CONFIDENTIAL

CONSTITUTION PIPELINE BENEFITS REPORT - FINAL

JULY 6, 2026

PREPARED FOR
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PREPARED BY
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LIST OF ACRONYMS

AGT	Algonquin Gas Transmission
AIC	Akaike Information Criterion
BTM	behind-the-meter
CELT	ISO-NE's Forecast Report of Capacity, Energy, Loads, and Transmission
CLCPA	Climate Leadership and Community Protection Act (New York)
CO_2	carbon dioxide
DSM	demand side management
ELCC	effective load-carrying capability
FCA	Forward Capacity Auction
FCM	ISO-NE Forward Capacity Market
GWh	gigawatt hour
ICAP	installed capacity
ISO-NE	Independent System Operator of New England
LBMP	locational-based marginal price (NYISO)
LBW	land-based wind
LDCs	local distribution companies
LMP	locational marginal price
LSEs	load serving entities
MMBtu	million British thermal units
MMcf/d	million cubic feet per day
MW	megawatt
NEMA	Northeastern Massachusetts zone
NESE	Northeast Supply Enhancement project
NMM	Daymark's Northeast Market Model
NYCA	New York control area
NYISO	New York Independent System Operator
O&M	operations and maintenance
OSW	offshore wind
PDR	passive demand response
PPA	power purchase agreement
PV	photovoltaic
REC	renewable energy credit
RGGI	Regional Greenhouse Gas Initiative
RPS	renewable portfolio standard
RSP	regional system plan
SEMA	southeastern Massachusetts
SWC	severe winter conditions (scenario)
TETCO M3	Texas Eastern Transmission Company's Market Zone 3
TGP Z 6	Tennessee Gas Pipeline Zone 6
UCAP	unforced capacity
WCMA	Western and Central Massachusetts zone

DISCLAIMER

The analyses supporting the results presented here involve the use of assumptions and projections with respect to conditions that may exist or events that may occur in the future. Although Daymark Energy Advisors has applied assumptions and projections that are believed to be reasonable, they are subjective and may differ from those that might be used by other economic or industry experts to perform similar analysis. In addition, actual future outcomes are dependent upon future events that are outside Daymark Energy Advisors' control. Daymark Energy Advisors cannot, and does not, accept liability under any theory for losses suffered, whether direct or consequential, arising from any reliance on this presentation, and cannot be held responsible if any conclusions drawn from this presentation should prove to be inaccurate.

I. EXECUTIVE SUMMARY

The Williams Companies, Inc. (Williams) retained Daymark Energy Advisors (Daymark) to conduct an independent assessment of the power market benefits that the Constitution Pipeline Project (Constitution) would deliver to electricity consumers across New York and New England. Daymark is an independent energy consulting firm with deep expertise in power market modeling, natural gas analytics, transmission planning, and regulatory economics.

To quantify Constitution's benefits, Daymark employed an integrated framework combining two different platforms – *GasBasis* and Daymark's Northeast Market Model with PLEXOS. Daymark's proprietary *GasBasis* tool was used to develop probabilistic forecasts of delivered natural gas prices at key hubs under two reference scenarios: a Base Case representing a future without Constitution, and a Project Case reflecting Constitution in service. Daymark used the PLEXOS market simulation software to incorporate those gas prices into a model zonally representing the New York ISO (NYISO) and ISO New England (ISO-NE) power systems to simulate electricity market outcomes over a 20-year study horizon (2027 through 2046). The Base and Project scenarios (the Reference Cases) are relatively bullish on achievement of clean energy goals, which makes for a conservative approach to estimating benefits from incremental natural gas pipeline capacity.

Comparison of Base Case and Project Case results forms the basis for the benefit estimates presented in this report. The assessment examined potential regional and state benefits related to gas prices, wholesale energy prices and cost to load, bill impacts for residential electric customers, and energy production costs.

Results indicate that Constitution (if built) would benefit the New England states and New York by reducing gas prices, making energy cheaper to produce for natural gas power plants, and making wholesale electric energy cheaper, with an incremental benefit during conditions when natural gas is in high demand.

Daymark results show that Constitution is expected to produce over $5.8 billion in net present value benefits to New York and New England electric consumers over the next twenty years. The project will also serve to reduce regional production costs by $2.1 billion. The tables below compare the magnitudes of these benefits as estimated in the assessment. Note that these different savings metrics are not additive.

Table 1. 2027-2046 Benefits estimate summary (2026$ NPV, Billions)

REGION	NPV WHOLESALE ENERGY MARKET SAVINGS ($B)	NPV WHOLESALE ENERGY COST TO LOAD SAVINGS ($B)	NPV PRODUCTION COST SAVINGS ($B)
NYISO	$3.7	$3.0	$1.1
ISO-NE	$3.5	$2.8	$1.0
TOTAL	**$7.2**	**$5.8**	**$2.1**

ISO-NE markets serve customers in six different states. The regional load cost reduction savings can be shown broken down by individual states.

Table 2. 2027-2046 State Level Benefits Estimates Summary (2026$ NPV, Billions)

STATE	NPV LMP REDUCTION ($B)
CT	$0.6
MA	$1.2
ME	$0.3
RI	$0.2
VT	$0.1
NH	$0.3
NY	$3.0
TOTAL	**$5.8**

On a per-customer basis, these wholesale savings translate into modest but significant annual bill reductions for residential ratepayers across the region as shown in Table 3 below.

