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ISO New England Update

Presentation to the Vermont House Committee on Energy & Digital Infrastructure

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Overview of Presentation

About ISO New England

Organizational Updates

Markets Update

System Planning Update

Transmission Planning Overview

ISO New England Publications and Opportunities to Engage

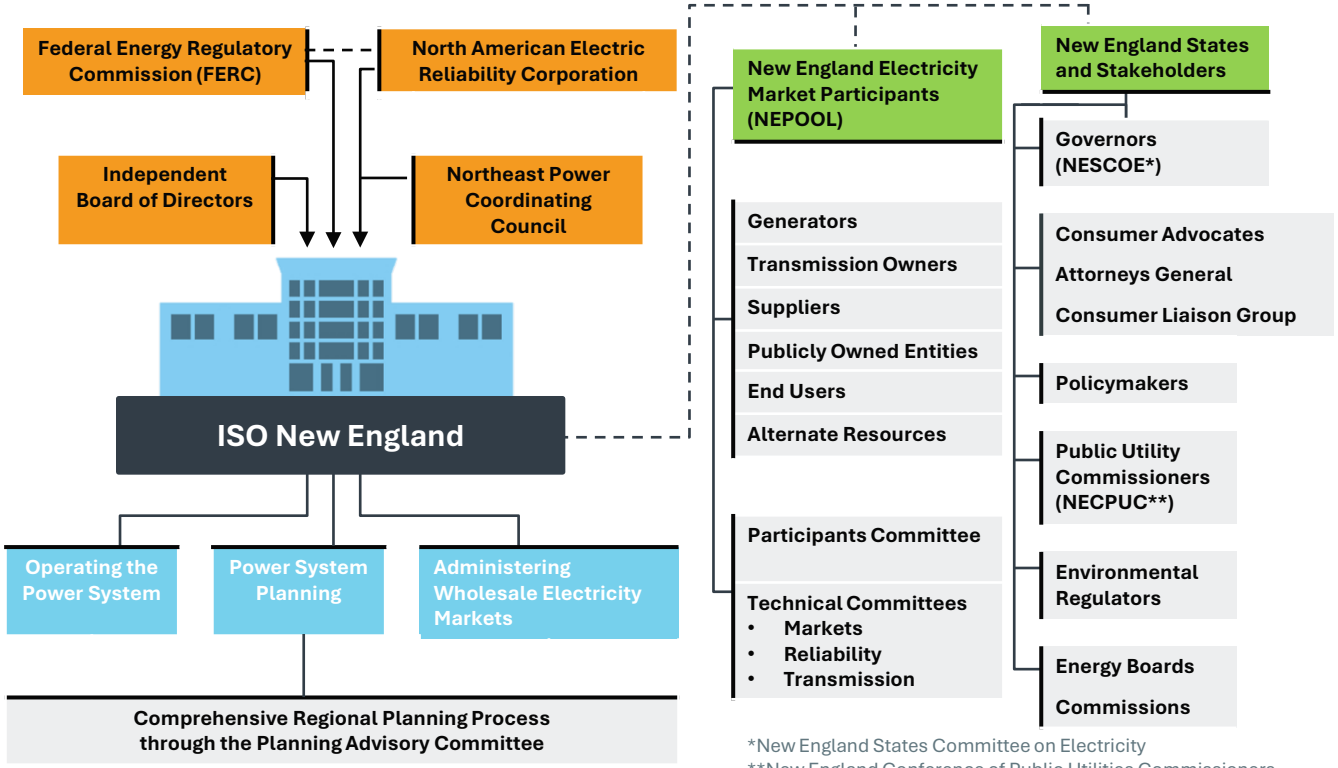
ISO New England Has Nearly Three Decades of Experience Overseeing the Region's Restructured Electric Power System

- **Regulated** by the Federal Energy Regulatory Commission
- **Reliability Coordinator** for New England under the North American Electric Reliability Corporation
- **Independent** of companies in the marketplace and **neutral** on technology

