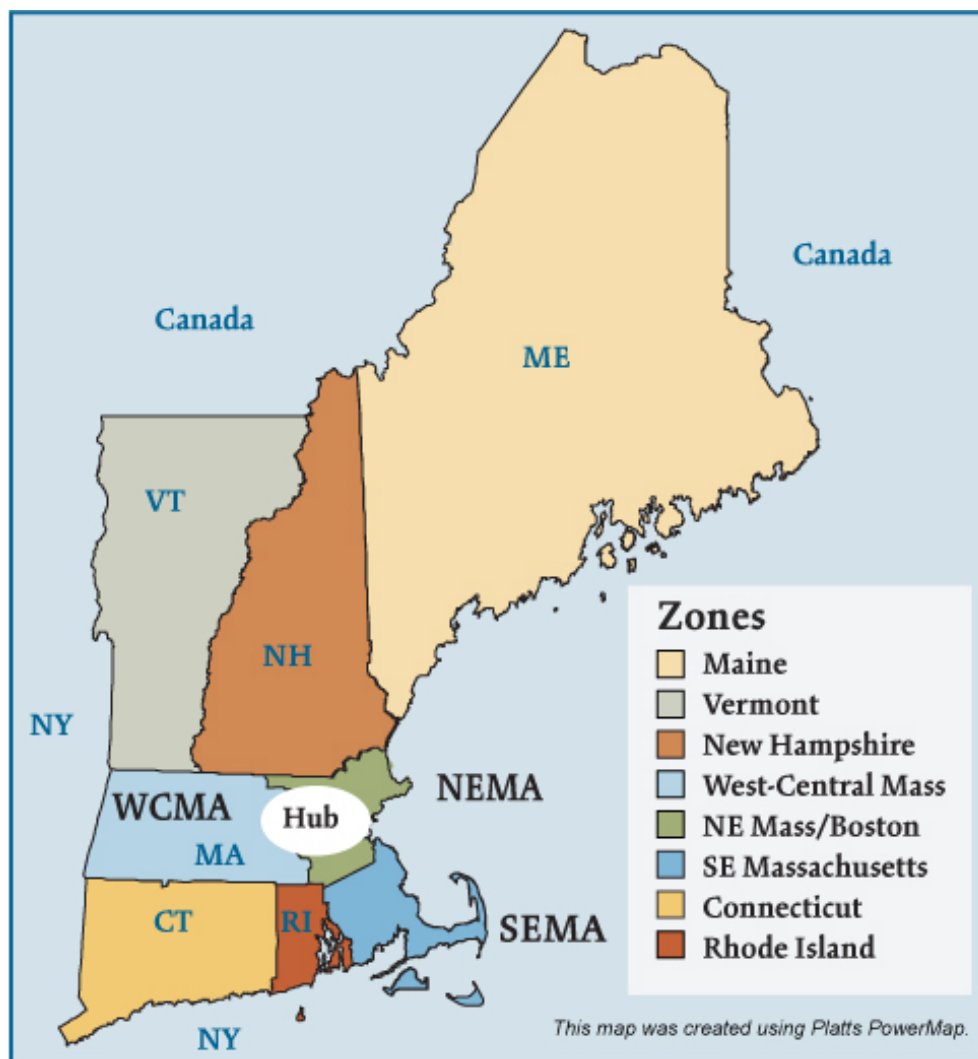


New England (ISO-NE) Electric Regions



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 New England (ISO-NE)

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

Hub: Mass Hub

RTO/ISO

ISO New England (ISO-NE) (established 1997) 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),
- Capacity market,
- Forward reserves market,
- Regulation market, and
- Financial transmission rights market.

[ISO-NE 2009 State of the Markets Report](#)

Market Monitor: David LaPlante – Internal Market Monitor

Generation/Supply

Marginal fuel type: natural gas

Generating capacity (summer 2007): 30,879 MW

Very little new generation has been brought on line recently in New England. The ISO states that it, "...has adequate installed capacity to meet regional capacity needs through 2009. The ISO is optimistic that adequate demand and supply resources will be purchased and installed in time to meet the projected capacity needs and the resource adequacy requirements for 2010 and beyond."

Capacity reserve (summer 2007): 4,736 MW

Reserve margin (summer 2007): 18.1%

Demand

All time peak demand: 28,130 MW (set August 2, 2006)

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

Peak demand growth: 7.1% (2007-2006) (weather-normalized peak increased by 1.9%)

	2004	2005	2006	2007
Summer Peak Demand (MW)	24,116	26,885	28,130	26,143
<i>Source: Derived from ISO-NE Data</i>				

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

Prices

Annual Average Price (RTO Day-Ahead Mass Hub)