Table 3. Annual Ratepayer Savings by State (2026$, annual bill reduction for typical residential customer using 600 kWh/month)

STATE	AVERAGE ANNUAL SAVINGS (2026$)
CT	$11.45
MA	$10.50
ME	$10.42
RI	$13.18
VT	$8.77
NH	$13.11
NY	$8.88

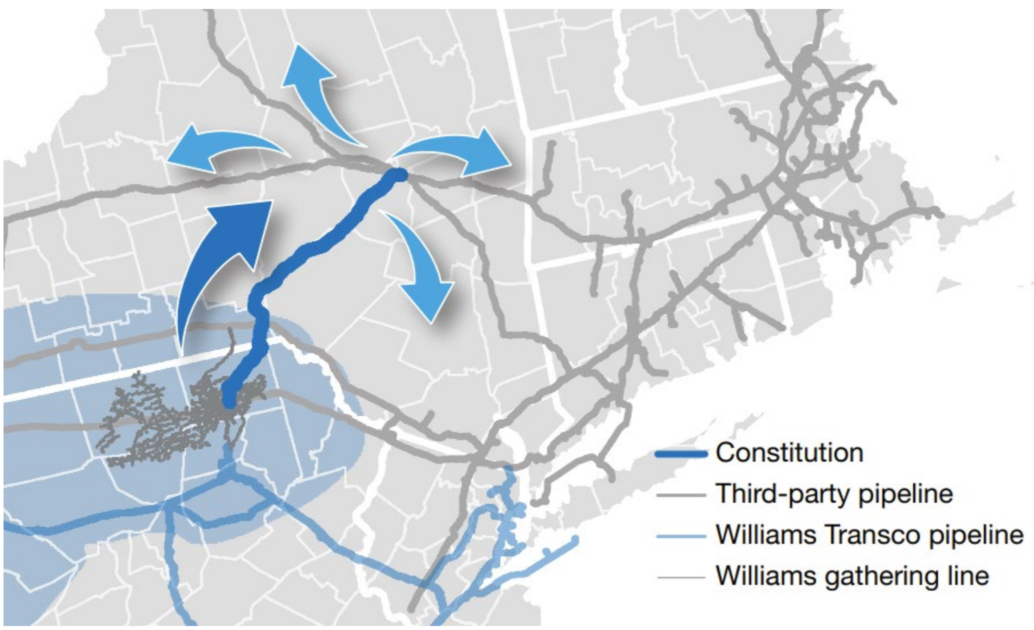
These Reference Case results represent an average annual benefit considering the characteristics of the Northeastern grid over the 20-year study horizon. Averaging results over a 20-year period understates the impact of the new pipeline during years with severe winter conditions.

For additional insight into the dynamic of a system under severe winter conditions – like those experienced in the winter of 2024-25 – with the Constitution pipeline, Daymark performed a Severe Winter Conditions (SWC) sensitivity as further discussed in Section V of this report. The sensitivity focused on a 3-month severe winter period with high demand and restricted fuel supply. The SWC sensitivity results indicate that Constitution would deliver over $800 million in wholesale energy cost benefits over the 3-month SWC period, representing an incremental $260 million to the benefits found for the same period in the Reference scenario. In addition, the added gas availability reduces oil-fired generation by 700 GWh, reducing CO_2 emissions by 163,000 tons over that same 3-month period.

I. BACKGROUND

The Marcellus Shale is one of the largest natural gas producing regions in the world, located primarily in Pennsylvania, West Virginia, and New York. Since the shale revolution began in the mid-2000s, Marcellus production has grown, helping transform the United States into a net natural gas exporter. Despite this abundance of supply, the Northeastern United States (particularly New York and New England) have long faced pipeline capacity constraints that limit the ability to physically deliver Marcellus supply to consumers and power plants during periods of peak demand. These constraints are most acute during winter months, when heating demand from local distribution companies (LDCs) compete with power generation needs for the same limited pipeline capacity. The result is price spikes far above the average spot prices, which impose significant costs on consumers and power generators.

Williams, an energy infrastructure company, plans to develop a new gas pipeline – the Constitution Pipeline – tapping into Marcellus supply and running from Susquehanna County Pennsylvania to Schoharie County, New York. Constitution was first proposed in 2013 to address these constraints directly. If built, the 124-mile project would provide approximately 0.65 Bcf/day of incremental capacity into New York State, with a targeted in-service date of 2027. Constitution would interconnect with existing pipeline infrastructure in New York, improving gas deliverability to NYISO load zones and providing indirect relief to New England by increasing the overall supply of gas available to the regional pipeline grid.



Source: Williams' Constitution Northeast States Fact Sheet

Figure 1. Map of the Planned Constitution Pipeline

Pipeline constraints and permitting uncertainty in the Northeast have historically contributed to winter deliverability risks, price volatility, and downstream power market impacts. Constitution is designed to address these constraints by providing a new, direct supply path from the Marcellus supply to a constrained demand region.

This report provides details of Daymark's analytical approach and forecasts of the benefits the project may deliver to New York and New England electric consumers.

II. GAS MARKET MODELING METHODOLOGY AND RESULTS

This section describes Daymark's *GasBasis* model methodology and presents the natural gas basis price forecast results for key gas market hubs tied to NYISO and ISO-NE generators under with- and without-Constitution scenarios. These gas basis price forecasts serve as fuel cost inputs to the power market simulations described later in Section III.

Methodology Overview

Daymark's *GasBasis* model estimates the delivered price basis relative to Henry Hub for key natural gas hubs using a headroom-based Monte Carlo simulation framework. The model is empirically grounded in the observed historical relationship between pipeline system headroom and basis price outcomes and is forward looking in that it incorporates expected changes to infrastructure capacity and demand over the study period to produce a forecast that reflects how market conditions are likely to evolve.