A Mission That Matters

Through collaboration and innovation, ISO New England plans the transmission system, administers the region's wholesale markets, and operates the power system to ensure reliable and competitively priced wholesale electricity

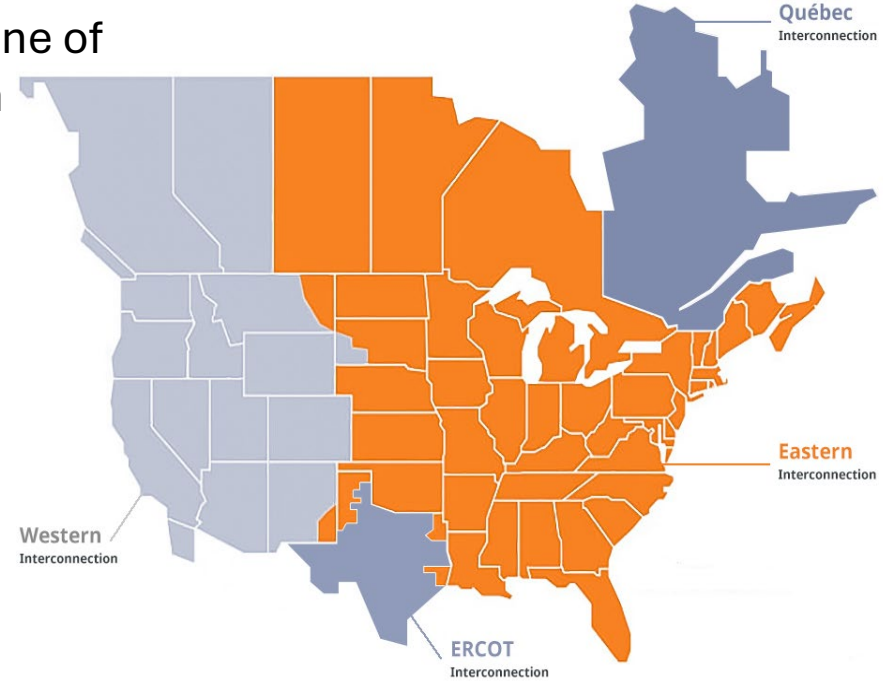
Numerous Entities Including an Independent Board Provide Oversight of and Input on ISO's Responsibilities



*New England States Committee on Electricity
**New England Conference of Public Utilities Commissioners

New England's Power Grid Is Part of a Larger Electric Power System

- Part of the **Eastern Interconnection**, one of four large power grids in North America
  - Interconnected through primarily alternating current (AC) transmission
- Tied to **Québec** only through direct current (DC) transmission
- 2003 blackout ushered in wide-area monitoring and **mandatory** reliability standards
- Subject to reliability standards set by **NERC** and **NPCC***



* North American Electric Reliability Corporation (NERC) and Northeast Power Coordinating Council (NPCC)

ORGANIZATIONAL UPDATES

Leadership Transition – Dr. Vamsi Chadalavada

- Dr. Vamsi Chadalavada became ISO's president and CEO effective Jan. 1, 2026, succeeding Gordon van Welie
- Chadalavada joined the ISO in 2004 as vice president for market and system solutions and was promoted to executive vice president and chief operating officer in 2008. As COO, he supervised power system and market operations, market development, system planning, information and cybersecurity services, participant relations and services, advanced technology solutions, and program management.

