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**Contact:**

Ellen Foley (413) 535-4139  
Marcia Blomberg (413) 540-4555  
Jeffrey Jurgensmier (413) 540-4483

## ISO-NE Capacity Auction Secures Sufficient Power System Resources, At a Lower Price, for Grid Reliability in 2019-2020

**Holyoke, MA—February 11, 2016**—New England’s annual capacity auction concluded Monday with sufficient resources to meet demand in 2019-2020, at a lower price, and with more than 1,400 megawatts (MW) of new generating capacity that will help replace recently retired and retiring generators. The auction is run by ISO New England Inc. to procure the resources that will be needed to meet projected demand three years in the future.

The tenth Forward Capacity Market (FCM) auction (FCA #10) attracted significant competition among resources to provide reliability services in New England. Before the auction, a total of 40,131 MW of resources, including 6,700 MW of new resources, qualified to compete in the auction to provide the 34,151 MW Installed Capacity Requirement (ICR) for 2019-2020.

“Competition was robust in this year’s Forward Capacity Auction,” said Gordon van Welie, president and CEO of ISO New England. “The high participation in the auction demonstrates the interest in the New England marketplace and bodes well for meeting future resource adequacy requirements.”

Recent and pending retirements of coal, oil, and nuclear power plants expected to shut down by 2019 total more than 4,200 MW, including the 680 MW Pilgrim Nuclear Power Station that announced its retirement before this auction.

“Developers were drawn to the New England marketplace because the price of capacity supports construction of new resources,” continued van Welie. “It’s important to have a capacity market that places an appropriate value on the product to maintain an adequate supply. This auction procured the resources needed to keep the lights on in New England at a price lower than last year’s auction and, in fact, lower than the estimated cost of building a new power plant. More than 850 megawatts of new generating capacity cleared in the Greater Boston, Southeast Massachusetts and Rhode Island zone where the resources are needed most.”

### **Preliminary results of FCA #10: 746MW of demand-side resources, including 371MW that is new**

- 1,450 MW of imports from New York and Canada

#### **Preliminary clearing price:**

- The auction closed for resources within New England after four rounds of competitive bidding at \$7.03/kW-month, at the point on the demand curve where there were still sufficient resources to meet demand. The clearing price will be paid to all resources in both capacity zones in the region. Imports from Quebec over Phase II and Highgate also cleared at \$7.03/kW-month.



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