The foundation of the model is the concept of headroom, defined in *GasBasis* as daily pipeline maximum capacity minus total gas demand from both LDCs and power plants. Regional headroom is an approximate aggregate measure of how much "slack" exists on the pipeline system at any given time. When headroom is ample, the system is relatively unconstrained and prices tend to fall at a discount to Henry Hub prices, reflecting the relatively cheaper source of supply in nearby shale plays like Marcellus. As headroom tightens, the system becomes increasingly susceptible to price spikes during periods of high demand.

To translate headroom into price outcomes, *GasBasis* is trained on historical data on how prices have behaved under different pipeline conditions. Specifically, ten years of historical daily headroom observations are sorted into a series of discrete pricing bins (each with its own fitted distribution) ranging from most constrained to least constrained. Each bin is fitted with a statistical distribution of price outcomes fitted to the historical data observed under the differing headroom conditions. When the simulation draws a headroom value that falls into a given bin, it then draws a price from that bin's distribution. This structure is important because the relationship between pipeline tightness and price is nonlinear. A system operating near its capacity ceiling behaves differently from one with significant headroom, and the bin-based approach allows the model to reflect that dynamic rather than imposing an average across all conditions.

Each bin's price distribution is selected through a formal statistical fitting process. Daymark evaluates several candidate probability distributions for each bin and selects the distribution that best matches the historical data observed in that bin, using standard goodness-of-fit criteria to confirm the choice. This bin-by-bin fitting allows the model to capture the fact that price behavior under severe constraint can take on a different shape than price behavior in a loosely constrained system.

The Monte Carlo simulation runs 10,000 trials per modeled year. In each trial, a random demand draw is taken from seasonal fitted distributions re-centered on forecasted demand means. Headroom is computed given that demand draw and the assumed pipeline capacity in that year and scenario, a bin is assigned, and a price is drawn from that bin's fitted distribution. Repeating this process thousands of times produces a full probabilistic distribution of price outcomes for each year, season, and scenario. Winter and summer seasons are modeled separately to capture the different demand and constraint dynamics between the two periods. Monthly price profiles are then derived from the seasonal distributions using historical monthly shape factors that reflect the typical within-season pattern of basis prices observed historically, allowing the model to translate seasonal-level outcomes into the monthly granularity needed for the power market simulations described later in this report.

Pipeline and Demand Assumptions

GasBasis uses historical flow data to determine maximum pipeline capacity for the period of 2015 to 2025. From 2025 onward, pipeline capacity is expected to increase because of the specific capacity upgrades shown in the table below.

Table 4. Natural gas assumptions

PIPELINE PROJECT	MODELED ONLINE DATE	PROJECT FIRM CAPACITY	NEW YORK		NEW ENGLAND	
			WITHOUT CONSTITUTION	WITH CONSTITUTION	WITHOUT CONSTITUTION	WITH CONSTITUTION
		MMcf/d	*Incremental MMcf/d*		*Incremental MMcf/d*	
Constitution	2027	650	0	520	0	130
Iroquois ExC[1] Project	2028	125	62.5	62.5	62.5	62.5

[1] Enhancement by compression

AGT Enhancement	2029	75	0	0	75	75
NESE	2028	400	400	400	0	0

In addition to the planned capacity additions shown in Table 4, the *GasBasis* model fits demand distributions based on the regional maximum and scheduled capacities using historical operational capacity data from S&P Global and Velocity Suite. For the New York model, this includes data from Algonquin Gas Transmission, Eastern Gas Transmission & Storage, Iroquois Gas Transmission System, Tennessee Gas Pipeline, Columbia Gas Transmission, Transcontinental Gas Pipeline, and Texas Eastern Transmission. For the New England model, this includes Algonquin Gas Transmission, Iroquois Gas Transmission System, Portland Natural Gas Transmission System, Maritimes & Northeast Pipeline, and Tennessee Gas Pipeline. Modeling each region's major slate of delivering pipelines (rather than a single representative pipeline) allows the model to capture the combined capacity and demand dynamics that determine headroom in each region.

Distribution Fitting and Model Setup

Before the Monte Carlo simulation can be run, each headroom bin must be assigned a statistical distribution that best represents how basis prices have behaved historically under that bin's range of pipeline constraint. This section describes how those distributions were selected and highlights the importance of proper distribution fitting.

For each bin, Daymark fits several candidate probability distributions to the bin's historical basis observations, including distribution families commonly used to represent price behavior of the kind observed in natural gas markets. Daymark selects the best fitting distribution for each bin using a standard statistical criterion that balances how closely a distribution matches the data against the complexity of the distribution itself and confirms the selection visually using quantile-quantile (Q-Q) diagnostic plots that compare each fitted distribution's theoretical outcomes against the bin's actual historical observations. Daymark applies this same fitting approach to the seasonal LDC and power plant demand inputs that feed into the headroom calculation, selecting a best fit distribution for each demand series so that the random demand draws used in each simulation trial reflect the same historically grounded variability.

The distinction between a heavily constrained bin and a loosely constrained bin is not just a difference in the average basis price, it is a difference in the entire shape and fit of the price distribution. In the most constrained bins, where pipeline headroom is tight, historical basis observations span a wide range of outcomes, including occasional severe price spikes well above the typical level as shown in Figure 2 below.

