

ISO-NE update



VSPC Meeting
July 22, 2015

Topics

- ISO-NE whitepaper
- Demand response
- Winter fuel procurement
- FERC Order 1000

ISO-NE whitepaper

- Great educational document
- Suggests significant increase in zero-cost energy resources
- Energy prices will be lower and capacity costs will need to go up to compensate for reduction in energy costs

See paper at: <http://goo.gl/iLY7hK>

long URL: http://www.iso-ne.com/static-assets/documents/2015/06/iso_ne_capacity_mkt_discussion_paper_06_03_2015.pdf

Demand response (FERC Order 745)

- Federal appeals court vacated Federal Energy Regulatory Commission's Order 745, which calls for demand response to be paid on equal footing as generators in wholesale energy markets (May 2014)
- Supreme Court agreed to hear case, possible fall 2015 with decision mid-year 2016
- Raises concern about DR in capacity and ancillary markets
- Pending decision will delay full implementation until at least 2018

New England Winter fuel procurement

- Continued concern about reliance on natural gas during cold winter periods
- Last two winters NE has procured oil, LNG, and DR as back-up when natural gas is limited
- ISO-NE proposal expands the generator participation for fuel inventory
- Program needed for next three winters until pay for performance is in place

What does FERC Order 1000 change?

Competition for reliability upgrades



Regional cost sharing for transmission projects to serve public policy needs

Inter-regional planning coordination



Competitive process not required if...

- Year of need less than three years in future
- Project is in Regional System Plan at plan/proposed stage
- Upgrade to an existing TO-owned facility
- In a TO-owned right of way



Public Policy Transmission Upgrades (PPTU)

- ISO-NE must incorporate transmission to meet state/federal/local public policy needs
- Transmission costs to support PPTUs will be allocated 70% to all New England, 30% to requesting states



Inter-regional planning

- Requires control areas to coordinate “regional benefit upgrades”
- Selection of projects that are more efficient **or** more cost effective
- Northeastern protocol planning agreement among NYISO, ISO-NE, PJM

