

**To:** NECPUC  
**From:** Eric Johnson, Executive Director, External Affairs, ISO New England  
**Date:** January 31, 2025  
**Subject:** Update on Recent and Upcoming Regional Activities

The ISO's External Affairs Department prepares this memo to provide updates on regional energy issues. It includes stakeholder and industry meetings that may be of interest.

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ISO-NE Public

### **Report from ISO Chief Executive Officer and Chief Operating Officer**

The ISO's chief executive officer (CEO) and chief operating officer (COO) provide regular reports at the monthly NEPOOL Participants Committee (PC) meetings. The CEO report provides an opportunity for NEPOOL stakeholders and public officials to hear directly from, and ask questions of, ISO CEO Gordon van Welie regarding recent board meetings and activities. The latest CEO summary of the ISO board and committee meetings is included in the meeting materials for the [January 9 PC meeting](#) (see pg. 23).

The COO report provides an opportunity for stakeholders and public officials to hear directly from, and ask questions of, ISO COO Vamsi Chadalavada. The report provides an overview of system and market operations for the previous month and updates on key projects. See the [January COO Report](#) for more information.

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### **Updates on ISO-NE Key Projects**

ISO New England continuously undertakes a variety of short- and long-term projects to enhance the region's competitive wholesale electricity markets and ensure reliable operation of the power grid. Select long-term projects of significance are called key projects. Updates from key projects this month include:

#### **Capacity Auction Reforms (CAR)**

At the NEPOOL Markets Committee meeting on January 14, ISO staff [introduced](#) the term of generator "deactivation." Under the Forward Capacity Auction construct, the term "retirement" is used to mean exit from the capacity or capacity and energy markets. Going forward, ISO plans to use the term "deactivation." Deactivation discussions will continue throughout the first quarter of 2025 and anticipates a multi-phased stakeholder process over the next two years.

The Markets Committee presentation outlined the ISO's proposed deactivation process. Unlike the current market construct, the deactivation process would be separate from the capacity market offer process and market participants would notify the ISO of their plans to exit the market closer to the time of the proposed deactivation. Currently, market participants are required to notify the ISO up to four years in advance of plans to retire a resource and that notification takes place through the Forward Capacity Market. The proposed change would require markets participants to give a two-year notice of plans to exit the market. The shorter notification timeline is intended to better align deactivations with proposed under the capacity auction reforms (CAR) to shift from a three-year forward market to a prompt market.

#### **FERC Order No. 1920**

On January 15, the ISO, with the Participating Transmission Owners (PTOs) and New England States Committee on Electricity (NESCOE), [filed](#) a motion to seek an extension until June 2027 of the compliance filing deadlines associated with FERC's order know as Building for the Future Through Electric Regional Transmission Planning and Cost Allocation (Order No. 1920, as modified by Order No. 1920-A). The extension would allow for implementation of New England's first

solicitation for transmission solutions to long-term needs identified by NESCOE through the existing Longer-Term Transmission Planning (LTTP) process. The filing parties requested that the Commission issue an order granting the requested extension by February 10, 2025.

### [Longer-Term Transmission Planning Key Project](#)

At the Planning Advisory Committee (PAC) meeting on January 23, ISO staff [provided](#) an update on the 2025 Longer-Term Transmission Planning (LTTP) transmission solicitation request by NESCOE. In December, NESCOE issued a letter requesting the ISO issue a request for proposals (RFP) to address system needs in connection with the 2050 Transmission Study. The ISO began discussion of the approach to this RFP and a tentative schedule. Discussion will continue at the February PAC meeting.

More information on Key Projects is included in the ISO's Annual Work Plan, which outlines major priorities and activities for the year that are designed to improve upon existing ISO systems, practices, and services to New England. The plan (published in the fall) and its six-month update (published the following spring) are available on the ISO's Annual Work Plan [webpage](#).

