OCT 28, 2026 | KILLINGTON, VT

ISO New England Regional Update

Vermont System Planning Committee
October 2026 Quarterly Meeting

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ISO-NE PUBLIC

TODAY'S UPDATES

- News, Resources & Events
- Markets Update
  - Monthly Market Highlights
  - DA A/S Market Refinements
- 2027 Annual Work Plan
- System Planning Update
  - Longer Term Transmission Planning updates
  - Asset Condition Reviewer
  - FERC Show Cause Order on Large Load Integration
  - FERC Order No. 1920 Compliance
  - Interconnection Reforms/Cluster Studies Update

NEWS, RESOURCES & EVENTS



Annual Open Meeting of ISO-NE Board of Directors



- The ISO-NE Board of Directors will hold an **open board meeting** on **Nov. 10** to give the public an opportunity to observe the Board's discussions firsthand
  - The meeting will take place virtually and in person in Boston, MA
  - There will be an opportunity to address the Board directly, and submit written comments prior to and after the meeting
  - Registration and meeting details, including how to sign up for the listening session, are available on **the ISO Calendar**

ISO-NE's 2026 Regional Electricity Outlook



LONG-TERM VISION. NEAR-TERM PRIORITIES.

An overview of our multi-year roadmap that prioritizes reliability and affordability through a period of increased uncertainty

Dynamic graphics and plain-language explanations make the region's changing grid accessible to a wide audience

