JANUARY 21, 2026 | S. BURLINGTON, VT

ISO New England Regional Update

Vermont System Planning Committee
January 2026 Quarterly Meeting

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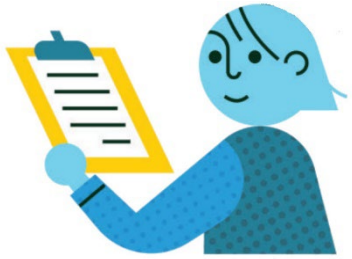
Today's Updates



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NEWS, RESOURCES & EVENTS

Open Meeting of the ISO Board of Directors

- The ISO Board of Directors held an **open board meeting** **Nov. 5** to give the public an opportunity to observe the Board's discussions firsthand
  - The meeting materials and recording are posted on the ISO website
- Members of the public addressed the Board directly during the listening session
  - Written comments were accepted prior to and after the meeting
- Comments submitted to the Board have been compiled and posted on the ISO website
  - Submit comments to BoardofDirectors@iso-ne.com

ISO-NE Statements on Generation Projects

- The Department of the Interior's Bureau of Ocean Energy Management (BOEM) issued a **stop work order** for Revolution Wind on Aug. 22, 2025
  - The ISO released a statement on the Newswire, saying in part: "Delaying the project will increase risks to reliability"
- The Department of the Interior announced a **pause** in offshore wind leases on Dec. 22, 2025, including two projects in New England: Revolution Wind and Vineyard Wind 1
  - The ISO issued a statement on Newswire, reiterating that "Both projects are included in our near-term and future modeling and analyses to ensure adequate electricity for New England" and "…delays of new generating resources also will adversely affect New England's economy and industrial growth, including potential future data centers."

Read the full statement on the ISO Newswire

MARKETS UPDATE

Monthly Market Highlights

Capacity Auction Reforms Key Project Update

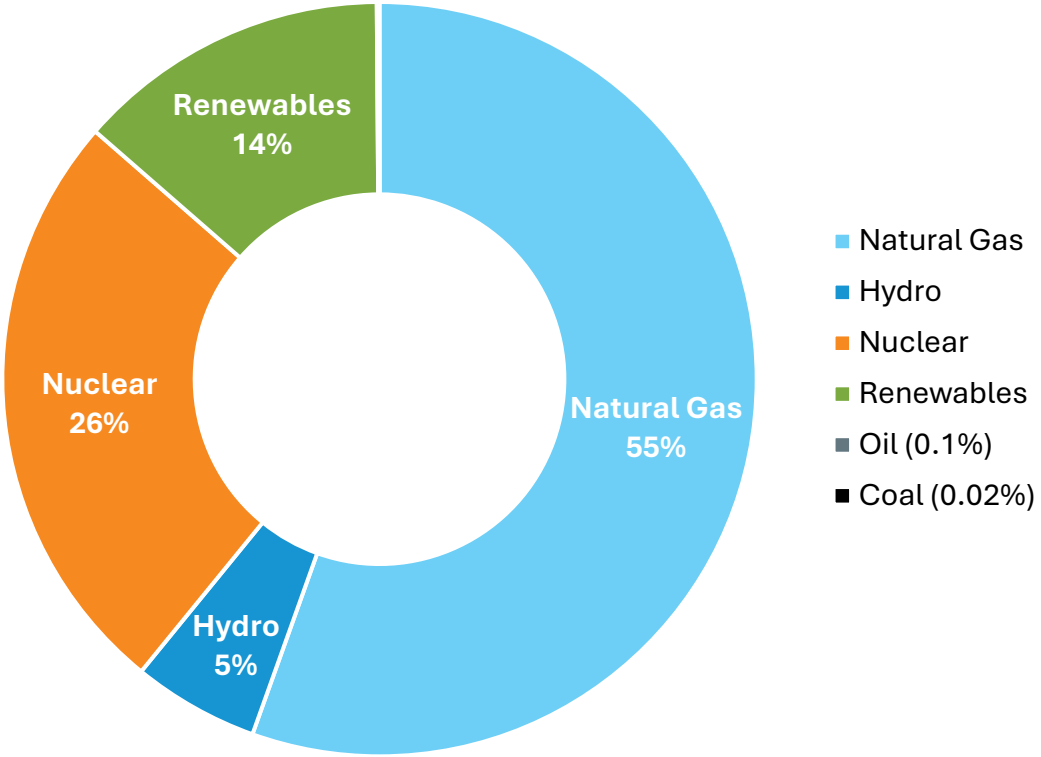
Monthly Wholesale Electricity Prices and Demand in New England, November 2025