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## **Federal and Regional Affairs**

### [President Trump Appoints New FERC Chair](#)

On January 20, President Trump [appointed](#) Mark Christie as chair of the Federal Energy Regulatory Commission (FERC). Christie has served on the Commission since January 2021 and replaces Willie Philips, who had served as chair since January 2023. Chairman Christie's current term will expire in June, although President Trump could choose to renominate him.

### [President Trump Issues Executive Orders on Energy, Climate, and Federal Land Use](#)

On January 20, the Trump Administration announced a series of executive actions on a broad range of policy issues. These announcements included both a presidential proclamation and several executive orders focused on energy, climate, and federal land use issues. A full list of these executive actions can be found on the White House's presidential actions [page](#).

### [Senate Committees Advance President Trump's Energy and Environmental Nominees](#)

In January, the Senate convened to advance and confirm several of President Trump's nominees. On January 29, the Senate confirmed Lee Zeldin to lead the Environmental Protection Agency by a vote of 56-42. The Senate also voted 79-18 to confirm Doug Burgum as Secretary of Interior on January 30. The final Senate confirmation vote for President Trump's nominee to lead the Department of Energy is expected on February 3. Earlier this month, the [Senate Committee on Energy and Natural Resources](#) and the [Senate Committee on Environment and Public Works](#) held business meetings to advance these three nominees out of committee.

### [NPCC Releases Northeast Gas/Electric Study](#)

On January 21, the Northeast Power Coordinating Council [released](#) the full report for its *Northeast Gas/Electric System Study*. The study was initiated in 2023 to evaluate “New York and New England gas supply and pipeline constraints for extreme and protracted winter events during the peak heating season.” ISO New England, along with others, served on the Steering Committee for this study. The study largely affirmed previous ISO findings that the gas system serving New England is highly constrained during extreme cold weather conditions.

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### **ISO-NE to Host Public Webinar on Annual Electric Generator Air Emissions Report**

Registration is open for a [March 13](#) virtual public webinar on ISO’s annual Electric Generator Air Emissions Report (Emissions Report). The Emissions Report provides a comprehensive analysis of New England’s electric generator air emissions (nitrogen oxides, sulfur dioxide, and carbon dioxide), CO2 emissions associated with imported energy, load-weighted and time-weighted marginal emissions, and a review of relevant system conditions. The [2023 ISO New England Electric Generator Air Emissions Report](#) and related materials can be found on the [Environmental and Emissions Reports](#) webpage on the ISO-NE website.

This webinar will provide an overview of the study methodology and 2023 results and is designed for a non-technical audience. There will be an opportunity for questions, as time allows. The webinar recording will be posted shortly after the event. Questions can be directed to the ISO External Affairs team.

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### **Consumer Liaison Group Update**

The first 2025 quarterly meeting of the Consumer Liaison Group (CLG) is scheduled to take place on [Thursday, March 27](#) from 12:00 to 3:30 p.m. in Rhode Island. This will be a hybrid event with in-person and virtual attendance options. More information, including a link for registration, will be available shortly on the [CLG webpage](#) on the ISO New England website.

The CLG is a forum for the exchange of information between ISO-NE and electricity consumers in the region. Meetings are free and open to the public. Attendees include consumers and consumer representatives (e.g., state ratepayer advocates), state business and industry associations, chambers of commerce, individual businesses, trade groups, nonprofit organizations, and other end users. For more information on the CLG, please visit the CLG webpage.

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### **Stakeholder Committee Updates**

#### [Markets Committee](#)

The NEPOOL Markets Committee (MC) met on [January 14](#). In addition to the presentations on ISO’s CAR Key Project discussed above, the meeting included a [discussion](#) on ISO’s proposal to comply with FERC’s order concerning reactive power (FERC Order No. 904), and discussion by NEPOOL

counsel of the NEPOOL Generation Information System (NEPOOL GIS) operating rules. Meeting materials are available on the MC [webpage](#).

Each month, the ISO posts a Two-Month Look Ahead for the NEPOOL MC with preliminary meeting topics; see the [MC January 2025—February 2025 look ahead](#) for details.