One Place to Understand the Work Ahead



9% forecasted ↑ in energy use 2026 to 2035

Winter-peaking system by the 2030s



Planning transmission for a dispersed resource mix



Technology & security that improves resilience and reduces risk



Future "what-if" scenarios and resource needs by 2050



Capacity market reforms & daily operations reliability



Learn more at iso-ne.com/reo

MARKETS UPDATE

Monthly Market Highlights

DA A/S Market Refinements

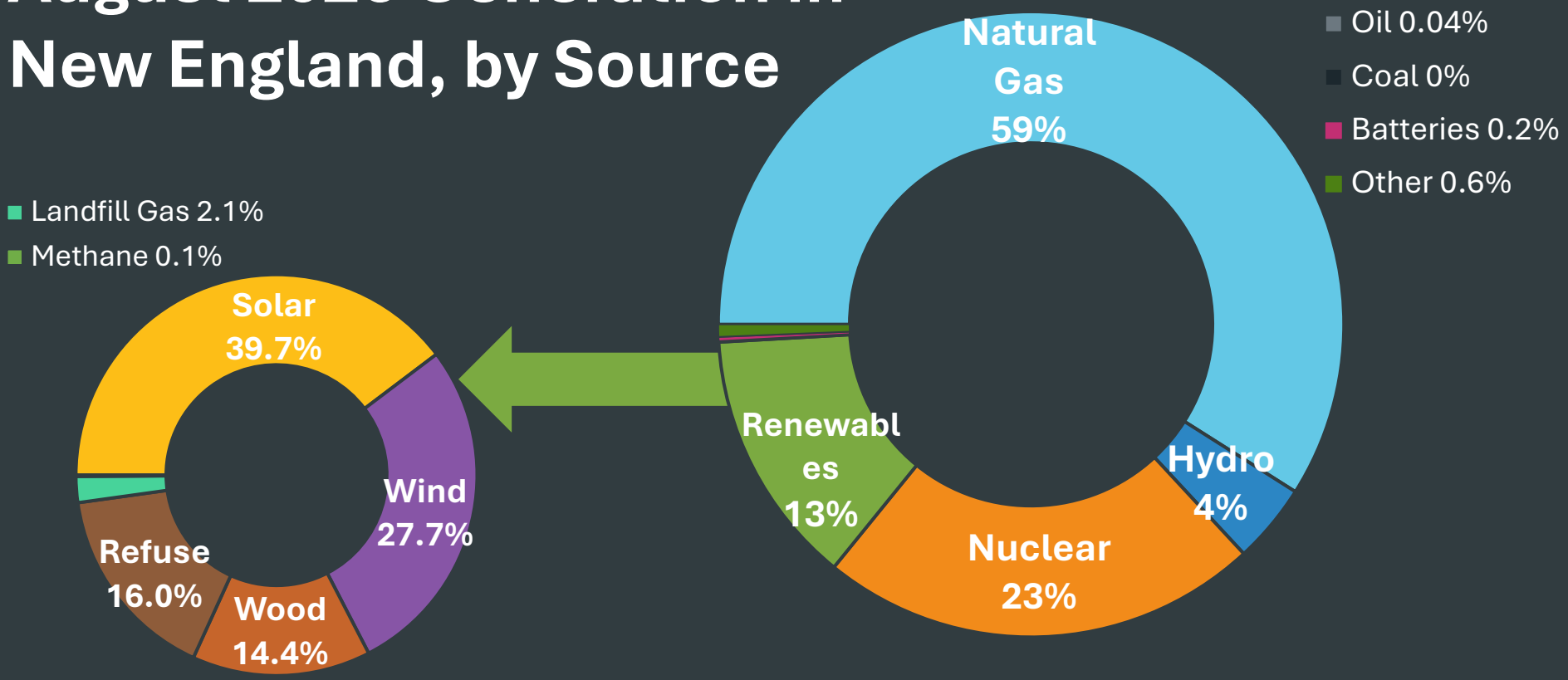


Monthly Wholesale Electricity Prices and Demand in New England, August 2026

August 2026 and % Change from August 2025 & July 2026	August 2026	Change from August 2025	Change from July 2026
Average Real-Time Electricity Price ($/megawatt-hour)	$54.43	+32.6%	−0.4%
Average Natural Gas Price ($/MMBtu)	$2.24	−11.5%	−17.3%
Peak Demand	24,191 MW	+4.8%	−6.4%
Total Electricity Use	11,383 GWh	+10.2%	−0.5%

Source: ISO Newswire, “Monthly wholesale electricity prices and demand in New England, August 2026” (Oct. 6, 2026)

August 2026 Generation in New England, by Source



Source: **2026 Net Energy and Peak Load by Source**

*Resources that could be included in Other are demand response, hybrid solar/battery, hybrid wind/battery, fuel cells, and geothermal resources.

DA A/S MARKET REFINEMENTS

DA A/S Market Refinements

Maintaining Reliability While Improving Cost Efficiency

Since the Mar. 2025 launch of ISO's Day-Ahead Ancillary Services (DA A/S), operating experience, market observations, and stakeholder feedback identified opportunities to improve cost-effectiveness while preserving the reliability benefits DA A/S was designed to deliver



Adjustments to **four market parameters** (Forecast Energy Requirement Demand Quantity, Non-Performance Factor, Strike Price, Impact Test Threshold Floor) identified through stakeholder discussions and recommendations from the IMM



No change to the core objective of the market:

- Continue transparent market-based procurement of reliability services
- Preserve incentives for generators and storage resources to perform, particularly during stressed system conditions when needed



ISO-NE's filing was approved by FERC in Sept. 2026

DA A/S Market Refinements, cont.

Maintaining Reliability While Improving Cost Efficiency

DA A/S strengthened system preparedness during stressed conditions

Approximately 50% of first-year DA A/S costs occurred during 12 stressed operating days

- During these days, DASI resulted in more long-lead generation clearing day-ahead, leaving more flexible, fast-start capability available to respond to unexpected real-time conditions.
- Reliability indicators are promising, but it is too early to attribute observed improvements solely to DASI.

The changes do not eliminate procurement of reliability services

The proposal retains the market framework that ensures resources have strong incentives to respond to generator outages, renewable variability, and other operational risks



Expected impact of market refinements

- ✓ Lower overall ancillary service costs through more efficient procurement
- ✓ Maintain strong incentives for resource performance during challenging operating conditions
- ✓ Preserve reliability performance achieved since DA A/S implementation
- ✓ Improve market efficiency without requiring a fundamental redesign of the market

2027 ANNUAL WORK PLAN

The 2027 AWP Sets the ISO's Project Priorities

The Annual Work Plan is designed to improve upon existing ISO systems, practices, and services to New England



2027 Annual Work Plan
(final Oct. 8, 2026)

DEFINE

Build the portfolio based on ISO-NE's assessment of markets, operations, and planning needs, federal actions, regional policy priorities, and stakeholder requests

PRIORITIZE

Elevate anchor projects and related core implementations as the ISO's highest-priority work

SEQUENCE & ADAPT

Regional commitment on 2027 priorities with mid-year review of emerging projects and project scope

2027 Anchor Projects and Core Implementations

Six major workstreams concentrate the ISO's 2027 development and implementation efforts

