ISO New England Update

Consumer Liaison Group Meeting

Eric Johnson

EXECUTIVE DIRECTOR, EXTERNAL AFFAIRS

TODAY'S UPDATES

- Monthly Markets Highlights
- Markets Update
- Operations Update
- System Planning Update
- Consumer Liaison Group Events & Resources

Wholesale Electricity Prices and Demand in New England, Jan. 2026

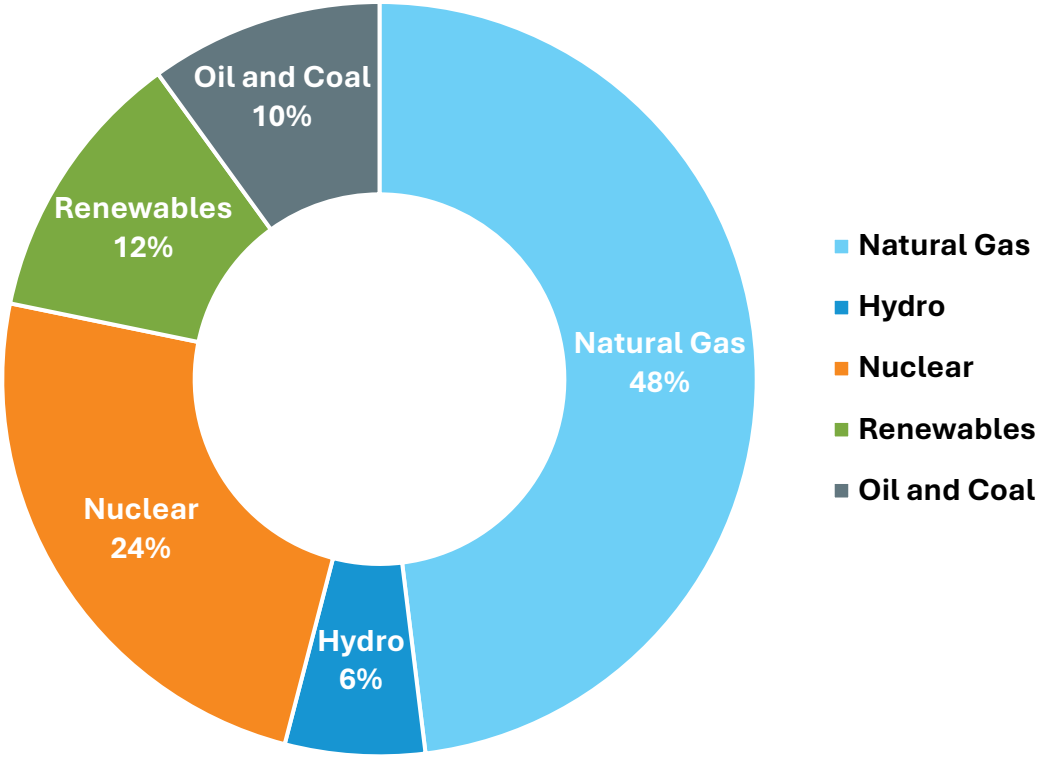
Jan. 2026 Generation in New England, by Source

Monthly Wholesale Electricity Prices and Demand in New England, January 2026

January 2026 and Percent Change from January 2025 and December 2025	January 2026	January 2025	December 2025
Average Real-Time Electricity Price ($/MWh)	$154.73	14.5%	19.1%
Average Natural Gas Price ($/MMBtu)	$24.25	43.3%	62.8%
Peak Demand	20,221 MWs	3.0%	3.8%
Total Electricity Use	11,625 GWh	2.1%	3.5%
Weather-Normalized Use*	11,371 GWh	0.4%	5.2%

*Weather-normalized demand indicates how much electricity would have been consumed if the weather had been the same as the average weather over the last 20 years.

January 2026 Generation in New England, by Source



Source: 2025 Net Energy and Peak Load by Source

2025 Wholesale Market Costs

Day-Ahead Ancillary Services

2025 WHOLESALE MARKET COSTS

New England Wholesale Electricity Costs[(a)]

