

FERC Rejects ISO New England's "Energy Security Improvements" Proposal

October 30, 2020 | *Scott H. Strauss, Jeffrey A. Schwarz*

FERC issued an [order](#) on October 30 rejecting ISO New England's proposed suite of "Energy Security Improvements" or "ESI." Approval of ESI would have imposed enormous charges on New England consumers in return for dubious — if any — regional reliability/fuel security benefits. ISO New England filed the proposal in response to a FERC directive to adopt a market mechanism to address regional fuel security concerns.

Under ESI, New England ratepayers would have paid the region's generators up to an additional \$257 million dollars a year for three new day-ahead products, based on the hope that those day-ahead payments would encourage generators to procure fuel supplies months in advance. Our clients, Massachusetts Municipal Wholesale Electric Company, New Hampshire Electric Cooperative and Connecticut Municipal Electric Energy Cooperative, argued that ESI allowed insufficient time for the generators to purchase needed supplies. And, worse, the proposal was voluntary—meaning that generators could decide not to participate at times when the system need was most acute.

Spiegel attorneys Scott Strauss, Jeff Schwarz, Latif Nurani and Amber Martin Stone represented the three organizations in the case.

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