

DRAFT – For discussion only

Federal Energy Regulatory Commission
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Capacity Markets Technical Conference
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New England Power Generators Association, Inc.
Key Factors in Competitive Wholesale Capacity Market Design

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The New England Power Generators Association, Inc. appreciates the opportunity to offer verbal comments in this proceeding based on the following main points.

- 1. Capacity markets are a necessary part of competitive wholesale markets for the foreseeable future**
- 2. Wholesale market design is distinct from retail service requirements. Unbundled wholesale market products facilitate efficient capital allocation and enable customized hedging options.**
- 3. Forward markets enable contestability, reduce market power concerns, and can facilitate contracting**

The competitive wholesale capacity markets are not yet finished, but they show great promise as necessary components of functional wholesale markets that will deliver efficient capital allocation to support reliable and affordable electricity supplies in keeping with the nation's environmental goals.