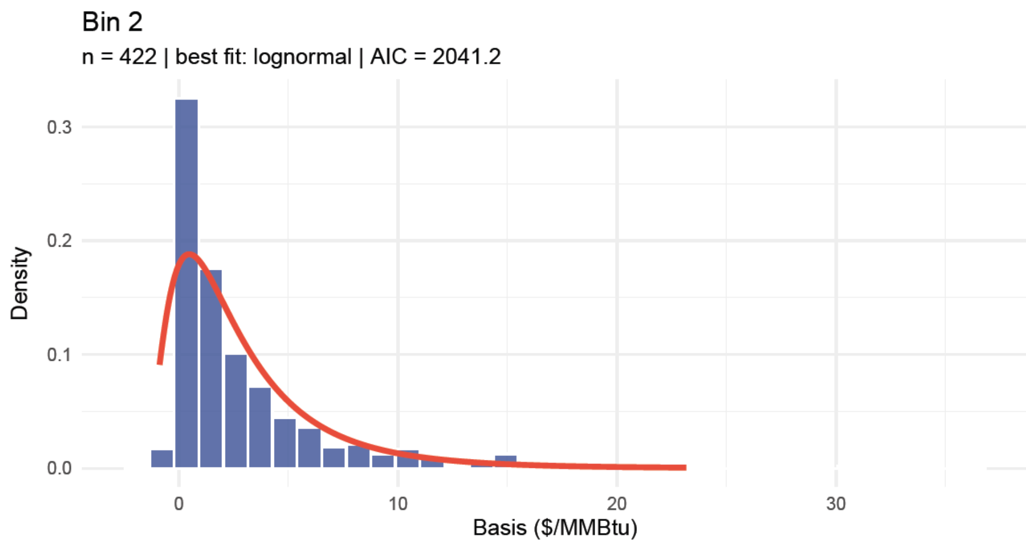


Figure 2. Example Tight Headroom Bin

These tighter bins are best represented by distributions with heavier right tails, capturing the fact that under tight conditions, prices have historically been capable of spiking sharply. In less constrained bins, where the system has more slack to absorb demand swings, historical basis observations cluster more tightly around a lower baseline level, with fewer and less extreme outliers, and are typically well represented by a more compact distribution shape as outlined in the figure below.

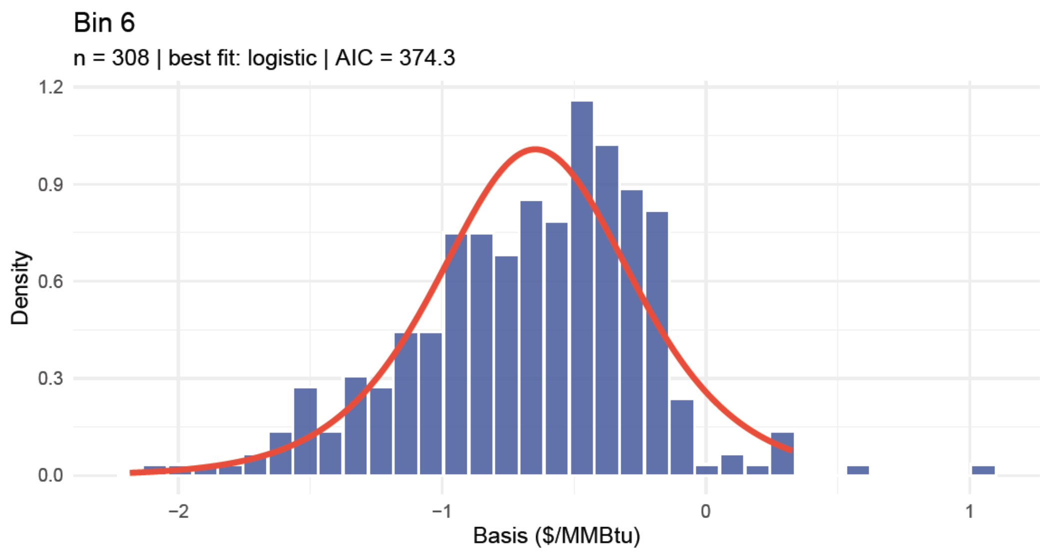


Figure 3. Example Unconstrained Headroom Bin

This bin specific approach allows the model to reflect the asymmetric, nonlinear way that pipeline headroom tends to translate into price risk, rather than applying a single distributional assumption uniformly across all conditions. This same methodology applies to fitting seasonal LDC and power plant demand, where distinct distributions are likewise selected for each demand series to ensure the simulated demand draws remain consistent with the historical variability observed for that season and region.

New York Model Results

For the New York model, Daymark estimated price outcomes at the key hubs that NYISO uses to develop their gas regions, including Transco Zone 6, Iroquois Zone 2, TETCO M3, Dominion S, and Tennessee Gas Pipeline Zone 6. These hubs collectively represent the primary natural gas pricing points for generators operating within NYISO load zones.

The results below reflect the modeled average monthly basis price at different hubs under both scenarios from 2026 to 2031, after which point the forecasted basis is held constant. The *GasBasis* model produces a distribution of basis prices from the Monte Carlo simulation to offer insight into the range of potential outcomes. The results displayed below are the average monthly values. It should be noted that severe weather and other market pressures could lead to higher basis prices on the upper limits of the simulated distribution, such as the observed spikes in the historical basis (grey line).

The charts below present the average monthly basis prices from the *GasBasis* model simulations. Daymark presents market prices at the Iroquois Z2, Transco Z6, and TGP Z6 market hubs, which are representative of downstate NYISO Zones J and K.