2004: \$53.74/MWh

2005: \$78.63/MWh

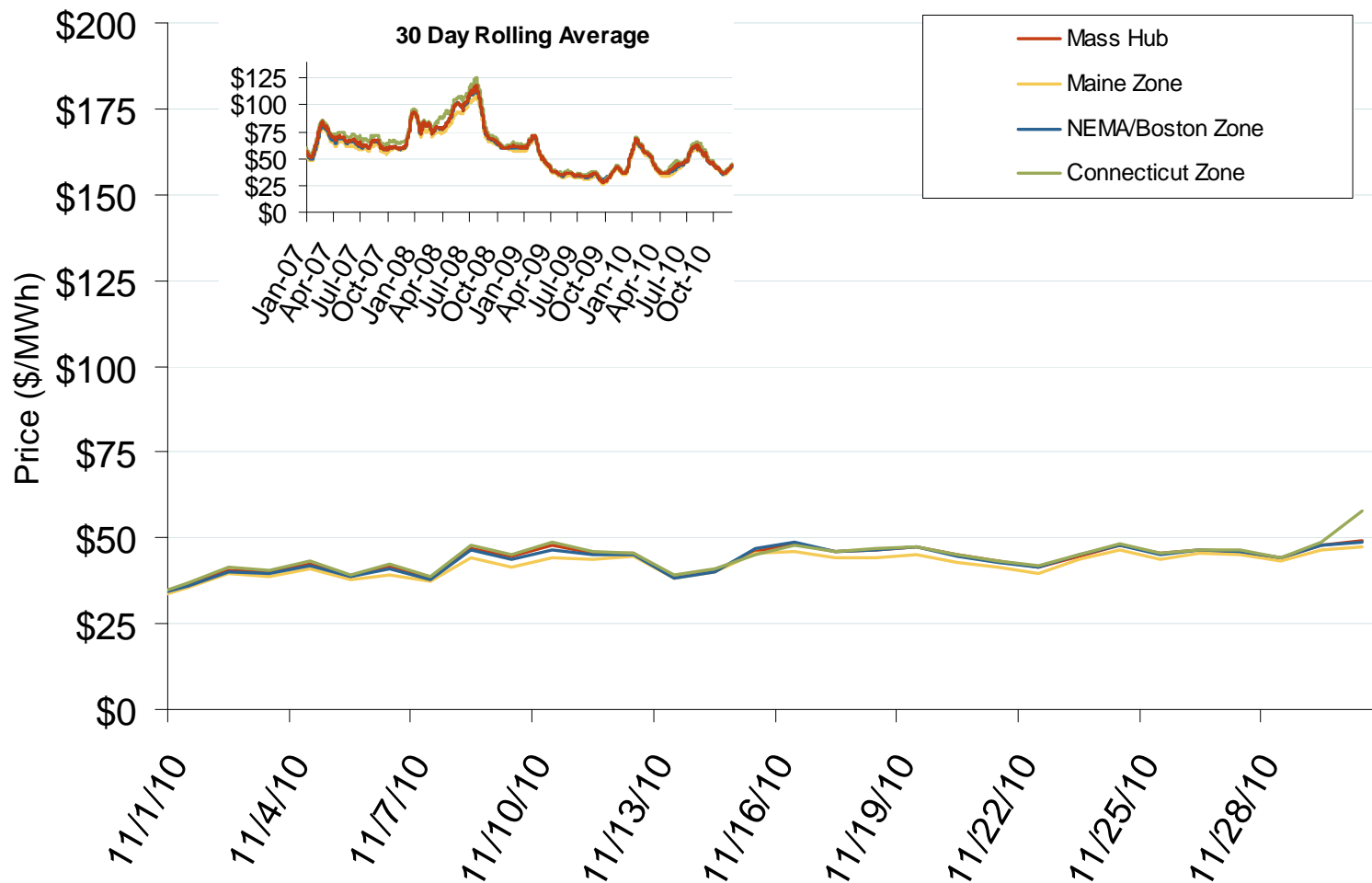
2006: \$60.88/MWh

2007: \$67.97/MWh

Annual Average Bilateral Prices

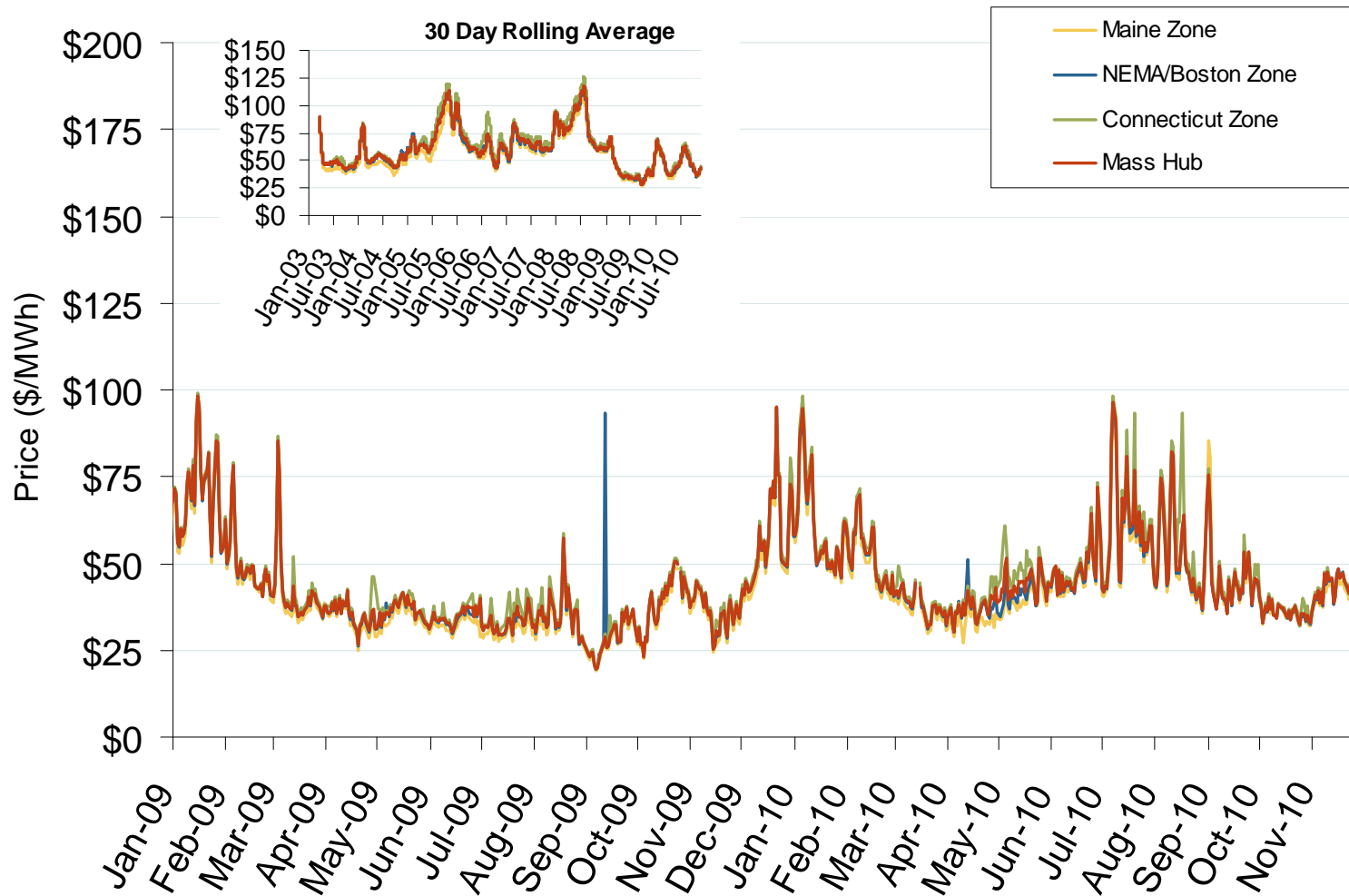
Annual Average Day Ahead On Peak Prices (\$/MWh)						
	2005	2006	2007	2008	2009	5-Year Avg
Mass Hub	\$89.87	\$69.85	\$77.39	\$91.55	\$46.24	\$74.97
Ny Zone G	\$92.46	\$75.95	\$83.51	\$100.99	\$49.80	\$80.53
