

ISO New England Market Design on Fuel Security

FERC Docket No. EL18-182-000

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Comments by

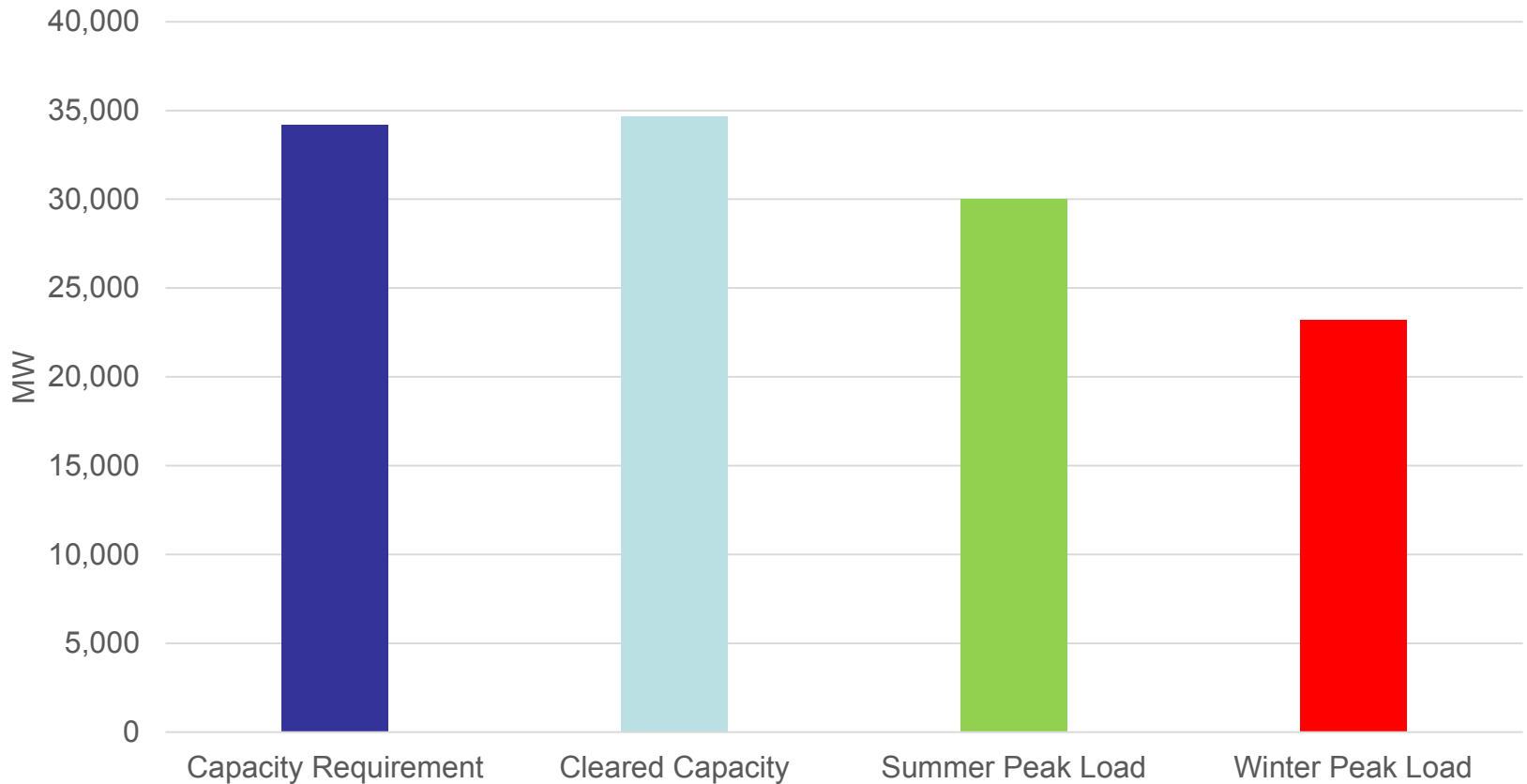
James Daly, Vice President Energy Supply

Electricity Consumers Paid over \$17.6.B for Capacity to Ensure Reliability

- Consumers paid over \$17.6.B in Forward Capacity Market (FCM) since 2008
- Critical generation does not have firm fuel arrangements to generate during very cold weather
- Intermittent capacity resources are derated by ISO to reflect inability to meet peak load
- Forward capacity market should require all other resources to have firm fuel arrangements in place
- Or have their qualified capacity derated to reflect inability to meet peak load
- Consumers should not have to make full capacity payments to resources that do not have fuel to run for reliability