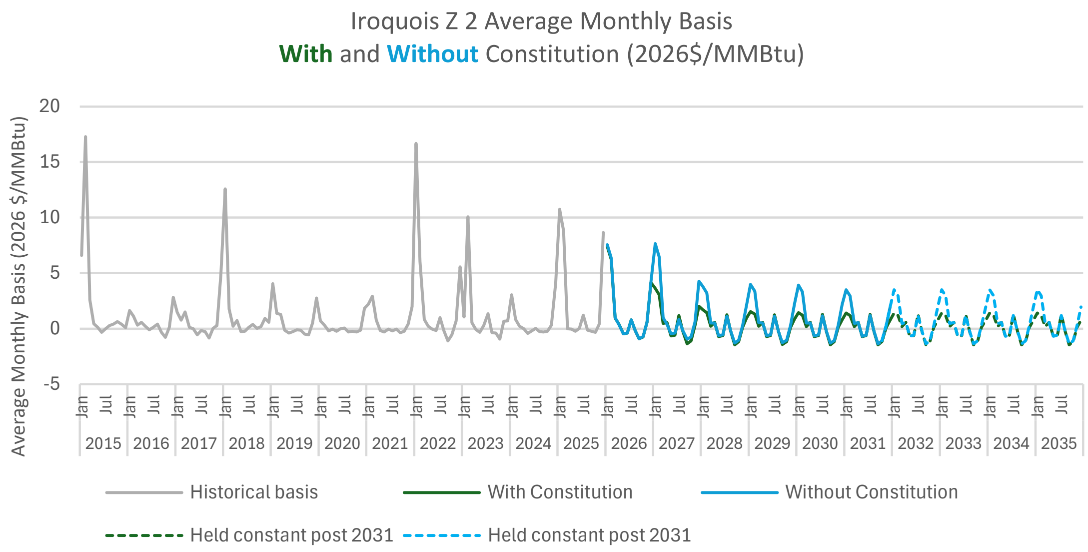


Figure 4. Historical and forecasted average monthly basis at Iroquois Z2 under With and Without Constitution scenarios in 2026$/MMBtu

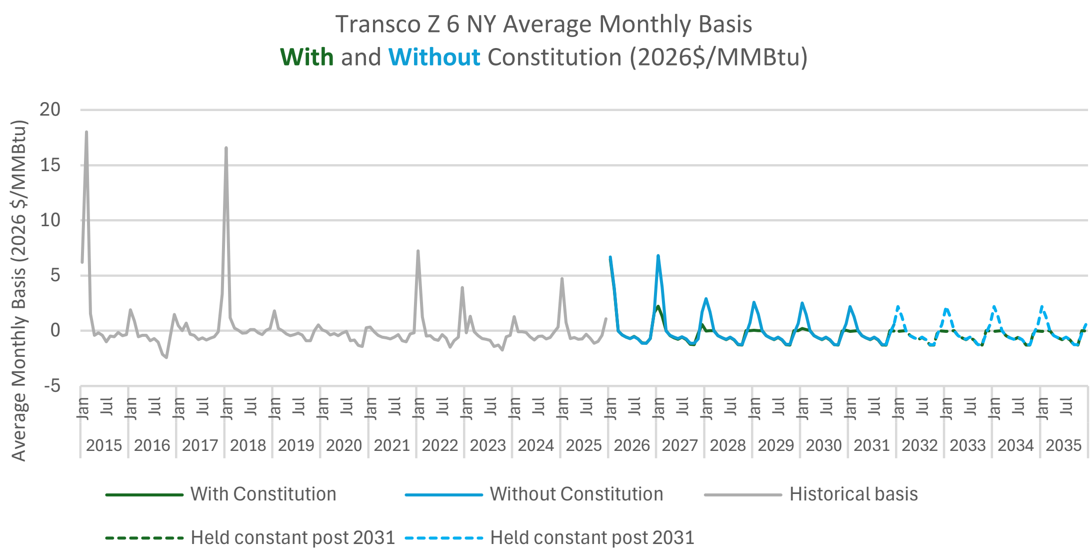


Figure 5. **Historical and forecasted average monthly basis at Transco Z6 NY under With and Without Constitution scenarios in 2026$/MMBtu**

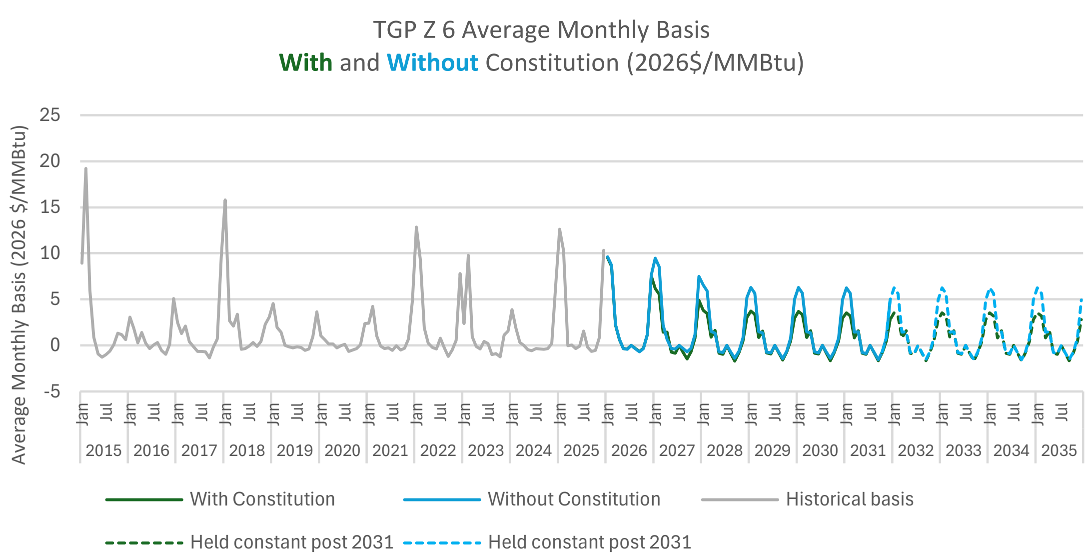


Figure 6. **Historical and forecasted average monthly basis at TGP Z6 under With and Without Constitution scenarios in 2026$/MMBtu**

In all pricing hubs, forecast average basis prices during winter months are projected to be lower in the with Constitution scenario (in green) than the without Constitution scenario (in blue) as visually represented in the figures above.

