



ISO New England Update

Consumer Liaison Group Meeting

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TODAY'S UPDATES

- Resources for the Consumer Liaison Group
- Results of Forward Capacity Auction #15 (FCA #15)
- Resources Update
- New England State's Vision
- Transition to the Future Grid
- FERC Order 2222



CONSUMER LIAISON GROUP RESOURCES



2020 Report Is Posted and 2021 Meeting Dates Are Set

- The **2020 Report of the Consumer Liaison Group** includes:
 - **Statement** by the CLG Coordinating Committee on future goals and initiatives
 - **Summary** of CLG activities in 2020
 - **Update** on ISO New England activities and initiatives
 - **Information** on wholesale electricity costs and retail electricity rates in New England



*Future CLG meetings are set for **June 17, September 9 and December 1, 2021***

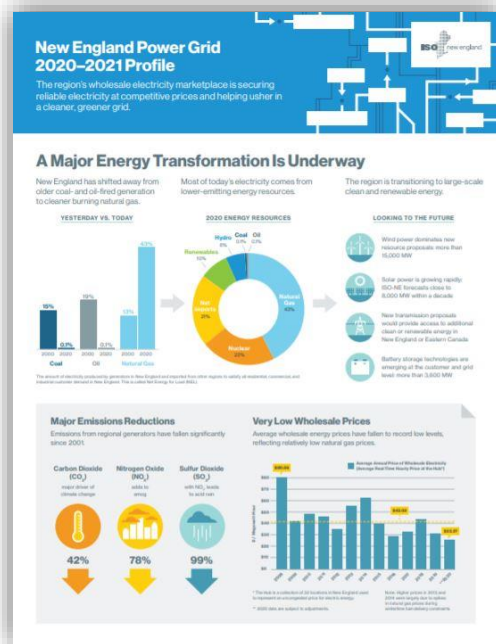
Source: <https://www.iso-ne.com/committees/industry-collaborations/consumer-liaison/>

ISO New England Is Rolling Out Several Publications



2021 Regional Electricity Outlook

Provides a summary of ISO New England's work to lay the foundation for clean energy, studies for the future grid, and other ISO New England efforts to improve services and performance



New England Power Grid Profile

Provides key grid and market stats on how New England's wholesale electricity markets are securing reliable electricity at competitive prices and helping usher in a cleaner, greener grid

