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Responsive Market Design and Transmission Investments Are Needed for a Clean Energy Future



New England-Canada Business Council

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ISO New England's Vision

The ISO's Vision for the future represents our long-term intent and guides the formulation of our Strategic Goals



Vision Statement:

To harness the power of competition and advanced technologies to reliably plan and operate the grid as the region transitions to clean energy

Strategic Goals create context and guide the Annual Work Plan

Strategic Goals

- **Responsive Market Designs:** Improve the current market structure and continue to evolve and reposition the market design to accommodate the states' objectives and the transition to high levels of renewables and distributed resources. Maintain a robust fleet of balancing resources and preserve the ability of the market to attract new entry
- **Progress and Innovation:** Evolve capabilities to support the grid as the region transitions to clean energy, including improved power system and market modeling. Support investments in transmission infrastructure to enable renewable energy. Facilitate the integration of distributed energy resources. Provide data and information-based services
- **Operational Excellence:** Continuously improve operations and processes, with a focus on efficiency and effectiveness, business results, and continuity of operations
- **Stakeholder Engagement:** Collaboratively understand and anticipate needs, demonstrate thought leadership through high quality analysis and communication, and nurture productive relationships with FERC, the states and market participants
- **Attract, Develop, and Retain Talent:** Develop a sense of community around our Core Values, Mission, Vision and Goals, prepare the workforce, recognize and reward employee's success and innovation, and honor diversity and promote inclusion

How does this affect the ISO's 2021 Work Plan?

Transmission Planning

- Continue work already underway to refine transmission assumptions for clean energy
- Work with New England states to evaluate **transmission scenarios for 2030–2050** to enable de-carbonization of the economy
- Develop a **scope of work**, and then develop detailed transmission scenarios, including costs. *States will need to provide key assumptions on demand + supply mix*
- Begin with existing transmission planning framework and seek tariff changes, as needed, to **expand planning capability**

Market Design

- Evaluate potential design concepts to integrate state environmental objectives (e.g., **forward clean energy market** and **net carbon pricing**); with consideration for the output of the New England Future Grid Initiative
- The **Energy Security Improvements** design effort is **paused** until we can consult fully with FERC
- Market design must also incent a robust fleet of **balancing resources** and **expanded reserve products** to reliably operate a future grid with highly variable supply + demand conditions – *including potential energy supply constraints due to extended adverse weather conditions*