New England Model Results

Algonquin Citygate is the primary natural gas pricing node for ISO-NE and the most important indicator of pipeline constraints in the New England power market. Consistent with the New York model results discussed above, the results below reflect the modeled average monthly basis price at Algonquin Citygate under both scenarios over the same forecast horizon.

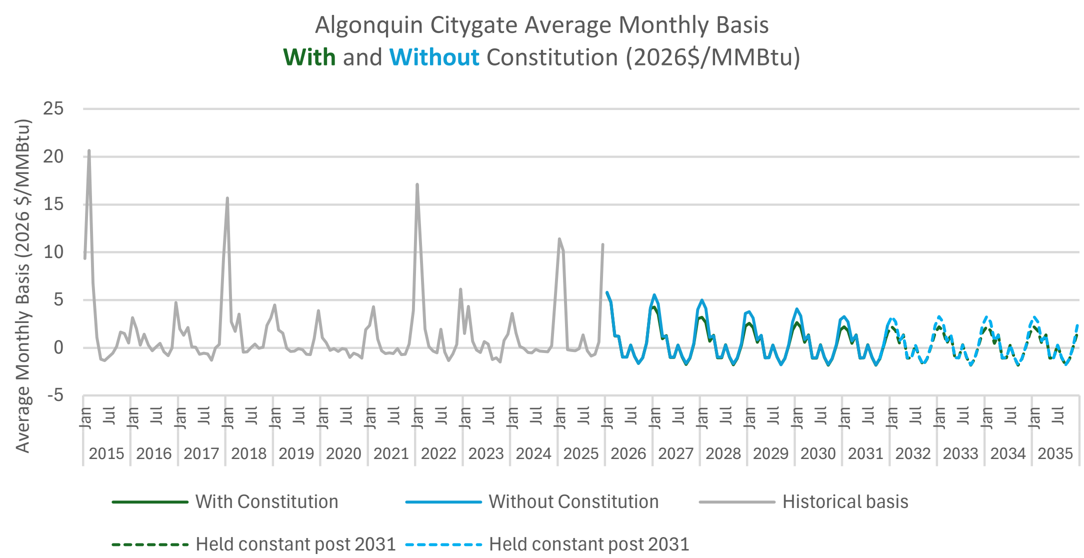


Figure 7. Historical and forecasted average monthly basis at Algonquin Citygate under With and Without Constitution scenarios in 2026$/MMBtu

Figure 7 highlights the difference in forecasted average monthly basis between the two modeled scenarios: a with Constitution (in green) and without Constitution (in blue) scenario. The results demonstrate that the average monthly basis prices at the Algonquin Citygate are projected to be lower in a scenario with Constitution than a scenario without Constitution, particularly in the winter months.

Summary of *GasBasis* results

The results of the New York model demonstrated that during the simulated period of 2026 to 2031, the basis price at Iroquois Z2 was $0.50 lower on average in the scenario with the Constitution project than the scenario without the project. At Transco Z6 NY, the basis price was on average $0.37 lower in the scenario with the project. And at TGP Z6, the basis price was on average $0.64 lower in the scenario with the project.

During that same time period, the New England model projected the basis price at Algonquin Citygate was on average $0.28 lower in the scenario with the Constitution project than the scenario without the project.

Iteration with PLEXOS

The preliminary basis forecasts were used as an input for the PLEXOS model described below in Section III. The initial PLEXOS results produced an expected power plant gas demand based on the preliminary *GasBasis* forecast. The resulting power plant burn was then fed back into *GasBasis* as a deterministic input and used to produce a secondary basis forecast, which was used in final PLEXOS simulations.

III. POWER MARKETS SIMULATION

Modeling Approach and Tools

Daymark's power market simulation methodology relies on a holistic model that incorporates Daymark-developed proprietary tools with the commercially licensed PLEXOS energy market simulation software to produce estimates of future energy market results. This holistic model is referred to as Daymark's Northeast Market Model (NMM).

Production cost modeling analysis was performed using the NMM. The model provides a zonal representation of the electrical system of NYISO and New England, with market-based simulation of interchange opportunities with surrounding control areas using an hourly chronology.

The underlying technology, PLEXOS, is a well-established, industry-standard simulation model that captures the dynamics and economics of electricity markets. PLEXOS approximates the formation of hourly energy market clearing prices on a zonal basis using all key market drivers, including fuel and emissions prices, loads, demand-side management (DSM) impacts, generation unit operating characteristics, unit additions and retirements, and transmission congestion and losses.

The NMM uses a NYISO and ISO-NE carve-out from a comprehensive database representing the entire Eastern Interconnect (the North American interconnected power system east of the Rocky Mountains), including representations of power generation units, zonal electrical demand, and transmission configurations of zone-to-zone interfaces. Additional details and assumptions used in the NMM and in PLEXOS modeling are provided in the *Key Inputs and Assumptions* subsection below.

To capture the incremental effects of Constitution in the power market simulations, the study was structured as a Base Case and Project Case analysis. The Base Case represents expected market conditions without Constitution, and the Project Case incorporated the project via its anticipated effects on the natural gas market. The primary difference between the cases is in the delivered fuel prices for natural gas generation in the regions, as described in Section II above.