Read the full story on the ISO Newswire

MARKETS UPDATE

Next Steps for the Capacity Market: Through 2027

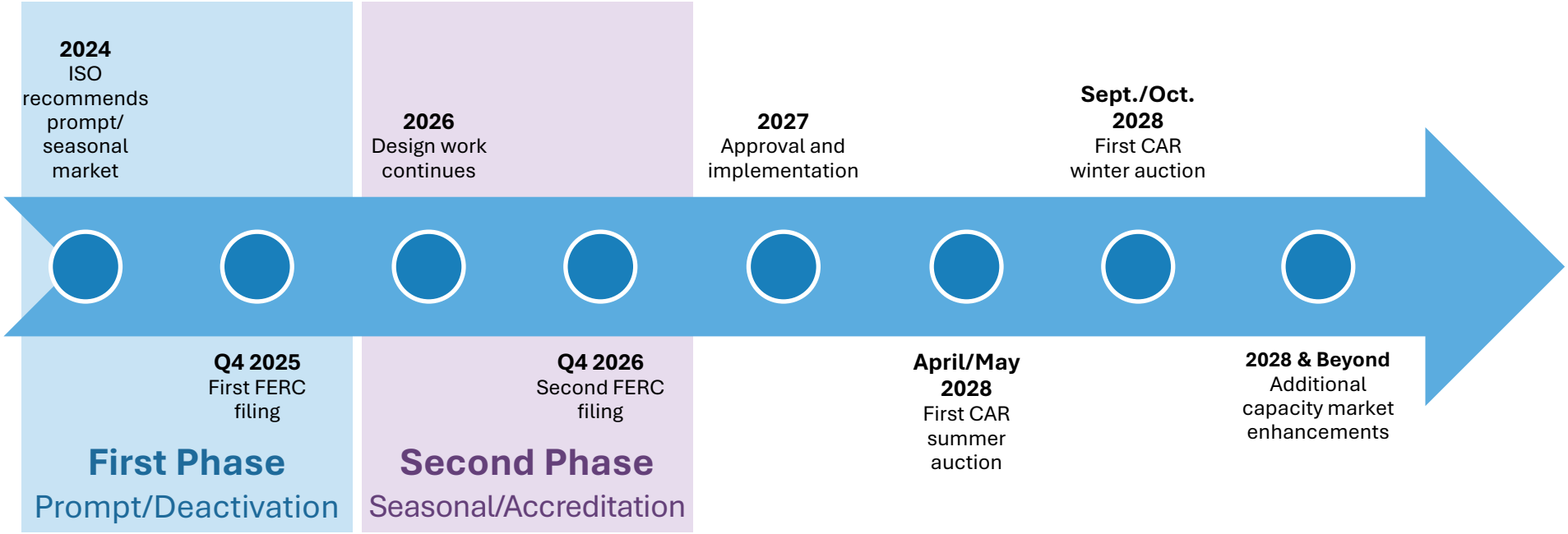
- To address system reliability and affordability as electricity demand and the resource mix change, the Capacity Auction Reform (CAR) Key Project:
  - Transitions the capacity market from a three-year forward auction to a **prompt auction** that runs shortly before the capacity commitment period (CCP)
  - 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

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 (Capacity Commitment Period 19)
- Reforms that will be addressed in the next phase include moving from annual → seasonal commitment periods and accreditation changes

CAR Timeline and Next Steps



SYSTEM PLANNING UPDATE

The ISO's Interconnection Process is in Transition

- The ISO's Order No. 2023 compliant Interconnection Procedures include several major changes to its previous "first-come, first-served" serial study-based interconnection process
  - Adopts a "first ready, first-served" cluster study process
  - Increased financial/site control requirements for those entering the ISO's interconnection process
  - A penalty structure applied to the ISO and transmission owners for delays in study completion beyond established deadlines
- On Oct.11, 2025, the ISO started the **Transitional Cluster Study** (TCS), which must be completed by Aug. 6, 2026
- State-jurisdictional interconnection studies will continue to closely coordinate with ISO Interconnection Studies