01

CAPACITY AUCTION REFORMS

Prompt / seasonal auction design and resource accreditation

02

DYNAMIC OPERATING RESERVES

Reserve design for increasing variability and uncertainty

03

LARGE LOAD INTEGRATION

Processes for large and co-located loads

04

TRANSMISSION PLANNING COMPLIANCE AND ENHANCEMENTS

Competitive-solicitation implementation & Order 1920 compliance; rules for transmission right-sizing

05

ASSET CONDITION REVIEWER

Independent review of qualifying transmission-owner proposals

06

MAJOR IT IMPLEMENTATIONS

Orders 2222 / 881 and the nGEM market-clearing platform

Source: ISO New England, 2027 Annual Work Plan (final Oct. 8, 2026)

The AWP Enables Regional Stakeholders to Plan and Prepare for Upcoming Work

GREATEST FOCUS	Efforts center on anchors and implementations in 2027 and beyond
WORK IN PROGRESS	The year ahead emphasizes completing development and implementation of large projects already underway
REGIONAL ALIGNMENT	Upfront agreement on ISO, NEPOOL and state priorities is intended to keep projects and schedules on track
SCHEDULE PRESSURES	Expanded requests, regional policy interests, emergent issues and FERC actions can shift priorities
SPRING UPDATE	ISO Strategic Plan items that may target 2027 stakeholder discussions would be reflected in the 2027 AWP Update and reviewed with stakeholders in the spring

Source: ISO New England, 2027 Annual Work Plan (final Oct. 8, 2026)

PLANNING UPDATE

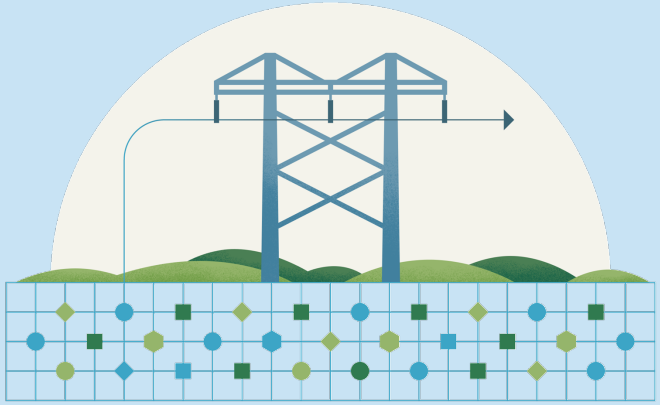
Longer-Term Transmission Planning

Asset Condition Reviewer

Large-Load Interconnection

FERC Order No. 1920

Interconnection Reforms/Cluster Study Update



LONGER-TERM TRANSMISSION PLANNING

Longer-Term Transmission Planning (LTTP)

ISO-NE translated state-informed future scenarios into a focused transmission request for northern New England

ANALYZE THE FUTURE GRID

2020: New England States Committee on Electricity **recommends** the ISO work with stakeholders to conduct a **comprehensive long-term regional transmission study**

2024: **2050 Transmission Study** is the **first longer-term transmission study**

2025: At the direction of NESCOE, ISO issues a **request for proposals** (RFP)

2026: ISO assessed proposals & provided updates through the **Planning Advisory Committee**

STATE-IDENTIFIED NEEDS FOR THE 2025 LTTP RFP

3,200 MW Surowiec–South transfer capability

3,000 MW Maine–New Hampshire transfer capability

1,200 MW to accommodate new onshore wind near Pittsfield, Maine



Learn more: **Longer-Term Transmission Studies**

2025 Longer-Term Transmission Planning RFP Project Selection Made in July 2026

ISO-NE EVALUATION

Six proposals were assessed against:



- RFP and Tariff requirements
- Technical feasibility
- Regional cost and benefits
- Constructability
- Financial capability
- NESCOE evaluation priorities

Some proposals were disqualified for not meeting Tariff, RFP, or technical requirements

September 2026

LTP A1 selected for inclusion in the RSP Project List

AC upgrades in ME and NH, primarily in existing rights-of-way

$2.2B	Q4 2032	2.10	September 2026
installed cost	projected in service	benefit-cost ratio	regional cost allocation confirmed

Sources: ISO-NE 2025 LTTP RFP review and July 2026 selection; NESCOE September 2026 cost-allocation letter

Next Steps for 2025 LTTP RFP

- Further rigorous analysis required of any new project interconnecting to the system
- Updates will continue to be made, as appropriate, through the PAC
- Discussions on LTTP lessons learned are expected to begin at the PAC in Q4 2026