Abundant Generation Capacity But Lack of Firm Fuel Supply

2018/19 Forward Capacity Market Data



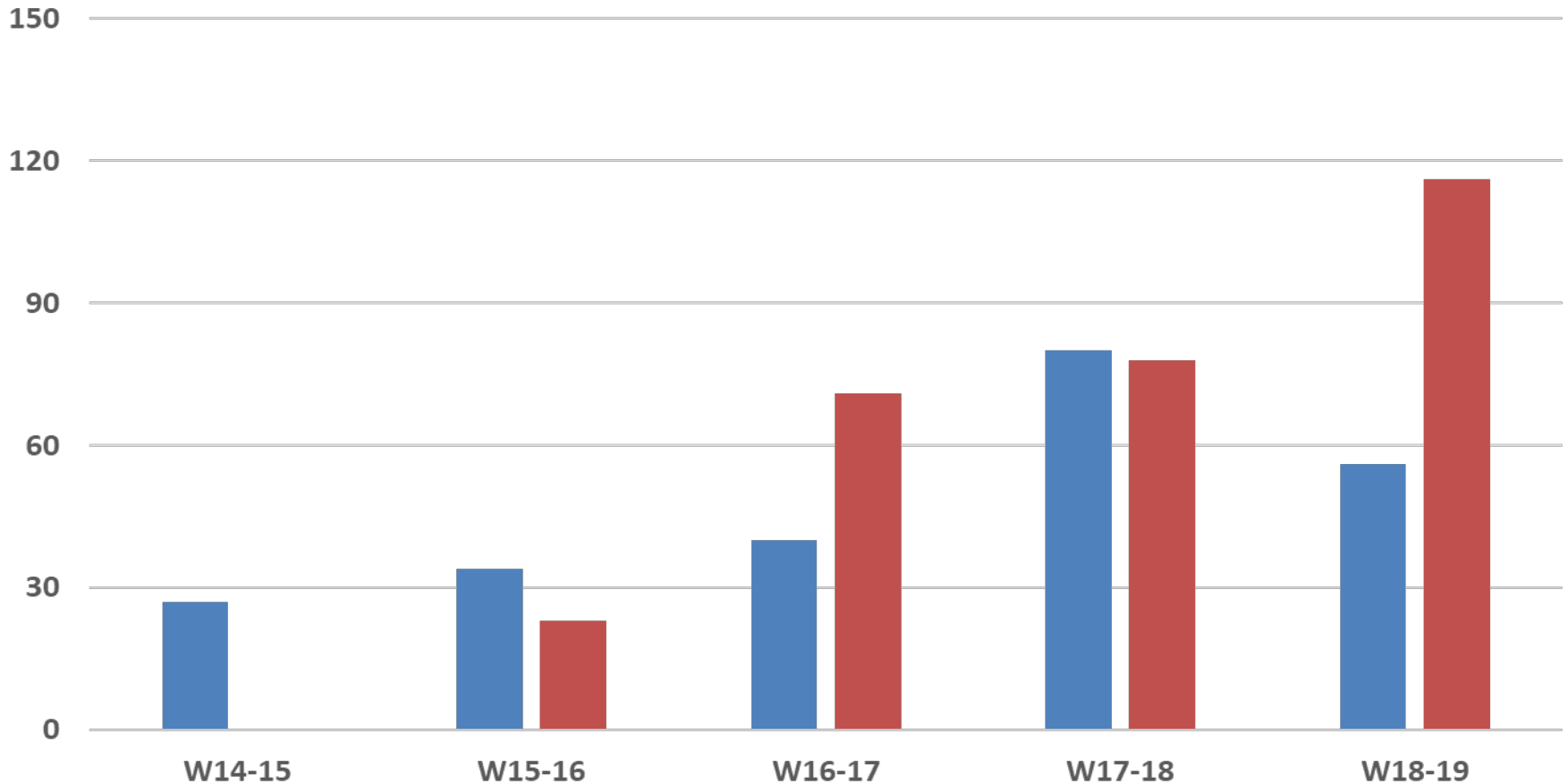
Generation Impacts Gas Local Distribution Company Customers

- Lack of firm fuel supply/capacity to gas generation significantly impacts natural gas distribution industry
- Local Distribution Companies (LDCs) experience
 - Increase use of Operational Flow Orders (OFOs)
 - More restrictive nominations on interstate pipelines
- Eversource fully supports energy efficiency as the primary fuel for both electric and gas utilities
- LDCs do not have a preference for how generation provisions for firm fuel supplies
 - Interstate pipelines
 - LNG, back up oil or other storage devices
- Result should be generation lacking firm supply/capacity does not impact reliability of LDC customers

New England Pipeline Restrictions by Operational Flow Orders (OFO)

New England # of Pipeline OFO Days During Winter Season (Nov-Mar)

■ TGP ■ AGT



AGT - Algonquin Gas Transmission
TGP - Tennessee Gas Pipeline

Conclusion

- “Markets mechanisms” have failed to deliver needed infrastructure
- Result is high costs, volatility and inadequate reliability
- FERC should require ISO-NE to make fuel assurance mandatory and not an option