	2021		2022		2023		2024		2025*	
	$ Mil.	¢/kWh	$ Mil.	¢/kWh	$ Mil.	¢/kWh	$ Mil.	¢/kWh	$ Mil.	¢/kWh
Wholesale Market Costs										
Energy (LMPs)[(b)]	$6,101	4.8	$11,712	9.0	$4,847	3.9	$5,620	4.4	$9,902	7.7
Ancillaries[(c)]	$52	0.0	$124	0.1	$183	0.1	$186	0.1	$241	0.2
Capacity[(d)]	$2,243	1.8	$1,864	1.4	$1,308	1.1	$1,248	1.0	$1,159	0.9
Subtotal	*$8,404*	*6.6*	*$13,701*	*10.5*	*$6,338*	*5.1*	*$7,054*	*5.5*	*$11,302*	*8.8*
Transmission charges[(e)]	$2,688	2.1	$2,739	2.1	$2,640	2.1	$2,934	2.3	$3,613	2.8
RTO costs[(f)]	$216	0.2	$214	0.2	$214	0.2	$274	0.2	$314	0.2
	Mystic COS[(h)]		$173	0.1	$465	0.4	$139	0.1	$0	0.0
Total	**$11,308**	**8.9**	**$16,828**	**13.0**	**$9,657**	**7.8**	**$10,401**	**8.2**	**$15,229**	**11.9**

(a) Average annual costs are based on the 12 months beginning January 1 and ending December 31. Costs in millions = the dollar value of the costs to New England wholesale market load servers for ISO-administered services. Cents/kWh = the value derived by dividing the dollar value (indicated above) by the real-time load obligation. These values are presented for illustrative purposes only and do not reflect actual charge methodologies. ***The wholesale values for 2025 are preliminary and subject to resettlement.**

(b) Energy values are derived from wholesale market pricing and represent the results of the Day-Ahead (DA) Market plus deviations from the DA in Real-Time. Post March 1, 2025 the DA Market total includes costs associated with the Forecast Energy Requirement.

(c) Ancillaries include first- and second-contingency Net Commitment-Period Compensation (NCPC), Forward Reserves, Real-Time Reserves, Regulation service, and a reduction due to the Marginal Loss Revenue Fund. Post Dec. 2023, this total also includes the Inventoried Energy Program (IEP). The IEP ran through Feb. 2025. Post March 1, 2025, the Forward Reserve total reflects costs associated with the Day-Ahead Ancillary Services Market.

(d) Capacity charges are those associated with the Forward Capacity Market (FCM).

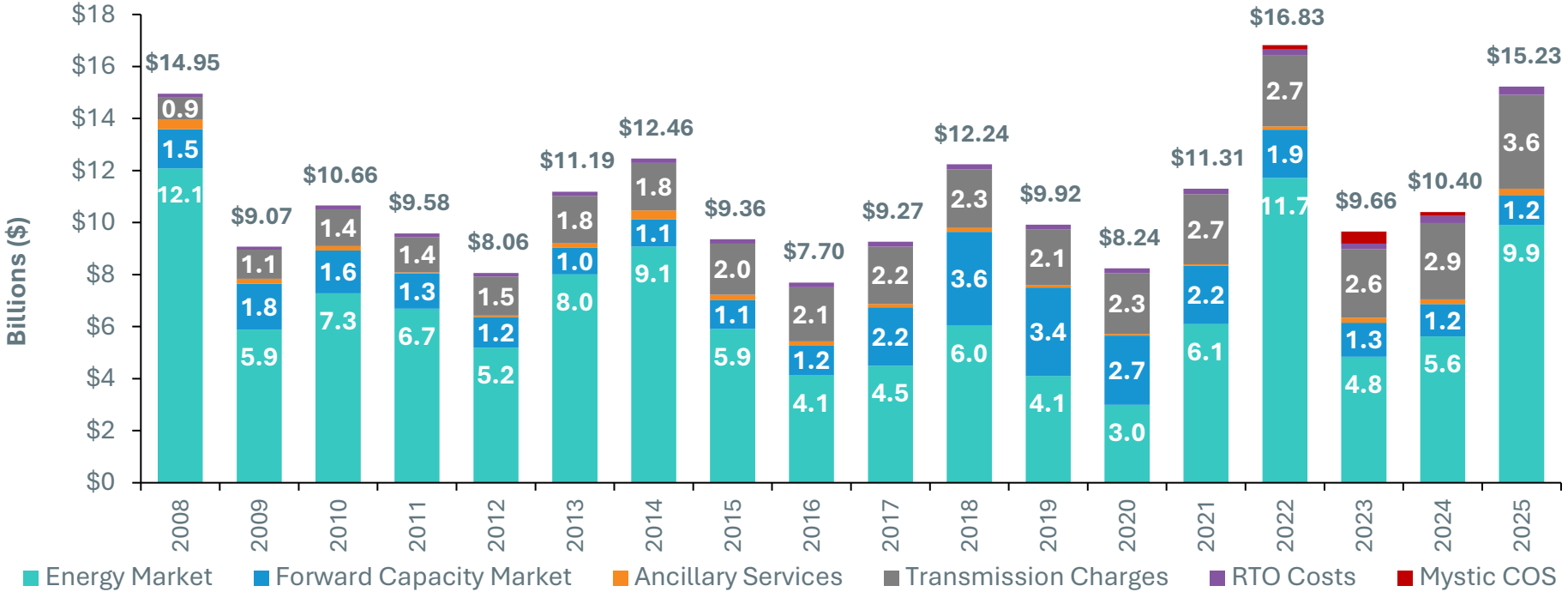
(e) Transmission charges reflect the collection of transmission owners' revenue requirements and tariff-based reliability services, including black start capability, voltage support, IROL CIP, and FCM reliability. In 2025, the cost of payments made to these generators for reliability services under ISO's Open Access Transmission Tariff (OATT) was $65.4 million. Transmission charge totals for years 2010 forward reflect the refund of Schedule 1 TOUT charges to regional network load.

