



Understanding Wholesale Electricity Prices in New England

Rhode Island Clean Energy Week

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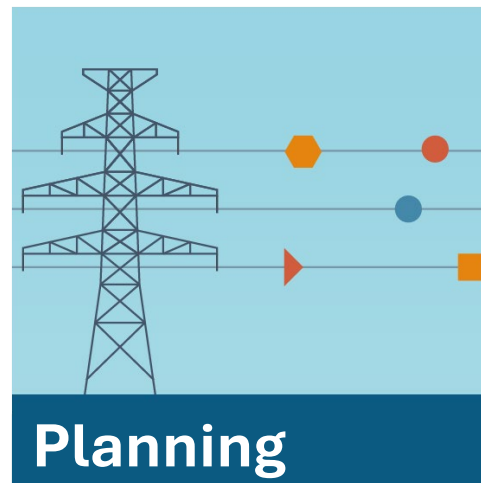
ISO New England Performs **Three Critical Roles** to Ensure Reliable Electricity at Competitive Prices



Coordinate and direct the flow of electricity over the region's high-voltage transmission system

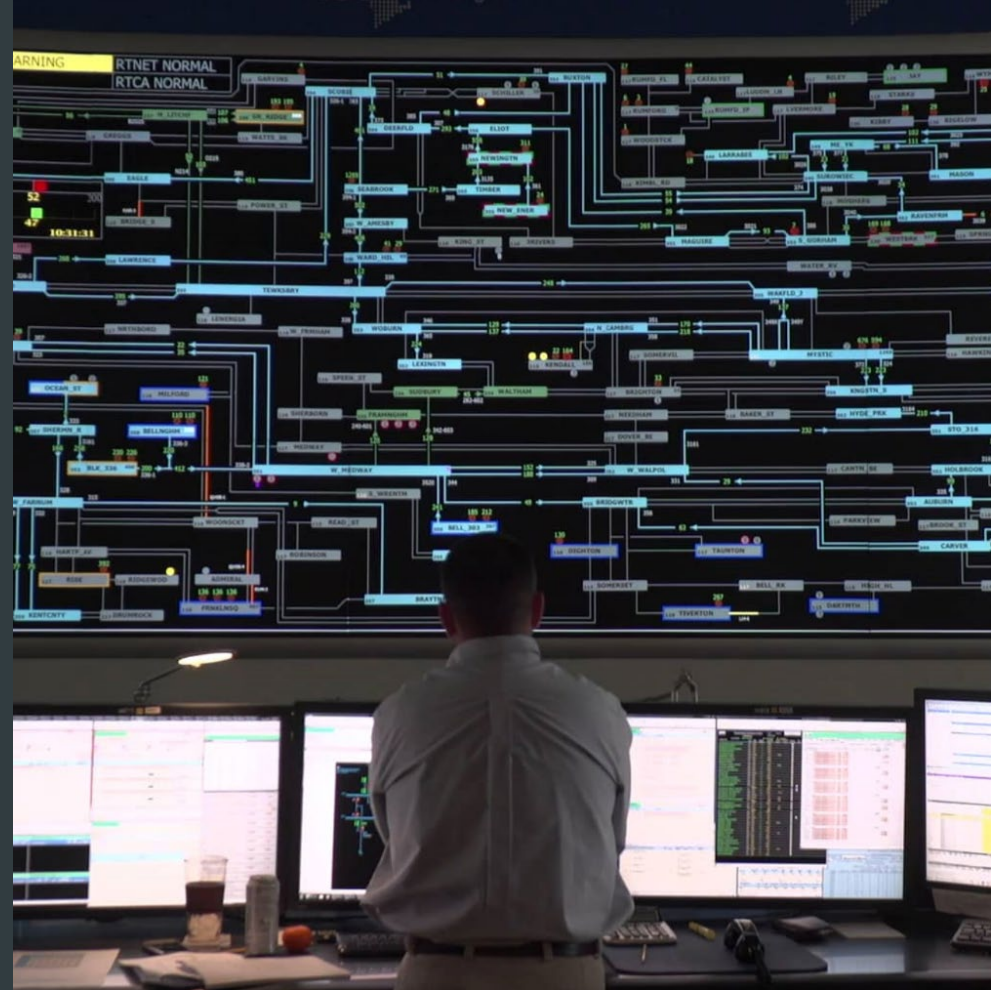


Design, run, and administer the billion-dollar markets where wholesale electricity is bought and sold



Study, analyze, and plan to make sure New England's electricity needs will be met over the next 10 years

