



# ISO New England Regional Update

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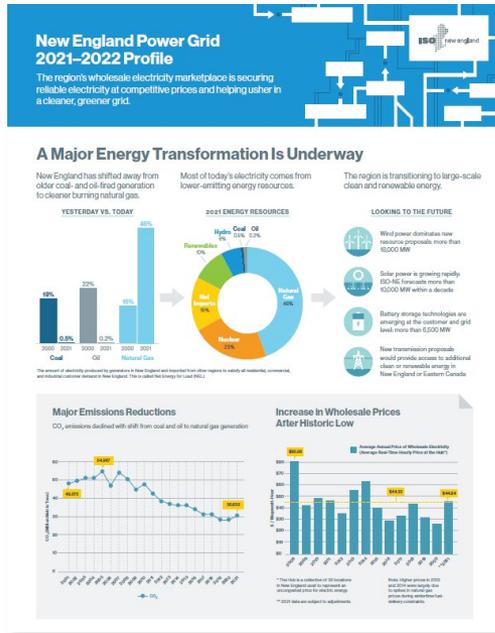
*Vermont System Planning Committee  
April 2022 Quarterly Meeting*

**Eric Johnson**

DIRECTOR, EXTERNAL AFFAIRS

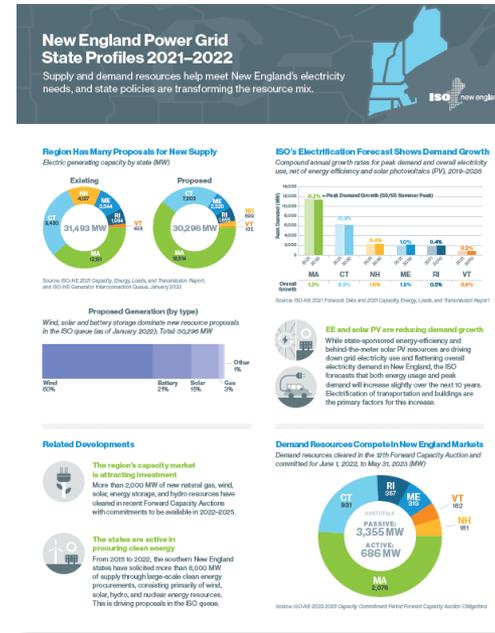


# ISO New England Regional & State Profiles Are Posted



## 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

# January 2022: Near-Record Prices, Increased Emissions

*Cold weather, higher electricity demand drove higher prices in January*

- In January 2022, wholesale electricity prices rose to **highest levels since February 2014**
  - Real-time prices averaged **\$148.66/MWh**
  - The average day-ahead price was **\$149.46/MWh**,
  - Real-Time and Day-Ahead energy markets **more than tripled** compared to January 2021
- Electricity demand peaked on January 11 at **19,729 MW**
  - Temperature in New England was 10°F and the dew point was -11°
  - The all-time high winter peak is **22,818 MW**
- New England power plants generated an estimated 4.18 million metric tons of CO<sub>2</sub>
  - Up from 2.77 million metric tons in January 2021
  - Heavier reliance on oil accounted for most of the difference, with oil-fired resources producing an estimated 1.71 million metric tons of CO<sub>2</sub>, compared to 32,914 metric tons in January 2021



For more details, see the [ISO Newswire](#)

# Modeling and Assessing Operational Impacts of Extreme Weather Events

*Considering how to study New England's reliability risks from severe weather events*

- The ISO is working with the Electric Power Research Institute (EPRI) to:
  - Conduct a probabilistic energy-security study for the New England region under extreme weather events
  - Develop a framework for the ISO to assess operational energy-security risks associated with extreme weather events
- Weather is a key factor affecting resource (i.e. energy) availability, demand patterns, and related reliability concerns
- Extreme weather events in Texas and California have made it apparent that multi-day or longer energy deficiencies have serious consequences to residents and the economy
  - Energy-security risks in New England are [well documented](#)