(g) RTO costs are the costs to operate ISO New England and are based on actual collections, as determined under Section IV of the ISO New England Inc. Transmission, Markets, and Services Tariff.

(h) Mystic Cost of Service payments were made through May 2024.

New England Wholesale Electricity Costs*

Annual wholesale electricity costs have ranged from $7.7 billion to $16.8 billion



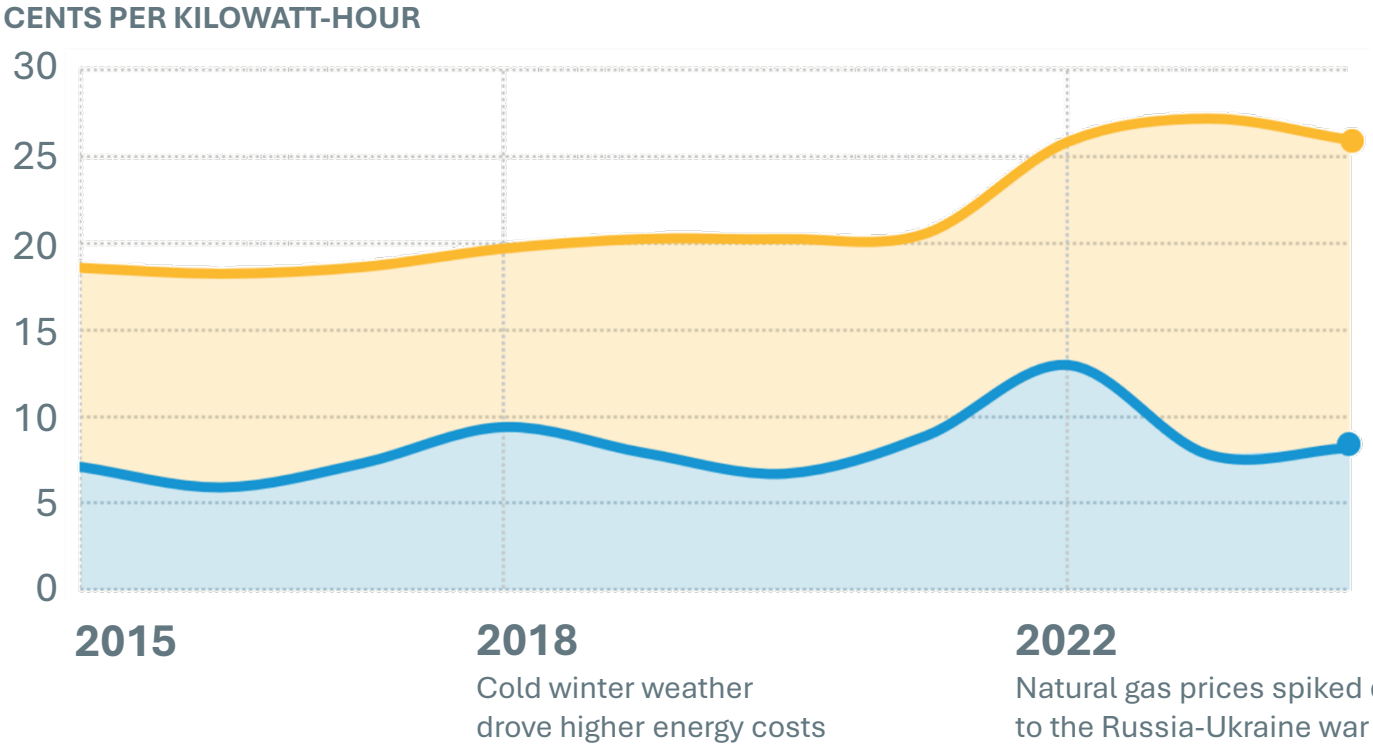
(The total costs for each year include Ancillary Services and RTO costs)

Source: ISO New England; ***2025 data is preliminary and subject to resettlement**

Note: Forward Capacity Market values shown are based on auctions held roughly three years prior to each calendar year.

