

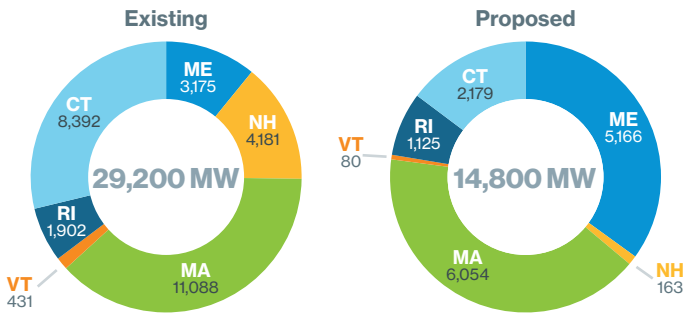
New England Power Grid State Profiles 2017–2018

Supply and demand resources help meet New England's electricity needs, and state policies are transforming the resource mix.



Region Has Many Proposals for New Supply

Electric generating capacity by state (MW)



Source: ISO-NE 2017 Capacity, Energy, Loads, and Transmission Report; and ISO-NE Generator Interconnection Queue, January 2018

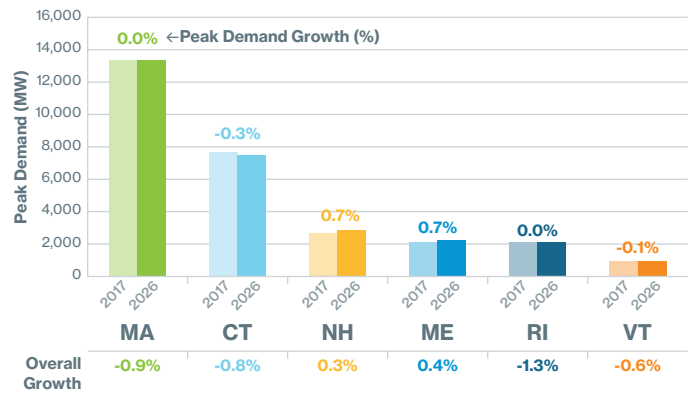


The region's capacity market is attracting investment

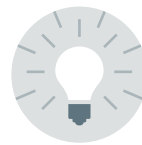
More than 3,000 MW of natural gas, wind, solar, and hydro resources have cleared in recent Forward Capacity Auctions with commitments to be available in 2018–2020, and 5,600 MW of new resources qualified to compete in the February 2018 auction for resources needed in the 2021–2022 timeframe.

Electricity Demand Growth Has Slowed in New England

Compound annual growth rates for peak demand and overall electricity use, net of energy efficiency and solar photovoltaic (PV), 2017–2026



Source: ISO-NE 2017 Capacity, Energy, Loads, and Transmission Report; and 2017 Energy Efficiency Forecast

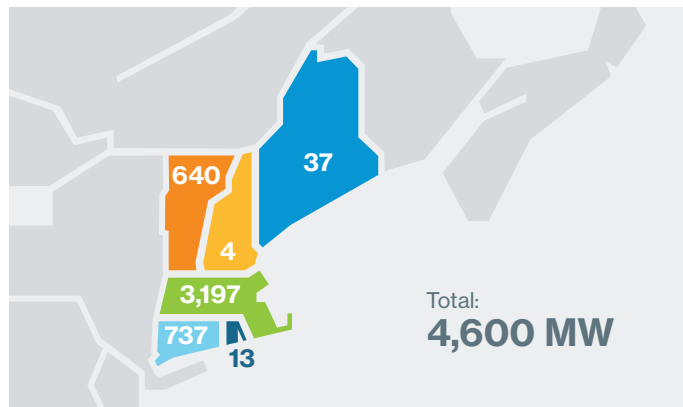


EE and solar PV are reducing demand growth

State-sponsored energy-efficiency and behind-the-meter solar PV resources are slowing the growth rate for summer peak demand and flattening overall electricity demand for the 7.1 million retail electricity customers in New England.

New Resources Will Be Needed

Retired, or announced retirement, since 2013 (MW)



Source: ISO-NE Status of Non-Price Retirement Requests and Retirement De-list Bids

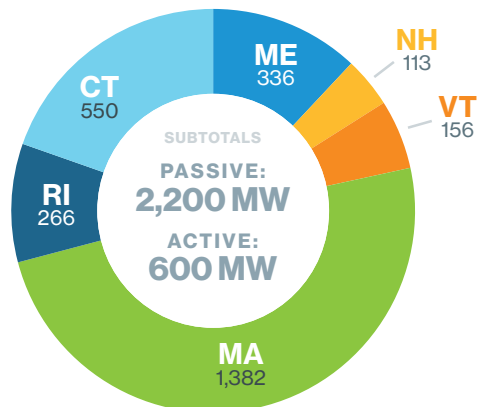


New England is losing non-gas-fired resources

More than 4,600 MW of generating capacity (primarily coal, oil, and nuclear) have retired or announced plans to retire since 2013, and more retirements are likely.

Demand Resources Compete in New England Markets

Demand resources cleared in the 9th Forward Capacity Auction and committed for June 1, 2018, to May 31, 2019 (MW)



Source: ISO-NE 2018-2019 Capacity Commitment Period Forward Capacity Auction Obligations

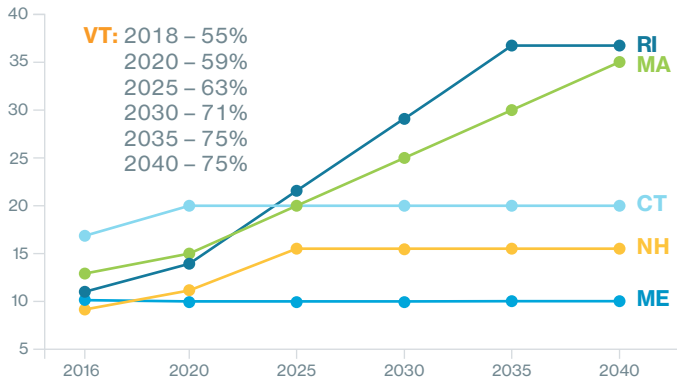


New England is expanding market opportunities

ISO-NE plans to integrate demand-response resources into the energy and reserves markets in June 2018.

