Consumer Liaison Group Meeting Summary
March 30, 2023

Introduction

The **Consumer Liaison Group (CLG)** is a forum for sharing information between ISO New England (the ISO) and electricity consumers in New England. The CLG meets quarterly and attracts a diverse group of attendees at each meeting. Meetings are free and open to the public. Participants generally include consumers and consumer representatives (including state consumer and ratepayer advocates), state business and industry associations, chambers of commerce, individual businesses, trade groups, nonprofit organizations, and other end users. Several New England Power Pool (NEPOOL) members and state regulators are also regular, active participants in CLG discussions.[1] CLG meetings generally follow the same format:

- **Opening remarks** from the CLG Coordinating Committee Chair
- **A representative from the ISO**, who provides an update on regional energy issues and initiatives that have or will be taking place at NEPOOL and ISO stakeholder meetings that can have an impact on electricity prices
- **A keynote speech** typically from an industry or business executive, policymaker, or regulator—who provides a unique perspective on a particular topic or issue
- **A panel discussion**, often representing industry, the ISO, regulators, and consumer perspectives, facilitated by a moderator

The following is a brief summary of the meeting, which was hosted in a hybrid format – remotely (via WebEx) and in-person in Portsmouth, New Hampshire – on **March 30, 2023.**

The topic, moderator, and panelists were selected by the Consumer Liaison Group Coordinating Committee (CLGCC). The March 30 meeting did not include a keynote speaker. The meeting summary is intended to capture the general discussions that took place at the meeting; it does not necessarily reflect the views of the ISO or the CLGCC.

March 30: What is the Energy Transition and What Does it Mean for ISO New England?

Meeting objective: Discuss the clean energy transition in New England and what the transition means for ISO New England.

Welcoming Remarks

Elizabeth Mahony, chair of the Consumer Liaison Group Coordinating Committee (CLGCC) and commissioner of the Massachusetts Department of Energy Resources (DOER), offered welcoming remarks and provided background on the CLG and its Coordinating Committee. Mahony announced that she is ending her term as CLGCC chair given her new role at DOER, but encouraged attendees to continue engagement at the CLG. The CLGCC voted in Liz Anderson as the new chair. Anderson serves as deputy chief in the Energy & Telecommunications Division at the Massachusetts Attorney General's Office.

CLGCC members Kendra Ford (NH) and August Fromuth (NH) thanked Mahony for her time serving as CLGCC chair and noted that they look forward to working with Liz Anderson as the new CLGCC chair. Ford highlighted the CLG as a forum for the exchange of information between consumers,

[1] NEPOOL is a group formed in 1971 by the region's private and municipal utilities to foster cooperation and coordination among the utilities in the six-state region for ensuring a dependable supply of electricity. Today, NEPOOL members are ISO stakeholders and market participants. More information is available at www.nepool.com.

ratepayers, and the ISO. Ford then invited CLGCC members to come to the front of the room and introduce themselves. Introductions were provided by: Don Kreis (NH), Sonja Birthisel (ME), Jacob Powsner (VT), Bill Dornbos (CT), Ian McDonald (CT), Nathan Phillips (MA), Regine Spector (MA), and Liz Anderson (MA). Finally, Ford requested that attendees let the CLGCC know about future topic suggestions for the CLG meetings.

ISO New England Update

Anne George, vice president, chief external affairs and communications officer, ISO New England, provided the ISO's regional update. George noted that the ISO works closely with the CLGCC and invited attendees to coordinate with the ISO through the CLGCC or External Affairs staff.

George began with an explanation of the ISO's role in market administration and described at a high-level the energy, ancillary services, and forward capacity market. Focusing specifically on the Forward Capacity Market (FCM), George explained the main objective of the FCM is to ensure sufficient resources are procured three years in advance in a cost-effective manner to meet New England's electricity demand and reliability standards.