One Goal Lies at the Heart of ISO New England's Mission: *Reliability*



Things We Don't Do



Handle retail electricity



Own power grid infrastructure



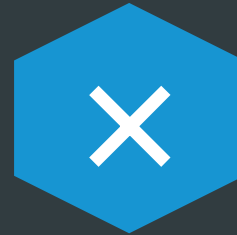
Have a stake in companies that own grid infrastructure



Have jurisdiction over fuel infrastructure



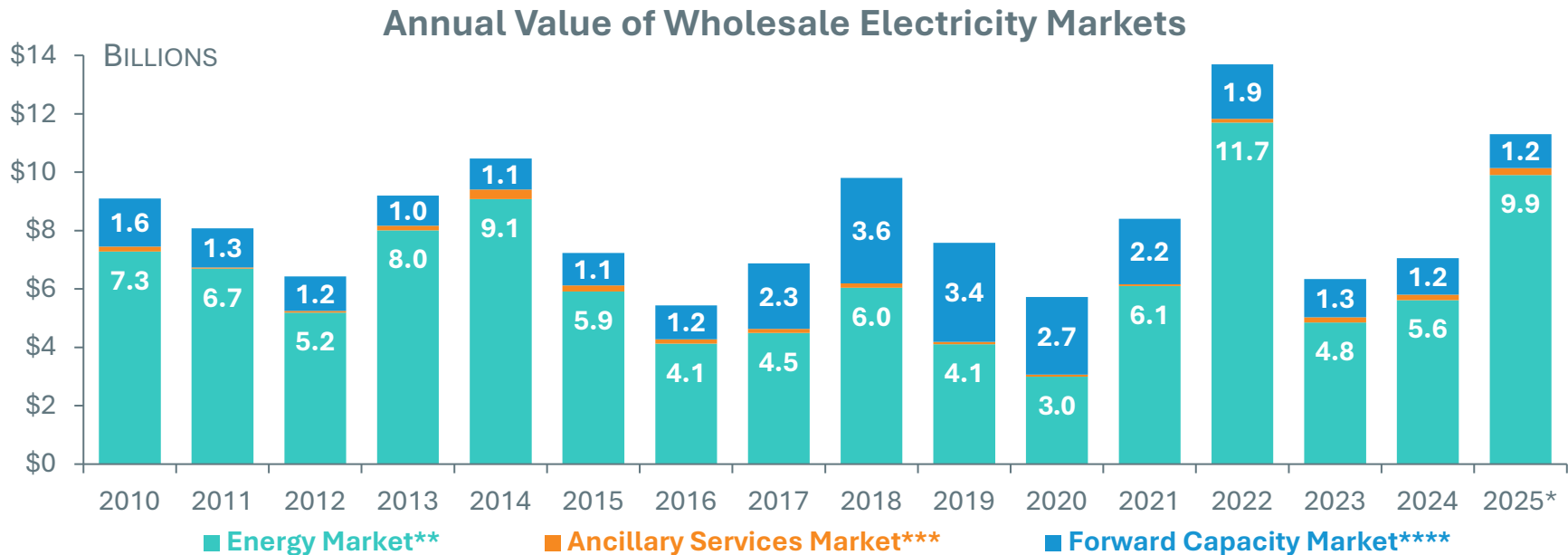
Have control over siting decisions



Plan the resource mix



Markets Select the Lowest-Priced Resources to Meet Current & Future Electricity Needs