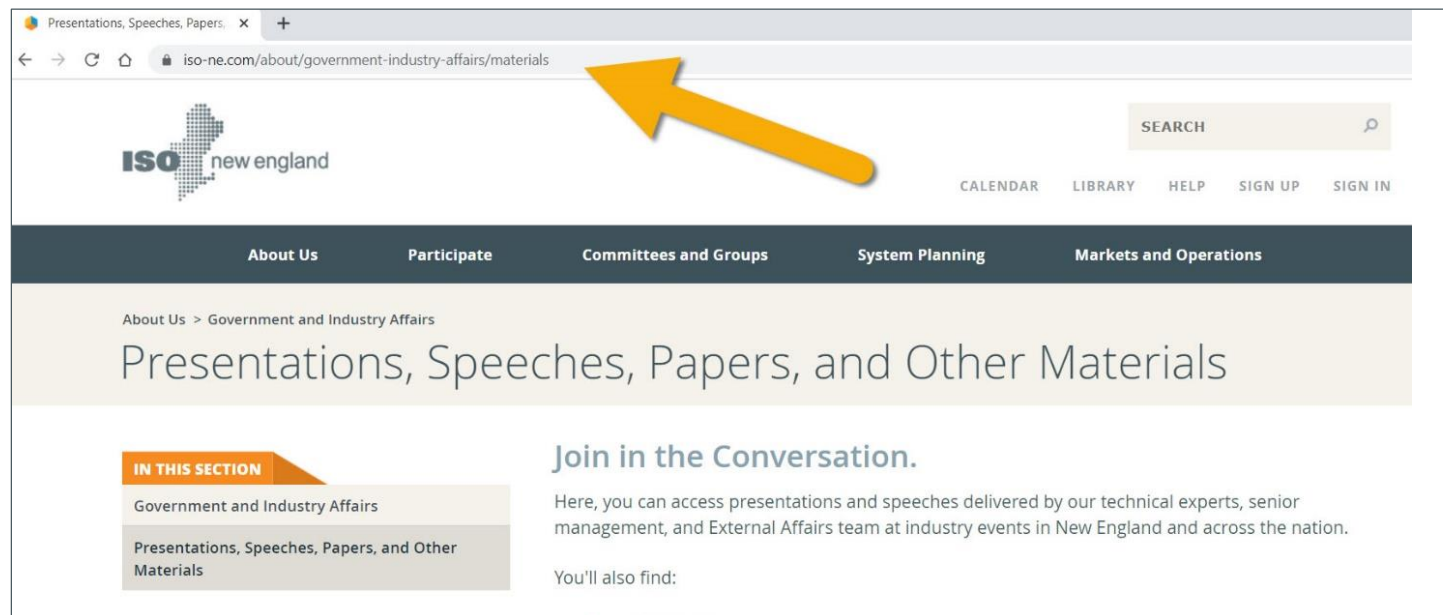


New England State Profiles

Provides state-specific facts and figures relating to supply and demand resources tied into the New England electric grid and state policies transforming the resource mix in the region

Additional Resources

- Meeting summaries are available on the [CLG page](#) on the ISO's website
 - Names and affiliations of CLG Coordinating Committee members are also available on the CLG page
- Presentations, Speeches, Papers, and Other Materials are available on the External Affairs page



FORWARD CAPACITY AUCTION #15 (FCA #15)

June 1, 2024 – May 31, 2025 Capacity Commitment Period



ISO New England Administered the Latest Capacity Auction in February 2021

- Forward Capacity Auction #15 (FCA #15) was held on February 8 to procure the capacity resources needed to meet demand for electricity, plus reserve requirements, during the **June 1, 2024 to May 31, 2025** capacity commitment period
- The auction concluded with **sufficient resources** to meet the installed capacity target of 33,270 MW
- **Clearing prices** in the auction ranged from \$2.48 to \$3.98 per kilowatt-month (kW-mo.), up from to \$2/kW-mo. region-wide last year



The Auction Attracted and Retained a Variety of Resources to Ensure Resource Adequacy in 2024-2025

- The auction concluded with commitments from **34,621 MW** of capacity to be available during the 2024-2025 capacity commitment period
 - **29,243 MW** of generation, including:
 - **950 MW** of new generating resources
 - **600 MW** of battery resources
 - **3,891 MW** of energy-efficiency and demand-reduction measures, including **170 MW** of new demand resources
 - **1,487 MW** of total imports from New York, Québec and New Brunswick
- FCA #15 was the first auction held without the Mystic Generating Station Units 8 & 9, which will retire June 1, 2024

