

March 4, 2022

Ms. Susannah Hatch
New England for Offshore Wind

Dear Ms. Hatch:

This is in reply to your February 17, 2022 letter in which you express disappointment in the way the Minimum Offer Price Rule (MOPR) will be reformed and, consequently, the process through which NESCOE, ISO New England, and regional stakeholders arrived at their judgments.

We understand the passion around MOPR reform. The need for those market reforms have been at the center of NESCOE's work for a decade. Over many years, NESCOE has expressed emphatically that for ISO New England's system planning and wholesale competitive markets to be sustainable, they must reasonably account for and harmonize with the requirements of state energy and environmental laws. NESCOE has accompanied that call with proposals, amendments to ISO New England and others' proposals, and other action. In December 2012, NESCOE filed a complaint with the Federal Energy Regulatory Commission (FERC) challenging ISO New England's MOPR as unjust and unreasonable. NESCOE's litigation—the first of its kind in the nation seeking to dismantle a MOPR—identified the unfair exclusion of renewable resources from the ISO New England capacity market and how that would lead to an over-development of electric generation and excessive consumer costs. After years of MOPR and related advocacy and litigation, including the NESCOE-led Renewable Technology Resource exemption that accommodated state-sponsored off-shore wind and other renewable resources when no other mechanism existed, it is heartening to have so many stakeholders weighing in to support the need for fundamental market design changes.

We also appreciate your recognition of the value of NESCOE's 2020 [Vision Statement](#). As a region, we've made significant progress toward a 21st century grid since its issuance. This year, critical work responsive to the vision in the form of the *Future Grid Initiative*, the *Pathways Study*, and the *2050 Transmission Study* will inform the way forward.

We understand that some in your group participate in the FERC-recognized New England regional electricity stakeholder process, the New England Power Pool or NEPOOL. Those following the discussions would have heard NESCOE make clear what it has long expressed and indeed brought litigation to address: it is inappropriate to apply the MOPR to state investments to meet clean energy mandates and that such markets are not sustainable over the long-term.

After listening to and participating in the stakeholder process over the past year, NESCOE expressed the view (with NH opposing) that the MOPR reforms should be enacted as soon as possible in a manner that supports system reliability. NESCOE recognized ISO New England's support of a transition proposal as ISO New England's preferred way to reform the MOPR to mitigate the potential for short-term reliability impacts. Accordingly, NESCOE (with NH opposing) expressed it would not oppose the transition approach if it was adopted by ISO New England and supported broadly by NEPOOL across all sectors.

NESCOE also made clear that any attempts to extend the deadline for final MOPR reform—which is hardwired in the tariff for FCA 19 under the transition proposal—would be fiercely opposed by the states and, we expect, ISO New England as well.

The bottom line is this: after a decade of advocacy, the MOPR is on path to be behind us. Ultimately, we concluded that ISO New England and NEPOOL's preferred means to move on from the MOPR is consistent with the *Vision Statement's* objectives: clean power, reliability, and affordability. The reform provides for a clear end to a historic impediment to clean resource development and allows the region to progress to other critical changes needed to achieve markets that are compatible with state laws and policy and sustainable over the long-term. This may have been particularly relevant to the members of NEPOOL's renewable generation subsector, and other clean energy developers in the Alternative Resources sector, that supported or did not oppose reforming the MOPR through a transition.

Thank you for your comments regarding process. A brief word on that. In the MOPR matter, consistent with our communications over many years for other market reforms, NESCOE communicated the need to harmonize regional markets and state laws in a way that protects reliability and fosters affordability over the long-term for consumers and we participated actively in the process. We are pleased to let you know that we conveyed our point of view well ahead of the vote in the New England stakeholder process and directly to stakeholders, including renewable energy interests. Doing that is of mutual benefit. This exchange of information and views helps the regional process, and everyone in it, to shape outcomes.

We look forward to your participation in and continued constructive regional collaboration on the wide range of matters now under consideration on the path to achieve the future grid.

Sincerely,

Heather Hunt

Heather Hunt
Executive Director
NESCOE