Learn more about the TCS and associated timeline

Interconnection Process – Basic Flow

Interconnection Request

Basic information: size, location, fuel type

Cluster Study

Identifies upgrades required for interconnection

Interconnection Agreement

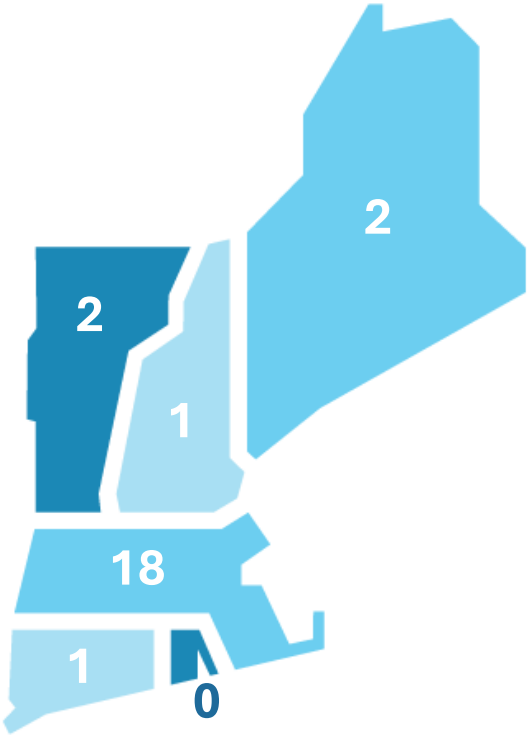
Three-party agreement between generator, ISO, and transmission owner

Construction

Generator begins commercial operation once construction is complete

For more information about this process, visit Participate > Applications and Status Changes > New or Modified Interconnections

What's in the Transitional Cluster Study?



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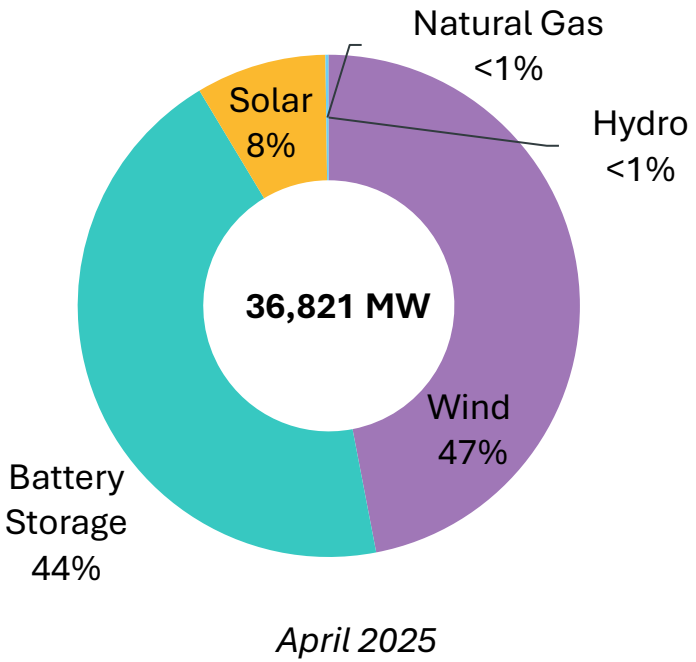
Interconnection Requests

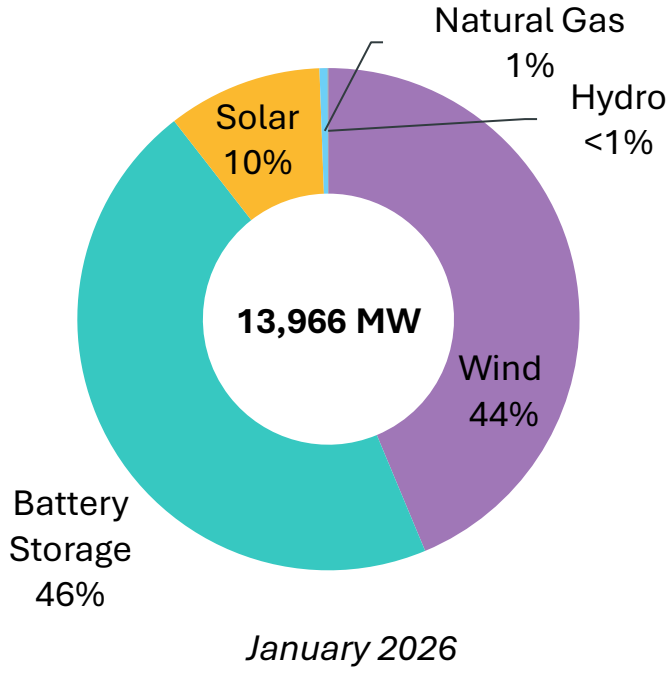
5,707 MW*

*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 Transitional Cluster Study (including those being only studied according to the Capacity Capability Interconnection Standard). January 2026

