

October 15, 2020

ISO New England:

Our companies and organizations write in support of a comprehensive exploration of future market pathways that takes into account all viable options at varying levels of development. In particular, we ask that the “Integrated Clean Capacity Market” (ICCM), first presented at the October 1, 2020 Participants Committee meeting, be given full consideration alongside other more familiar proposals on the table. We recognize that consideration of ICCM may require additional upfront development and discussion.

We view the “Future Pathways” discussions and parallel “Future Grid” study initiated by NEPOOL in response to last year’s request by NESCOE as an urgent and important step to ensure that the wholesale markets can be a tool for achieving state policy goals in a competitive, reliable fashion. We appreciate ISO New England’s willingness to devote resources to this effort, and the commitment to conduct additional analysis following on from the NEPOOL Participants Committee’s qualitative assessment and discussion.

ISO-NE has stated that it plans to focus its quantitative analysis on carbon pricing and a Forward Clean Energy Market (FCEM), at least in part because versions of these two proposals appear to have stakeholder interest, and because they are relatively well understood, mature proposals that can be readily studied. We support ISO-NE considering these options.

Recognizing ISO-NE’s stated willingness to “evaluate other pathways that may emerge in discussions with stakeholders” (Gordon van Welie presentation, Oct. 2, 2020), we want to express significant stakeholder interest in further exploring the ICCM. The ICCM merits the same level of investigation as carbon pricing and the FCEM, as the ICCM is the only option that directly addresses capacity market outcomes through an in-market solution. If wholesale markets are going to be a tool for states to achieve their clean energy objective policy requirements in a competitive fashion, capacity market reform should be under consideration. We are not pre-judging the best eventual solutions, but rather asking that the ICCM be given equal consideration.

We recognize the value in ISO-NE modeling each solution so that stakeholders have a way to compare outcomes, and after speaking with The Brattle Group, we are confident that we can collaborate with the ISO and other stakeholders and experts to provide the inputs necessary for such modeling. We are also aware that ISO-NE views an ICCM as a complex solution. However, this perceived complexity should not stop stakeholders or the ISO from considering a comprehensive response to a problem that has vexed the region for over a decade, and likely will for years to come absent a sufficiently robust solution.

We look forward to continued collaboration with ISO, NESCOE, and NEPOOL.

Sincerely,

Advanced Energy Economy;  
Autumn Lane Energy Consulting<sup>1</sup>;  
Borrego Solar;  
Brookfield Renewable;

Enel North America;  
ENGIE North America;  
Sunrun; and  
Union of Concerned Scientists.

Cc: Heather Hunt, Nancy Chafetz, Sebastian Lombardi, Frank Felder, NEPOOL

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<sup>1</sup> Autumn Lane Energy Consulting’s participation in this letter does not necessarily reflect endorsement by any of its clients.