Nov. 2025 and % Change from Nov. 2024 & Oct. 2025	Nov. 2025	Change from Nov. 2024	Change from Oct. 2025
Average Real-Time Electricity Price ($/megawatt-hour)	$61.00	51.6%	49.2%
Average Natural Gas Price ($/MMBtu)	$4.68	107.1%	97.5%
Peak Demand	16,526 MWs	4.4%	3.7%
Total Electricity Use	9,199 GWh	3.9%	6.4%
Weather-Normalized Use*	9,201 GWh	1.4%	6.7%

*Weather-normalized demand indicates how much electricity would have been consumed if the weather had been the same as the average weather over the last 20 years.

Source: ISO Newswire Monthly wholesale electricity prices and demand in New England, November 2025

Nov. 2025 Generation in New England, by Source



Source: 2025 Net Energy and Peak Load by Source

CAPACITY AUCTION REFORMS (CAR) KEY PROJECT UPDATE

Next Steps for the Capacity Market: Through 2027

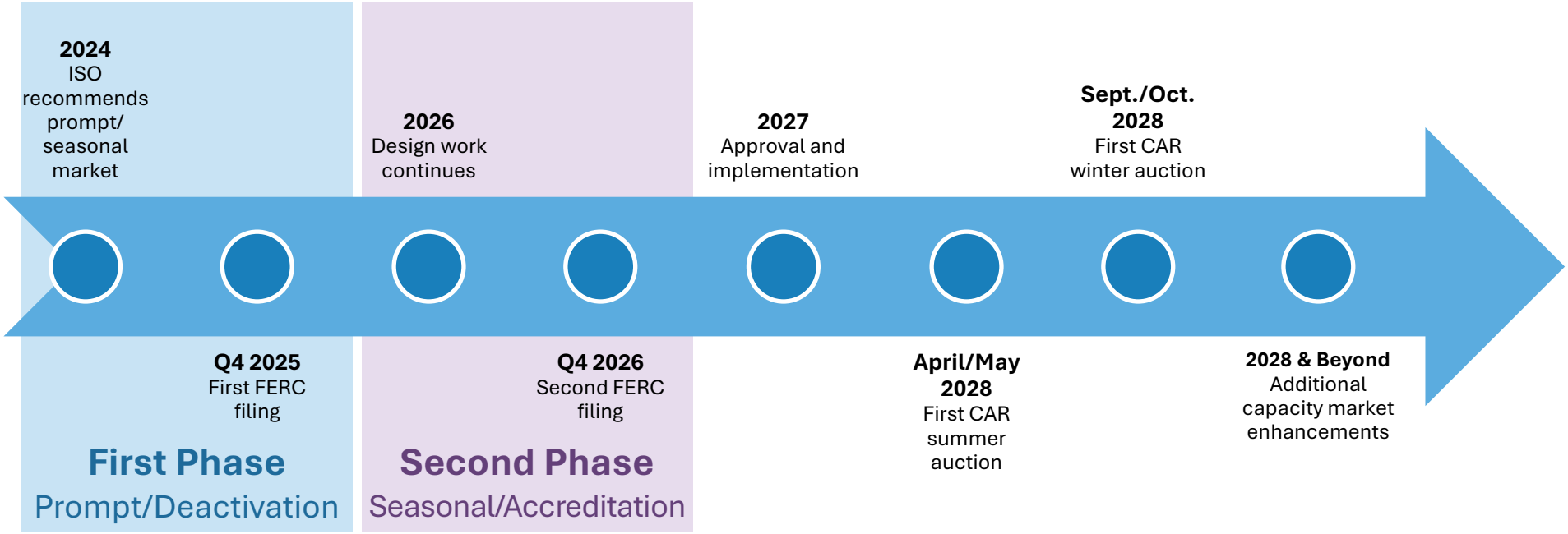
- To address system reliability and affordability as electricity demand and the resource mix change, the Capacity Auction Reform (CAR) Key Project:
  - Transitions the capacity market from a three-year forward auction to a **prompt auction** that runs shortly before the capacity commitment period (CCP)
  - Restructures the CCP from **annual to seasonal** commitment periods
  - Reshapes capacity market accreditation to more accurately reflect **resource adequacy contributions** from an evolving resource mix, from season to season
- After CAR completion, the ISO will assess the feasibility and potential benefits associated with various design additions