Today's Queue Reflects the Changing Interconnection Process



April 2025



January 2026

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

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 the 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

Longer-Term Transmission Planning (LTTP)

- 2020: New England States Committee on Electricity (NESCOE)'s vision statement recommended that the ISO work with stakeholders to conduct a **comprehensive long-term regional transmission study**
  - In response, the ISO began the study and received **FERC approval** to revise the ISO Tariff to establish a repeatable longer-term study process
- 2024: 2050 Transmission Study was the **first longer-term transmission study**
  - Informs stakeholders of the amount and type of transmission infrastructure necessary to provide reliable, cost-effective energy to the region through the **clean energy transition**, driven by state policy
- The region's **existing transmission system** has the potential to become a **significant bottleneck** to progress if it does not keep pace with changes to other elements of the power system

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

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.

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

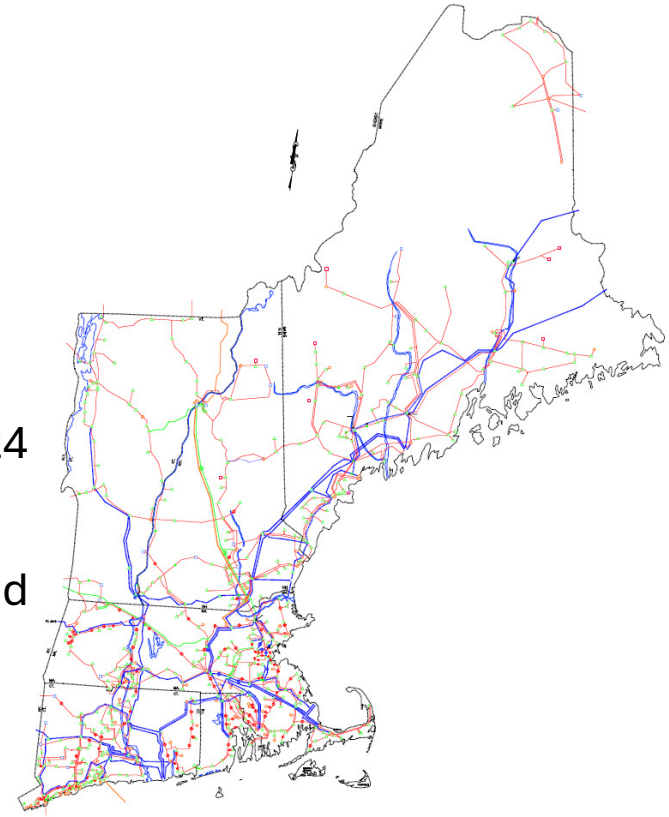
Learn more about the **Asset Condition Reviewer Key Project**

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

OVERVIEW OF TRANSMISSION PLANNING

New England's Transmission Grid Is the Interstate Highway System for Electricity

- **9,000 miles** of high-voltage transmission lines (primarily 115 kV and 345 kV)
- **13 transmission interconnections** to power systems in New York and Eastern Canada
- **9%** of region's energy needs met by imports in 2024
- **$13 billion** invested to strengthen transmission system reliability since 2002; **$381 million** planned
- Developers have proposed multiple transmission projects to access **non-carbon-emitting resources** inside and outside the region



Overview of Transmission Planning

- As the **Regional Transmission Organization**, the ISO is required to identify transmission infrastructure solutions that are essential for maintaining power system reliability in New England
- Through an **open stakeholder process**, ISO-NE is responsible for developing long-range plans to address future system needs over a ten-year planning horizon
  - Summarized in a **Regional System Plan (RSP)**
- The transmission planning process is governed by a **FERC-approved tariff**
- ISO-NE continuously revises the transmission planning process to comply with applicable FERC orders