# ISO Filed Results of Forward Capacity Auction #16

- On March 21, ISO filed the **results of FCA #16**, held on February 7
  - ISO requested a July 19, 2022 effective date
- **FCA #16** procured the resources needed to meet the demand for electricity, plus reserve requirements, during the June 1, 2025 to May 31, 2026 capacity commitment period
- Prices varied by zone for the 2025-2026 period, from \$2.531 per kilowatt-month (kW-month) to \$2.639 kW-month
  - Northern New England and Maine Capacity Zones: \$2.531/kW-month
  - Southeast New England Capacity Zone (SENE): \$2.639/kW-month
  - Rest-of-Pool Capacity Zone: \$2.591/kW-month
- **Total value** of the capacity market: \$1.04 billion (preliminary estimate)
- **FCA #17** will be held March 6, 2023



FCA #16 Results Filing: [https://www.iso-ne.com/static-assets/documents/2022/03/fca\\_16\\_results.pdf](https://www.iso-ne.com/static-assets/documents/2022/03/fca_16_results.pdf)

# MOPR-Elimination Proposal Pending at FERC

- On March 31, the ISO and NEPOOL filed a proposal to eliminate the minimum offer price rule (**MOPR**)
  - Transition mechanism for FCAs #17 and #18
    - Allow a substantial amount of state-sponsored policy resources to enter the market without buyer-side, market-power mitigation review
  - Fully eliminate the MOPR for FCA #19, and introduce reformed buyer-side market power review and mitigation rules
  - Filing requests FERC approval by May 30, 2022

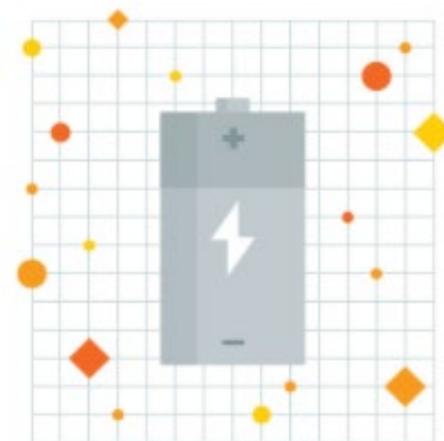
**Newsire article:** [Region's clean energy transition continues as ISO-NE files proposal to eliminate the MOPR - ISO Newsire](#)

FERC Filing: [https://www.iso-ne.com/static-assets/documents/2022/03/mopr\\_removal\\_filing.pdf](https://www.iso-ne.com/static-assets/documents/2022/03/mopr_removal_filing.pdf)



# ISO New England's Order 2222 Compliance Proposal

- On February 2, the ISO filed its proposal to comply with FERC Order No. 2222 related to Distributed Energy Resource Aggregations (DERAs)
- The Proposal:
  - **Creates two new participation models and amends several existing models** in order to allow DERAs to participate in the ISO's energy and ancillary service markets; and
  - Amends the tariff to **allow DERAs to participate as capacity resources in the Forward Capacity Market (FCM)**
- The Proposal has proposed two effective dates:
  - FCM-related changes would go into effect in Q4 2022, in order to **allow DERAs to participate in Forward Capacity Auction #18 (FCA #18)**
  - Energy and Ancillary Service changes would be effective in Q4 2026, allowing DERAs to be commercial and integrate beginning on June 1, 2027 – the beginning of the FCA #18 Capacity Commitment Period



**Newsire Article:** [ISO-NE files its Order No. 2222 compliance proposal with FERC](#)

For more information: [Order 2222 Key Project Page](#)

# Interconnection Jurisdiction for Distribution-Connected Generating Facilities

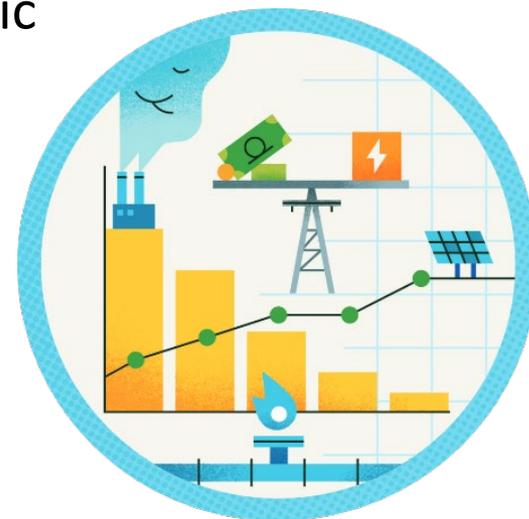
- The ISO proposes to change relevant sections of the Interconnection Procedures in Schedules 22 and 23 of the Open Access Transmission Tariff to identify that all new distribution-connected generation should proceed through the state interconnection process
  - The application of the I.3.9 process to state jurisdictional interconnections will be unchanged
- **Schedule:**
  - March – May: Discussion at the NEPOOL Transmission Committee (TC)
  - May 31: TC vote planned
  - June 2: NEPOOL Participants Committee vote planned