Learn more about the **CAR Key Project**

ISO Files 1st Phase of CAR with FERC

- In December, ISO-NE requested that FERC accept its first batch of proposed reforms to the capacity market
- The first phase involves moving capacity auctions to a “prompt” timeline, as well as updating the process for resources exiting the capacity market
  - Benefits of a prompt auction include **better forecasts**, **no “phantom” entry**, and **simplicity**
  - Under the proposal, the advanced notice required for resources to exit the market will shorten from four years to one
- The filing asks FERC to issue an order by March 31, 2026, so the core reforms will be in place in 2028 for the ISO to run the new capacity auction for Capacity Commitment Period (CCP) 19

CAR Timeline and Next Steps



OPERATIONS UPDATE

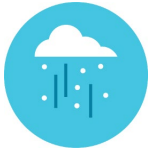
Winter 2025/2026 Outlook

New England Expected To Have Sufficient Electricity Supplies This Winter

- New England expects to have sufficient electricity supplies this winter
- ISO-NE anticipates demand for electricity will peak at **20,056 megawatts (MW)** under normal weather conditions. During extreme cold weather, demand is projected to peak at **21,125 MW**
  - These demand forecasts are similar to last year's when demand peaked at 19,607 MW on Jan. 22, 2025
- National Oceanic and Atmospheric Administration (NOAA) is projecting **slightly warmer than average** temperatures in southern New England and **near-average** temperatures in the rest of New England, though a warmer than average season does not eliminate the threat of prolonged stretches of cold weather.

Winter Seasonal Outlook Webpage & Press Release

ISO's Pre-Winter Energy Analysis



- This season marks the first time ISO-NE used the Probabilistic Energy Adequacy Tool (PEAT) to assess energy shortfall risk against the recently defined Regional Energy Shortfall Threshold (REST). PEAT is designed to quantify potential energy shortfall risk due to extreme weather events.
  - Based on this analysis, ISO-NE projects that the region is well-positioned going into the winter season and no violations of the REST were identified in the forecast modeling
- The ISO has a **rolling 21-day energy supply forecast** to identify potential energy shortfalls while there is time to prevent them or lessen their impact
  - Identifying and publicizing possible energy shortfalls weeks in advance signals to the region's wholesale energy market participants the need to contract for **additional fuel deliveries**

SYSTEM PLANNING UPDATE

Regional System Plan

Asset Condition Reviewer

Longer-Term Transmission Planning

REGIONAL SYSTEM PLAN

What is the Regional System Plan?

A wide-ranging look at the **10-year horizon** for New England's power grid

A report published **every two years** under the ISO's responsibilities as a regional transmission organization

A document prepared **in accordance with the rules** governing the ISO

Developed through a **robust and public** stakeholder process

A **technical resource** for policymakers, industry participants, and other interested stakeholders

Plan Elements

- Forecasts for electricity supply and demand
- Existing and future resource development in areas of need
- Fuel-related reliability risks
- Environmental regulations
- Federal, state, and regional initiatives
- Projections for needed capacity and operating reserves
- Transmission needs, solutions, costs, and the RSP Project List
- Interregional planning