[2025 Regional System Plan] and [Plan Summary]

System Planning Activities

Ensuring Reliable Operations in the Future

Resource Adequacy

- Forecasting regional electric energy use
  - Including energy efficiency and solar photovoltaic
- Determine annual resource needs by:
  - Monitoring resource mix and fuel security, including renewable resource integration
  - Analyzing retirements for reliability impact
- Administering ISO Interconnection Queue
- Administering New England's capacity market
- Conducting Economic Studies

Transmission Planning

- Performing transmission reliability analysis
- Developing solutions or issuing a request for competitive solutions
- Reviewing transmission costs
- Planning for public policy
- Performing Longer-Term Transmission Studies
- **Conducting interregional planning activities**

ISO New England Planning Supports Interregional Efforts

- Inter-regional planning ensures that one area's changes do not negatively impact the reliability of the transmission systems in other areas
- Seeks solutions that could cost-effectively address needs in multiple areas
- Addresses ongoing trends and changes affecting the entire industry
- New England is well situated for interregional coordination, given the seasonal diversity of demand in neighboring regions, especially the winter-peaking Canadian provinces

As the New England power system becomes dual-peaking in the mid-2030s, diversity of demand will diminish, and a well-coordinated interregional system will become even more crucial

Reliability Standards Guide Regional Planning

NERC

Reliability standards for bulk electric system in North America

Basic criteria for design and operation of bulk power system in New York, New England, Ontario, Quebec, New Brunswick, and Nova Scotia

NPCC

ISO

Reliability standards for New England area pool transmission facilities

Northeast ISO/RTOs Planning Coordination Protocol

- ISO-NE, NYISO, and PJM follow the ***Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol*** to enhance the coordination of their planning activities and address interregional planning issues
- The Joint ISO Planning Committee (JIPC) addresses interregional transmission planning issues, including system needs and proposed system improvements that reflect resource diversity, environmental compliance obligations, and resource retirements, in addition to the integration of distributed and variable energy resources
- The JIPC ensures that the interregional planning process actively engages stakeholders through the Interregional Planning Stakeholder Advisory Committee (IPSAC)
- With input from IPSAC, the JIPC develops the *Northeastern Coordinated System Plan* (NCSP) biannually