Wholesale vs. Retail Prices

Breakdown of New Englanders' annual electricity costs



Retail

On average, residential customers paid about **$0.26/kWh** in 2024

Wholesale

$0.08/kWh

DAY-AHEAD ANCILLARY SERVICES

Day-Ahead Ancillary Services Market

- ISO's Day-Ahead Ancillary Services (DA A/S) Market, designed to ensure sufficient energy and reserves are secured for the operating day, launched in Feb. 2025
  - The DA A/S Market compensates resources for providing required energy and reserve capabilities beyond what is scheduled in the Day-Ahead Energy Market
  - The market provides strong performance incentives to participating resources, such as dispatchable generators and storage resources, to be prepared to provide energy when the power system experiences sudden shifts in demand or unexpected reductions in supply
- Ancillary services are a relatively small portion of the region's wholesale electricity markets but are vital to the grid's short-term reliability
- Operation of the DA A/S Market is assessed by ISO's Internal Market Monitor (IMM), which reports on competitiveness & performance of major market design changes
  - In Feb. 2026, the IMM released a memo on recommended changes to the DA A/S Market

Learn more on the **Day-Ahead Ancillary Services Initiative Key Project page**

2025 Net Energy for Load

Winter 2025/2026 Recap

2025 NET ENERGY FOR LOAD

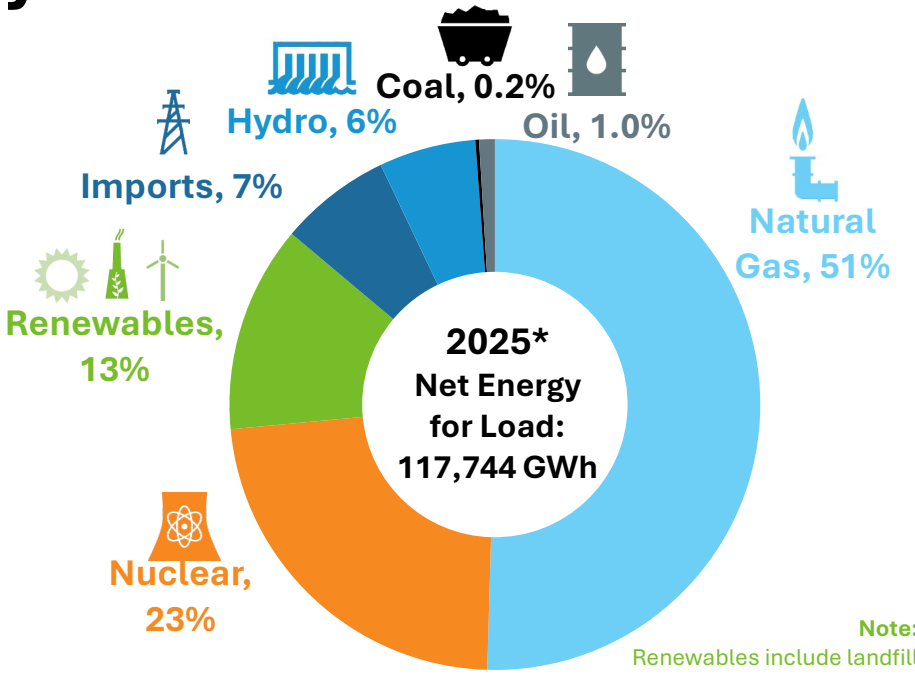
ISO New England Publishes 2025 Net Energy for Load Report

- ISO recently published a breakdown of the amount of electricity produced in New England and imported from other regions to satisfy demand in 2025
  - **Net energy for load (NEL)** = total electricity production in New England + net imports – pumping load
- Highlights of the NEL Report include*:
  - NEL amounted to 117,744 gigawatt-hours (GWh) in 2025, up 1% from 2024
  - Wind power increased by 31% to 4,618 GWh or 4% of NEL
  - Output from grid-connected solar installations increased by 6% from 2024 to 2025, rising to 4,836 GWh or 4% of NEL
  - Oil-fired resources produced more electricity than the year prior – because of colder temperatures in January and December – accounting for 1,147 GWh or 1% of NEL
  - Production from coal-fired resources was similar to 2024 at 268 GWh (0.2% of NEL)

*Data is preliminary and subject to adjustment.