117,262

gigawatt hours

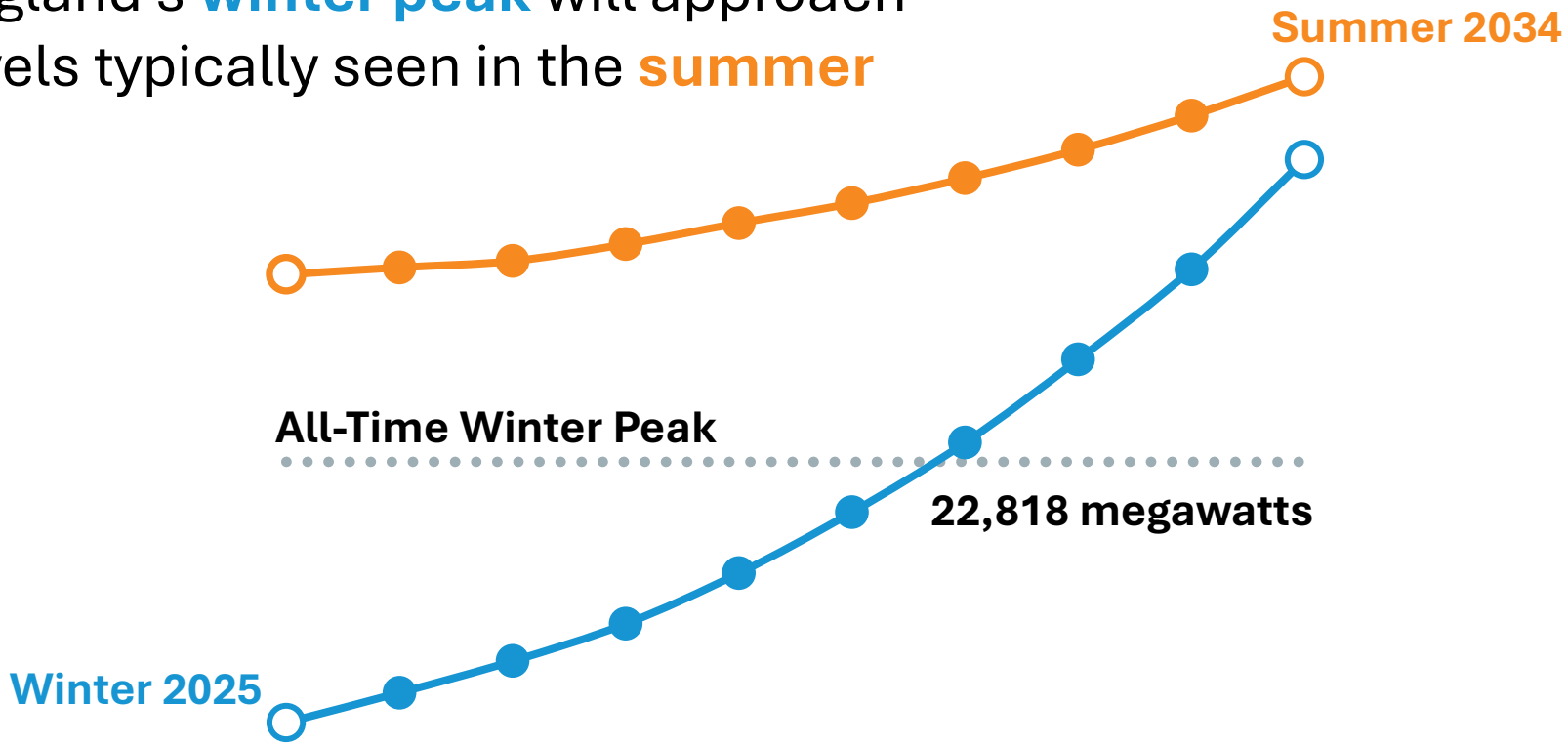
Forecasted annual electricity use in **2025**

