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Finalized Auction Results Confirm Sufficient Capacity Resources for 2022–2023

Holyoke, MA—February 28, 2019—Finalized results confirm that New England’s annual capacity auction concluded with sufficient resources to meet electricity demand in 2022–2023, and at the lowest price in six years. ISO New England Inc. filed the [results](#) today with the Federal Energy Regulatory Commission (FERC).

The auction was the first run under the Competitive Auctions with Sponsored Policy Resources (CASPR) rules, which include a substitution auction where resources interested in retiring can trade their capacity supply obligation to new state-sponsored resources that didn’t clear in the primary auction.

Capacity acquired and retained

The 13th Forward Capacity Market (FCM) primary auction (FCA #13), conducted on February 4, procured 34,839 megawatts (MW) of capacity for the June 1, 2022 to May 31, 2023 capacity year. The primary auction acquired 29,611 MW of generation, with 783 MW of new generation, including the 650-MW Killingly Energy Center, a proposed natural gas plant in Connecticut. The auction also procured 654 MW of new energy-efficiency (EE) and demand-reduction (DR) measures. In all, about 4,040 MW of EE and DR cleared, accounting for more than 11 percent of the total capacity acquired. The FERC filing includes a list of resources that have an obligation to be available in 2022–2023.

Following procedures approved by the FERC, the ISO retained two units, Mystic 8 and 9, needed for fuel security in the 2022-2023 capacity year.

Prices

The primary auction clearing price was \$3.80 per kilowatt-month (kW-month) for all resources in New England and imports from New York and Québec. Imports from New Brunswick will be paid \$2.68/kW-month. The estimated cost of the capacity market in 2022-2023 will be about \$1.6 billion. A table illustrating results from auctions #9 through #13 is below.

Substitution auction

The substitution auction closed with Vineyard Wind, a proposed offshore wind project, assuming an obligation of 54 megawatts from an existing resource that will retire in 2022-2023.

Forward Capacity Market

The FCM is designed to procure the resources that will be needed to meet projected demand in three years’ time. Capacity resources can include traditional power plants, renewable generation, imports, and demand-side resources such as load management and energy-efficiency measures. Resources clearing in the auction will receive a monthly payment during the delivery year in exchange for their commitment to provide power or curtail demand when called on by the ISO. The capacity market is separate from the energy market, where resources compete on a daily basis to provide power, and are paid for the electricity they produce.

Auction Results for FCAs #9 through #13 (2015-2019)

Results for all previous auctions can be found at: <https://www.iso-ne.com/about/key-stats/markets#fcaresults>

Auction, Auction Date, Commitment Period	Total Capacity Acquired (MW)	New Demand Resources (MW)	New Generation (MW)	Clearing Price (\$/kW-month)
FCA #9 in 2015 2018–2019	34,695	367	1,060	System-wide: \$9.55 SEMA/RI: \$17.73/new & \$11.08/existing
FCA #10 in 2016 2019–2020	35,567	371	1,459	\$7.03
FCA #11 in 2017 2020–2021	35,835	640	264	\$5.30
FCA #12 in 2018 2021–2022	34,828	514	174	\$4.63
FCA #13 in 2019 2022–2023	34,839	654	837*	\$3.80

Zones

- SEMA/RI refers to the former Southeast Massachusetts/Rhode Island zone

Pricing

- In FCA #9, inadequate capacity in the SEMA/RI zone triggered administrative pricing rules. New capacity in SEMA/RI receive the auction starting price of \$17.73/kW-month and existing capacity receive an administratively set price of \$11.08/kW-month.
- In FCA #10, New York imports cleared at \$6.26/kW-month; and New Brunswick imports cleared at \$4/kW-month.
- In FCA #11, New Brunswick imports cleared at \$3.38/kW-month.
- In FCA #12, 57 MW over a Québec interconnection will be paid \$4.63/kW-month while 442 MW of other imports from Quebec and 194 MW from New Brunswick will be paid \$3.70/kW-month and \$3.16/kW-month, respectively.
- In FCA #13, imports from New York and Québec will be paid \$3.80/kW-month, and imports from New Brunswick will be paid \$2.68/kW-month.

*This total includes new generation acquired in both the primary auction (783 MW) and substitution auction (54 MW).

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.