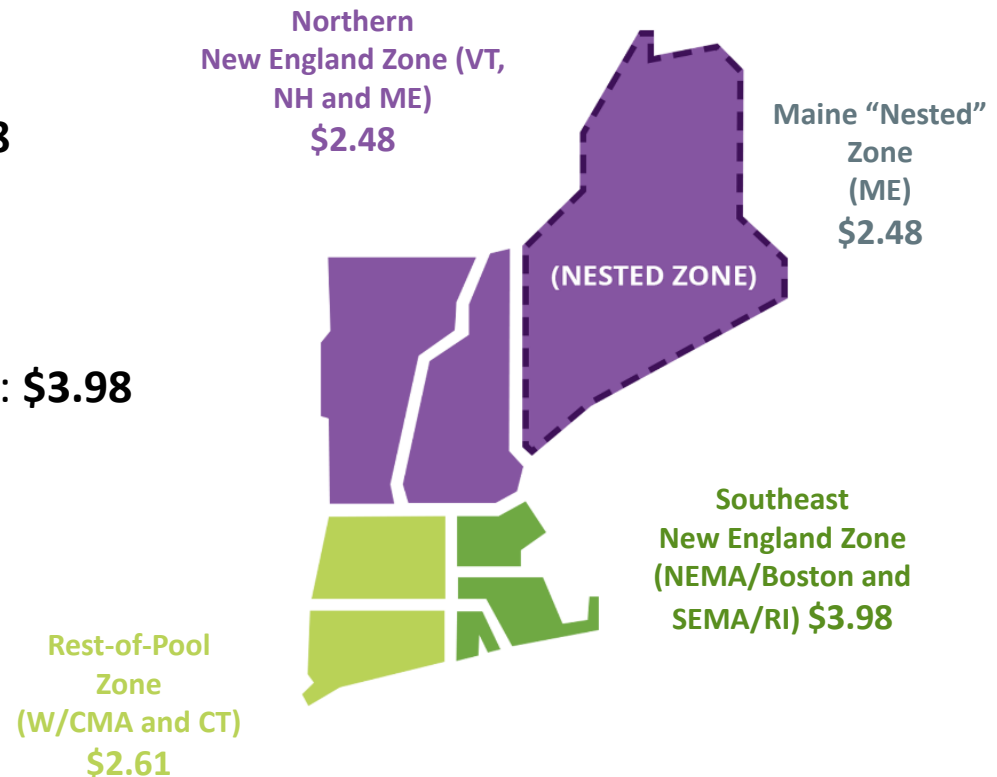


Auction Prices Varied Across the Region

- **Clearing prices** in the auction ranged from \$2.48 to \$3.98 per kilowatt-month (kW-mo.), up from to \$2/kW-mo. region-wide last year

- **Capacity prices by zone:**