130,665

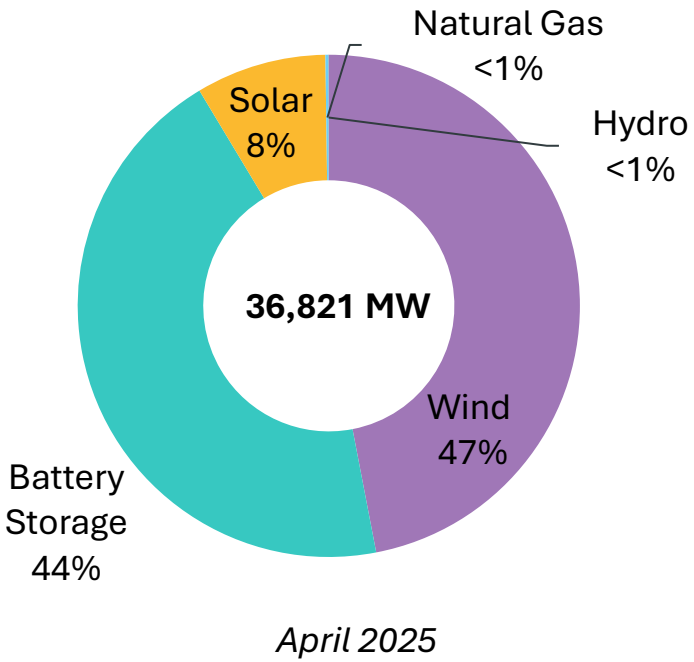
gigawatt hours

Forecasted annual electricity use in **2034**

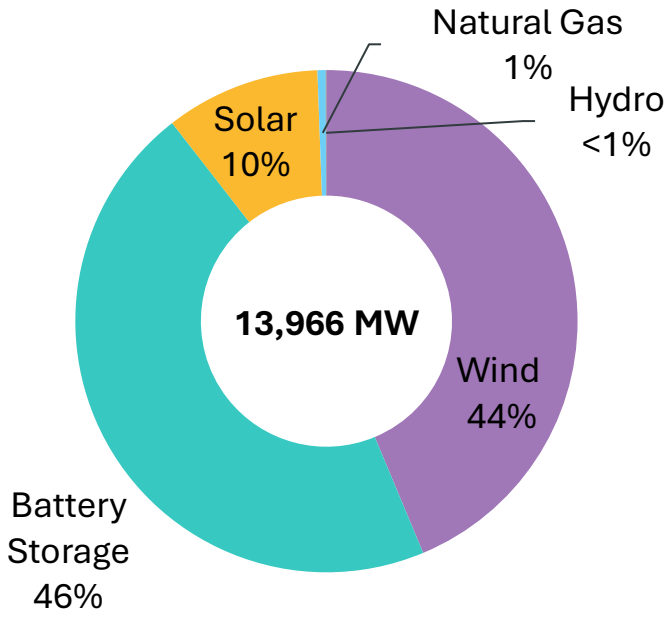
According to ISO forecasts, by 2034 New England's **winter peak** will approach levels typically seen in the **summer**



Region's Proposed Resources



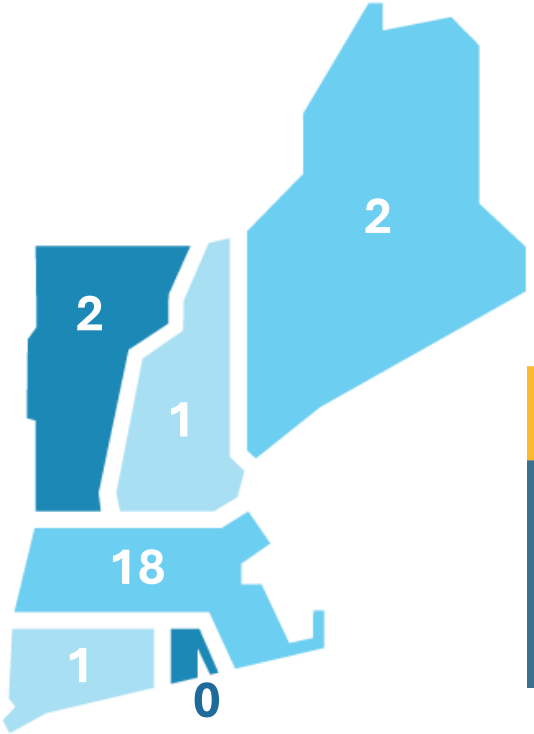
April 2025



January 2026

Source: ISO Generator Interconnection Queue, FERC Jurisdictional Proposals; Nameplate Capacity Ratings.

What's in the Transitional Cluster Study?