NY Zone J	\$110.03	\$85.96	\$94.15	\$112.63	\$55.77	\$91.69
NY Zone A	\$76.04	\$58.70	\$64.02	\$68.34	\$35.54	\$60.51
PJM West	\$76.64	\$61.90	\$71.15	\$83.70	\$44.60	\$67.59

Daily Average of ISO-NE Day-Ahead Prices - All Hours



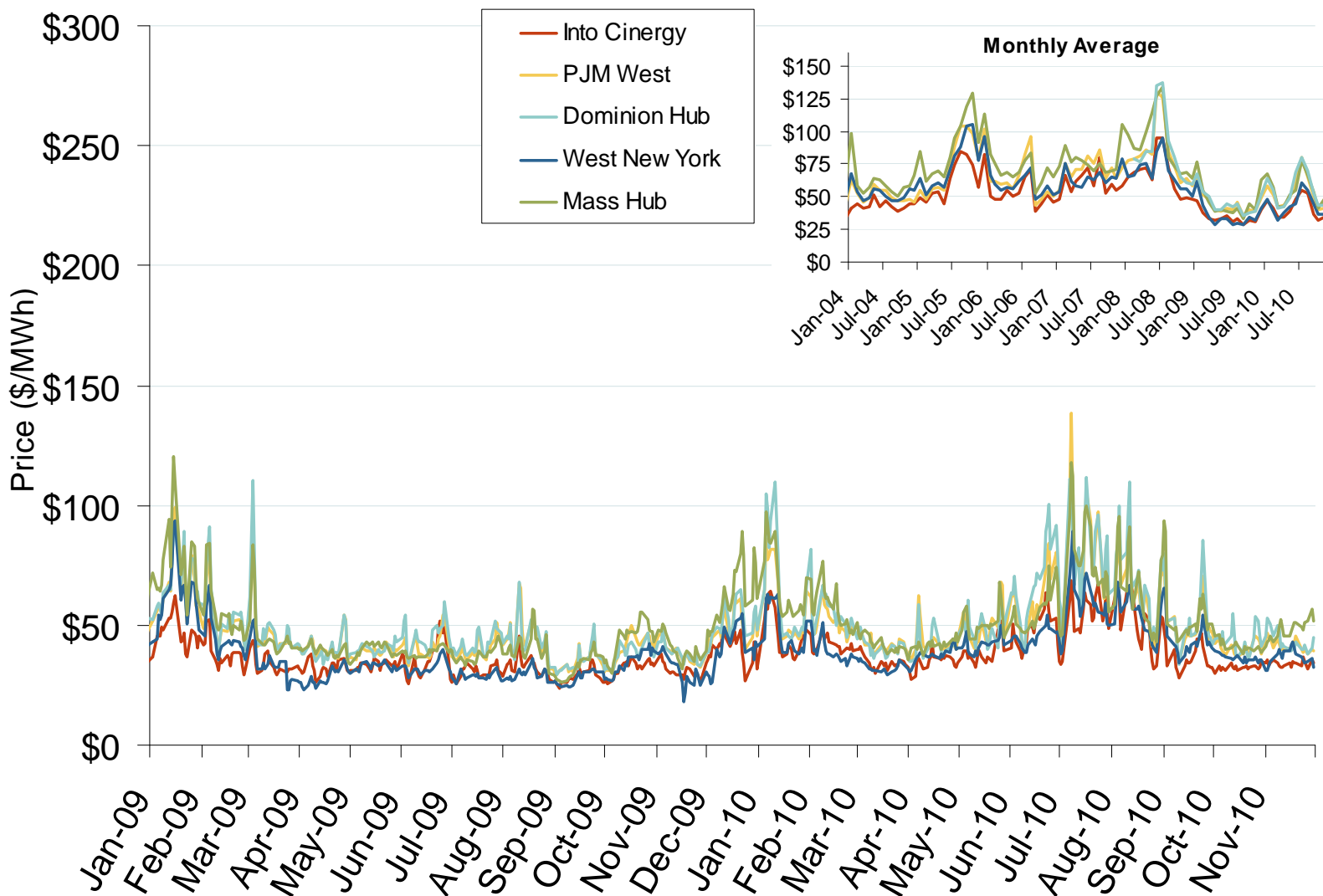
Source: Derived by Bloomberg from ISO-NE data as reported by Bloomberg.
December 2010

