

**To:** NECPUC  
**From:** Carolyn O'Connor  
**Date:** July 20, 2010  
**Subject:** Update on Recent and Upcoming Regional Activities

This memo is prepared by ISO's External Affairs Department to provide an update on several regional activities that may be of interest to the States. For your convenience, when appropriate, I have identified dates when key discussions and votes are scheduled to occur at upcoming stakeholder meetings, as well as planned filings.

There is also a section highlighting upcoming ISO speaking engagements and meetings that may be of interest.

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### **ISO Speaking Engagements and Other Meetings of Interest**

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## Issues and Updates

### Operations Update

This section will provide a brief update on recent operational events.

#### *June 24*

Due to load running higher than forecasted (as a result of high temperatures and humidity) and numerous generators tripping offline throughout the morning and afternoon, the ISO implemented [Operating Procedure #4](#) (OP#4), *Action During a Capacity Deficiency*. Specifically, the ISO implemented OP#4 Actions 1 (Power Caution), 2, 3, 4 (Power Watch) and 5 for all of New England.

Load was quickly reduced when OP#4 was called – these load reductions are attributed to Real Time Demand Response and severe storms that moved through southwest Connecticut. Preliminary estimates are that 653 MW of real-time demand resources performed throughout the region as a result of the implementation of OP#4 Action Step 2. For a more detailed overview of the June 24<sup>th</sup> region-wide capacity event and the accompanying DR activity please see [“Summary of Capacity Deficiency Events – June & July 2010” presentation](#) provided to the Reliability Committee on July 19.

Earlier this month, New England experienced a heat wave that resulted in an additional OP#4 action. It also claimed two spots on New England’s all-time [“Top-Ten Demand Days”](#) list.

#### *July 5*

The extreme heat on July 5<sup>th</sup> (a holiday) resulted in load forecast models under forecasting by 1,388 MW. Although the ISO went into the day with an operating reserve surplus, the high loads and generation outages resulted in a capacity deficiency. The ISO implemented MLCC#2 and OP#4 Action 1.

#### *July 6, 7*

Demand during the heat wave topped out at 27,154 MW on Tuesday, July 6, 2010 -- the 4<sup>th</sup> all-time demand for the region -- when many cities and towns throughout the region experienced 100+ degree temperatures. While July 6 was one of the hottest days in the last 50 years, peak demand for the day was about 1,000 MW below the all-time peak and about 2,000 MW below forecast peak demand for extreme weather this year. Peak demand tends to be influenced by demand on the previous day. Therefore, if Monday, July 5 had not been a holiday, demand would have been higher that day and would likely have pushed demand even higher the second day, July 6. The following day, July 7 ranked as the 9<sup>th</sup> highest demand day for the region, at 26,508 MW. The all-time peak demand day occurred on August 2, 2006 when demand topped at 28,130 MW.

All-Time Top Ten Demand Days		
	Date	Demand (MW)
1	August 2, 2006	28,130
2	August 1, 2006	27,467
3	July 18, 2006	27,329
4	<b>July 6, 2010</b>	<b>27,154</b>
5	August 3, 2006	27,118
6	July 27, 2005	26,885
7	July 19, 2005	26,736
8	July 17, 2006	26,721
9	<b>July 7, 2010</b>	<b>26,508</b>
10	August 3, 2007	26,145

For more information on the July capacity event and heat wave, please see [“Summary of Capacity Deficiency Events – June & July 2010” presentation](#) provided to the Reliability Committee on July 19.

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## **Federal Update**

### *Federal Oversight of Forward Transmission Rights (FTR)*

While the exact nature of the resolution of the jurisdictional issue between the FERC and the Commodity Futures Trading Commission (CFTC) remains uncertain, the final financial reform legislation includes direction for FERC and the CFTC to craft a Memorandum of Understanding within six months in hopes of “resolving conflicts concerning overlapping jurisdiction between the 2 agencies,” and for “avoiding, to the extent possible, conflicting or duplicative regulation.” The conference committee also retained a public interest waiver provision that would allow transactions entered into “pursuant to a tariff or rate schedule approved or permitted to take effect by [FERC],” or “pursuant to a tariff or rate schedule establishing rates or charges for, or protocols governing, the sale of electric energy” to be exempt from new derivatives regulation.