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#### Reliability Committee

The NEPOOL Reliability Committee (RC) met on [January 22](#). The meeting included an update from the Emerging Technologies Working Group discussed in detail below; discussions on proposed plan applications and transmission cost allocation applications; and discussion of several ISO operating and planning procedures. Meeting materials are available on the [RC webpage](#).

Additionally, the committee materials included information pertaining to [continued discussions](#) with ISO on interconnection of the New England Clean Energy Connect (NECEC) transmission line; [review](#) of New England transmission projects that have been certified for the Annual Reconfiguration Auctions in 2025; [continued review](#) of stakeholder requests for operational data and information and analysis of potential solutions; and a [presentation](#) on improvements to the economic studies process.

Each month, the ISO posts a Two-Month Look Ahead for the NEPOOL RC with preliminary meeting topics; see the [RC January 2025 – February 2025 look ahead](#) for details.

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#### Transmission Committee

The NEPOOL Transmission Committee (TC) met on [January 29](#). The meeting featured: a [discussion](#) and vote on the New England Clean Energy Connect (NECEC) transmission operating agreement; continued [discussion](#) and redline review of the proposed Tariff changes incorporating the applicable metrics and factors for the System Efficiency Needs Scenario; continued [discussion](#) on the ISO's compliance in response to FERC Order 904 (concerning reactive power); and a discussion and vote on revisions to Tariff Schedules 11, 22, 23, and 25 and Attachment F, Appendix C.

Each month, the ISO posts a Two-Month Look Ahead for the NEPOOL TC with preliminary meeting topics; the [TC January 2025 – February 2025 look ahead](#) for details.

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#### Planning Advisory Committee

The Planning Advisory Committee met virtually on January 23. In addition to the presentations on ISO's Longer-Term Transmission Planning Key Project discussed above, the meeting included two presentations on ISO's economic study process. ISO staff [presented](#) on the final policy results of the 2024 Economic Study, which modeled future years (> 10-year planning horizon) based on

satisfying New England 's energy policy goals. The ISO is accepting comments on the policy scenario as well as sensitivity requests at [PACmatters@iso-ne.com](mailto:PACmatters@iso-ne.com) until February 28.

The meeting also included an [overview of updates](#) to the Economic Studies Technical Guide. The ISO is planning to publish a draft update to the Economic Studies Technical Guide for stakeholder review by the end of the month. Stakeholders will have two weeks to provide comments to [PACmatters@iso-ne.com](mailto:PACmatters@iso-ne.com).

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#### Emerging Technologies Working Group

The Emerging Technologies Working Group (ETWG) met virtually on [January 30](#). The meeting included a [review](#) by ISO staff of the status of a project to allow solar resources to operate up to certain thresholds without being curtailed (known as Do Not Exceed (DNE) limits), including an update on the number of additional dispatchable solar assets since October 2024. (The ISO initially developed the DNE limits to alleviate curtailment of wind resources.) ISO staff also [provided](#) an annual update on wind and solar forecast accuracy and estimates of undelivered wind energy due to congestion.

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#### Upcoming NEPOOL Committee Meetings and NECPUC Call Schedule

Upcoming meetings are now a mixture of in-person meetings and teleconferences; please see committee webpages for more information.

| <b>Month</b>    | <b>Participants Committee</b> | <b>Markets Committee</b> | <b>Reliability Committee</b> | <b>Planning Advisory Committee</b> | <b>Transmission Committee</b> | <b>NECPUC Monthly Outlook Mtg</b> |
|-----------------|-------------------------------|--------------------------|------------------------------|------------------------------------|-------------------------------|-----------------------------------|
| <b>February</b> | 6                             | 11                       | 13                           | 26                                 | 27                            | 14                                |
| <b>March</b>    | 6                             | 11, 12                   | 18                           | 19                                 | 26                            | 14                                |
| <b>April</b>    | 3                             | 8,9                      | 16                           | 29                                 | 17                            | 11                                |

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#### External Conferences and Meetings of Interest

*February 5, 2025*

[NASEO Energy Policy Outlook Conference](#)

Washington, DC

*ISO Speaker:* Eric Johnson, Executive Director,  
External Affairs

Past presentations and speeches delivered by ISO's technical experts, senior management, and External Affairs team are available on the Government and Industry Affairs [webpage](#).

