

United States Senate

WASHINGTON, DC 20510

November 18, 2019

Gordon van Welie
President and CEO
ISO New England
One Sullivan Road
Holyoke, MA 01040

Dear Mr. van Welie:

We write concerning ISO New England (ISO-NE)'s ongoing fuel security initiative, where ISO-NE is pursuing measures to enhance the region's electricity reliability. However, we have concerns that ISO-NE is not considering the region's environmental and climate goals in this work.

New England states take the threat of climate change seriously and have adopted some of the most ambitious climate and clean energy laws in the country. ISO-NE has a responsibility to facilitate this clean energy transition and help achieve the region's climate goals in a cost-effective manner that ensures reliability and just and reasonable rates for consumers.

Unfortunately, ISO-NE appears to be pursuing a patchwork of market reforms aimed at preserving the status quo of a fossil fuel-centered resource mix. This includes recent market rule changes like Competitive Auctions with Sponsored Policy Resources (CASPR), which forces state-sponsored renewable energy to wait for incumbent fossil fuel generators to retire before these clean resources can enter the capacity market, and the Inventoried Energy Program, which will force consumers to pay millions of dollars to existing, polluting power plants with on-site fuel supplies, such as oil, coal, or liquefied natural gas.

In 2016, New England's electricity stakeholders engaged in a robust conversation on how to blend regional electricity markets with our state climate and clean energy policies. ISO-NE, the New England States Committee on Electricity (NESCOE), and the New England Power Pool (NEPOOL) established an integrating markets and public policy (IMAPP) process to discuss how to integrate climate change policies into the electricity markets established and overseen by ISO-NE. These conversations explored potential new market frameworks for clean energy, as well as possible ways to better value states' clean energy mandates in ISO-NE's markets.

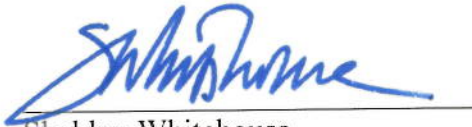
Instead of continuing this engagement with stakeholders, in recent years ISO-NE has charted its own path forward and pursued unpopular initiatives like CASPR and the Inventoried Energy Program. Now, ISO-NE is pursuing as its top priority a new Energy Security Improvements fuel security proposal that again appears to ignore the reliability and other benefits of clean energy, and further delays market reforms that recognize and facilitate state public policies to grow clean energy and address climate change.

ISO-NE should return to the table with stakeholders to develop electricity market frameworks the region needs to tackle climate change, promote innovation, and facilitate clean energy. In July, NESCOE, which represents the perspective of the six New England Governors, wrote to ISO-NE urging relevant stakeholders discuss, “future market frameworks that contemplate and are compatible with the implementation of state energy and environmental a laws.”^[1] Following the NESCOE letter, the New England Power Generators Association, which represents that largest electric generating companies in NE, wrote supporting the NESCOE request.^[2] We have also heard from consumer-owned entities that the current framework must be revisited on a fundamental level.

ISO-NE should heed the call of the states, electricity generators, and others to expand the dialogue beyond the current, too-narrow fuel security reforms to tackle the region’s pressing need to achieve the states’ ambitious climate goals. To achieve these goals, ISO-NE should dedicate significant planning and markets resources in the coming months to evaluate, help develop, and propose new electricity market structures that recognize, facilitate, and are compatible with state policies. Thus we request that ISO-NE work with NESCOE, NEPOOL, consumer owned entities, and other electricity stakeholders to engage in broader energy conversations about the future of energy in New England.

We look forward to your prompt response.

Sincerely,



Sheldon Whitehouse
United States Senator



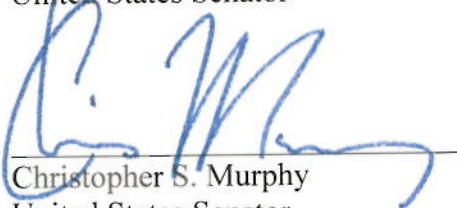
Richard Blumenthal
United States Senator



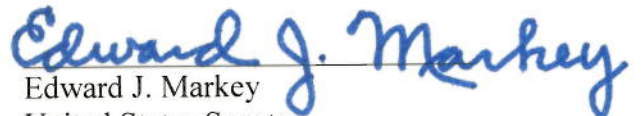
Bernard Sanders
United States Senator



Jack Reed
United States Senator




Christopher S. Murphy
United States Senator




Edward J. Markey
United States Senator

^[1] <http://nescoe.com/resource-center/2020-workplan-jul2019/>

^[2] <https://nepga.org/2019/08/letter-to-iso-ne-on-review-of-the-future-of-the-new-england-wholesale-markets/>



Elizabeth Warren
United States Senator



Angus S. King, Jr.
United States Senator