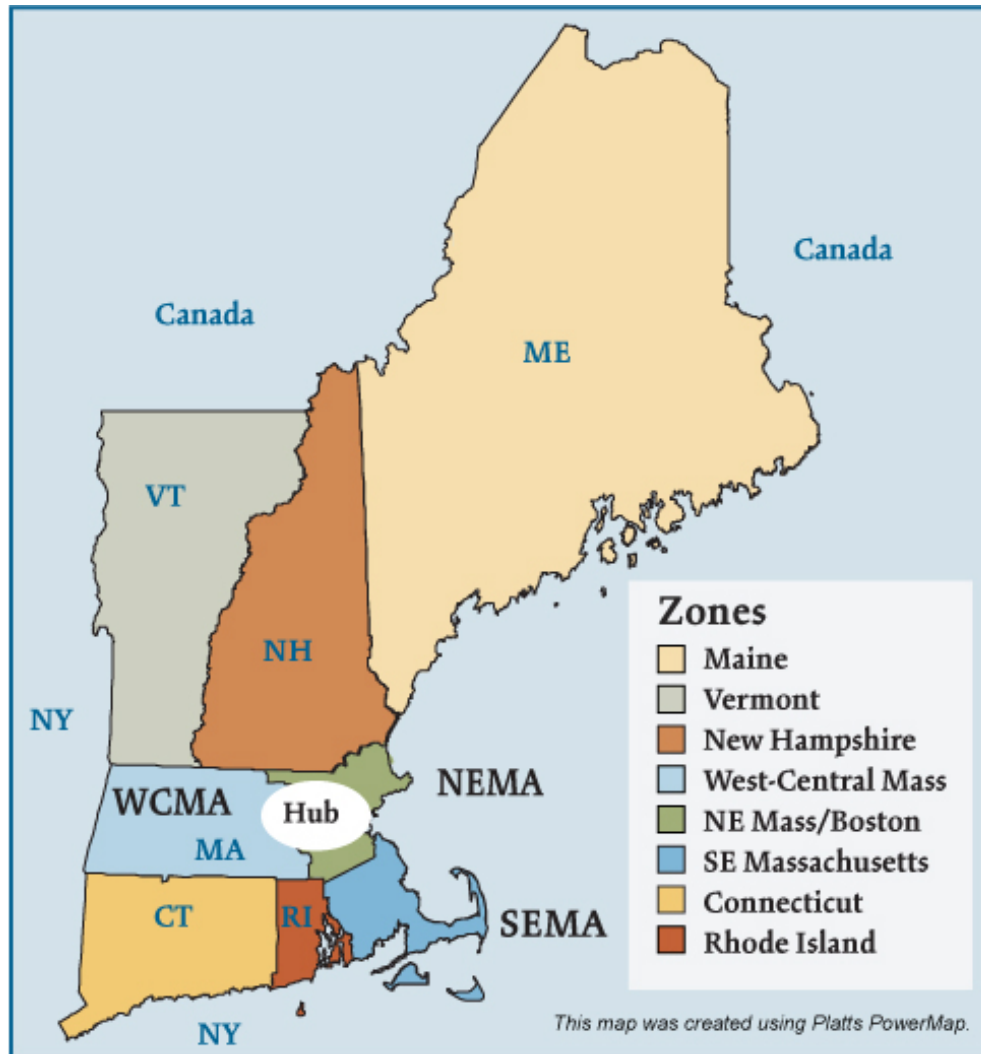


New England (ISO-NE) Electric Regions



Overview

Geography

States covered: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

Reliability region: ISO New England (ISO-NE) sub-region of the Northeast Power Coordinating Council (NPCC)

Balancing authority: ISO-NE

Load zones: Connecticut, Maine, New Hampshire, Rhode Island, Vermont, Northeastern Massachusetts and Boston (NEMA), Southeastern Massachusetts (SEMA) and Western/Central Massachusetts (WCMA).

RTO/ISO

ISO-NE (established 1999) operates the region's power grid and wholesale electric markets:

- Energy market: two-settlement (day ahead and real-time) spot market with locational marginal pricing (an internal hub, eight load zones and more than 500 nodes),
- Interim mechanism for acquiring installed capacity,
- Forward reserves market,
- Regulation market, and
- Financial transmission rights market.

[ISO-NE 2006 State of the Markets Report](#)

Market Monitor: Hung-Po Chao – Internal Market Monitor

Generation/Supply

Marginal fuel type: natural gas

Generating capacity (summer 2006): 30,895 MW

Very little new generation has been brought on line recently in New England. The ISO states that if this trend continues the region could begin to experience reliability issues as early as 2007-2008.

Capacity reserve (summer 2006): 2,768 MW (declining)

Reserve margin (summer 2006): 10% (declining)

Demand

All time peak demand: 28,127 MW (set August 2, 2006)

In summer of 2006, demand reached record levels on several occasions due to extremely hot weather.

Peak demand growth: 4.6% (2005-2006)

	2004	2005	2006
Summer Peak Demand (MW)	24,116	26,885	28,127

Source: Derived from ISO-NE Data

Load pockets: Southwest Connecticut, Southeastern Massachusetts (SEMA), and Northeastern Massachusetts and Boston (NEMA).

Prices

Annual Average Price (RTO Day-Ahead Mass Hub)

2004: \$53.72/MWh

2005: \$78.54/MWh

2006: \$60.94/MWh

Prices increased in 2005 as a result of disturbances to the natural gas market. Prices declined in 2006 as natural gas storage levels remained above historical ranges throughout the injection season (April through October).