



# Amendment to Remove RER from the ISO-NE ESI Proposal

NEPOOL Markets Committee

March 24, 2020



# AGO proposes an amendment to remove RER from the ESI Design

*MA AGO appreciates the hard work of ISO-NE and Analysis Group in developing and evaluating the ESI design.*

**Purpose:** This amendment eliminates RER.

**Method:** Strike all language on RER-90 & RER-240.

*N.b., MA AGO has made no changes to our analysis or to tariff redlines since our March 11, 2020 MC presentation.*



# RER should be removed from ESI design.

- An efficient and reliable power system is in the interests of ratepayers.  
ISO-NE hasn't demonstrated that RER improves reliability or is cost effective.
- Removing RER saves ratepayers \$50-\$142 million/yr., according to IA.
- ISO-NE has other programs to price contingencies: e.g., Pfp, RCPF, EMOF.
- ISO-NE has not demonstrated that RER improves system reliability.
  - ESI increases fuel availability; but **fuel availability**  $\neq$  **reliability**.
  - Removing RER does not effect compliance with NERC or NPCC requirements.
- Removing RER offers a middle ground between full ESI and status quo.
  - Lower cost + no demonstrated change in reliability = better value.



Thank you.