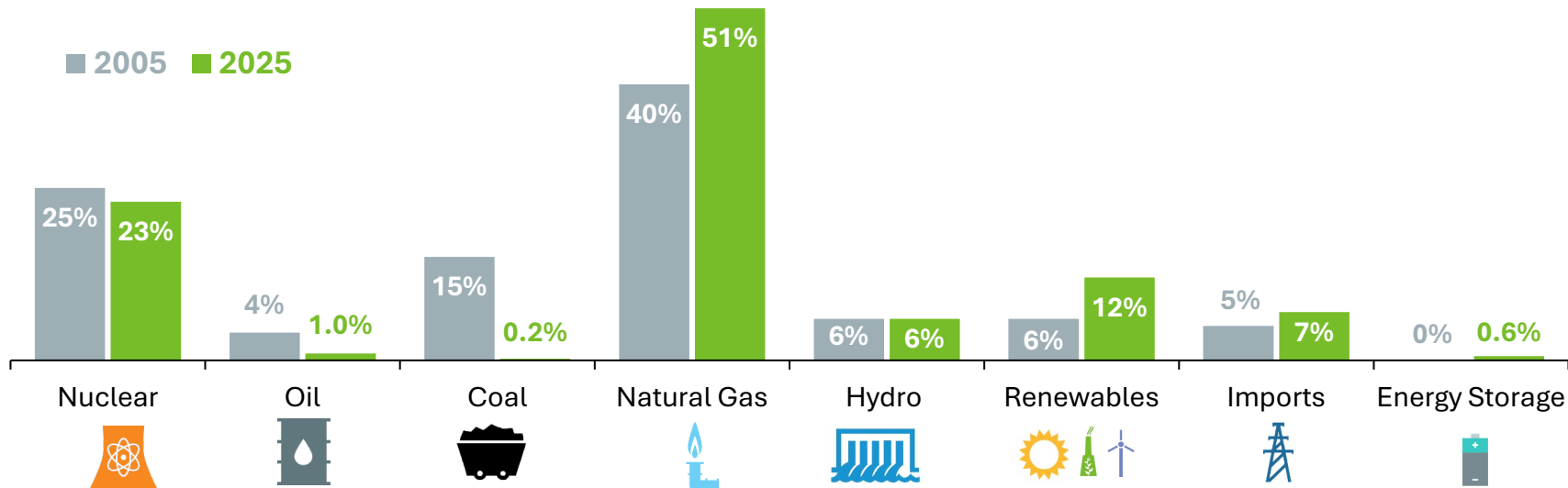
*Average annual costs are based on the 12 months beginning January 1 and ending December 31. **The wholesale values for 2025 are preliminary and subject to resettlement.** **Energy values are derived from wholesale market pricing and represent the results of the Day-Ahead (DA) Market plus deviations from the DA in Real-Time. Post March 1, 2025 the DA Market total includes costs associated with the Forecast Energy Requirement. ***Ancillaries include first- and second-contingency Net Commitment-Period Compensation (NCP), 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. ****Capacity charges are those associated with the Forward Capacity Market (FCM).



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)



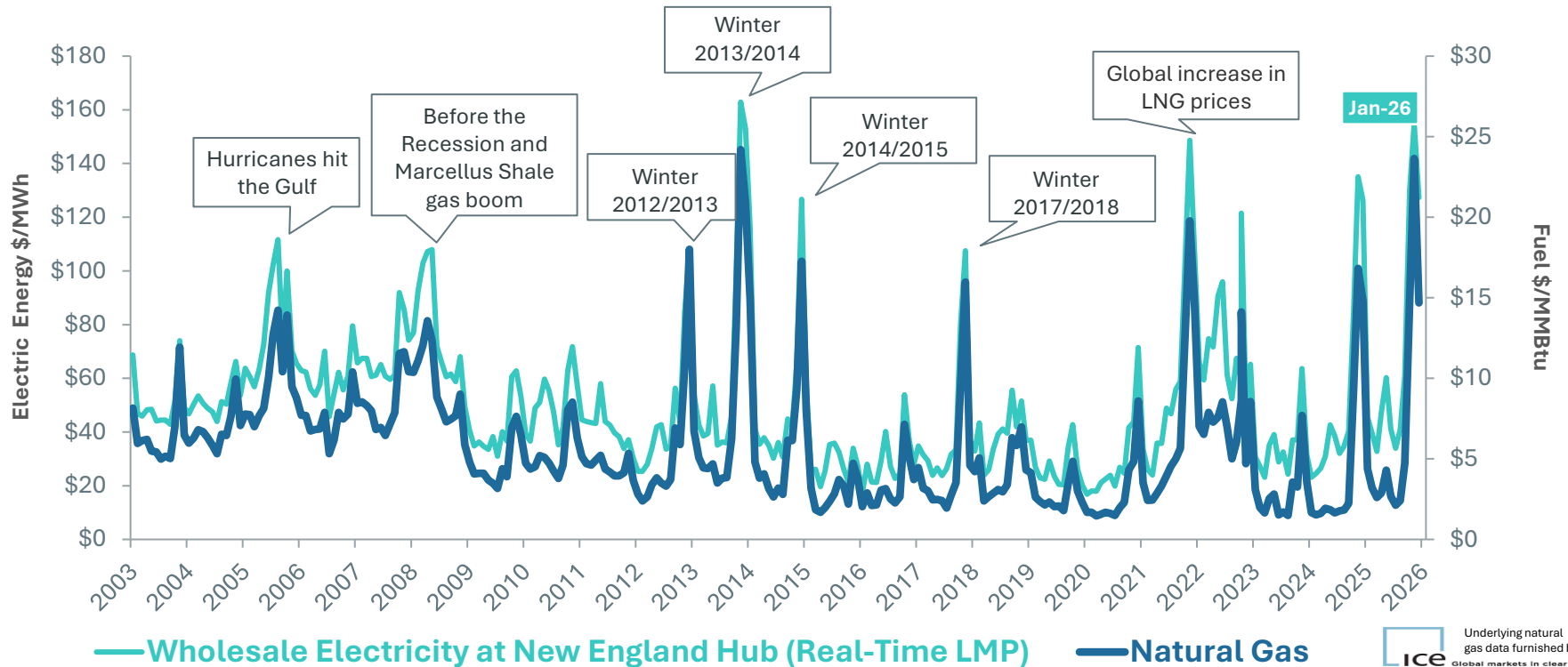
Source: ISO New England [Net Energy and Peak Load by Source](#); data for 2025 is preliminary and subject to resettlement

