

## ISO-NE fuel-security plan eyed to help nuclear, gas, offshore wind

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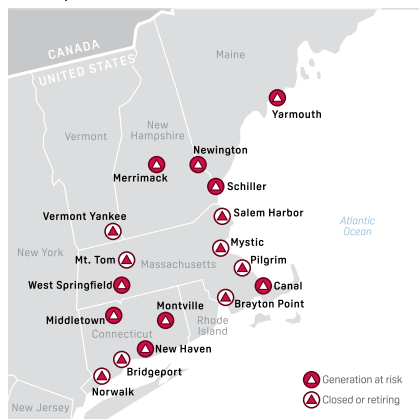
Stakeholders are pinning a wide variety of hopes on **ISO New England**'s proposal to improve fuel security during winter, including that it will help struggling nuclear plants, aid forward procurement of **LNG** and oil supplies, and bolster consideration of the role of offshore **wind** in improving reliability.

**ISO-NE** is increasingly struggling with fuel security as oil, **coal** and nuclear plants retire and are replaced by **gas**-fired plants and **renewables** constrained by the region's infrastructure and weather. The ISO is particularly worried about running out of fuel during long spells of cold weather.

After approving some short-term fixes, **FERC** ordered the grid operator to come up with a long-term fuel security proposal, which is due October 15. **FERC** held a meeting Monday at its headquarters in **Washington** to discuss the plan.

The grid operator explained its plan to first create a batch of new day-ahead energy options products and create a multi-day-ahead market that spans up to six days. The ISO would start work in 2020 on adding a seasonal forward market. While stakeholders said they don't have enough information to decide if the plan will work, they outlined their priorities.

### CLOSING, VULNERABLE ISO-NE ENERGY SUPPLY FACILITIES



Source: ISO New England

A key element to **Connecticut**'s support for the proposal is whether it helps nuclear resources going forward, said Katie Dykes, a commissioner at the **Connecticut** Department of Energy and Environmental Protection. "The ISO proposal also has to demonstrate that it meaningfully improves the economics of nuclear resources without unreasonably raising prices across the board," she said.

**Connecticut** regulators have found that the 2,100-MW **Millstone** nuclear plant in the state is at risk of retirement, Dykes noted. In March, two utilities signed a last-minute power purchase deal to keep the **Millstone** plant from shuttering, but state regulators still need to approve the agreement.

## LNG contracts

Meanwhile, an official from NRG said that the seasonal forward market is the single most important piece of the proposal and should be given the highest priority. The program should look four to six months into the future so market participants can make oil purchases or contract for **LNG** cargos, said Neal Fitch, senior director of regulatory affairs at NRG.

"We need the commission's support to hold the ISO's feet to the fire and ensure they fully address the market's failure to value energy security," Fitch said.

**ISO-NE** staff clarified there is no way the seasonal forward market will be a part of the October filing. It will take a year to design the market and the ISO needs **FERC**'s feedback on the new spot options products upon which the market would be based. But despite different filing time frames, both the new options products and the seasonal forward market would be implemented in the 2024 time frame, ISO officials said.

## Offshore wind

David Ismay, senior attorney at the Conservation Law Foundation, argued that the ISO is underestimating the ability of state-sponsored clean resources to provide energy security during the winter. During the 2017-2018 cold snap, **wind** generation peaked at near 70% of nameplate capacity during the same times some **gas**-fired generation was unavailable because of infrastructure constraints, he said.

In the near term, the market is going to be dominated by state-sponsored **renewables**, said Ismay, noting that **New England** states have authorized procurement of more than 5,000 MW of offshore **wind** by 2035. "Without addressing what the market is going to be ... this isn't the long-term market framework that **FERC** requested," he said.

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