Key Inputs and Assumptions

This section highlights specific notes on key assumptions from the analysis used to model the Project and provide realistic market simulations.

Topology

The NMM is a zonal model where each defined zone represents a “bubble” of load and generation. Transmission is represented as single composite links between zones with constraints on certain combinations of links to realistically represent the interfaces. Key attributes that can be defined for each individual link are wheeling costs, transfer losses, and transfer capability (in MW). The topology of NYISO and ISO-NE within the NMM are shown in Figure 8 and Figure 9 below.

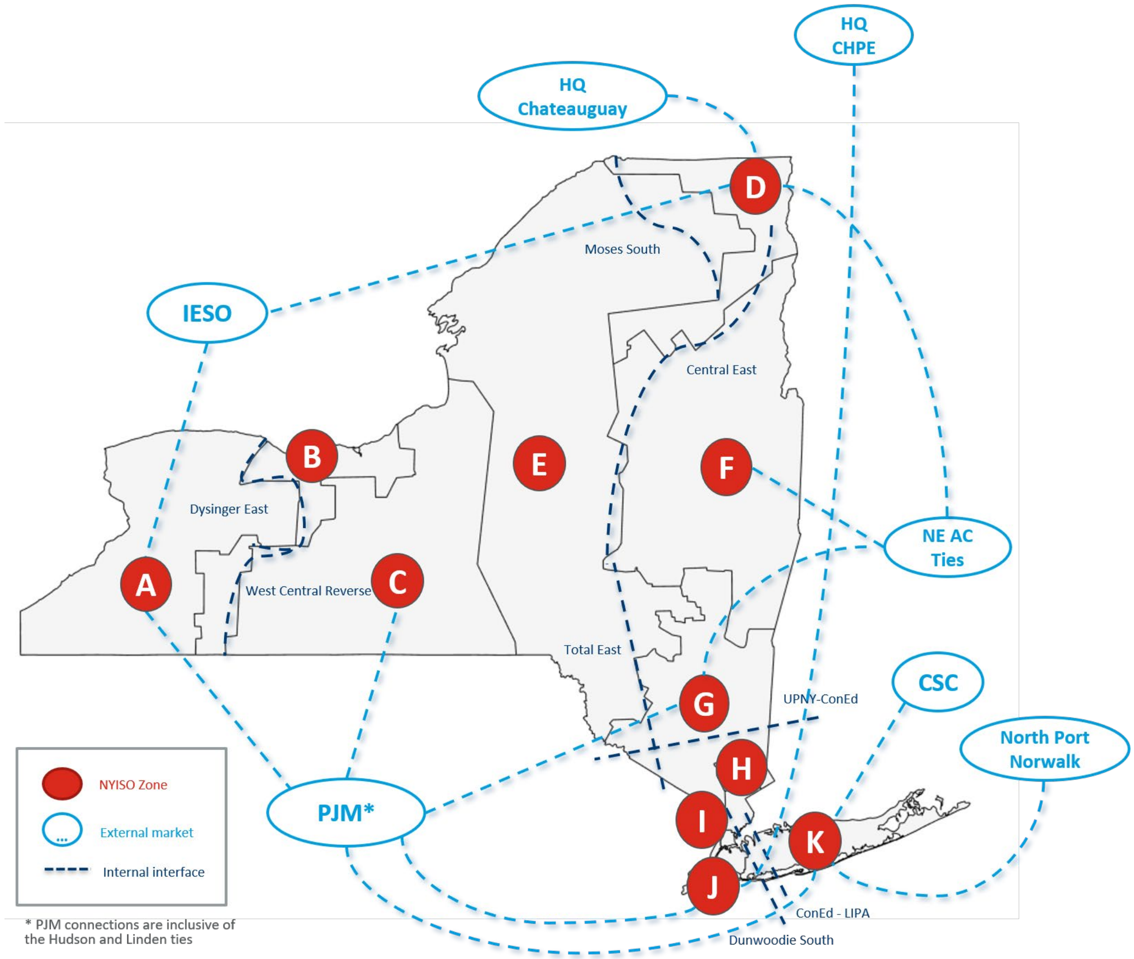


Figure 8. NMM Topology: NYISO and regional interconnections

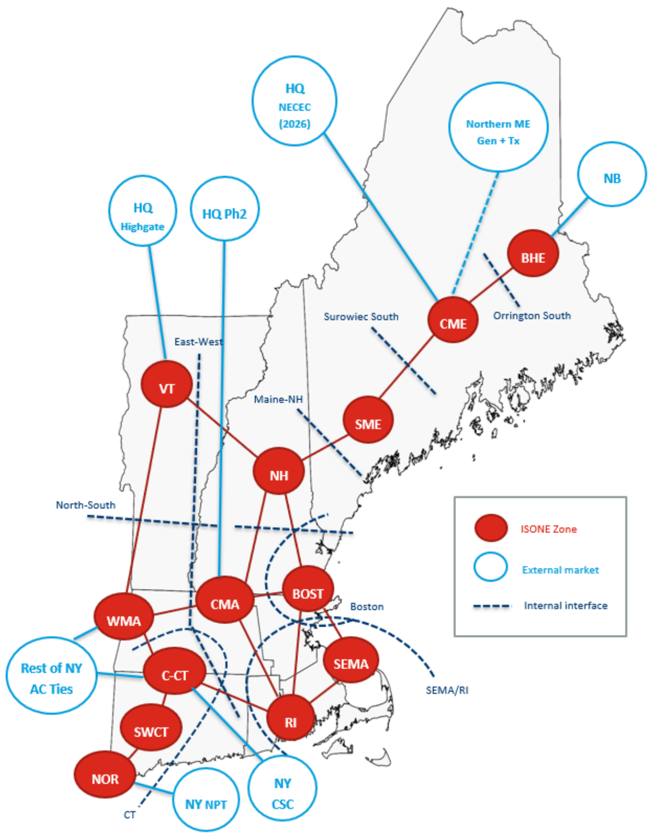


Figure 9. NMM Topology: ISO-NE and regional interconnections

Load