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.

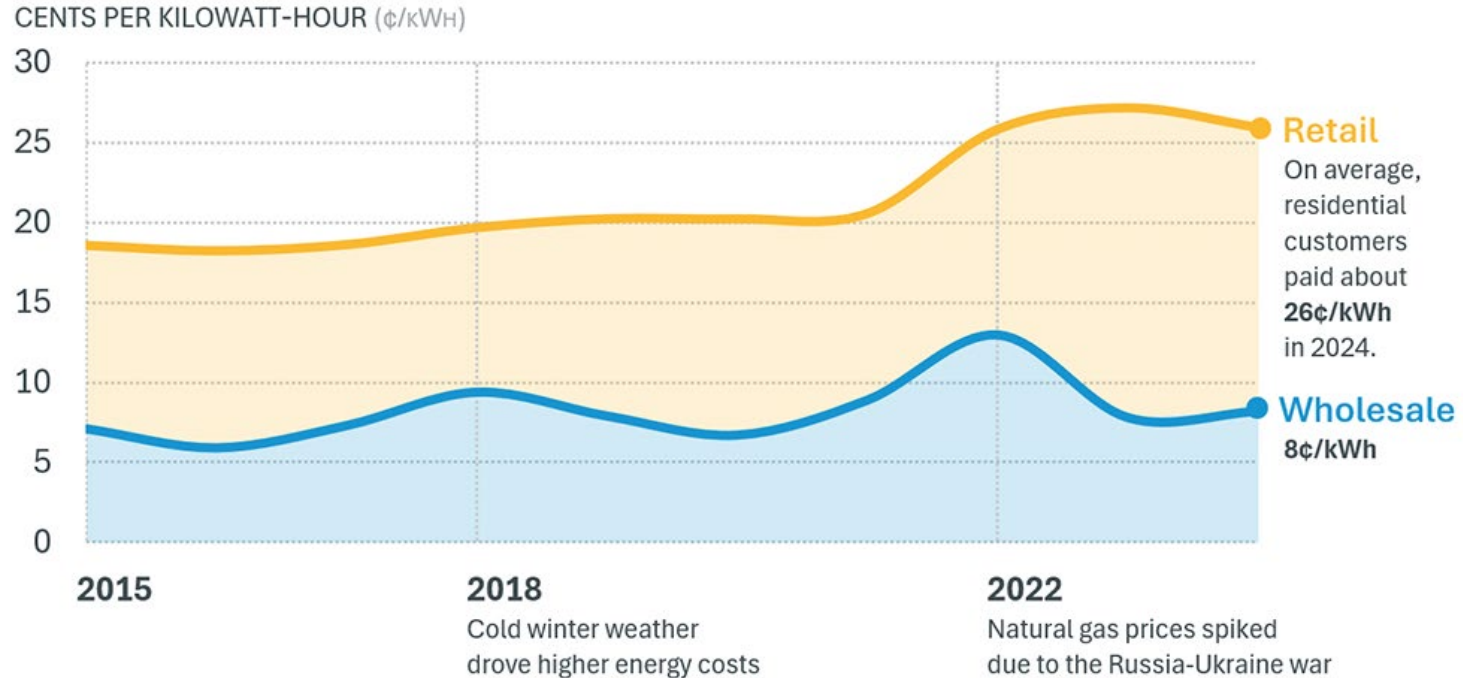
Natural Gas and Wholesale Electricity Prices Are Linked

Monthly average natural gas and wholesale electricity prices at the New England hub



Wholesale vs. Retail Prices

Breakdown of New Englanders' annual electricity costs



Source: ISO New England

