

Consumer Considerations for FERC Winter Reliability Forum: Recommendations from Four New England Consumer Advocates

ISO New England (ISO-NE), the region's electric grid operator, has raised concerns about winter electric reliability and energy adequacy for years. While New England winter electric loads are not as high as summer loads, the winter poses unique fuel security concerns for New England's gas-dominated generation mix. In the winter, buildings use more gas for heating. That increased consumption takes up most of the region's gas pipeline capacity. This leaves potentially limited remaining gas fuel supply to a large gas-fired electric generation fleet, particularly during extended cold snaps. In response to this concern, the Federal Energy Regulatory Commission (FERC) is holding the 2023 New England Winter Gas-Electric Forum in Portland, Maine, on June 20, following a September 2022 forum in Burlington, Vermont. The Connecticut Office of Consumer Counsel, the New Hampshire Office of the Consumer Advocate, the Maine Office of the Public Advocate, and the Massachusetts Attorney General's Office – the Consumer Advocates – would like to share three considerations for the 2023 Winter Gas-Electric Forum and for subsequent related discussions on winter energy security in New England.

Base Decisions on Rigorous Winter Reliability Risk Analysis

Requests for consumer investments in infrastructure or new market designs should be backed by rigorous analysis. This need has been highlighted by the recent and sudden change in messaging about the magnitude of winter reliability risks coming from ISO-NE. For years, ISO-NE expressed significant concerns and pursued out-of-market programs to address them. However, three recent ISO-NE analyses (the Operational Impacts of Extreme Weather Study, the 2023/2024 and 2024/2025 Winter Outlook Scenarios, and the Resource Capacity Accreditation preliminary impact assessment) have all found that winter risks are manageable. Before consumers make costly investments in additional winter reliability solutions, rigorous analysis quantifying the costs, benefits, and risks is essential.

Avoid Overlapping and Duplicative Winter Reliability Solutions

It is in the best interests of consumers to avoid overlapping and duplicative winter reliability solutions that add new costs in addition to market energy prices. The region will have two such out-of-market programs—the Mystic Cost of Service Agreement (COSA) and the Inventoried Energy Program (IEP)—in place for the 2023/2024 winter. However, despite estimated consumer costs of hundreds of millions of dollars (the Mystic COSA alone has a cost over \$450 million in the first 11 months), ISO-NE has not demonstrated the incremental reliability benefits of having both programs in place. Improvements to existing markets should be considered before new programs with incremental costs are implemented.

Involve Consumer Advocates in Winter Reliability Discussions

Consumer Advocates—who have the unique legal responsibility within each state to represent the interests of ratepayers (i.e., those who must pay for any implemented winter reliability solutions)—should have a more prominent role to review proposed New England winter reliability measures. Ratepayers are not adequately represented if the Consumer Advocates are left out of discussions convened by ISO-NE, FERC, or the New England States on winter reliability solutions, regardless of whether such discussions occur within the New England Power Pool (NEPOOL) or in other forums. Winter reliability discussions impact electric reliability and consumer cost, and New England consumers deserve a voice.