

NEPPA Resolution 2025-01

Need for Wholesale Electric Market Reform

WHEREAS, the wholesale electric markets implemented by ISO-NE are not designed to account for significant objectives beyond price—such as carbon emissions, fuel diversity, fuel security, energy resilience, and local job creation—which public power utilities, uniquely governed to reflect community and member-driven priorities, consider essential when selecting energy resources, and;

Whereas, public power accepted the settlement creating ISO-New England’s Forward Capacity Market in large part because it included a “self-supply” provision allowing publicly-owned systems to rely on their own resources to meet their customers’ demands and other objectives, and;

Whereas, the ever-changing market rules eliminated the ability to self-supply with new capacity resources by instituting a Minimum Offer Price Rule (MOPR) in 2012, and;

Whereas, the continuation of certain Buyer-Side Mitigation related provisions creates the risk of consumer-owned or supported resources not being fully recognized in all of the ISO markets and forcing consumers to then pay twice for capacity, and;

Whereas, the problems with the ISO-NE markets go to their fundamental objectives and design principles, which do not consider important values as outlined above, and;

Whereas, the ISO-NE capacity market fails to create a strong tie between load interest and supply resources affecting long term resource adequacy;

Be it now

RESOLVED, that NEPPA:

Supports reinstatement of self-supply for new resources in ISO-NE’s capacity market through further modification or elimination of the Buyer-Side Mitigation rules allowing public power systems and other load serving entities to determine the resources they will use to meet their wholesale market obligations.

Supports a return to a long-term, planning-based process for determining resource needs in support of strengthening regional resource adequacy.

Supports modification of Buyer-Side Mitigation rules to support local community objectives and develop resources as cost effectively as possible.

Supports efforts to evaluate and reform these structures holistically, rather than continuing to layer regulatory uncertainty by devising too frequent modifications without addressing the fundamental problem.

Originally adopted by the NEPPA Board of Directors 7/20/2020.

Readopted by the NEPPA Board of Directors 8/23/23.