



New England States Committee on Electricity

## **New England States Committee on Electricity Renewable Energy Mechanisms 2.0 Study**

*June 27, 2016* – The New England States Committee on Electricity (NESCOE) is continuing analysis to help inform consideration of a range of potential means through which states could choose to execute public policies.

This follows a background paper NESCOE produced in December 2015, *Mechanisms to Support Public Policy Resources in the New England States*.<sup>1</sup> That paper identified a range of mechanisms available to states to support public policy resources, such as clean energy standards, contracting, and cap and trade programs. It described each mechanism's mechanics, as well their interaction with the competitive wholesale markets and some legal and regulatory issues.

NESCOE is commencing further analysis of various mechanisms, such as renewable portfolio and clean energy standards, power purchase agreements, strategic transmission investments, and centralized auction-based procurement. As in the background paper, producing information about a range of mechanisms is not intended to, and should not be interpreted to, suggest a preference for any particular mechanism.

In this study, London Economics International will provide analysis of New England wholesale electricity market dynamics. This will include long term modeling of the New England energy and capacity markets under various hypothetical future market conditions. The modeling results will inform NESCOE analysis and a written report to be completed in the forth quarter of 2016. The material will be available at [www.nescoe.com](http://www.nescoe.com) in the Resource Center.

The work product is not a plan: it will only provide a directionally indicative sense of a range of hypothetical futures. It will be one of many pieces of information that may assist consideration of how wholesale competitive markets and state public policies might best move forward together. This includes, for example, an Economic Study of Markets and Planning that ISO New England Inc. is conducting at the request of the New England Power Pool (NEPOOL)<sup>2</sup> and other analysis and/or proposals that NESCOE hopes market participants, advocates and others put forward as NEPOOL begins a conversation about how to harmonize state public policy objectives with efficient wholesale market design.<sup>3</sup>

---

<sup>1</sup> [http://nescoe.com/wp-content/uploads/2015/12/PublicPolicyMechanisms\\_December2015.pdf](http://nescoe.com/wp-content/uploads/2015/12/PublicPolicyMechanisms_December2015.pdf)

<sup>2</sup> [http://www.nepool.com/2016\\_Scenario\\_Analysis.php](http://www.nepool.com/2016_Scenario_Analysis.php)

<sup>3</sup> [http://www.nepool.com/uploads/Other\\_20160606\\_Chairman\\_Comments\\_NECPUC\\_Symposium.pdf](http://www.nepool.com/uploads/Other_20160606_Chairman_Comments_NECPUC_Symposium.pdf)