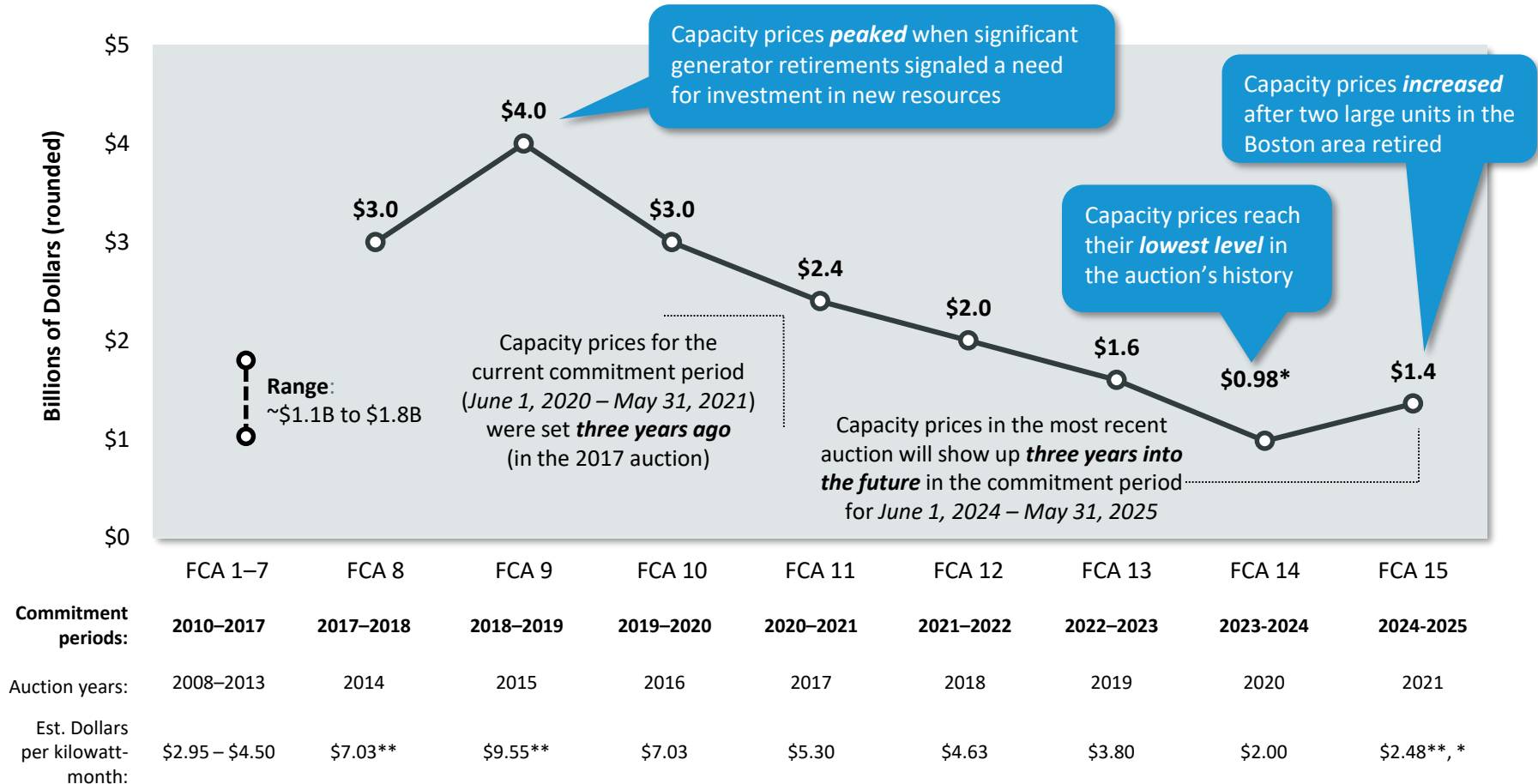
- Northern New England: **\$2.48**
 - Export-Constrained
- Maine “Nested”: **\$2.48**
 - Export-Constrained
- Southeast New England Zone: **\$3.98**
 - Import-Constrained
- Rest-of-Pool Zone: **\$2.61**
 - Unconstrained



