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### **MMWEC Seeks Data About Exorbitant Mystic/Everett Charges**

(Ludlow, MA -- May 22, 2023) -- Massachusetts Municipal Wholesale Electric Company (MMWEC), leading a group of public power entities throughout New England, has filed a motion at the Federal Energy Regulatory Commission (FERC) asking that it force the disclosure of information concerning the exorbitant charges being imposed on New England ratepayers under a fuel security cost-of-service agreement. Joining MMWEC in that request are the Connecticut Municipal Electric Energy Cooperative, New Hampshire Electric Cooperative, Vermont Public Power Supply Authority, Energy New England, and a group of Massachusetts public power systems known collectively as the Eastern New England Consumer-Owned Systems.

In 2018, the region's grid operator, ISO New England (ISO-NE), executed a two-year agreement (which began June 1, 2022 and ends May 31, 2024) requiring the continued operation of Mystic Units 8 & 9, which are owned by Constellation Mystic Power, LLC. ISO-NE says that the units are needed to ensure regional "fuel security." Mystic is paid under the agreement both its full cost of service and nearly all of the costs of Mystic's affiliated liquefied natural gas (LNG) fuel supplier, the Everett Marine Terminal. The agreement protects customers against unreasonable fuel charges by requiring that ISO-NE audit Mystic's fuel procurement practices. The audits are conducted to ensure that service under the agreement is being provided at the lowest possible cost.

Over the first ten months of the two-year term of the Mystic agreement, consumers have been charged more than \$436 million in fuel costs, most of which resulted from Constellation's LNG purchases, and then selling at a loss, burning uneconomically, or otherwise disposing of fuel that it turns out Mystic did not need.

In the ten months since the Mystic agreement went into effect, the only document concerning the audits that ISO-NE has released is an uninformative, three-page summary of the conclusions of a consultant retained by the grid operator. The consultant concludes that the charges are appropriate under the agreement, but provides no insight into what MMWEC and the other public systems say is a key driver of the fuel-related charges: Mystic's fuel purchasing decisions and the terms of its liquefied natural gas supply contracts. The motion requests that FERC direct ISO-NE to release additional information concerning the variable charges passed through the agreement, including redacted copies of any reports, studies or other analyses produced by or for ISO-NE in connection with the audit.

In support of this request, the motion states that because of the paucity of data made public, neither FERC, the New England States, nor consumers have had the opportunity to assess what contributed to these enormous charges and to determine if they are justified and reasonable. MMWEC and its supporters ask that FERC direct Mystic and ISO-NE to release data related to the excessive charges, and continue to do so on a quarterly basis. The motion states that this information will help MMWEC and the public systems determine whether certain charges are warranted, whether there should be enhanced auditing, or if the agreement should be amended.

MMWEC, joined by the New Hampshire Electric Cooperative, called FERC's attention to the issue in a joint filing last December, in which they stated the charges had become much larger and more volatile than anticipated. Since that time, the charges have grown even larger. In January and February 2023 alone, ISO-NE has passed on more than \$220 million in charges under the agreement. The \$120 million supplemental capacity payment to Mystic for January 2023 was more than a quarter of the value of the entire New England wholesale energy market for that month. The motion

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concludes by requesting that FERC direct Mystic and ISO-NE to release more robust and useful information about the bases for the extraordinary charges and ISO-NE's audit of them, as was promised during the 2018 proceeding in which Mystic and ISO persuaded FERC to approve the agreement.

MMWEC is a not-for-profit, public corporation and political subdivision of the Commonwealth of Massachusetts created by an Act of the General Court in 1975 and authorized to issue tax-exempt debt to finance a wide range of energy facilities. MMWEC provides a variety of power supply, financial, risk management and other services to the state's consumer-owned, municipal utilities.

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