JIPC

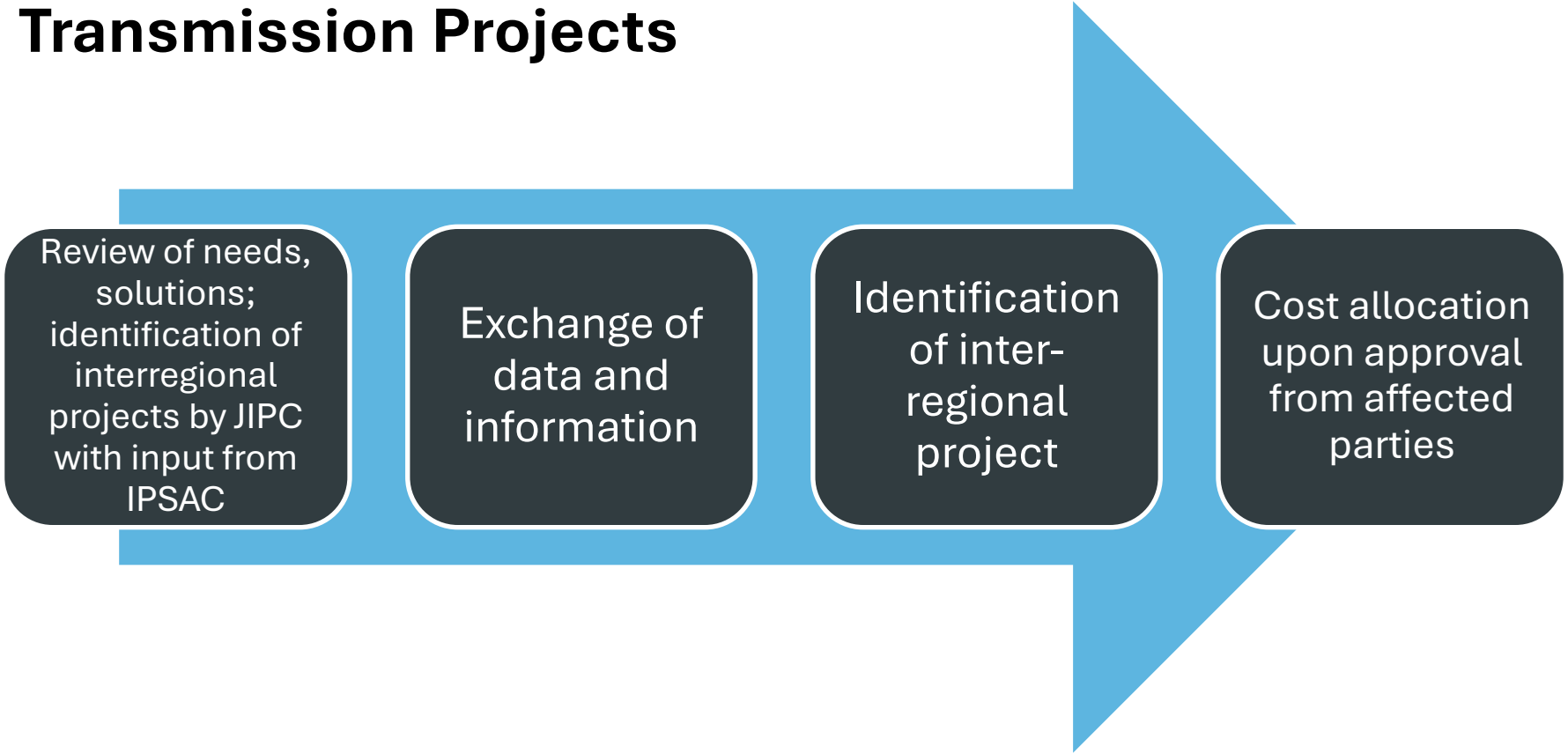
- Coordinates interregional planning activities
- Facilitates resolution of issues related to the interregional planning process
- Undertakes Sections 6* and 7** of the **Planning Protocol**

IPSAC

- Allows for stakeholder review and input to coordinated interregional system planning activities
- Provides input to JIPC activities under Sections 6 and 7 of the **Planning Protocol**
- Allows for stakeholder review & modification to interregional coordination procedures reflected in **Planning Protocol**

*Periodic interregional assessment and system expansion planning studies
**Evaluating potential interregional transmission projects pursuant to FERC Order 1000

Identification & Evaluation of Potential Interregional Transmission Projects



Cost Allocation

- Cost allocation for interregional projects is determined according to joint operating agreements between each pair of Protocol Parties (e.g. ISO-NE and NYISO), consistent with the principles of cost allocation described in **FERC Order 1000***
- The rules to allocate the costs of interregional projects in a region do not have to be the same as the regional cost allocation rules
- The rules used to allocate the costs for interregional projects within each region can differ by region

*FERC Order 1000 established guidelines for intra- and interregional transmission planning and cost- allocation practices to: add a process where developers submit project proposals rather than the ISO leading the development of transmission solutions; add a transmission planning process to meet public policy objectives; and update existing interregional planning and transmission development protocols with neighboring power systems

PUBLICATIONS & OPPORTUNITIES TO ENGAGE


ISO New England regularly engages with public officials and the public to share information and discuss changes to the power system

An Ongoing Dialogue:
ISO's External Affairs Team

Eric Johnson
Executive Director, External Affairs
New England

Carrick Heilferty
Policy Advisor
Federal Affairs

Ruben Flores-Marzan
Policy Advisor
Environmental & Community Affairs

Kerry Schlichting
Supervisor, State Policy
Connecticut and Rhode Island

Sarah Adams
Senior State Policy Advisor
Vermont

Melissa Winne
Senior State Policy Advisor
Maine

Marissa Ribeiro Dahan
State Policy Advisor
Massachusetts

Brendan Flaherty
State Policy Advisor
New Hampshire

Contact information: https://www.iso-ne.com/about/contact/government-industry-affairs