Three Republicans from New England (Sens. Snowe, Collins, and Scott Brown) supported final passage of the measure.

### *Comprehensive Energy Legislation*

With the House having passed a historic energy bill (with a cap-and-trade plan and a renewable energy standard) over a year ago, the Senate continues to seek 60 votes in support of a similar measure. On July 13, the Senate Majority Leader announced he intends to bring an energy bill to the floor the week of July 26 – a proposal that may include a scaled-down cap-and-trade proposal.

Almost certain to be included is a strong response to the oil spill in the Gulf of Mexico (over 30 bills pertaining to drilling or outer continental shelf activities have been introduced). This could include continued reforms and increased regulation by the former Minerals Management Service and an increase or outright elimination of the oil spill liability cap. The bill will likely include a renewable energy standard, perhaps similar to the 15% by 2021 target included in the bill passed by the Senate Energy Committee last June. However, there is some momentum to create a “diverse” or “clean” energy standard instead that would broaden the sources of energy that would qualify toward the standard beyond traditional renewables, as well as increased federal resources for the development of conventional fuels (including nuclear and “clean coal”). This announcement raises the possibility a cap-and-trade proposal may be included that would apply only to electric utilities (excluding the manufacturing and transportation sectors).

### *U.S. Environmental Protection Agency Rule Proposal*

On July 6, 2010, the U.S. EPA proposed a new [rule](#) that will replace the Clean Air Interstate Rule (CAIR). This rule will impact power plant emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxide (NO<sub>x</sub>) in 31 states and the District of Columbia. In New England, the new rule will apply to Connecticut and Massachusetts. The rule is designed to reduce SO<sub>2</sub> by 71% and NO<sub>x</sub> by 52% from 2005 levels by as early as 2014. EPA is proposing to set limits for each impacted state and allow limited trading among power plants. To achieve emission reductions EPA anticipates that power plants may operate already-installed control equipment more frequently; use low sulfur coal; or install control equipment such as low NO<sub>x</sub> burners, Selective Catalytic Reduction, or scrubbers (Flue Gas Desulfurization). The EPA will accept public comments on the rule proposal for 60 days.

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## **Notice of Proposed Rulemaking: Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities**

On June 17, FERC issued a Notice of Proposed Rulemaking (NOPR) to amend open access transmission reforms created through Order No. 890.

The [NOPR](#), which was preceded by technical conferences and a Notice of Request for stakeholder comments, seeks to establish closer links between regional electric transmission planning and cost allocation to help ensure that needed transmission facilities are built.

To achieve this outcome, the FERC proposes to require that transmission planning processes evaluate transmission facilities -- as well as other non-transmission solutions that may be proposed -- and account for system needs driven by public policy requirements, such as state and federal renewable portfolio standards. Specifically in the area of public policy requirements, FERC notes that existing planning processes are based on tariff provisions focused on reliability-based metrics and analysis that may not be well aligned with the need for evaluations of economic-based and renewable integration projects. In this regard, the FERC seeks comment on how planning criteria based on public policy requirements should be formulated. The NOPR clearly states that the Commission is not proposing to identify the public policy requirements that must be considered in planning, rather that transmission providers coordinate with states and stakeholders to identify appropriate public policy requirements to be included in the planning process.

The FERC also seeks comment on how to improve coordination between neighboring transmission planning regions with respect to facilities that are proposed to be located in both regions, as well as interregional facilities that could address transmission needs more efficiently than separate intraregional facilities. In this regard the FERC proposes that ISOs and RTOs have interregional planning agreements with each of its neighboring planning regions.

With respect to cost allocation, FERC seeks to have beneficiaries of new transmission facilities identified in the planning process and to establish principles for allocating the cost of transmission facilities. FERC has proposed several such principles for new intra and interregional facilities. FERC proposes to require that all transmission providers have a cost allocation methodology for new intraregional transmission facilities and a mutually agreeable method for allocation between neighboring regions for the cost of an interregional facility.

FERC also seeks to ensure equal treatment of transmission facility developers in regional transmission planning processes. This would include incumbent utilities and non-incumbent transmission project developers share similar benefits and obligations associated with participation in regional planning processes and constructing and owning transmission.