ASSET CONDITION REVIEWER

Asset Condition Reviewer

Purpose and Process

ISO will provide **oversight and independent review** of Transmission Owner's proposed asset condition projects to replace deteriorating transmission facilities

SCOPE • Select projects, generally ≥ $25M • Advisory only • Findings reported through PAC

1

CONFIRM THE NEED

Review asset condition and the rationale for replacement

2

EVALUATE PROPOSAL

Review proposed solution and alternatives

3

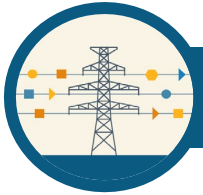
PROVIDE AN INDEPENDENT VIEW

Assess Transmission Owner practices and project conclusions

4

REPORT FINDINGS

Share conclusions through the Planning Advisory Committee



Learn more: **Asset Condition Reviewer Key Project**

ISO Files Tariff Revisions at FERC to Establish Asset Condition Reviewer Role

AUGUST 2026

Tariff revisions filed

ISO filed with FERC to establish the formal AC Reviewer role

UNANIMOUS

Regional support of revisions

Approved by the NEPOOL Participants Committee and PTO Administrative Committee

THROUGH 2026

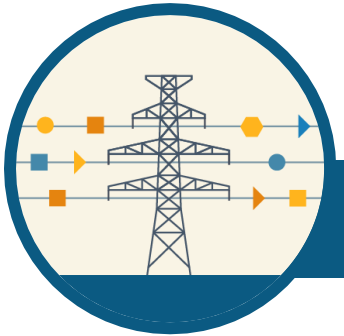
Interim reviews continue

ISO and its consultant will review select asset condition projects

JANUARY 2027

Role becomes effective

FERC accepted the revisions establishing ISO-NE as the Asset Condition Reviewer for New England; effective Jan. 1, 2027



FERC approval establishes ISO-NE as New England's Asset Condition Reviewer, with implementation beginning Jan. 1, 2027

LARGE LOAD INTEGRATION

Large-Load Integration Proposal Advances Toward November Filing

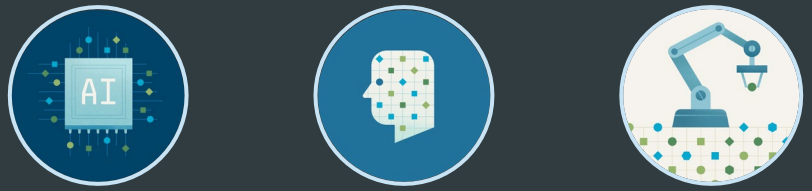
ISO-NE and the PTOs are developing dedicated Section 205 rules for large and co-located loads

Proposed Scope

- Generally applies to commercial or industrial sites with **≥50 MW gross peak demand**, typically interconnected at 69 kV or above

Implementation Milestones

- **Aug. 14:** FERC granted a 90-day abeyance
- **Nov. 16:** Section 205 tariff filing due
- **June 1, 2027:** Large Load Study process begins



PROPOSED FRAMEWORK

Generator Coordination: Large Load Co-Located Generator (LLCLG) and Large Load Electrically Proximate Generator (LLEPG) interconnection processes

Supporting Agreements: study, service, interconnection + cost recovery

Exemptions + Transition: treatment for existing and in-progress requests

Phased Rollout: tariff rules precede the new study process

Tariff Redlines: clarify applications, studies + service

FERC ORDER NO. 1920 UPDATE

Order 1920 Creates a Repeatable Long-Term Planning Cycle

A 20+ year regional process to test multiple futures, select cost-effective solutions, and formalize the states' role in cost allocation

FUTURE SCENARIO PLANNING

1 IDENTIFY NEEDS

Multiple future scenarios reveal reliability and economic needs

2 DEVELOP SOLUTIONS

Compare upgrades, alternatives, and right-sizing; BCR ≥ 1.25

3 COMPETE TO BUILD

Propose use of a construction-bid RFP rather than today's sponsorship model

STATE ENGAGEMENT

The states are using the six-month engagement period to recommend long-term cost allocation and a potential State Agreement Process

Source: ISO-NE Order No. 1920 compliance proposal

KEY DATES

FEBRUARY 2027
State input

JUNE 2027
Compliance filing

BY JUNE 2029
First FSP cycle

INTERCONNECTION REFORMS/ CLUSTER STUDIES UPDATE

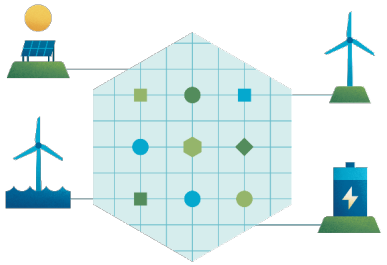
ISO-NE's Transitional Cluster Studied Record Capacity

TCS was ISO-NE's bridge from the former, serial queue to the new framework

WHY REFORM?