Daily Average of ISO-NE Day-Ahead Prices - All Hours



Source: Derived by *Bloomberg* from *ISO-NE* data as reported by *Bloomberg*.
December 2010

Eastern Daily Bilateral Day-Ahead On-Peak Prices

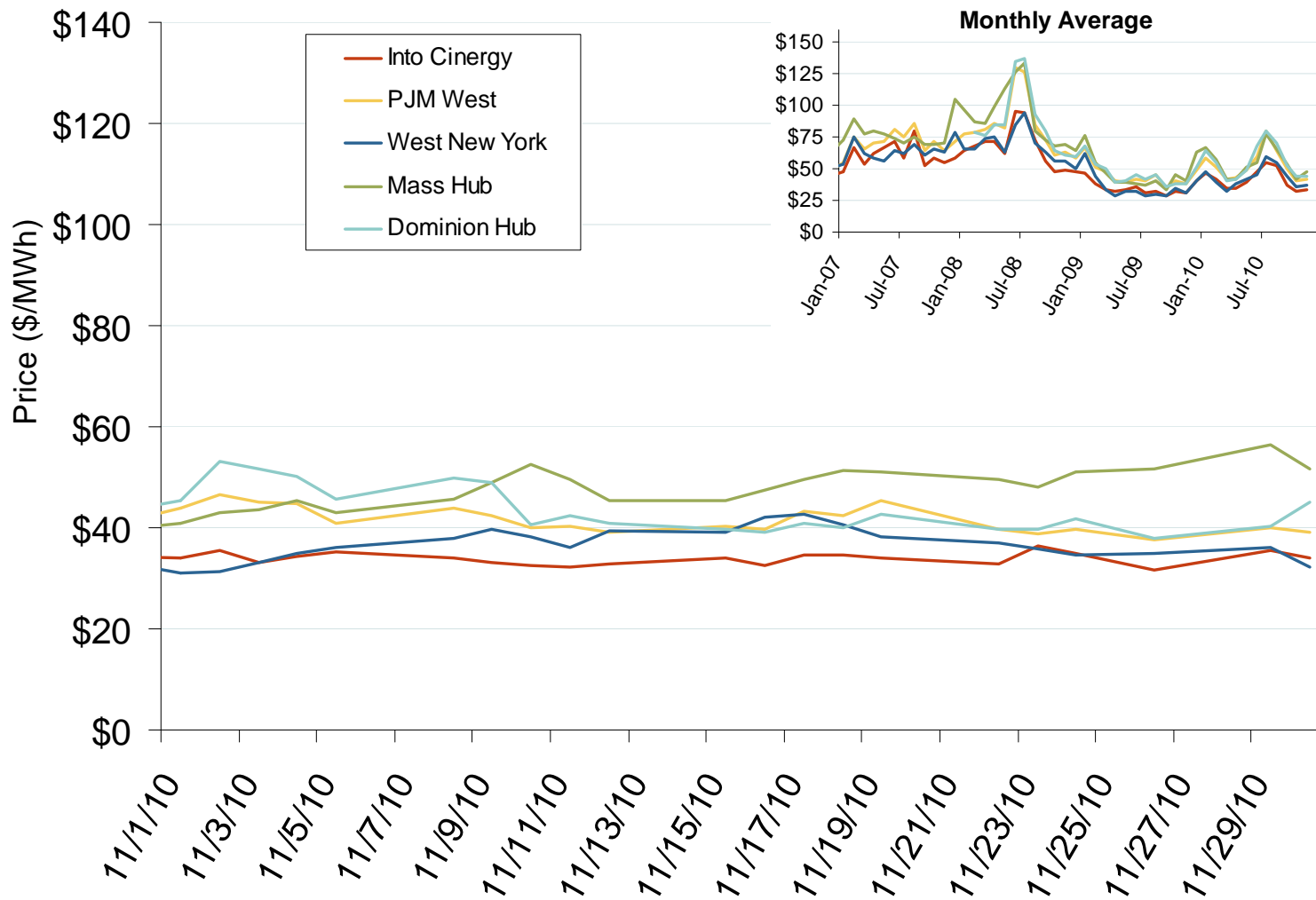


Source: Derived from *Platts* data.