The NOPR proposes that public utilities make compliance filings within six months from the date of the final rule on all proposed requirements with the exception of interregional planning agreements and cost allocation methods. These proposed requirements will require compliance filings within one year.

ISO New England staff will be collaborating with NEPOOL, the states and the ISO/RTO Council in the development of its comments.

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### **Interconnection Planning Update**

*Eastern Interconnection States Planning Council (EISPC)*

On June 29 the US Department of Energy provided \$14 million in American Recovery and Reinvestment Act funds to the [EISPC](#) to aid in the creation of long-term resource and transmission planning studies in 2011 . As part of these planning studies, the EISPC will assist in the development of a reference case, a transmission build-out scenario and define some of the macroeconomic scenarios. EISPC held its first stakeholder listening session at the NARUC session in Sacramento on Sunday, July 18<sup>th</sup> 2010.

### *Eastern Interconnection Planning Collaborative (EIPC)*

Recently, the EIPC members selected representatives for the stakeholder steering committee. The [members](#) of the committee represent the interests of generators, transmission owners, non-governmental organizations and regulators. The [EIPC](#) met this month in Chicago. At this [meeting](#), members reviewed EIPC project tasks and deliverables and nominated steering committee chairs and formed working groups.

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### **34<sup>th</sup> Annual Meeting of the New England Governors and Eastern Canadian Premiers**

On July 12<sup>th</sup>, the New England Governors and Eastern Canadian Premiers convened their annual meeting to discuss a variety of important regional issues including several affecting electric system development. The agenda included discussions of renewable energy development, energy efficiency, climate change, transportation and smart grid initiatives.

Of particular interest, NESCOE Executive Director Heather Hunt updated the governors and premiers on NESCOE's ongoing work to facilitate the development of cost-effective renewable power supplies for the region. As a follow-up to the New England Governors' 2009 Renewable Energy Blueprint, that demonstrated the existence of significant developable renewable supply in and around New England, and in response to resolutions adopted by the New England Governors and Eastern Canadian Premiers in 2009 to explore options for coordinated procurement to develop these resources, Ms. Hunt summarized NESCOE's most recent report "identifying cost-effective, clean energy resources through competitive processes."

The report provides an assessment of power procurement practices, contract authority and renewable resource eligibility across the six states. It also looks at the general terms and conditions that may be applicable for the development of region-wide procurement options and processes. Obstacles that may be encountered in pursuing coordinated procurement, as well as potential solutions, are also identified. The report introduces the idea of a model regional RFP for renewable resources. To enable consideration of the broadest set of resources, such an RFP would be flexible in terms of contract length, resource type and pricing structure. The formation of procurement teams (including electric distribution companies and state agencies) to evaluate and select bids, as well as state coordinating liaisons to advise bidders on state requirements is also considered. Significant consultation with New England stakeholders, including electric distribution companies, renewable developers, competitive suppliers and Canadian interests is expected to advance the concept of coordinated procurement.

Finally, the report is clear that the primary objective in the coordination of procurement and development of renewable resources is to select the most cost-effective renewable resources for consumers utilizing competitive markets and processes.

The governors and premiers also acted to adopt new resolutions to promote energy efficiency and solar power resources. This year's resolutions will be available on the NEGC website in the coming days.

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### **Massachusetts Biomass Rulemaking**

As a result of a recent study of the issues related to biomass sustainability and carbon policy (referred to as the [Manomet](#) Study) on July 7, 2010 Massachusetts Secretary of the Executive Office of Energy and Environmental Affairs Ian Bowles [ordered](#) the DOER to begin a rulemaking process to amend the regulations governing renewable portfolio standards. The rulemaking process will focus on the following requirements:

- To be eligible for renewable energy certificates, biomass plants will need to be built and operated to achieve maximum practicable efficiency;

- Biomass plants must demonstrate that they can achieve a 50% reduction in greenhouse gas emissions per unit of useful energy as compared to an efficient combined cycle natural gas plant over a 20 year period;
- Fuel sources for biomass plants must be sustainably grown;
- Limit the amount of forest residual products and prohibit the use of construction debris used by biomass facilities seeking renewable energy credits.