Lower-Emitting Sources of Energy Supply Most of New England's Electricity

- In 2025, most of the region's energy needs were met by natural gas, nuclear, renewables, imported electricity (mostly hydropower from Eastern Canada), and other low- or non-carbon-emitting resources
- Region is transitioning away from older coal and oil resources



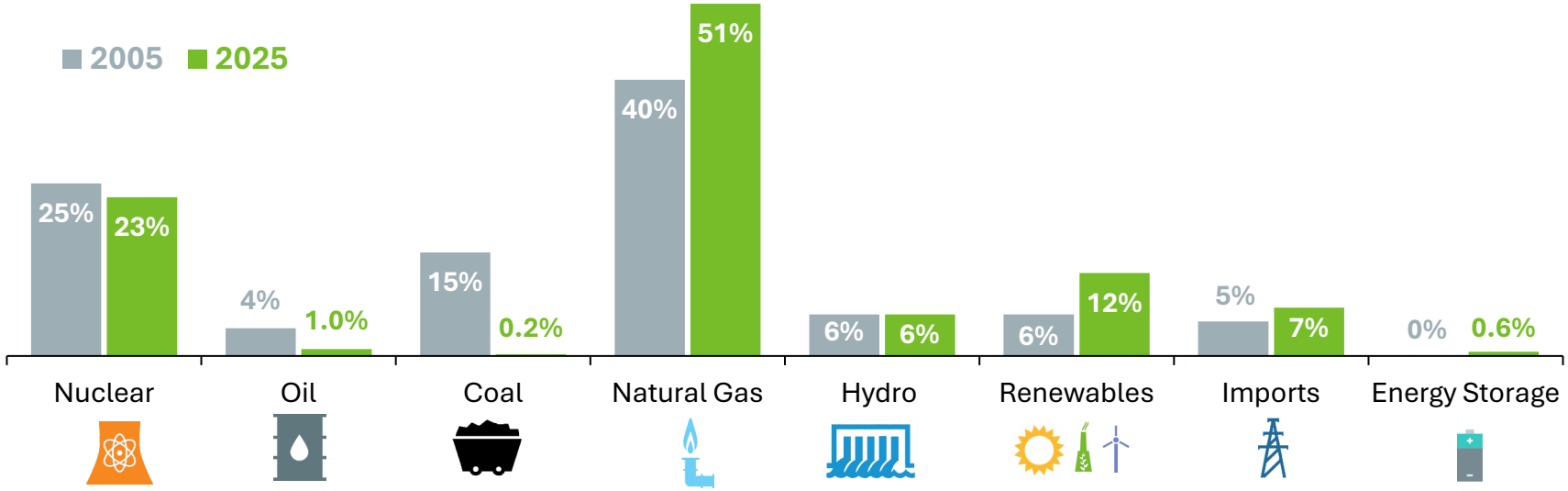
Note: Renewables include landfill gas, biomass, other biomass gas, wind, grid-scale solar, municipal solid waste, and miscellaneous fuels.

*Data is subject to adjustment. Source: 2025 Net Energy and Peak Load by Source
https://www.iso-ne.com/isoexpress/web/reports/load-and-demand/-/tree/net-ener-peak-load

Changes in the Energy Mix Over Time

The fuels used to produce the region's electric energy have shifted as a result of economic and environmental factors

Percent of Total **Electric Energy** Production by Fuel Type (2005 vs. 2025)



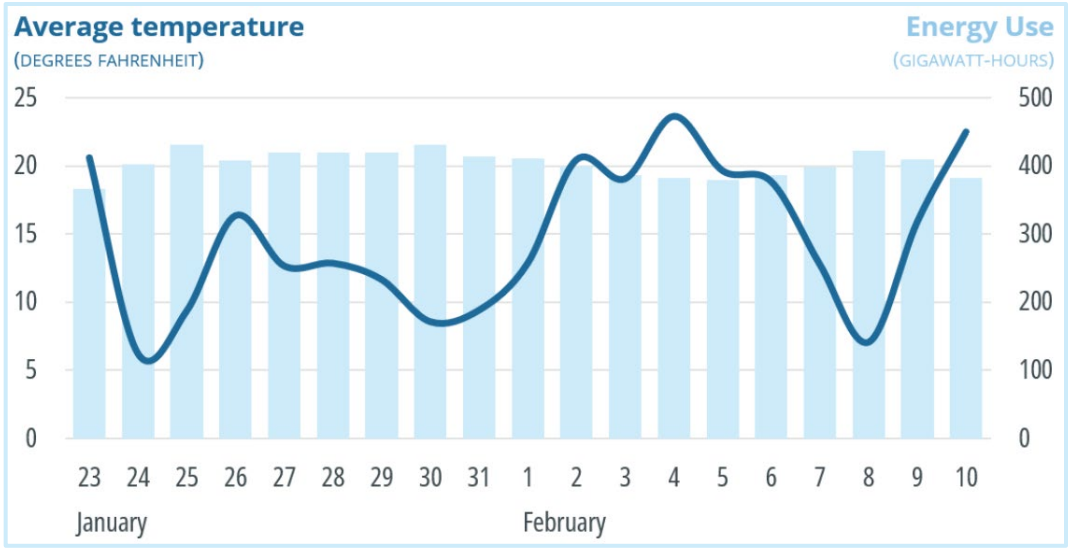
Source: ISO New England Net Energy and Peak Load by Source; data for 2025 is preliminary and subject to resettlement
Renewables include landfill gas, biomass, other biomass gas, wind, grid-scale solar, municipal solid waste, and miscellaneous fuels.
This data represents electric generation within New England; it does not include imports or behind-the-meter (BTM) resources, such as BTM solar.