Capacity Market Costs Reflect Changing Supply Outlook

As a “forward” market, consumers can anticipate future changes in capacity costs

Total Capacity Market Costs



* Preliminary estimate ** Prices may be higher for some capacity zones.

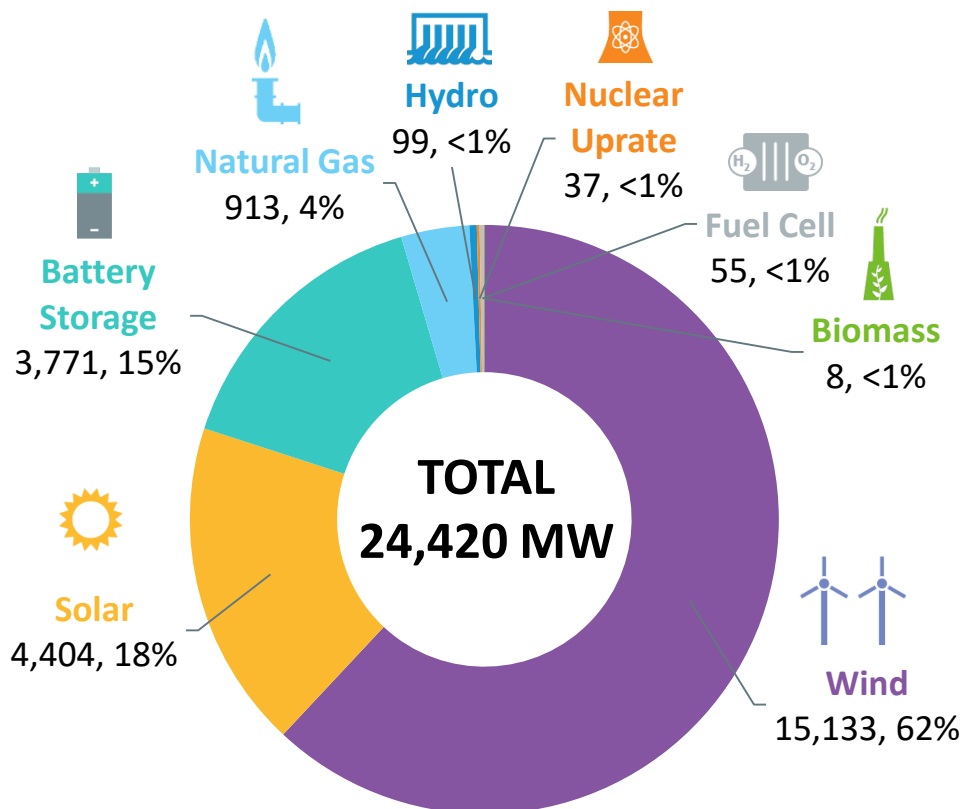
RESOURCE DEVELOPMENTS

Generator Interconnection Study Queue and ISO Forecasts

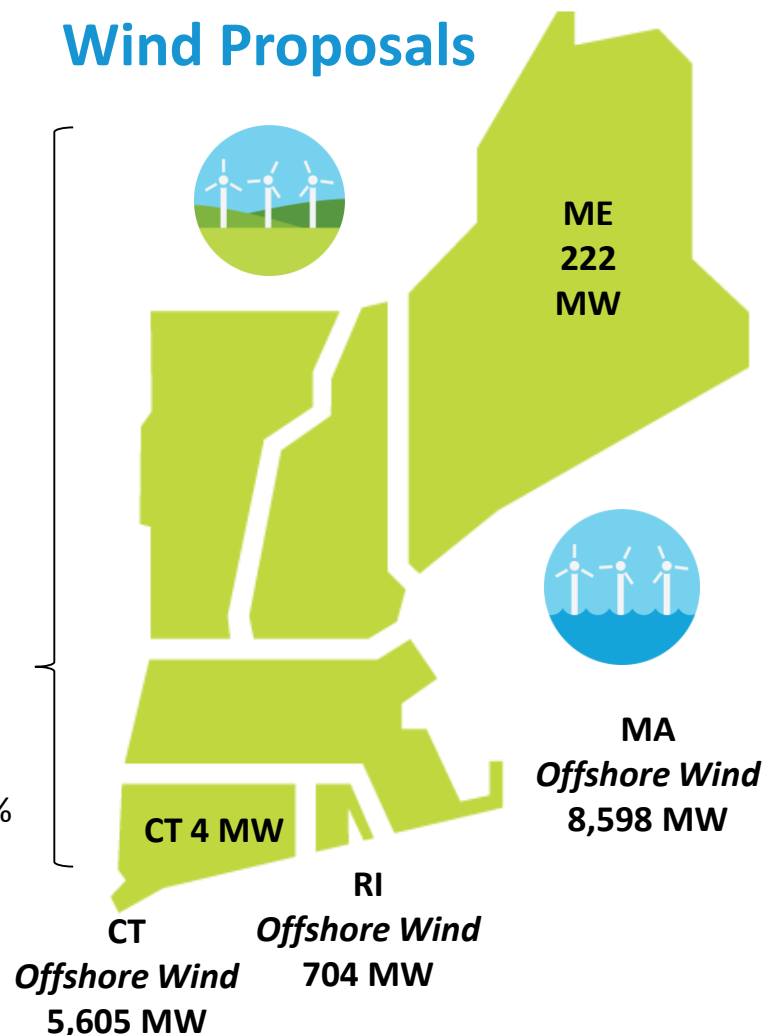


Wind Power Comprises Two Thirds of New Resource Proposals in the ISO Interconnection Queue

All Proposed Resources



Wind Proposals



Source: ISO Generator Interconnection Queue (February 2021)

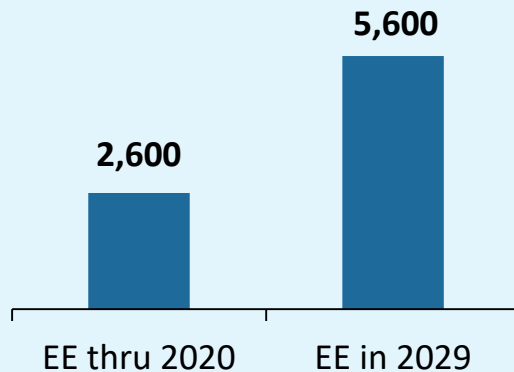
FERC and Non-FERC Jurisdictional Proposals; Nameplate Capacity Ratings

Note: Some natural gas proposals include dual-fuel units (with oil backup).