This rulemaking process will begin by September 1, 2010.

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### **Tie Benefits Update**

The Reliability Committee (RC) continues to discuss and resolve outstanding tie benefits<sup>1</sup> issues identified by the FERC in a February 12, 2010 order. The RC is considering different proposals for calculating tie benefits and will begin the process of taking straw votes on these proposals on July 20. In addition, the ISO is developing a draft framework to conduct economic analyses relating to tie benefits and expects to present this draft framework to stakeholders in the near future.

#### *Straw proposals for calculating tie benefits*

The straw proposals for calculating tie benefits address what have been referred to in recent tie benefit filings and orders as the “Reserved Issues”: calculating tie benefits for individual tie lines (ISO supports); modeling internal transmission constraints in New England (ISO supports); modeling internal transmission constraints in neighboring control areas (ISO supports although only applicable to New York<sup>2</sup>); and modeling non-adjacent control areas (i.e., PJM and Ontario) in tie benefits calculations (ISO does not support).

#### *Developing a framework for economic analysis of tie benefits*

The ISO has hired a consultant, the Brattle Group, to develop a framework to perform economic analysis of tie benefit proposals. This analysis is intended to fulfill a requirement in the February 12, 2010 FERC Order to provide additional analysis of the reliability and cost implications of ISO and alternative stakeholder tie benefits proposals. The need for additional analysis was put forward by NESCOE and the ISO anticipates further discussions with the states on the framework. The framework will be presented for stakeholder review at the RC in the September/October timeframe.

#### *Calculating tie benefits for final reconfiguration auctions (use of “at criteria” or “as is” system conditions for calculating tie benefits)*

The ISO also is working with stakeholders to address the use of “at criteria” or “as is” system conditions for calculating tie benefits, especially for the final FCM reconfiguration auction conducted prior to the start of each Forward Capacity Auction (FCA) Capacity Commitment Period. In the market rules, this final reconfiguration auction is referred to as the “third” annual reconfiguration auction, or ARA3.<sup>3</sup> The third annual reconfiguration auction is held in March—approximately three months before the start of the commitment period. The final methodology would apply beginning with the ARA3 for the 2012/2013 commitment period, which coincides with the FCA held in October 2009 (FCA-3).<sup>4</sup> The ISO proposal to address this issue will be presented for stakeholder review at the July 20 RC meeting.

<sup>1</sup> Tie benefits are a calculation of the amount of emergency energy that can be obtained from neighboring control areas over the transmission system and are an input to the calculation of the Installed Capacity Requirement (ICR) in the Forward Capacity Market (FCM).

<sup>2</sup> The ISO identified no internal constraints in Hydro Quebec or New Brunswick during the summer peak period.

<sup>3</sup> The ISO conducts two reconfiguration auctions prior to the commitment period for the first five FCAs. These reconfiguration auctions are referred to in the rules as the “second” and “third” annual reconfiguration auctions (i.e., ARA2 and ARA3). There is no “first” annual reconfiguration auction (i.e., ARA1) for the first five years. Beginning with the sixth FCA the ISO will hold three annual reconfiguration auctions (i.e., ARA1, ARA2, and ARA3).

<sup>4</sup> February 12, 2010 order at ¶ 28.

### *Timing of impact on ICR*

The ISO anticipates that a filing of tariff changes in December 2010 affecting tie benefits would first be used in the ICR calculation for the fifth FCA, which is scheduled for June 2011.<sup>5</sup>

### *Next steps*

Special RC meetings are scheduled for [July 20](#), August 25, and September 22 to address these topics. On July 20, the Reliability Committee is scheduled to discuss the tie benefits calculation methodology using “at criteria” and “as is” system conditions, and begin discussion of a tie benefits design basis document that would serve as a basis for any tariff changes. The deadline to submit the results of the stakeholder process, including a methodology for calculating individual tie line tie benefits and a framework for economic analysis of tie benefits is December 31, 2010.