WINTER 2025/2026 RECAP

Grid Stays Reliable During Prolonged Cold

Electricity consumption increased as temperatures plunged

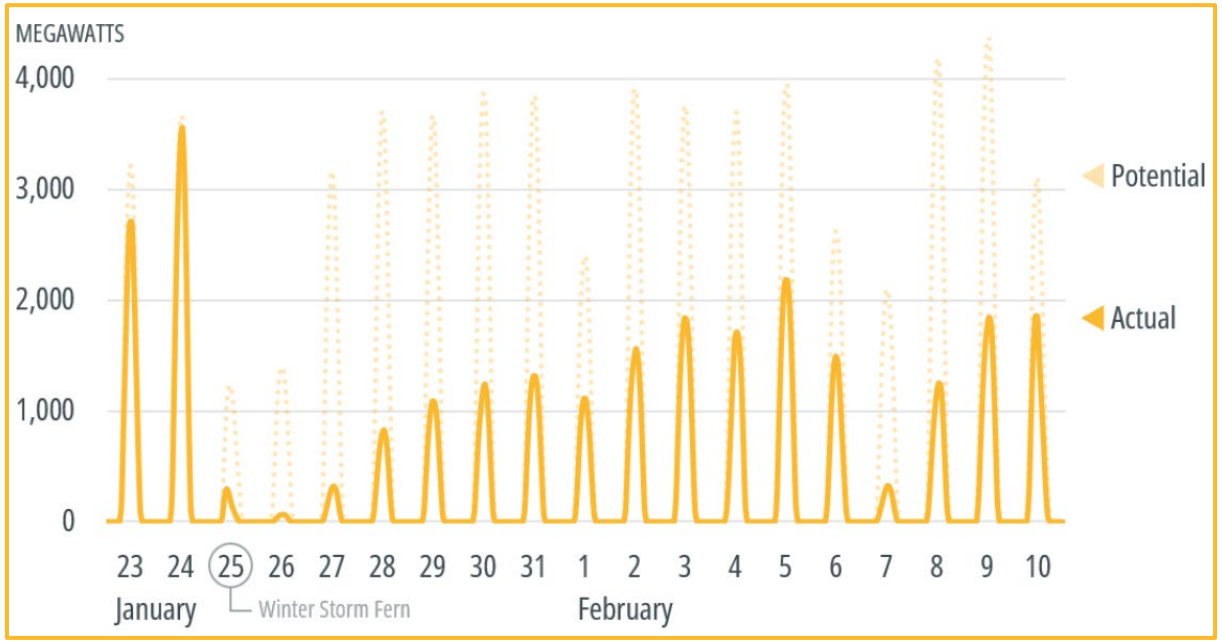
- During an outbreak of arctic air from Jan. 23 to Feb. 10, temperatures in the region averaged about 15 degrees Fahrenheit (°F) — **11°F below normal**
- New Englanders consumed ~7,669 GWh of electricity throughout the cold snap
- Peak demand for the winter occurred Jan. 25 at 20,182 MW, slightly above the ISO's pre-winter forecast for normal conditions



Grid Stays Reliable During Prolonged Cold

Snow cover impacts performance of behind-the-meter photovoltaics (BTM PV)

- BTM PV can significantly reduce demand for grid electricity, but during the cold snap, BTM PV produced only 41% of its potential due to snow cover