Some natural gas, wind, and solar proposals include battery storage.

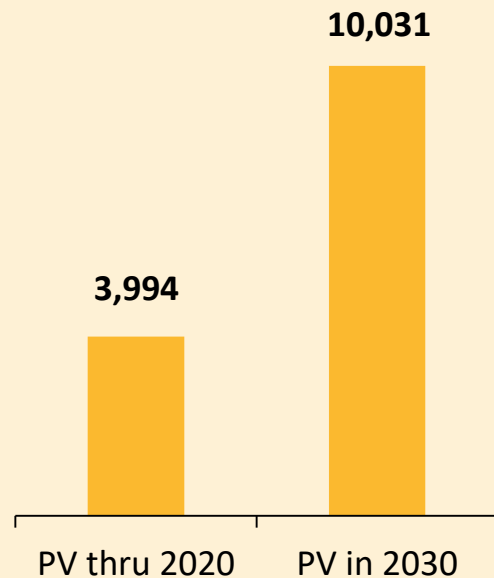
Energy-Efficiency and Renewable Resources Are Trending Up in New England

Energy Efficiency (MW)



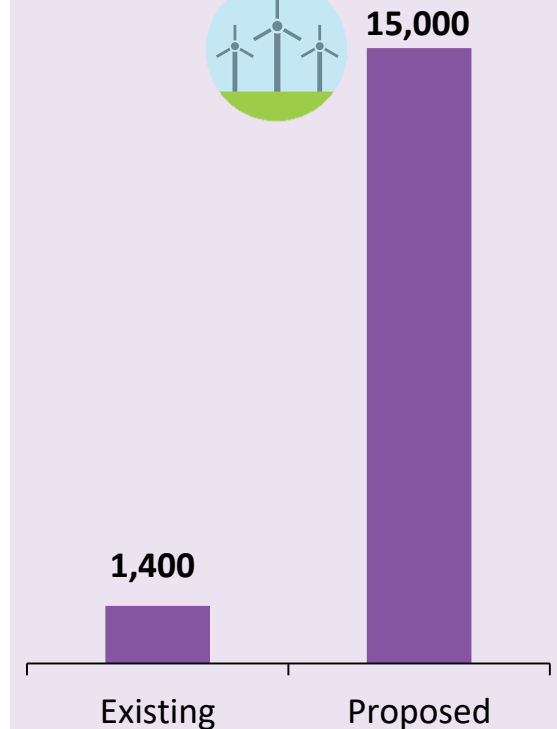
Final 2020 CELT Report, EE through 2019 includes EE resources participating in the Forward Capacity Market (FCM). EE in 2029 includes an ISO-NE forecast of incremental EE beyond the FCM.

Solar (MW)