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### **ISO First Brief on FCM Revisions Filed with FERC, Stakeholder Meeting Scheduled for July 21**

On July 1, ISO New England submitted its [First Brief](#) in the paper hearing ordered by the Federal Energy Regulatory Commission with respect to FCM revisions.<sup>6</sup> The ISO’s First Brief was filed in accordance with FERC’s [April 23 Order](#) which directs interested parties to effectively address (1) issues relating to the Alternative Capacity Price Rule (APR); (2) modeling of capacity zones; and (3) the proper value of the Cost of New Entry (CONE).

The First Brief submitted by the ISO “reflects high level, market design concepts” and “represents its best efforts at answering ... the questions posed by the Commission in the April 23 Order.” Specifically, ISO’s First Brief provides alternatives to APR,<sup>7</sup> modeling of capacity zones,<sup>8</sup> and the proper value of CONE.<sup>9</sup>

In its First Brief, ISO emphasizes that its Revised FCM Proposal is an “integrated whole and a comprehensive solution to the issues raised ... [and] should not be viewed as a menu of ideas which one can choose certain items and reject others.”<sup>10</sup> ISO also requested that the Commission approve the fundamental design principles offered in the brief and to permit the approved rules for FCA-4 to stay in effect for FCA-5 (“until no earlier than the sixth Forward Capacity Auction”)<sup>11</sup> which will provide adequate time to write and implement market rules consistent with the Commission’s determination in the paper hearing.<sup>12</sup>

A stakeholder meeting has been scheduled for Wednesday, July 21, 2010 from 9:30 a.m. to 2:00 p.m. at the DoubleTree Hotel in Westborough, Massachusetts, to discuss the various proposals made by the ISO and by stakeholders in their First Briefs. All interested regulatory representatives and market participants are welcome and encouraged to attend. Conference call capability will be available for this meeting.<sup>13</sup>

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<sup>5</sup> ISO tie benefits filing, Section III. Conclusion, January 14, 2010.

<sup>6</sup> ISO New England Inc. and New England Power Pool Dockets ER10-787, EL 10-50 and EL10-57 (consolidated).

<sup>7</sup> Please see § II of ISO’s First Brief.

<sup>8</sup> Please see § III of ISO’s First Brief.

<sup>9</sup> Please see § IV of ISO’s First Brief.

<sup>10</sup> Please see ISO’s First Brief, page 8.

<sup>11</sup> ISO’s requested schedule (to extend approved rules for FCA-4 through FCA-5 and no earlier than FCA-6) initially referenced in ISO’s May 5 FERC filing, Request for Clarification, or in the Alternative, Rehearing of the FCM Redesign Order, see [http://www.iso-ne.com/regulatory/ferc/filings/2010/may/er10-787-000\\_05-05-10\\_request\\_for\\_rehearing.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2010/may/er10-787-000_05-05-10_request_for_rehearing.pdf).

<sup>12</sup> June 2 ISO Motion to Leave and Motion to File Answer, [http://www.iso-ne.com/regulatory/ferc/filings/2010/jun/er10-787-003\\_06-02-10\\_answer\\_to\\_rehearing\\_requests.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2010/jun/er10-787-003_06-02-10_answer_to_rehearing_requests.pdf) reasserts the schedule requested by the ISO in May 5 FERC filing, Request for Clarification, or in the Alternative, Rehearing of the FCM Redesign Order..

<sup>13</sup> Conference call number 1-866-803-2146 and Access Code: 7169224.

## Planning Advisory Committee

The Planning Advisory Committee (PAC) met on July 15. The follow are highlights from that discussion.

### *2010 Economic Study*

The ISO is finalizing the assumptions for this year's economic study based on input from NESCOE (the study requestor) and the PAC. The study will evaluate 11 cases for a single year in the 2030 timeframe, building on the *New England 2030 Power System Study* performed in 2009 for the New England Governors.

The base case assumes all existing generating resources with no retirements, then adds energy efficiency and active demand resources, and finally adds wind resources based on the "Full Queue Build-Out" case from the New England Wind Integration Study (NEWIS). The base case assumes a carbon price of \$10 per ton. Of particular interest was the assumption (as supplied by NESCOE) for 5000MW of peak energy efficiency in 2030. Wayne Coste clarified that this is not a projection that ISO is making, only an assumption to be used. The final analysis will reflect this approach.

