming attendees to Maine.

Drew Landry, deputy public advocate for the State of Maine, and CLGCC member (Maine), provided a brief introduction to the demand response topic. Landry referenced ISO-NE's [2050 Transmission Study](#) and suggested demand response could help lower peak demand and mitigate the need for additional transmission buildout. Landry then highlighted the recent Federal Energy Regulatory Commission (FERC) 2023 Common Metrics Report, which was released in January and compares demand response capacity in ISO New England and other ISOs/RTOs.

ISO New England Update

Eric Johnson, executive director of external affairs at ISO-NE, provided the [ISO's regional update](#). The decision to host the CLG meeting in Maine and explore the topic of demand response were based on survey responses from attendees of past CLG meetings. Following a description of roles and responsibilities of ISO-NE, Johnson provided a market administration update, a grid operation update, a system planning update, and an overview of demand response in the region.

- Market Administration Update:
 - Average real-time electricity prices increased 71% in January 2024 compared with December 2023, and were 26% higher than January 2023. Johnson also provided a snapshot of generation resources for January 2024.
 - Forward Capacity Auction (FCA) 18 was held in February and procured capacity for 2027-2028. Auction clearing prices were \$3.58 per kilowatt-month across all capacity zones compared with a range of \$2.55-\$2.59 per kilowatt-month in FCA 17. Solar and wind generation, energy storage, and demand response resources accounted for 18% of all capacity clearing FCA 18. FCA clearing prices have generally been trending down since FCA 9, which was held in 2015.
 - Total wholesale electricity market prices in 2023 were significantly lower than in 2022 – \$9.6 billion compared to \$16.8 billion.
- Grid Operation Update:
 - The 2023 [Net Energy for Load Report](#) provides an overview of the region's resource mix in 2023. Compared to 2022, solar generation increased while oil and coal generation decreased. Wind generation was similar across the two years.
 - The [2022 ISO New England Electric Generator Air Emissions Report](#) showed there was a slight increase in the amount of electricity generated in 2022, but CO₂ emissions were lower than 2021 levels.
- System Planning Update:
 - The final 2050 Transmission Study Report was released in February. The report evaluated the amount, type, and high-level cost estimates of transmission infrastructure that would be needed to cost-effectively and reliably serve peak loads – including electrified transportation and heating – in a clean-energy future. The ISO will host a public webinar to discuss the findings of the study in the spring.
 - Another public webinar is planned for March 26 to discuss the ISO's compliance plan for FERC Order 2023.

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To tee up the demand response discussion, Johnson offered background on demand response in New England, including a snapshot of the 4,000 MW of demand resources currently in the ISO markets, which covers load management, distributed generation and energy efficiency measures. Johnson also discussed how demand response resources can help mitigate over- and under-generation from renewables. Johnson shared that the New England Conference of Public Utilities Commissioners (NECPUC) recently commissioned a working group to study demand response and in particular, how retail utility measures can help address regional issues.

A question and answer period followed the remarks. Johnson responded to questions regarding FCA price variability and existing ISO New England policies around demand response.

Keynote Address

Jill Powers, sector manager of demand response and distributed energy resources at California ISO (CAISO), provided the [keynote address](#). Powers provided an overview of the roles and responsibilities of CAISO and their markets. Demand response can be a solution to some of the load shape challenges in CAISO by reducing net peaks and smoothing ramps. Powers proceeded to give an overview of the history of demand response in California and highlighted historical examples of when demand response programs helped mitigate energy shortages. Existing programs include the Emergency Load Reduction Program (ELRP) and Demand-Side Grid Support Program (DSGS).

A question and answer period followed the keynote remarks. Powers addressed questions on infrastructure requirements for participation in demand response programs for consumers, the frequency with which demand response programs are triggered, how consumers are alerted about shortfalls requiring demand response, and reliability expectations.

Panel Discussion: Incorporating Demand Response into Electricity Markets and Transmission Planning

Ian Burnes, director of strategic initiatives at Efficiency Maine Trust, **Doug Hurley**, vice president of policy at Ictec Energy Services, and **Bradley Swalwell**, market and analytics manager at Tangent Energy Solutions participated in a panel discussion moderated by **Drew Landry**, Maine deputy public advocate and CLGCC member (Maine).

Hurley [presented](#) on the challenge of balancing renewables while avoiding curtailment and the importance of flexible load. Discussion continued with an example of how retail rate structures and wholesale prices currently do not incentivize the full potential of batteries. Hurley concluded with a discussion of FERC Order 2222, which relates to aggregation of distributed energy resources in wholesale markets.

Burnes highlighted Maine's success incentivizing the adoption of heat pump water heaters through point of sale rebates and a simplified process for consumers. According to Burnes, successful demand response programs will need to be affordable with a simple enrollment process. Burnes suggested that demand response programs should be studied and improved upon in the near term before electrification creates higher winter peaks. Burnes' remarks concluded with a discussion of demand response and distributed energy resources as non-wires solutions.

Swalwell provided an overview of the work of Tangent Energy Solutions. The company's goal is to save money for customers, but often also provides additional grid balancing benefits. The software program used by their customers monitors the customers' environment, the wholesale market environment, and the customers' retail contract to identify opportunities to shift load in real time based on price signals.

Summary prepared on behalf of the Consumer Liaison Group Coordinating Committee

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A question and answer period followed and panelists answered questions related to barriers to the adoption of demand response, physical infrastructure needs, market trends, strategies for consumers to encourage additional changes in demand response policy, options for consumers to receive notifications to encourage conservation, and where to find information about demand response on the ISO-NE website.

Community Roundtable

Sonja Birthisel, director of the Wilson Center at the University of Maine, and CLGCC member (Maine) introduced the community roundtable. The CLGCC posed the following questions to meeting participants:

- What resources or incentives would you need to participate in demand response?
- What are you still curious about coming out of today's meeting?

Closing Remarks

Liz Anderson offered closing remarks and thanked everyone who helped to organize the CLG meeting. The next CLG meeting will be held on June 4 and is planned to be hosted in Holyoke, MA. Attendees were encouraged to fill out the survey after the meeting.

A [recording](#) of the meeting can be found on the [CLG page](#) on the ISO website.