The ISO administered the seventeenth forward capacity auction (FCA 17) on March 6, 2023 to procure capacity resources needed to meet demand for electricity, plus reserve requirements, during the June 1, 2026 to May 31, 2027 capacity commitment period (CCP). The auction concluded with sufficient resources to meet the installed capacity target of 30,305 megawatts (MW) and clearing prices ranged from $2.55 to $2.59 per kilowatt-month (kW-mo.), compared to last year's range of $2.53 to $2.64 per kW-mo. The total value of the capacity market in 2026/2027 will be approximately $946 million and prices are the same across all zones within New England. The auction concluded with commitments from 31,370 MW of capacity including nearly 750 MW of new renewable energy, battery storage, and demand-reducing resources, more than 350 MW of new and existing wind generation, 2,940 MW of energy-efficiency and demand-reduction measures, and 567 MW of imports.

George provided an overview of winter 2022/2023 operations, including the December 24, 2022 capacity deficiency event and the February 3-4, 2023 cold weather operations. On December 24, Winter Storm Elliot impacted various regions across the United States, including New England. While severe cold weather conditions impacted other regions of the country, New England did not experience as severe conditions and operating conditions in New England were not extraordinary. ISO-NE has well-established tools to manage capacity shortfalls and at no time was the ISO close to calling for controlled outages. George additionally provided highlights of the operating day on February 3 and 4, which was the coldest temperature departure from normal since 2016.

The ISO recently published its annual breakdown of the amount of electricity produced by generators in New England and imported from other regions to satisfy demand in 2022 in the net energy for load (NEL) report. Total NEL in 2022 was 118,878 gigawatt-hours, slightly (.07%) higher than 2021. In 2022, most of the region's energy needs were met by natural gas, nuclear, imported electricity (mostly hydropower from Eastern Canada), renewables, and other low- or non-carbon-emitting resources.

Preliminary 2022 wholesale electricity market values are now available, including energy costs, ancillary services costs, capacity costs, transmission charges, and RTO costs.

In 2018, after the owner of the Mystic Generation Station signaled their intention to retire the remaining generating units (Mystic 8 and 9), the ISO filed for, and FERC approved, the retention of

the units for regional fuel security for the capacity commitment period (CCP) 2022/23 and 2023/24. Mystic 8 and 9 are fueled exclusively by the Everett Liquefied Natural Gas (LNG) facility. The Mystic units, the Everett LNG facility, and the cost of LNG delivered to fuel the generating units are included in the cost-of-service agreement. The preliminary cost of the Mystic Cost of Service Agreement in 2022 was $166 million.

The ISO has recently streamlined the process to sign-up for an ISO-TEN account to register for meetings and ISO training sessions. Updates to the New England Power Grid Profile and New England State Profiles have recently been updated for 2022-2023.

George highlighted upcoming opportunities for engagement in the region, including the next CLG meeting on June 8 and the FERC's second New England Winter Gas-Electric Forum in Portland, Maine on June 20.

The ISO has announced its training schedule for 2023, including classes and webinars. The 2023 training classes include introduction to wholesale electricity markets, forward capacity market, and intermediate wholesale electricity markets.

A question and answer period took place throughout the presentation in which George answered questions regarding the uniform clearing price of the FCA, demand forecasts for the FCA, storage as a transmission-only asset (SATOA), energy adequacy, natural gas scheduling, resource capacity accreditation, demand response, pay-for-performance, Mystic generation station, minimum offer price rule (MOPR), and retail rates.

Panel Discussion
Donald Kreis, a CLGCC member and the consumer advocate in New Hampshire's Office of the Consumer Advocate, introduced and moderated a panel of energy leaders to discuss the energy transition and what it means for ISO New England.

Panelists included: **Representative Michael Harrington** (R), The General Court of New Hampshire, Stafford-District 18; **Sam Evans-Brown**, executive director, Clean Energy New Hampshire; **Susan Muller**, senior energy analyst, Union of Concerned Scientists; **Dan Dolan**, president, New England Power Generators Association; and **Robert Ethier**, vice president, system planning, ISO New England

Rep. Michael Harrington began by discussing past discourse and predictions on the potential impacts from climate change since the 1970s. He explained that state and federal funding, including the federal Inflation Reduction Act (IRA), will lead to additional renewable energy generation development. Simultaneously, load growth is projected to double by 2050 as people electrify heating and transportation. Harrington highlighted the various challenges of different renewable energy resources that are being considered to meet future needs. Harrington discussed offshore wind, utility-scale solar, battery energy storage, on-shore wind, and nuclear energy. Harrington further described that the region has largely completed the transition to natural gas from oil for electricity generation, however cold weather events still result in generation of electricity from oil which results in greater emissions. Harrington expressed that one of the largest challenges is siting and provided the example of the New England Clean Energy Connect (NECEC) transmission line in Maine. Harrington closed by stating the importance of the Everett LNG facility for winter reliability and the necessity of fossil fuels as the New England states transition to more renewable energy generation.