The study will evaluate several alternatives to the base case:

- Substitute natural-gas-fired combined-cycle units for the additional wind resources;
- Add 1.8 million plug-in electric vehicles;
- Increase the carbon price to \$40/ton; and
- Substitute natural-gas-fired combined-cycle units for the additional wind resources *and* increase the carbon price to \$40/ton.

The study will evaluate several retirement scenarios:

- Separate cases will evaluate retirement of all coal, residual oil, and "carbon heavy" (coal and residual oil combined) units 50 years or older in 2030. Retired resources will be replaced with new efficient natural-gas-fired combined-cycle units. The study assumptions identify more than 30 carbon-heavy generators that are assumed to be retired in 2030.

The study will evaluate several renewable expansion scenarios:

- Separate cases will evaluate replacement of all "carbon heavy" units with a combination of wind, solar, and biomass resources, and additional imports from Eastern Canada. Each renewable expansion scenario will be weighted for wind, imports, or solar. The renewable expansion scenarios assume additional wind using a combination of offshore resources, the best on-shore resources, and the "Full Queue Build-Out" case from the NEWIS. The states provided assumed levels of non-wind renewable resources, such as solar, landfill gas, hydro, biomass, and fuel cells.

The [assumptions](#), including July 1 comments from NESCOE, are posted with the materials for the July 15 PAC meeting.

The study will evaluate economic, environmental, and fuel consumption results for each case as well as potential revenues from the energy market, using metrics adopted for previous scenario analyses.<sup>14</sup> The study also will evaluate the sensitivity of the different cases to transmission constraints, high fuel prices, and inclusion of loads and resources from the Maritimes.

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<sup>14</sup> Economic metrics include production costs, load-serving-entity (LSE) energy expense, and congestion. Environmental metrics include power plant emissions. Fuel consumption metrics show the amount of energy produced by fuel type. The study will show potential revenues from the energy market based on the resource mix assumed for each case.

Also on the PAC agenda was an update on the joint Vermont – New Hampshire [needs assessment](#). ISO-NE is currently updating the needs assessments in Vermont and New Hampshire to analyze the potential retirement of the Vermont Yankee nuclear power station and the potential loss of imports from the PV 20 line from Plattsburgh, New York. At the PAC, the study’s assumptions were reviewed including load levels, new projects in service and contingencies. ISO’s goal is to have this study completed by the end of 2010. In addition to the needs assessment, ISO is conducting a study that will outline potential solutions to the scenarios studied in the needs assessment.

*Please save the following dates for future PAC meetings:*

**August 12** draft RSP page turn at the Doubletree Hotel in Westborough, MA (The draft report will be posted in advance of the meeting.)

**September 16** RSP public meeting at the Colonnade Hotel in Boston – This year’s meeting is scheduled to run from 9:30 a.m. to 3:30 p.m., and will include an expanded format to allow for additional topics and discussions with stakeholders. Registration for this meeting is available on the ISO [webpage](#). The following is the preliminary agenda:

9:30 a.m. – 9:40 a.m. Welcome

9:40 a.m. – 10:30 a.m. ISO New England overview of the 2010 Regional System Plan and discussion with stakeholders

10:45 a.m. – 12:00 noon Panel #1: **State Planning Initiatives and Non-Transmission Alternatives**

*This panel will focus on state policies related to integrated resource planning and how those policies interact or otherwise connect to the ISO’s system planning process. The panelists will discuss their roles in the state procedures and provide information on how the states weigh alternative solutions to identified reliability needs.*

12:15 p.m. – 1:00 p.m. Lunch

1:15 p.m. – 1:45 p.m. **Keynote Address** by Patricia Hoffman, Assistant Secretary for Electric Delivery & Energy Reliability, U.S. Department of Energy

1:45 p.m. – 3:15 p.m. Panel #2: **Drivers of the Future Grid**

*This panel will focus on the developments that will have the greatest impact on the future grid over the next decade. The panelists will discuss how environmental policy and regulations, technology advancements, market forces, and new natural gas supply options will impact system planning and operations.*

3:15 p.m. – 3:30 p.m. Concluding Comments

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### **Semi-Annual Status Report on ISO’s Load Response Programs Released**