December 2010

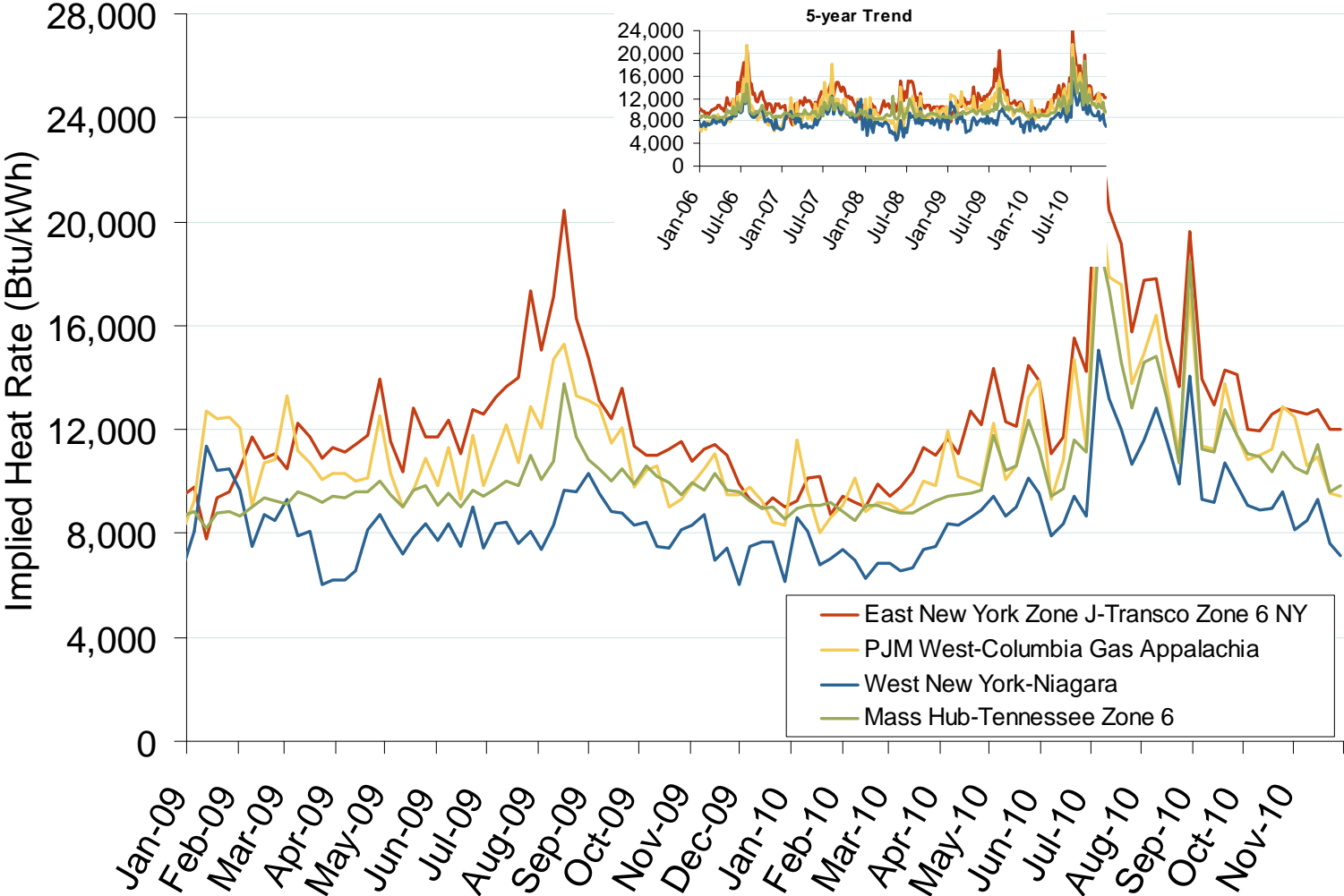
Updated December 8, 2010 1022

Eastern Daily Bilateral Day-Ahead On-Peak Prices



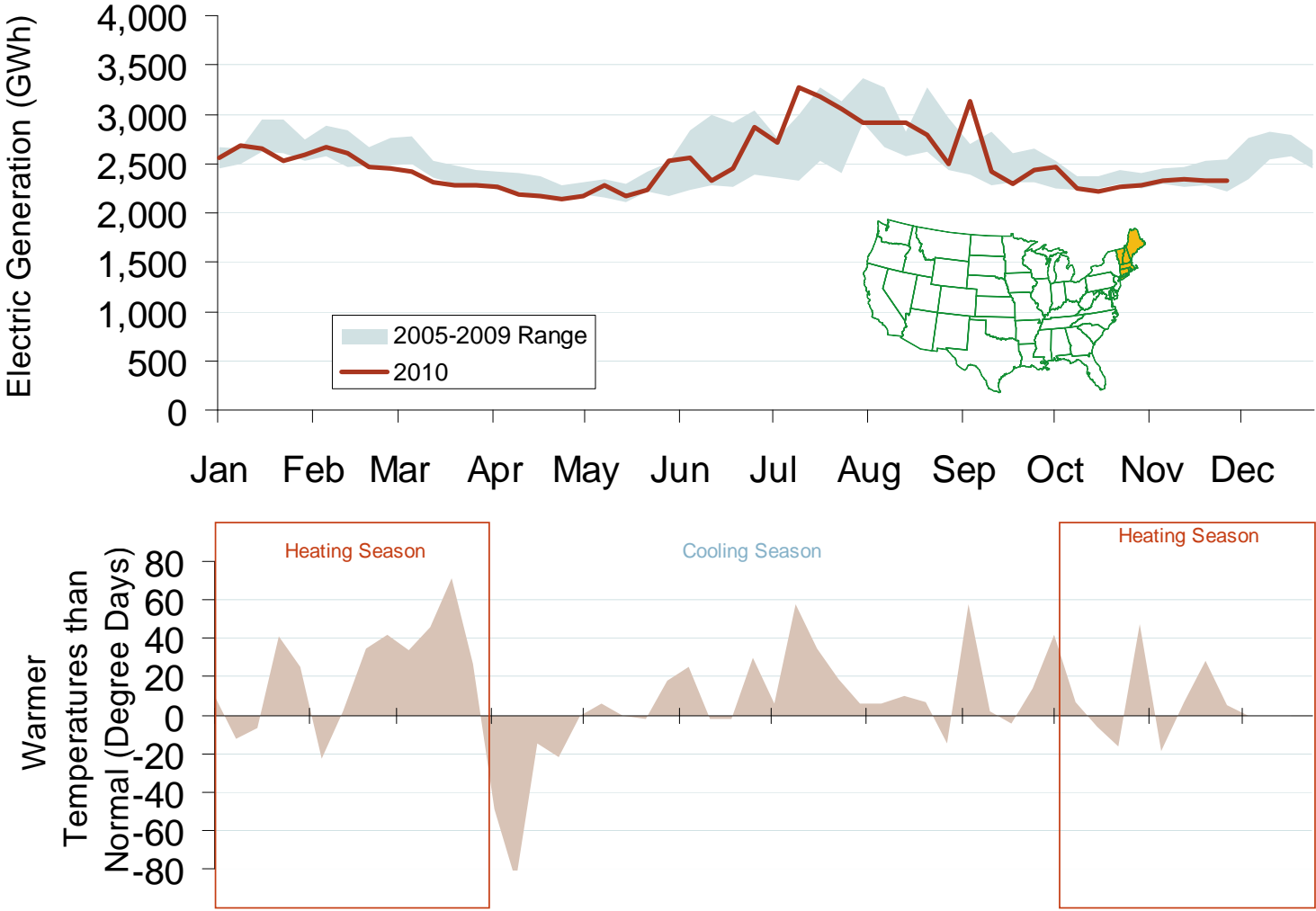
Source: Derived from *Platts* data.
