



DEEP Preliminary Estimates of Energy Cost Impacts Associated with Revolution Wind Stop Work Order

9/9/25

On August 22, 2025, the federal Bureau of Ocean Energy Management (BOEM) issued a stop work order halting all offshore construction on the Revolution Wind project, which is 80% complete. DEEP estimates that if the Revolution Wind project is canceled, the near-term cost to New England electric ratepayers would be roughly half a billion dollars per year, in the form of higher regional energy market costs, due to the loss of this affordable and reliable offshore wind power. Connecticut ratepayers would shoulder 25% of these higher regional costs.

The Revolution Wind project will lower near-term wholesale **energy** and **capacity** market costs for Connecticut and all New England ratepayers, by providing fuel diversity and low-marginal cost energy to our region. By 2028, these wholesale market savings are estimated to reach roughly \$500 million dollars a year.

- **Energy Market Impacts:** Offshore wind, like other renewable energy resources, has no or very low marginal costs so it participates in the ISO New England (New England’s regional electric grid operator), energy market as a “price taker” – i.e., bids in at zero and receives whatever the market clears at to meet overall regional demand. Zero-marginal cost resources push more expensive energy resources out of the clearing stack, lowering total market costs. We estimate that energy market costs in ISO New England would be more than \$200 million per year higher without Revolution Wind.
 - These higher costs are estimated from electric system modeling DEEP has done in recent years, and could be higher or lower depending on load growth, the price of natural gas, and other factors. These higher energy market costs would start to materialize in 2026 if Revolution Wind is unable to come online as planned in the second half of next year.
- **Capacity Market Impacts:** Revolution Wind has a capacity supply obligation in ISO New England and is similarly expected to participate in the capacity market as a price taker in future years, replacing other more expensive resources and increasing the overall supply of capacity in the region, which leads to lower capacity market costs for ratepayers. DEEP’s estimate is that, at least in the nearer term, ISO New England capacity market costs would be \$300-400 million higher without Revolution Wind.

- This is calculated based on the current capacity market cost curve in ISO New England's market. Removing Revolution Wind from the supply stack would be expected to result in less capacity resources in the region and a higher capacity clearing price.
- Based on the timing of ISO New England's forward capacity market, these higher capacity market costs would be expected to kick in starting in 2028. The magnitude of these costs could be higher or lower, and the persistence of these costs shorter or longer, depending on the impact of reforms ISO New England is proposing to capacity market accreditation, load growth, and the price and timing of other resources retiring or entering the market. Eventually, replacement capacity resources are expected to come in to reduce these higher capacity costs; however, due to the time needed to bring such resources online (and multiyear supply chain backlogs for things like new gas turbines), DEEP anticipates alternatives would be unable to come online until the early 2030s at the soonest. As a result, these higher capacity costs could persist for several years.
- It is also unknown what the cost of replacement capacity would ultimately be, so even if replacement resources were to come online eventually, the longer-term cost implications for consumers are unclear.

While the above electricity market impacts are expected to affect energy costs New England-wide, Connecticut ratepayers will experience further impacts associated with the 304 MW ratepayer-backed contract with Revolution Wind. Connecticut's Revolution Wind contract, which has a blended price of \$99/MWh for energy and renewable attributes, is further projected to save Connecticut ratepayers an additional \$150–200 million in public benefits charges over the life of the 20-year contract, savings that would be lost were the project to be canceled.