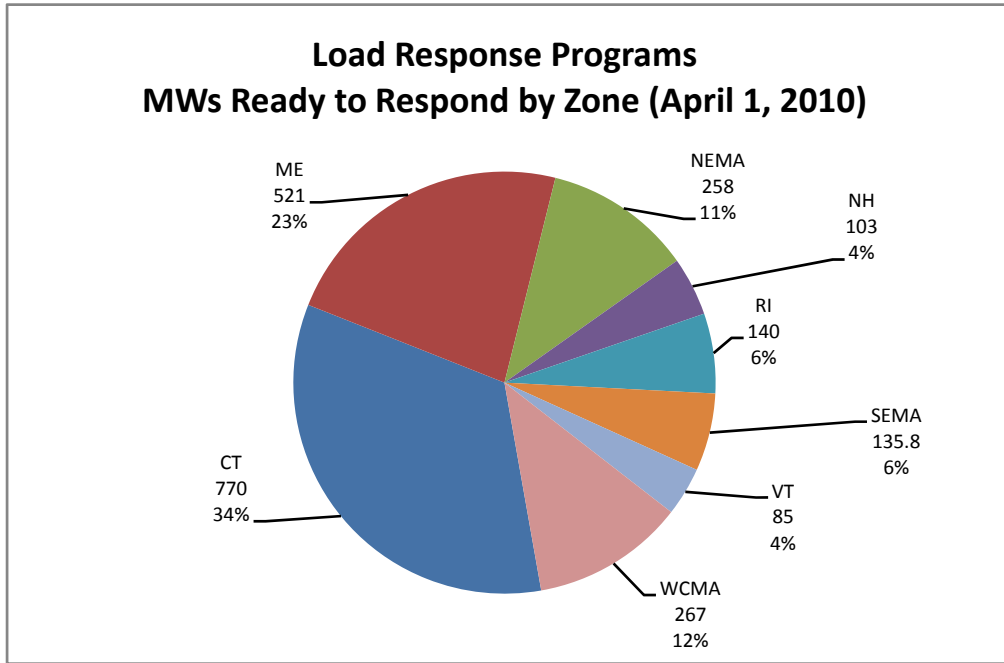
On June 30, 2010, the ISO filed with the FERC the “Semi-Annual Status Report on Load Response Programs of ISO New England, Inc.”<sup>15</sup> The report covers the six-month period from October 2009 through March 2010. Among other things, this report includes load response enrollment in the region, summarizes load reductions and payments, and details the effects of the load response programs on wholesale prices.

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<sup>15</sup> See [http://www.iso-ne.com/regulatory/ferc/filings/2009/dec/er03-345-014\\_12-30-09\\_14th\\_load\\_resp\\_rprt.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2009/dec/er03-345-014_12-30-09_14th_load_resp_rprt.pdf).

*Enrollment*

As of April 1, 2010, there were over 3,700 load response assets “ready to respond” registered in an ISO load response program.<sup>16</sup> These assets have been approved by the ISO for participation, have installed the appropriate metering and communications system and have submitted meter data to the ISO to establish a baseline. These assets have a capacity of approximately 2,280 MW up about 14% from April 1, 2009.



*Load reductions and payments*

From October 1, 2009 through April 1, 2010 there were over 15,000 MWh interrupted due to load response program participation. The average payment for a MW of interruption across all zones in the region was approximately \$85.50/MWh. Over \$1.3 million was paid for interruptions throughout the region over this period. The largest payments were made to Maine which accounted for and received over a third of the reductions and payments distributed throughout the region.

Zone	MWh Interrupted	Percentage of MWh Interrupted throughout the Region	Payments	Percentage of Total Payments Made for Interruptions throughout the Region	\$/MWh
ME	5,611	37%	\$463,538	36%	\$82.61
NH	525	3%	\$45,140	3%	\$85.98
VT	503	3%	\$43,684	3%	\$86.93
CT	4,103	27%	\$347,707	27%	\$84.75
RI	654	4%	\$66,232	5%	\$101.23
SEMA	1,029	7%	\$86,591	7%	\$84.14
WCMA	1,641	11%	\$144,588	11%	\$88.10
NEMA	1,141	8%	\$103,345	8%	\$90.54
<b>Regional Total</b>	<b>15,207</b>	<b>100%</b>	<b>\$1,300,826</b>	<b>100%</b>	<b>\$85.54</b>

<sup>16</sup> ISO Administered Load Response Programs include: Real-Time 30-Minute Demand Response Program; Real-Time 2-Hour Demand Response Program; Real-Time Profiled Response Program; Real-Time Price Response Program; and Day-Ahead Load Response Program.