December 2010

Implied Heat Rates at Eastern Trading Points Weekly Averages



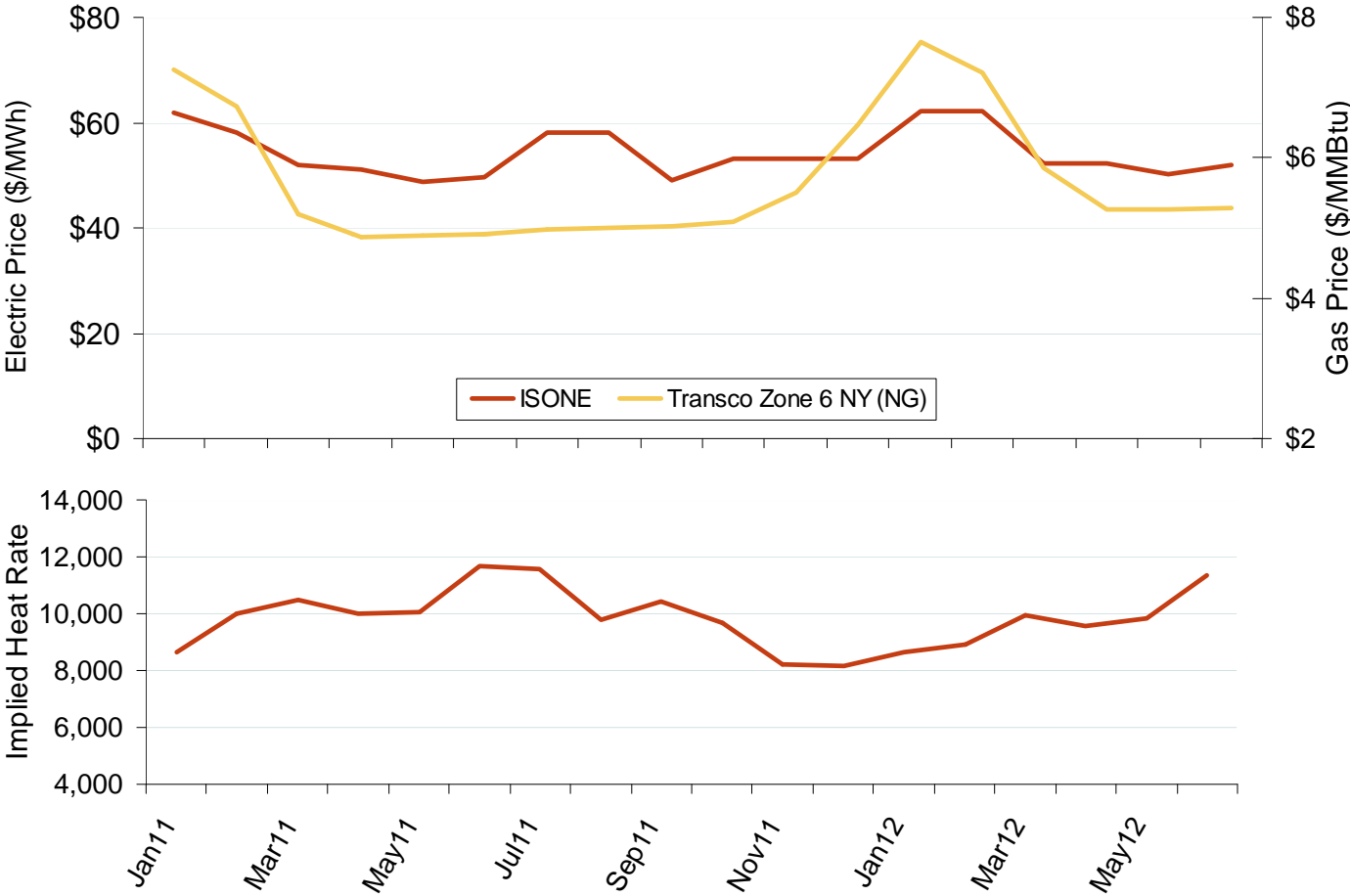
Source: Derived from *Platts* on-peak electric and natural gas price data.
December 2010