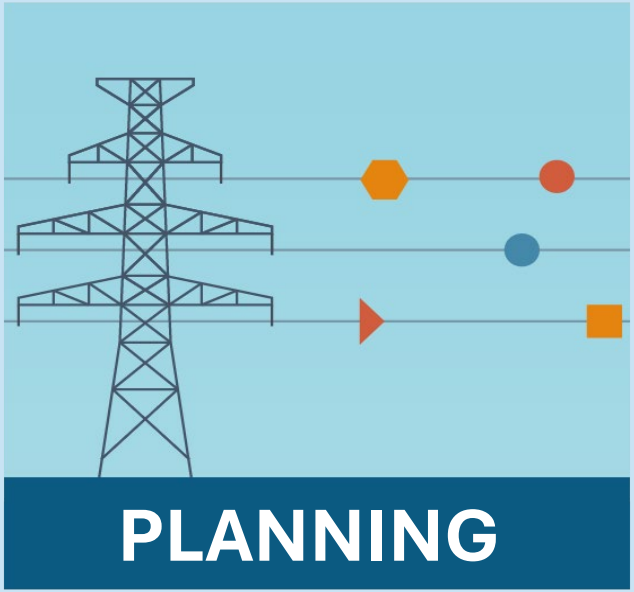
Grid Stays Reliable During Prolonged Cold

Section 202(c) Order

- To maximize the availability of generation during the cold weather conditions, the ISO requested and received an order (effective Jan. 25 to Feb. 14.) from the US Department of Energy (DOE) under Section 202(c) of the Federal Power Act
  - Allowed all available resources—including those with emissions or permit limits—to operate as needed
  - The prolonged nature of the cold weather made the order necessary to ensure power system reliability while the power grid was under strain
  - ISO recognizes the importance of environmental permit limits and did not make the request lightly
- Under the order, 57 resources (~39% of the region's total winter generating capacity) were granted treatment as "specified resources" by DOE
  - The specified resources consisted primarily of generators using natural gas and/or oil
  - 26 resources reported exceeding a specified limit while the order was in effect

Longer-Term Transmission Planning

Forecasting Regional Electric Energy Use



LONGER-TERM TRANSMISSION PLANNING

Longer-Term Transmission Planning (LTTP)

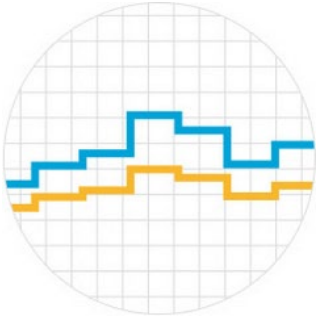
- 2020: New England States Committee on Electricity (NESCOE)'s vision statement recommended that the ISO work with stakeholders to conduct a **comprehensive long-term regional transmission study**
- 2024: 2050 Transmission Study is the **first longer-term transmission study**
- 2025: At the direction of NESCOE, ISO issued a **request for proposals** (RFP) in March; proposals were due by Sept. 30.
  - The goal of the RFP is to upgrade transmission between northern ME and more populous regions in southern New England
  - ISO released summaries of the six proposals we received
- 2026: ISO will assess proposals and provide updates through the Planning Advisory Committee (PAC)
  - At the March 24 PAC, ISO announced that two bids would proceed to the next step of evaluation
  - A **preferred solution** may be identified by Sept. 2026

Learn more about **Longer-Term Transmission Studies**

FORECASTING REGIONAL ELECTRIC ENERGY USE

Forecasting Regional Electric Energy Use

- ISO New England is responsible for planning the regional transmission system over a 10+ year planning horizon
- Forecasting how much electricity the region will use in the future requires ISO system planners to weigh multiple variables
  - **Economic** activity and outlook
  - **Weather** and **load** patterns
  - Federal and state **policies reducing** electricity demand
    - Energy efficiency (EE) initiatives and distributed generation
  - Federal and state **policies increasing** electricity demand
    - Electrification of transportation and heating



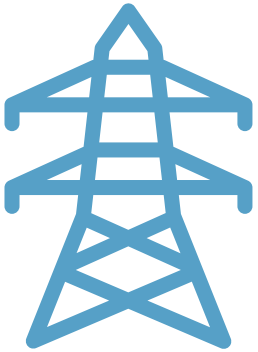
- The Capacity, Energy, Load, and Transmission Report (CELT) is the foundational resource for the ISO's system planning and reliability studies
  - The forecast looks out 10 years and ISO updates the report annually in May

CELT 2026 Will Incorporate a New Large Loads Forecast

- ISO staff are actively participating in internal discussions, communications with other ISOs, and industry task forces and working groups to support ongoing data and knowledge acquisition
- The ISO is surveying transmission owners quarterly to collect information on prospective large loads
  - Survey responses will help the ISO proactively characterize and incorporate large loads into the long-term load forecast
  - Needed data sources and information are still being collected and researched

Learn more on the **Load Forecast Committee webpage**

Preparations for Potential Large Load Additions



Engagement with **New England Transmission Owners (TOs)** regarding potential large load interconnections

Communication with **state policymakers, legislators and regulators** to understand incentives for data centers

Research to understand the potential magnitude, timing, and likelihood of future impacts in New England