Order 2023

FERC required a fundamental shift to a cluster-based, "first-ready, first-served" interconnection process



BATTERY-HEAVY

18 of 23

projects studied were batteries

~4,800 MW of deliverable capacity was evaluated across all resources

RECORD PACE

~8 months

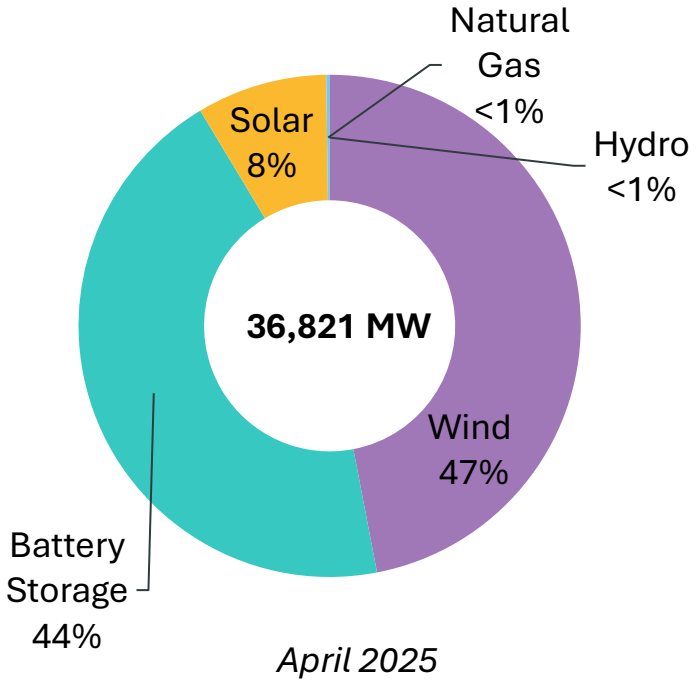
to interim results

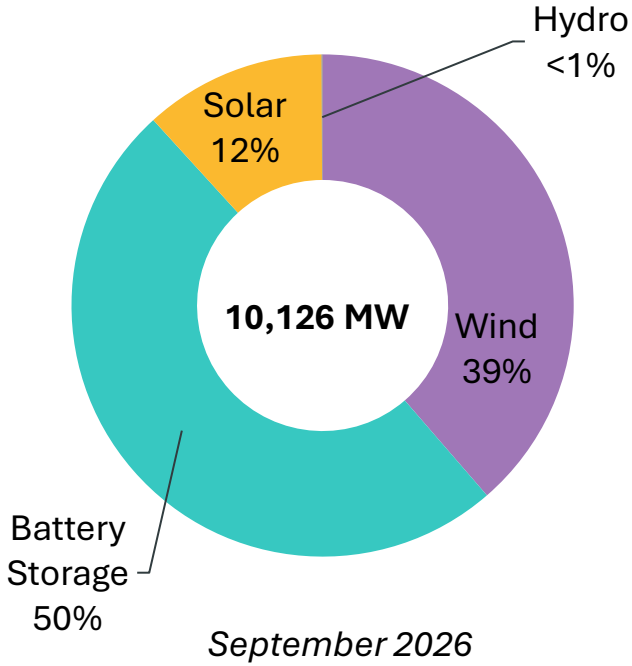
the most ≥20 MW deliverable capacity ISO-NE has ever considered in one study

TCS Final Report – identifying required upgrades, with cost & construction timeline estimates issued Aug. 6