24 Interconnection Requests
5,707 MW*

Learn more about the TCS and associated timeline

*MW total only includes Interconnection Requests that did not complete a system impact study prior to April 4, 2025, and so will need to be studied according to the Network Capability Interconnection Standard. Totals for each fuel type represents all Interconnection Requests Participating in the TCS (including those being only studied according to the Capacity Capability Interconnection Standard), January 2026

RSP25 Takeaways

The regional grid is undergoing rapid change

Electrification is expected to drive increase in demand

Growth in renewable generation continues to outpace other resources

Seasonality of peak demand forecasted to shift

Transmission upgrades support reliability & policy

Collaboration on long-term state goals is an ISO priority

Stakeholder input is key to market and interconnection improvements

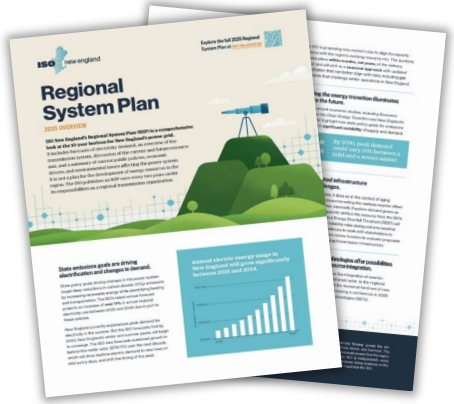
Innovative approaches power progress

Studying the future grid helps region prepare for challenges

Capacity market reforms must adapt to new resource mix

New technologies support a changing grid

Access the RSP25 Summaries & Presentations



[2025 Regional System Plan Summary - English]

[2025 Regional System Plan Summary – Spanish/Español]

The ISO hosted the **2025 Regional System Plan (RSP25) Public Meeting** on Nov. 5, with an opportunity to provide feedback

- The meeting recording and materials are available on the **ISO website**

www.iso-ne.com/rsp

ASSET CONDITION REVIEWER

ISO is Developing a New Function to Provide Oversight of Asset Condition Projects

- In response to state and stakeholder requests, with certain boundary conditions established, the ISO has committed to take on a **new advisory role** as Asset Condition Reviewer (AC Reviewer)
- Development of a framework to establish this role is a novel undertaking in the industry that will require time, resources and stakeholder engagement
  - The ISO has **prioritized** this as a key project for 2026
- The new role is envisioned to provide an **independent review and opinion** of asset condition projects submitted for review by the Transmission Owners (TOs)
  - Generally, asset condition projects are upgrades to the power grid that replace deteriorating transmission facilities
- ISO expects to finalize the framework for the role by **January 2027**

Asset Condition Reviewer Update

Efforts are underway to develop a framework for a permanent role & begin interim reviews

- ISO-NE provided an update on the AC Reviewer key project, at the October Planning Advisory Committee (PAC) meeting and requested feedback
- In response to requests to begin asset condition project reviews as soon as possible, the ISO will be conducting **interim reviews** on selected projects through 2026
  - ISO will utilize consultants to provide the necessary expertise to perform the interim reviews
- The PAC presentation included a proposed **draft list of asset condition projects** for the interim reviews
- Discussions to develop a framework for the permanent AC Reviewer role begin Jan. 21

Learn more about the **Asset Condition Reviewer Key Project**

Learn more about the AC Reviewer key project on the ISO Newswire

LONGER-TERM TRANSMISSION PLANNING

Longer-Term Transmission Planning RFP

- ISO received 6 Longer-Term Proposals:
  - 3 primarily AC transmission; 3 primarily HVDC transmission
  - All designs claim to support 1,200 MW of northern ME wind
  - Cost estimates range from $0.96B to $4.04B**
  - In service dates Q4 2032 to Q3 2035 (12/31/2035 target)
- Bid summaries are available on the ISO website

* May be either Preferred Longer-Term Transmission Solution or Preferred Longer-Term Transmission Proposal, depending on whether Attachment K Section 16.4(i) or 16.4(j) applies. Schedule subject to change; **Costs may include estimates for corollary upgrades that may change with final PTO provided cost estimates.

Questions

About the Presenter

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For More Information

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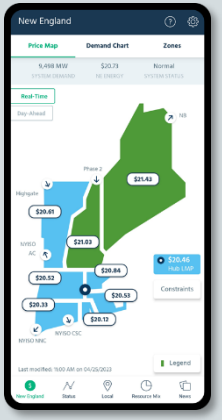

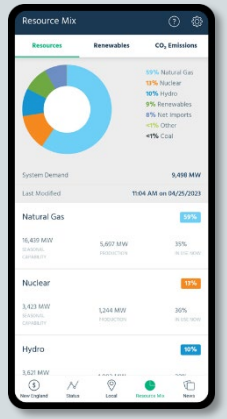

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