For more information, please see ISO New England Correspondence with FERC Chairman David Rosner on Large Load Forecasting

Annual Report of the Consumer Liaison Group

ISO Board Responses to Public Comments

Opportunities to Learn and Engage

Continue the Dialogue

Consumer Liaison Group

Annual Report of the Consumer Liaison Group

- The CLG Report is a joint publication of the ISO and the CLG Coordinating Committee (CLGCC)
- The report will provide summaries of the 2025 meetings; updates on ISO initiatives previously discussed at 2025 meetings; analysis of regional wholesale costs and retail rates; and an overview of priorities and planned initiatives of the CLGCC
- The 2025 Report will be posted to the CLG webpage

Learn more: https://www.iso-ne.com/committees/industry-collaborations/consumer-liaison

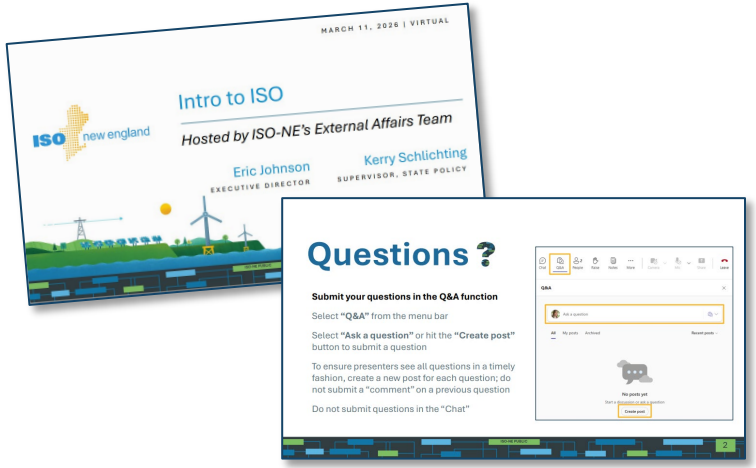
View recordings of past CLG meetings!

Open Meeting of the ISO Board of Directors

- The ISO Board of Directors held an **open board meeting Nov. 5** to give the public an opportunity to observe the Board's discussions firsthand
  - The meeting materials and recording are posted on the ISO website
- Members of the public addressed the Board directly during the listening session
  - Written comments were accepted prior to and after the meeting
- Comments submitted to the Board have been compiled and posted on the ISO website
  - In January, the Board also posted a response to comments received as part of the open board meeting

Opportunities to Learn and Engage

- ISO External Affairs hosted virtual office hours on Feb. 27
  - The online event was an opportunity for members of the public to ask questions about the ISO



- External Affairs hosted an *Intro to ISO* webinar on the evening of March 11
  - The webinar provided an overview of ISO New England's three critical roles and an opportunity for questions from attendees

An Ongoing Dialogue:
Continue the Discussion Following the Meeting!

Eric Johnson
Executive Director, External Affairs
New England

Carrick Heilferty
Policy Advisor
Federal Affairs

Ruben Flores-Marzan
Policy Advisor
Environmental & Community Affairs

Kerry Schlichting
Supervisor, State Policy
Connecticut and Rhode Island

Melissa Winne
Lead State Policy Advisor
Maine

Sarah Adams
Senior State Policy Advisor
Vermont

Marissa Ribeiro Dahan
Senior State Policy Advisor
Massachusetts

Brendan Flaherty
State Policy Advisor
New Hampshire

Contact information: https://www.iso-ne.com/about/contact/government-industry-affairs

For More Information

Subscribe to *ISO Newswire*

ISO Newswire is your source for regular news about ISO New England and the wholesale electricity industry within the six-state region

Log on to ISO Express

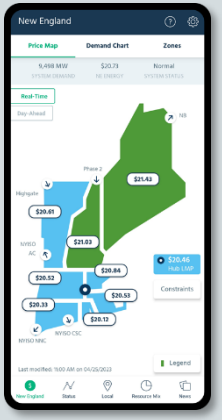
ISO Express provides real-time data on New England's wholesale electricity markets and power system operations

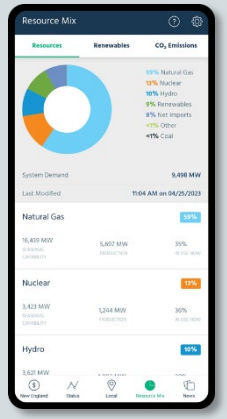
Follow the ISO on Social Media

www.iso-ne.com/social

Download the ISO to Go App

ISO to Go is a free mobile application that puts real-time wholesale electricity pricing and power grid information in the palm of your hand





GET IT ON Google Play

Download on the App Store

Questions