



247 Station Drive, NE 210
Westwood, MA 02090
781-441-8258

August 2, 2021

Dear NEPOOL Participants and Stakeholders:

During the July 21, 2021 *Pathways to the Future Grid Working Session*, the Analysis Group (AG) conveyed to the Committee that they do not expect to quantify capital cost and/or cost of capital variations among the Net Carbon Price, Forward Clean Energy Market (FCEM)/Integrated Clean Capacity Market (ICCM), and Hybrid Approach scenarios and instead capture cost of financing variations qualitatively.

Eversource recommends that ISO-NE and the AG reconsider this position and conduct a more formal quantitative assessment to determine what capital cost structures, given the assumed commitment term, is needed in these alternative scenarios to finance new clean energy resources. Simply said, how much will it cost for the alternative scenarios to eliminate the need for utilities to enter into power purchase agreements (PPAs) to facilitate the financing of new clean energy resources and/or retain existing clean energy resources in operation?

It is our position that addressing this key question is a necessary step for evaluating the various proposals and should be critical to the determination of whether to support and ultimately adopt an alternative market framework. If unanswered, the region runs the risk of exacerbating the transition to a so-called "hybrid" market and exposes electric customers to significant costs via multiple and perhaps duplicative mechanisms that support a clean energy transition.

Thank you for the opportunity to comment and we look forward to working on this very important initiative for New England market participants and stakeholders.

Sincerely,

A handwritten signature in blue ink, appearing to read "J G Daly", with a long horizontal flourish extending to the right.

James G. Daly
Vice President, Energy Supply