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### **Wholesale Prices Recap: December Day-Ahead, Real-Time Energy Prices Increased from November**

The Average Day-Ahead and Real-Time energy prices for December were \$87.56/MWh and \$84.03/MWh, respectively. Day-Ahead prices were higher than the previous month (up 122% from November 2024) and up 130% from the previous year (December 2023). Real-Time prices were also higher compared to the previous month's (up 109% from November 2024) and higher than the previous year (up 126% from December 2023). Year-over-year, the Average Real-Time Load was up (7% more than December 2023).

The average natural gas price in December was \$9.22/MMBtu, up 311% from \$2.24/MMBtu in November 2024 and up year-over-year (183% higher than December 2023). Average Natural Gas Price represents the volume-weighted average price of four ICE indices: Algonquin, Algonquin non-G, Portland, and Tennessee.

The following table illustrates a number of inputs (fuel prices, average temperature, and average real time load) and their impact on electricity price and cost for December 2024, the prior month, and prior year.

|                                     |                                                |               |               |                                    |               |               |
|-------------------------------------|------------------------------------------------|---------------|---------------|------------------------------------|---------------|---------------|
| INPUTS                              | <b>Fuel Prices</b>                             |               |               |                                    |               |               |
|                                     | <b>Natural Gas</b>                             |               |               | <b>#6 Fuel Oil</b>                 |               |               |
|                                     | <b>\$9.22/ MMBtu</b>                           | <b>▲ 311%</b> | <b>▲ 183%</b> | <b>\$13.84/ MMBtu</b>              | <b>▼ -1%</b>  | <b>▼ -3%</b>  |
|                                     | Dec '24<br>Avg. Price                          | vs Nov<br>'24 | vs Dec<br>'23 | Dec '24<br>Avg. Price              | vs Nov<br>'24 | vs Dec<br>'23 |
| OUTPUTS                             | <b>Weather</b>                                 |               |               | <b>Electricity Use</b>             |               |               |
|                                     | <b>Temperature</b>                             |               |               | <b>Avg. Real Time Load</b>         |               |               |
|                                     | <b>32°</b>                                     | <b>▼ -30%</b> | <b>▼ -16%</b> | <b>14,418 MW</b>                   | <b>▲ 17%</b>  | <b>▲ 7%</b>   |
|                                     | Dec '24<br>Avg. NE Temp                        | vs Nov<br>'24 | vs Dec<br>'23 | Dec '24<br>Avg. Price              | vs Nov<br>'24 | vs Dec<br>'23 |
| <b>Electricity Prices and Costs</b> |                                                |               |               |                                    |               |               |
| INPUTS                              | <b>Day Ahead LMP</b>                           |               |               | <b>Real Time LMP</b>               |               |               |
|                                     | <b>\$87.56/MWh</b>                             | <b>▲ 122%</b> | <b>▲ 130%</b> | <b>\$84.03/MWh</b>                 | <b>▲ 109%</b> | <b>▲ 126%</b> |
|                                     | Dec '24<br>Avg. Price                          | vs Nov<br>'24 | vs Dec<br>'23 | Dec '24<br>Avg. Price              | vs Nov<br>'24 | vs Dec<br>'23 |
|                                     | <b>NCPC</b>                                    |               |               | <b>Wholesale Electricity Costs</b> |               |               |
| OUTPUTS                             | <b>\$3.9 million</b><br>(0.4% energy payments) | <b>▲ 56%</b>  | <b>▼ -17%</b> | <b>\$1,027 million</b>             | <b>▲ 90%</b>  | <b>▲ 100%</b> |
|                                     | Dec '24<br>Total Payments                      | vs Nov<br>'24 | vs Dec<br>'23 | Dec '24<br>Total Costs             | vs Nov<br>'24 | vs Dec<br>'23 |

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