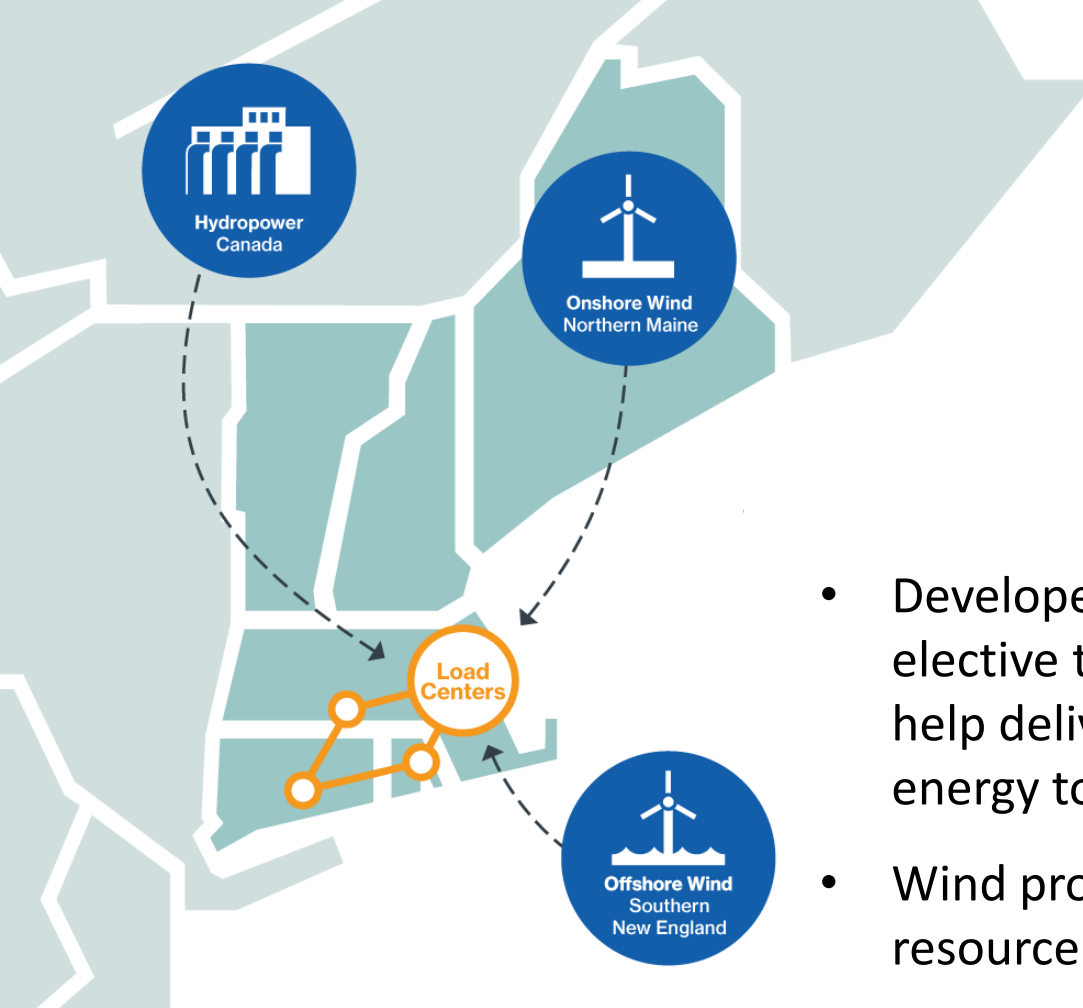


Draft 2021 ISO-NE PV Forecast, AC nameplate capacity from PV resources participating in the region's wholesale electricity markets, as well as those connected "behind the meter."

Wind (MW)



Nameplate capacity of existing wind resources and proposals in the ISO-NE Generator Interconnection Queue (February 2021)



*Lines represent types of ETUs
private developers have proposed
in recent years*

Developers Are Proposing Large-Scale Transmission Projects to Deliver Clean Energy to Load Centers

- Developers are proposing **10** elective transmission upgrades (ETUs) to help deliver about **3,400 MW** of clean energy to New England load centers
- Wind projects make up roughly **62%** of new resource proposals in the ISO Queue
 - Most are offshore wind proposals in southern New England, but some are onshore wind proposals in northern New England and **would require transmission** to deliver the energy to load centers

Source: [ISO Interconnection Queue](#) (February 2021)



NEW ENGLAND STATES' VISION STATEMENT



The ISO Is Fully Engaged with the New England States in Discussions about their Vision

- The ISO was invited to help set the stage for discussions in each of the three major focus areas of the states' Vision statement in the state-led technical sessions in early 2021
- Overview of Wholesale Electricity Markets
 - [Presentation by Eric Johnson at the January 13 technical session](#)
- Transmission Planning in New England
 - [Presentation by Bob Ethier at the February 2 technical session](#)
- ISO-NE's Governance and Engagement with the States
 - [Presentation by Anne George at the February 25 technical session](#)



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:

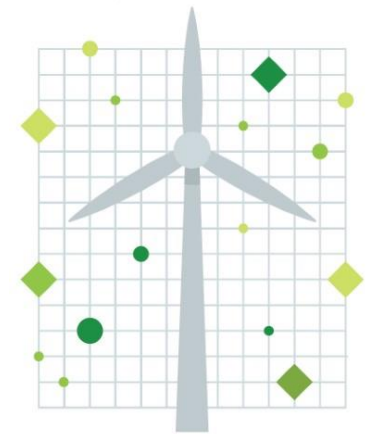
To harness the power of competition and advanced technologies to reliably plan and operate the grid as the region transitions to clean energy