Weekly Electric Generation Output and Temperatures New England



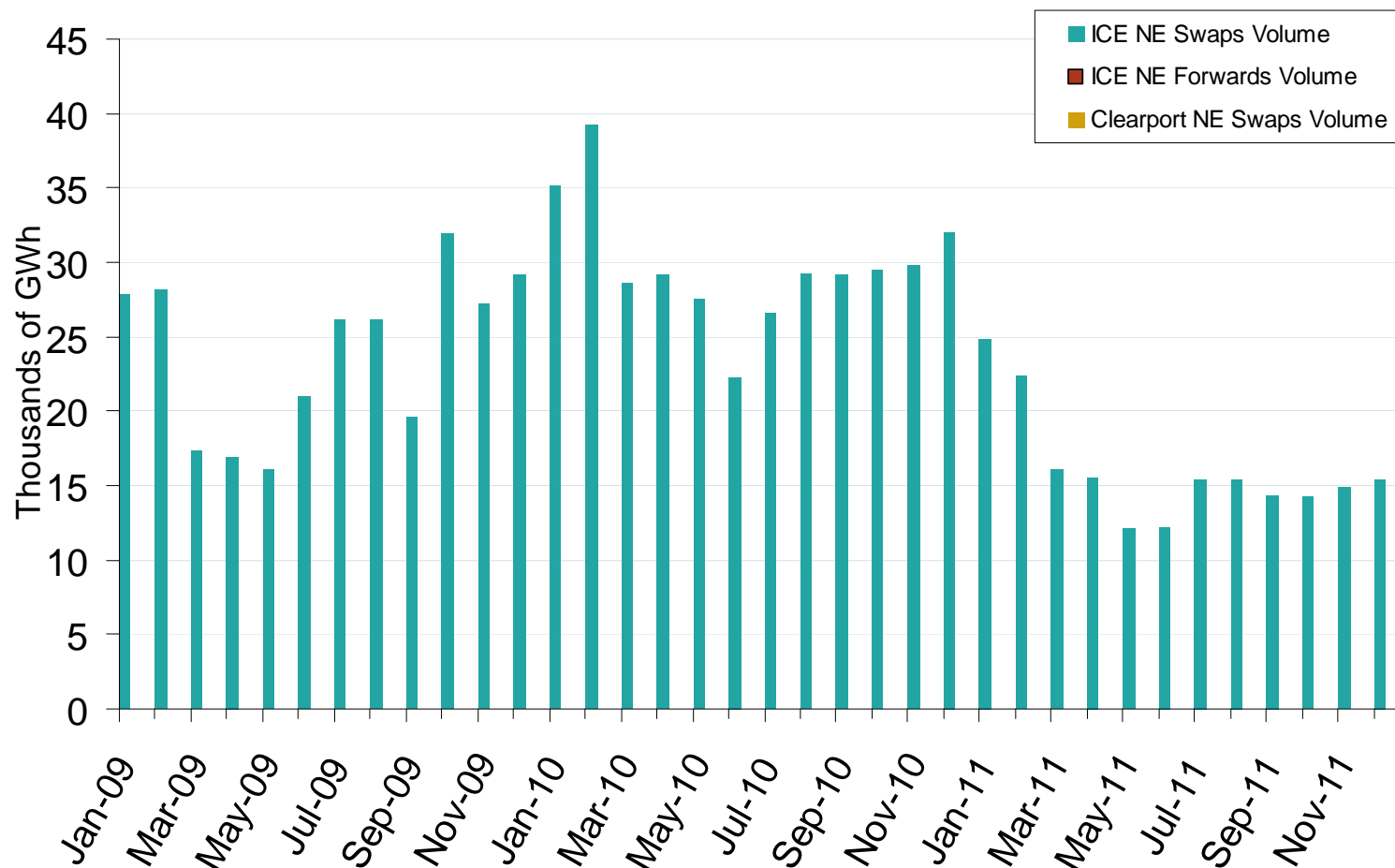
Source: Derived from *EI* and NOAA data.
December 2010