Today's Queue Reflects Interconnection Reforms

Resource mix has stayed the same, but number of applications has dropped





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

New Heatmap Gives Developers an Earlier Grid Screen

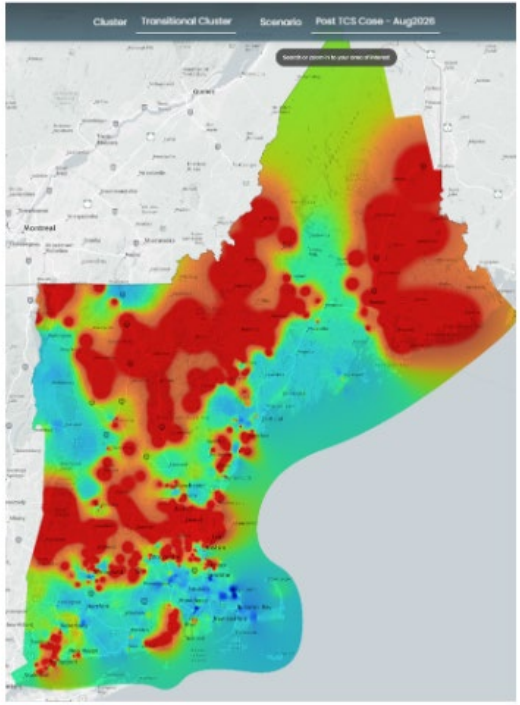
Screening tool for location and electrical feasibility

- Shows estimated capacity near grid connection points
- Not a full study, cost estimate, siting analysis, or reservation
- Released ahead of the Order 2023 deadline, a companion queue map adds location and resource-type context for active requests

Source: ISO Newswire — Interactive heatmap (Oct. 2, 2026)

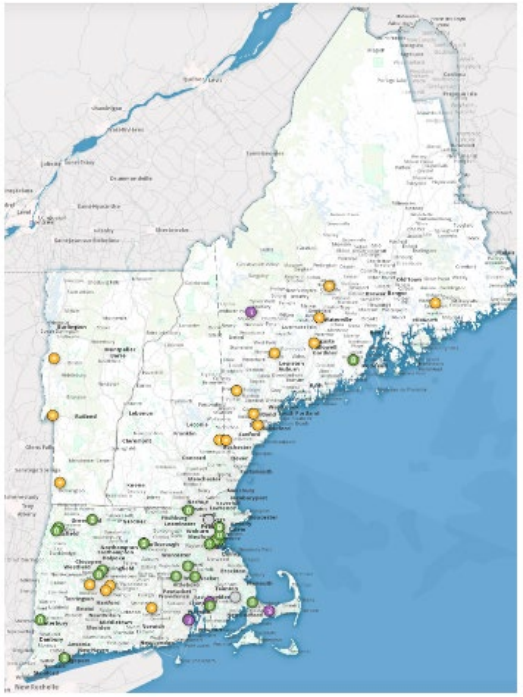
Heatmap - POI Analysis Map

Points of Interconnection (POI) Analysis Map



Queue Map

Current Queue Activity



Blue or **green** = more | **Orange** or **red** = less

Timeline & Next Steps

The Cluster Request Window will be followed by a 60-day Customer Engagement Window, which will include a Cluster Scoping Meeting; following this window, the ISO will begin study work in early 2027

June 7
ISO issued the interim TCS Report

July 7
Deadline for Interconnection Customers (ICs) to provide written comments to the ISO on the interim TCS Report

Aug. 6
ISO issued the final TCS Report

Aug. 21
ISO tendered draft Interconnection Agreements (IAs)

Oct. 5
Initial Cluster Request Window for first full study opened for 45 calendar days (Nov. 19)

Oct. 20
ICs requested to execute IA, file IA unexecuted, or enter dispute resolution

After Oct. 20
ISO issued IAs for execution to ICs

Oct. 30
ICs that requested to file IA unexecuted on Oct 20 provide IA deposit, or request is deemed withdrawn

After Nov. 4
ICs that requested to execute IA on Oct 20 provide IA deposit, or request is deemed withdrawn

Q4 2026: ISO will hold a lessons-learned meeting to identify process improvements for future Clusters and examine study methodology

Questions



About the Presenter



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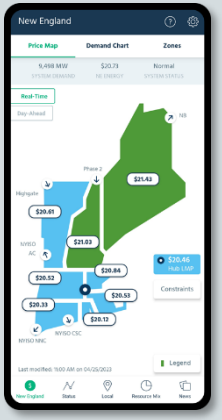
ISO Express provides real-time data on New England's wholesale electricity markets and power system operations

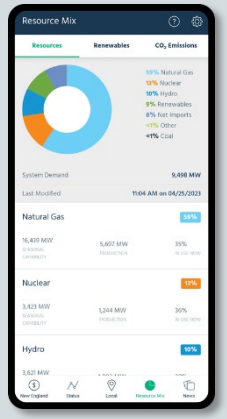
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