



memo

To: NESCOE
From: ISO New England
Date: August 19, 2022
Subject: Request Regarding ISO New England's on Winter 2022/23 Analysis and Recommendation

We are writing in response to your August 3 memo to ISO New England related to our evaluation of whether to pursue an out-of-market fuel compensation program for the winter of 2022-2023. NESCOE requested that the ISO "share the confidential data that drove your recommendation with FERC prior to its New England Gas-Electric Forum on September 8, 2022."

On August 16, the ISO provided FERC with the relevant confidential materials that support ISO's recommendation to NESCOE and NEPOOL to not pursue a program for the upcoming winter. The submission to FERC also included the public information presented to the NEPOOL Markets Committee on July 14.¹ While the ISO is not recommending a separate reliability program for this winter, we have taken actions that will help mitigate energy adequacy concerns – specifically the retention of Mystic generating units 8 and 9, and their fuel source, Everett LNG terminal, from 2022 until 2024.

ISO appreciates NESCOE's continued participation in these important regional discussions. We look forward to the further exploration of related issues at the September 8 Forum.

¹ *Considerations for Winter 2022-2023 - ISO Presentation*. Chris Geissler, Stephen George, and Craig Martin. July 14, 2022.
https://www.iso-ne.com/static-assets/documents/2022/07/a09_mc_2022_07_12-14_winter_2022_2023_presentation.pptx



New England States Committee on Electricity

To: ISO New England
From: NESCOE
Date: August 3, 2022
Subject: Winter 2022/23 Analysis and Recommendation

Winter reliability has been a persistent concern in New England. Over the past decade, ISO New England (ISO-NE) has periodically recommended incremental actions to shore up winter reliability, including “winter programs” designed to secure fuel needed for electric generation and an out-of-market agreement with two generation facilities. Last fall, ISO-NE elevated its concern about keeping the lights on when temperatures drop, which led to robust communications.¹ This summer, state officials and others asked ISO-NE for analysis and its recommendation as to whether New England needed to take incremental action such as a winter reliability program, as it has in the past. In mid-July 2022, ISO-NE shared its analysis and recommended that New England not pursue a winter program for winter 2022/2023.²

First, NESCOE thanks ISO-NE for its analysis and recommendation. It has helped states and stakeholders assess the winter outlook and tradeoffs of possible additional action. We also appreciate your willingness to reevaluate options to address reliability within your authority, such as a winter or inventoried energy program. As ISO-NE is responsible for ensuring the reliable operation of the regional electric power system, we give significant weight to your reliability-related recommendations. For this winter, absent new information you bring to light, we plan to respect ISO-NE’s conclusion that interventions such as those New England has taken heading into past winters are not needed or helpful to shore up system reliability this coming winter.

Second, we encourage you to share the confidential data that drove your recommendation with FERC prior to its *New England Gas-Electric Forum* on September 8, 2022.³ As the reliability coordinator, you have access to information about fuel supplies, resource availability, historical resource performance, and overall system conditions that we do not. We understand that your recommendation for this winter rests in part on your confidence in your assumptions about oil and LNG availability over the coming months, which are based on both economic expectations grounded in historical actions and information not available to us or other stakeholders. Sharing your analysis and the confidential information behind your fuel supply assumptions and recommendation with FERC would be helpful and appropriate given FERC’s regulatory role,

¹ See, e.g., Letter from NESCOE to ISO New England, Jan. 18, 2022, at <https://bit.ly/3yQL3a5>.

² ISO-NE, Winter 2022/23 Analysis: Assessment and Recommendations, July 14, 2022, at https://www.iso-ne.com/static-assets/documents/2022/07/a09_mc_2022_07_12-14_winter_2022_2023_presentation.pptx.

³ See, Supplement Notice of New England Winter Gas-Electric Forum, Docket No. AD22-9-000 (July 21, 2022), at <https://www.ferc.gov/media/supplemental-notice-new-england-winter-gas-electric-forum>.

ability to receive and protect confidential information, and expressed interest in discussing New England's winter 2022/2023 outlook.⁴

We remain very concerned that the long-known, significant structural issues contributing to winter reliability challenges remain unresolved. Winters with a string of below-average cold weather days are not unusual in New England. Our region should have confidence each season that our system will ensure that the lights will stay on. We appreciate continued open communications with states on solutions to regional issues. To the extent ISO-NE has concerns about keeping the lights on in future winters, we encourage you to share as much information and analysis with states, stakeholders, and FERC as early in the year as possible.

With appreciation for your analysis and recommendation for winter 2022/2023, we look forward to continuing work on the way forward to resolve reliability challenges in the near- and longer-term.

⁴ See *id.* at Panel 2: *Concerns for Winter 2022/23 and Future Winters.*