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Sam Evans-Brown began by noting the importance of collaboration. He expressed the need for the energy transition to be affordable, low-emitting, reliable, and resilient for all. Evans-Browns highlighted that the energy transition is already occurring as natural gas has been replacing coal and oil in the region. Describing electric generation data for New Hampshire, he explained that the New Hampshire resource mix changes since 1990 have been similar to the New England region overall, resulting in emission reductions; simultaneously, he said, the New Hampshire gross domestic product (GDP) has increased. Evans-Browns said that other states' renewable energy procurements resulting in long-term contracts are suppressing regional wholesale electricity prices, which benefits New Hampshire ratepayers. He concluded with an explanation that renewable energy prices have already decreased and are likely to continue to do so eventually leading to contracts that are not above market, and while New Hampshire is currently benefiting from procurements of other New England states, eventually New Hampshire will miss out on this economic opportunity.

Susan Muller began by expressing that the energy transition is a response to climate change, and the ISO has recognized the need to reduce greenhouse gas emissions to combat climate change. She discussed the feasibility of transitioning to clean energy, including developing offshore wind, solar, and energy storage. Muller noted the importance of aggregation of demand response as a resource. Muller discussed the key challenge of siting, highlighting the need to consider environmental justice. Muller emphasized that there is not unlimited time to make the transition to a low carbon energy system and said that the ISO does not adequately recognize the time constraint.

Dan Dolan introduced the New England Power Generators Association (NEPGA) and highlighted their focus on both ensuring a competitive marketplace and supporting efforts to accomplish state policies. Dolan provided data to demonstrate the decline in emissions of the power sector while emissions from the transportation sector have increased, noting that roughly 75 percent of New England emissions come from transportation and buildings. Dolan emphasized the need to link decarbonization across sectors, including electric, heating, and transportation and noted NEPGA's efforts to support a multi-sector price on carbon. Dolan also provided data to show that approximate 53 percent of the overall electricity fuel mix was made up of renewable and non-emitting resources in New England in 2022. Dolan concluded by emphasizing that while New England cannot independently solve climate change, the region can demonstrate to others a pathway to successfully decarbonize with economic prosperity and reliability.

Robert Ethier introduced ISO New England and described the ISO's three critical roles. Ethier provided an overview of the ISO's interconnection queue and noted that the energy mix has already changed and renewables are anticipated to have a larger role to meet state policies moving forward while load increases from heating and transportation electrification. Ethier outlined the study and key project work of the ISO to facilitate the transition to clean energy, including the Future Grid Reliability Study (FGRS) and supporting studies, and the resource capacity accreditation in the forward capacity market (RCA in FCM) project. Beyond studies, Ethier provided an overview of other ISO efforts to support the transition including providing technical expertise to the New England states, developing mechanisms to enable development of transmission, enhancing ISO system planning studies, and supporting integration of distributed energy resources. Ethier concluded by noting the ISO has completed system impact studies for over 8,700 MW of non-emitting resources, but other barriers have slowed down or halted development of projects.

A question and answer period followed the panelists' remarks. Panelists discussed questions on transmission projects to replace aging equipment (known as asset-condition projects); the impact of natural gas on electricity prices; ISO-NE software improvements for modeling; geothermal

energy; the ISO interconnection queue; the role of New Hampshire in the regional clean energy transition; and planning and costs of the clean energy transition.

Closing remarks

Liz Anderson offered closing remarks thanking the speakers for offering a diversity of viewpoints. In addition, Anderson requested attendees fill out the online survey they would receive via email and encouraged attendees to take part in the 2023 CLG meetings, with the next meeting tentatively scheduled to take place on **June 8.**

A recording of the meeting can be found on the CLG page on the ISO website.