# Pathways to the Future Grid

## *Exploring Potential Market Frameworks To Support the Power Grid's Evolution*

- The ISO modeled four potential market designs that could help the region **decarbonize** the New England electric system
  - Net Carbon Pricing
  - Forward Clean Energy Market (FCEM)
  - Hybrid of the two (FCEM and Net Carbon Pricing)
  - Status quo (state procurements of clean energy)
- A [draft report](#) is now available
  - Focuses on the tradeoffs in economic and regulatory considerations between approaches
  - Accounts for the particular circumstances of New England's electricity grid, including the potential for variable renewable electric generation
- Under all cases, region-wide emissions from the electricity sector **will be 80% below 1990 levels in 2040**



The most up-to-date information on the Pathways study is available at

<https://www.iso-ne.com/committees/key-projects/new-englands-future-grid-initiative-key-project>

# 2050 Transmission Study: A High-Level Study for the Years 2035, 2040, and 2050

- **Initial results** were presented at the [Planning Advisory Committee](#) on March 16
- Initial study scope and assumptions were developed **in conjunction with the New England states**
- Aims to **inform the region** of the amount, type, and high-level cost estimates of transmission infrastructure that would be needed to cost-effectively:
  - Reliably serve peak loads, including electrified transportation and heating, in a clean-energy future
  - Meet state energy policy requirements and goals, including economy-wide decarbonization
- System peak grows substantially and shifts to **winter-peaking**
  - Winter peak increases from approx. 22 GW in 2031 to nearly 57 GW by 2050
  - System peak increases from approx. 25 GW in 2031 to nearly 57 GW by 2050
- Looks **well beyond** the ISO's 10-year horizon for transmission, but is **not** a plan to build specific projects



# Consumer Liaison Group: 2021 Report, 2022 Meetings

- On March 9, the ISO and the CLG Coordinating Committee posted the **2021 annual report**
- **2022 meeting dates:**
  - Thursday, June 9
  - Thursday, September 15
  - Wednesday, November 30
- CLG meetings are:
  - A **forum** for sharing information between ISO New England and electricity consumers in the region
  - **Developed** by the CLG Coordinating Committee and **facilitated** by ISO New England
  - **Free** and **open** to the public



2021 CLG Annual Report is posted at: [https://www.iso-ne.com/static-assets/documents/2022/03/2021\\_report\\_of\\_the\\_consumer\\_liaison\\_group\\_final.pdf](https://www.iso-ne.com/static-assets/documents/2022/03/2021_report_of_the_consumer_liaison_group_final.pdf)

More information on the CLG is available at: <https://www.iso-ne.com/committees/industry-collaborations/consumer-liaison/>

# FOR MORE INFORMATION...



## Subscribe to the *ISO Newswire*

[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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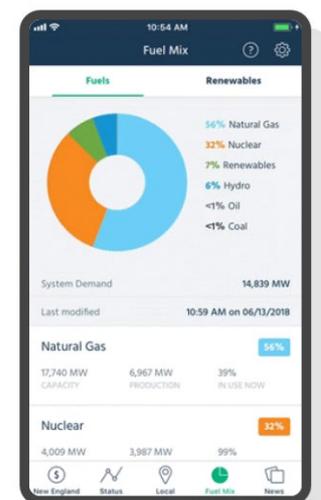


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## Download the ISO to Go App

[ISO to Go](#) is a free mobile application that puts real-time wholesale electricity pricing and power grid information in the palm of your hand



# Questions