State Renewable Portfolio Standards Are Rising

Class I or new renewable energy resources (%)



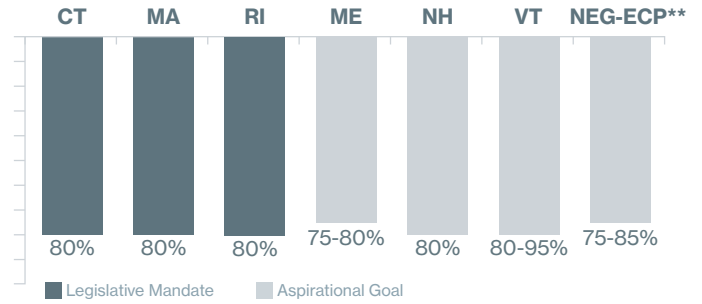
All six New England states have renewable energy standards

Electricity suppliers are required to provide customers with increasing percentages of renewable energy to meet state requirements.

*Vermont's standard recognizes new and existing renewable energy and is unique in classifying large-scale hydropower as renewable.

State Goals Seek Deep Reductions in CO₂ Emissions

Percentage reduction in greenhouse gas (GHG) emissions below 1990 levels by 2050*



*Some states have different baseline and target years

**New England Governors and Eastern Canadian Premiers (NEG-ECP)

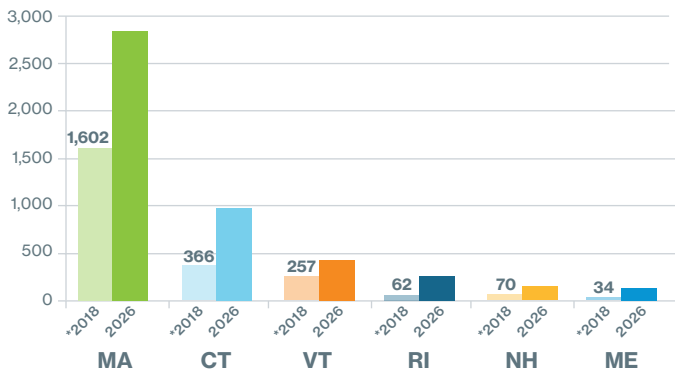


States pursue multiple approaches to reduce GHG emissions

New England states are promoting GHG reductions on a state-by-state basis and at the regional level, through a combination of legislative mandates (e.g., CT, MA, RI) and aspirational goals (e.g., ME, NH, VT, and NEG-ECP).

ISO-NE Forecasts Strong Growth of Solar PV Resources

Values are alternating current (AC) nameplate capacity (MW)



Source: Final 2017 PV Forecast, ISO-NE, May 2017
 *Start of 2018

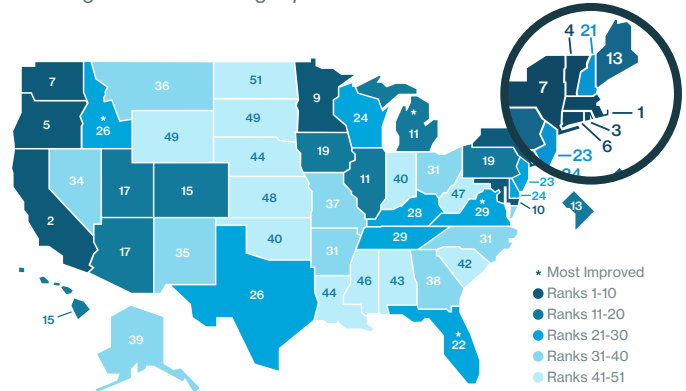


New England states promote behind-the-meter solar PV

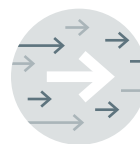
ISO-NE reduces the level of capacity to be procured in the Forward Capacity Auction to account for state policies promoting behind-the-meter solar PV.

New England States Lead US Energy-Efficiency Rankings

New England ranks among top states in US



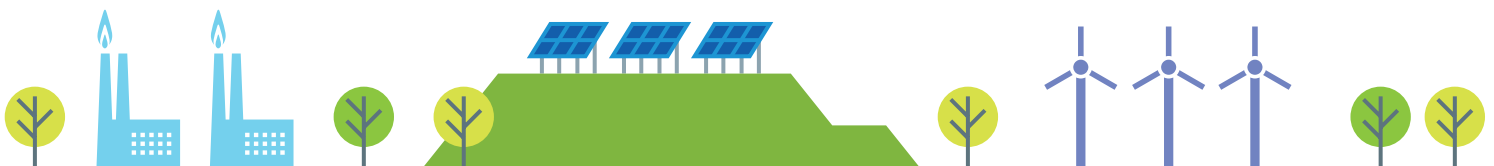
Source: American Council for an Energy-Efficient Economy, 2017 State Energy Efficiency Scorecard



New England states invest billions in energy efficiency

The six states invested \$4.5 billion from 2010 to 2015, and the ISO projects an additional \$7.2 billion investment from 2021 to 2026.

JANUARY 2018



About ISO New England

Created in 1997, ISO New England is the independent, not-for-profit corporation responsible for the reliable operation of New England's electric power generation and transmission system, overseeing and ensuring the fair administration of the region's wholesale electricity markets, and managing comprehensive regional electric power planning.