### *Estimated effects of Load Response Program on wholesale prices*

The ISO has estimated that from October 2009 through March 2010 load response programs reduced real-time Locational Marginal Price approximately \$.13/MWh across the region. The largest average decrease to LMP during this period was in Maine where it is estimated that LMP was reduced by \$.28/MWh from October 2009 through December 2009 and \$.24/MWh from January 2010 through March 2010.

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### **Consumer Liaison Group**

The next meeting of the Consumer Liaison Group is Thursday, August 5 at the Colonnade Hotel in Boston, Massachusetts. Panelists will discuss the various comments to FERC's Notice of Proposed Rulemaking on price responsive demand (PRD) as well as how the future treatment of PRD may affect consumers.

The ISO will also present and discuss its proposal for identifying "major" market initiatives going through the regional stakeholder process. This is the first step in the process to create a framework for providing consumers and stakeholders with qualitative and quantitative information on new initiatives, as committed to in the Order 719 RTO Responsiveness and Governance Working Group. The ISO will be going through a similar process to identify "major" planning initiatives.

To register for this meeting, please [click here](#). For more information on the Consumer Liaison Group, please visit the [CLG webpage](#).

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### **ISO New England Training Opportunities**

With the assistance and input of NECPUC staff, the ISO is developing one-day market training class planned for November 4<sup>th</sup> 2010. The training is intended to be an introductory course for state regulatory and legislative staff relatively new to the industry and refresher training for those who have worked in the industry for several years. The training will cover, at a high level, an overview of New England's bulk transmission system, ISO New England's functions and responsibilities, and an overview of New England's wholesale electricity markets, including the FCM.

This free training will be open to state utility and environmental commissioners and staff, state siting authorities, energy policy officials, state consumer advocates and other representatives of NECPUC, NESCOE, and the New England Governors' Conference. The course will be comprehensive, but not in-depth on any individual topic. This training is also intended to provide help for individuals determining their future training needs. More details on this training will be available shortly.

Additionally, individuals associated with one of the aforementioned authorities are now eligible to receive market training at a 50% discount. To register for a training opportunity, please visit the following link: <http://www.iso-ne.com/support/training/sched/index.html>.

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### **ISO Speaking Engagements and Other Meetings of Interest**

July 21, 2010

#### **Forward Capacity Mock Auction**

For more information, please see the ISO-NE [web site](#).

August 16, 2010

#### **Council of State Governments Eastern Regional Conference, Advancing the Clean Energy Economy in the Northeast, Portland, ME.**

*ISO New England speaker:* Gordon van Welie, President and CEO

For more information, please see the conference [web site](#).

October 27, 2010

**Atlantic Canada Power Summit**, Saint John, New Brunswick  
*ISO New England speaker:* Stephen Rourke, Vice President, System Planning

November 7 – 9 2010

**Utilities Perspectives**, Washington DC  
*ISO New England speaker:* Gordon van Welie, President and CEO  
 For more information, please see the conference [web site](#).

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**Upcoming NEPOOL and ISO Committee Meetings of Interest**

Tentative dates for upcoming stakeholder meetings and other meetings of interest:

	<a href="#">Participants Committee</a>	<a href="#">Markets Committee</a>	<a href="#">Reliability Committee</a>	<a href="#">Planning Advisory Committee</a>	<a href="#">Transmission Committee</a>	<a href="#">Consumer Liaison Group</a>	NECPUC Conference Call	Consumer Advocate Conference Call
<b>July</b>			19-20	15	21		9	20
<b>August</b>	6	10-11	<i>Joint RC/TC Summer Meeting: 16-17</i>	12	<i>Joint RC/TC Summer Meeting: 16-17</i>	5	9	18
<b>September</b>	17	14-15	20,22	21	29		8	22

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