Opportunities to Engage and Learn More

Public Webinars

- ISO External Affairs periodically hosts informational **webinars** that are free and open to the public on topics such as recent ISO studies, including:
  - Pathways Study
  - Future Grid Reliability Study
  - Overview of System Planning
  - FERC Order 2023
  - 2050 Transmission Study
  - Economic Planning for the Clean Energy Transition
  - Annual Electric Generator Air Emissions Report

Consumer Liaison Group Provides a Forum for Consumers to Learn about Regional Electricity Issues

- A forum for sharing information between the ISO and electricity consumers in New England
- The CLG Coordinating Committee consists of 14 members who are elected every two years
- Quarterly meetings are free and open to the public, with in-person and virtual options to participate

2026 CLG Meeting Dates and Tentative Locations:

- Wednesday, March 25 – Vermont
- Tuesday, June 2 – Western Massachusetts
- Thursday, September 24 – Maine
- Wednesday, December 2 – Boston, MA

2024 CLG Annual Report

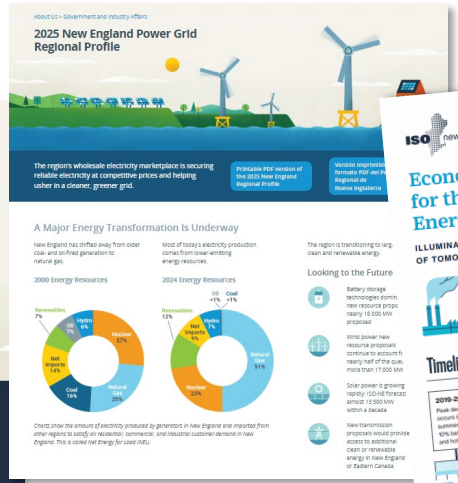
More information on the CLG is available at: https://www.iso-ne.com/committees/industry-collaborations/consumer-liaison/

ISO Publications

Accessible webpages & fact sheets on key initiatives

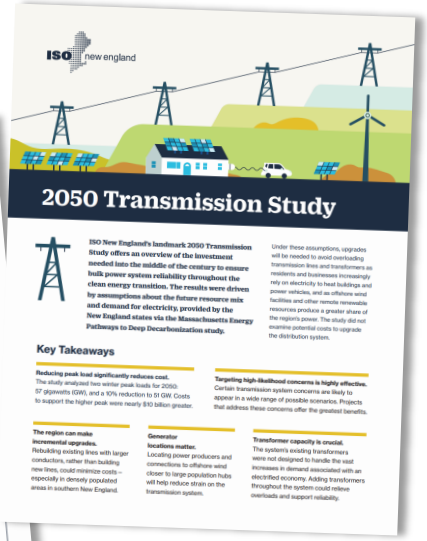
[Future Grid Reliability Study Summary]

[2024 Regional Electricity Outlook]



[New England Power Grid State Profiles]

[2024 EPCET Report Factsheet]



[2050 Transmission Study Factsheet]

For More Information

Subscribe to *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

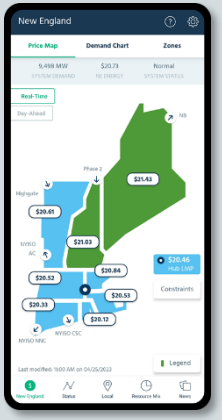
ISO Express provides real-time data on New England's wholesale electricity markets and power system operations

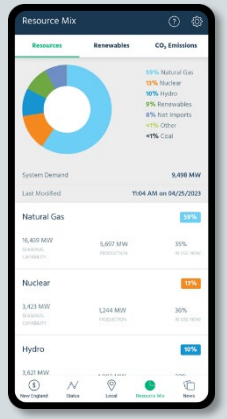
Follow the ISO on Social Media

www.iso-ne.com/social

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





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Questions

About the Presenter

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