New England Electric Forward Price Curve and Implied Heat Rate



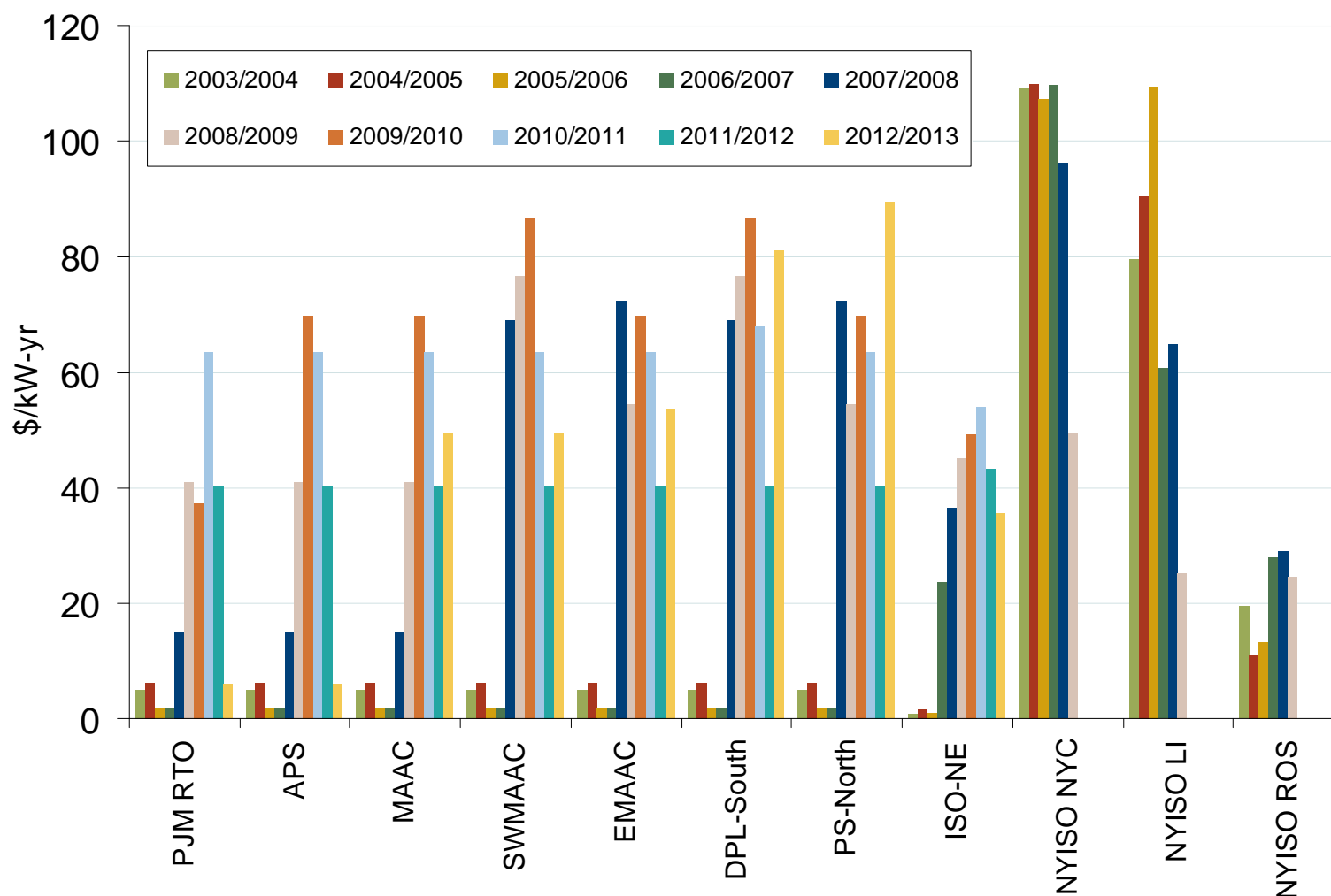
Source: Derived from Nymex data.
December 2010

New England Forward and Swap Volumes



Source: Derived from *ICE* and *Nymex ClearPort* data. *ICE* on-peak forward (physical) and swap (financial) volumes are for the Nepoch Mass Hub and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month. *Nymex ClearPort* on-peak swaps (financial) volume are for the ISO-NE Internal Hub traded by month.

PJM, NYISO and ISO-NE Capacity Prices



Note: PJM values are for Base Residual Auctions only.

ISO-NE results for 2010/2011 and 2011/2012 are based on preliminary FCM auction before pro-rationing and EAS adjustment.

Source: Derived from PJM, NYISO and ISO-NE data

Updated October 7, 2009