TRANSITION TO THE FUTURE GRID



Transition to the Future Grid Efforts Continue

- Stakeholder meetings launched in 2020 started on [two tracks](#):
 - **Future Grid Reliability Study**: Stakeholder-led assessment of the future state of New England's power system
 - **Pathways to the Future Grid**: Regional identification, exploration, and evaluation of potential market frameworks that may help support the evolution of its power grid
- In January, NEPOOL received a report exploring various pathways the region could take, focusing on two questions
 - Whether a particular pathway would support or help to advance the clean energy policies of States
 - Whether pathways garner efficiency of regional markets
 - The [report](#) is available on the ISO's website.
- The ISO is also undertaking additional studies



The ISO Is Supporting Several Future Grid Studies in 2021

Study Name	Description
Future Grid Reliability Study (FGRS) Phase I	Stakeholder-defined scenarios examine how the power system could operate in 2040 under current energy and environmental policies
2050 Transmission Study	Transmission study (in support of the New England States' vision statement) to help states determine how to expand the system to incorporate wind, hydro, and distributed energy resources
Pathways Evaluations	Examines potential market frameworks that may help evolve the power grid to a future that reflects states' policies
Future Grid Reliability Study (FGRS) Phase II	Examines if revenues from existing markets are sufficient to attract and retain resources necessary to operate the system reliably under stakeholder-defined scenarios

Source: <https://www.iso-ne.com/static-assets/documents/2021/02/npc-20210218-chadalavada-presentation-r.pdf>

How Does This Relate to Resource Adequacy and the Minimum Offer Price Rule?

- A key question for the Pathways studies is how the Minimum Offer Price Rule (MOPR) will be treated in the modeling assumptions
 - The FERC has recently made clear that addressing the MOPR is one of its top priorities
 - If these studies don't resolve the issues around MOPR, additional analysis may be necessary to develop a solution by Q1 2022
- Discussion with New England stakeholders is ongoing



FERC ORDER NO. 2222



The ISO Continues FERC Order 2222 Compliance Efforts

- Conversations continue with utilities, regulators, and other stakeholders
 - The ISO released its [High-Level Market Design Approach to Compliance](#) in January
 - The ISO continues to receive and reflect on feedback from stakeholders, which may result in design modifications
 - Discussions regarding Order 2222 are expected to continue through the spring
- Issued in September, 2020, the order requires ISOs/RTOs to change the way Distributed Energy Resource Aggregations (DERAs) participate in wholesale markets
- The compliance filing is due in July



I look forward to seeing you again *in-person* (someday)!



Until that's possible, we'll see you virtually
on **June 17, September 9** and **December 1**

FOR MORE INFORMATION...



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[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



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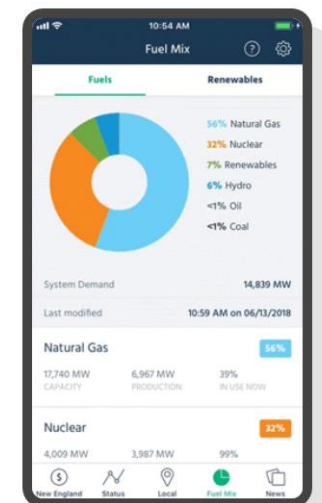
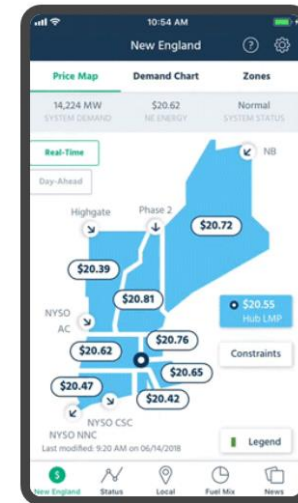


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Questions