The load forecast used in the NMM for New York is derived from the NYISO's 2026 Load and Capacity Data Report, which reports peak and energy demand including the impacts of energy saving programs, behind-the-meter generation, electrification, and large loads (Figure 10, Figure 11).

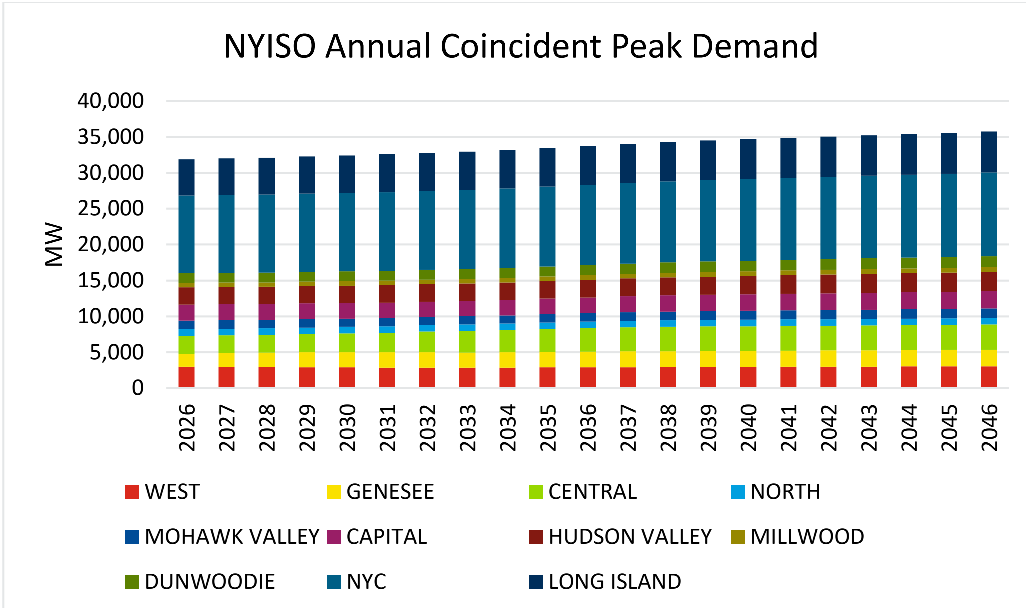


Figure 10. New York ISO coincident peak demand, net of Energy Saving Program, BTM Generation, Electrification, and Large Loads

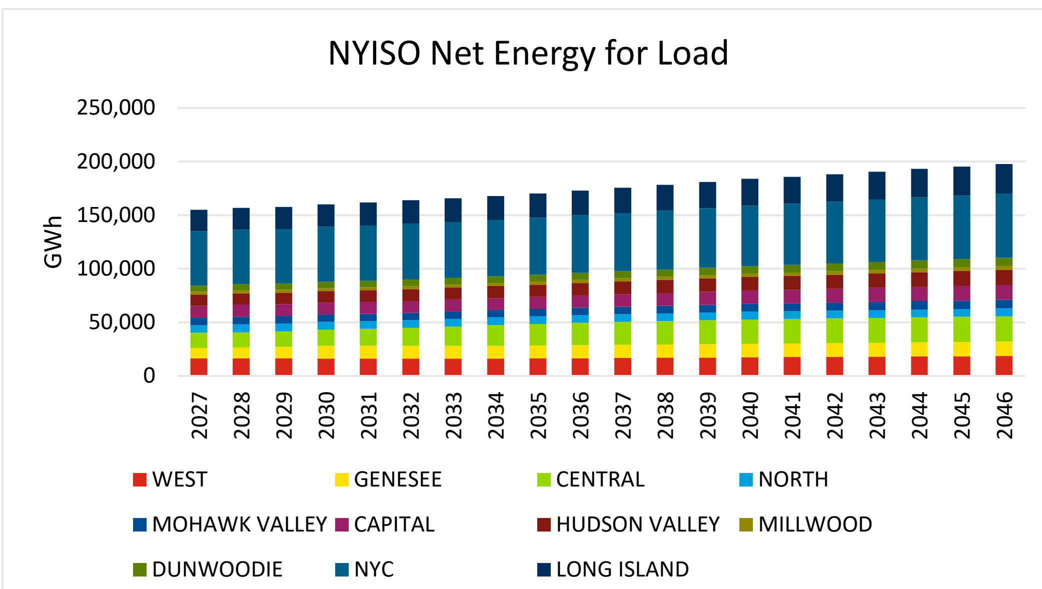


Figure 11. New York ISO net energy for load, net of Energy Saving Programs, BTM Generation, Electrification, & Large Loads

The load forecast used in the NMM for New England is based on the ISO-NE 2025 Capacity, Energy, Loads, and Transmission (CELT) report. Since the zones modeled in the NMM align with the Regional System Plan (RSP) zones, Daymark used the forecast values by RSP zone directly from the CELT report. The 2025 CELT report forecasts gross peak and energy load, as well as peak and energy load net of behind-the-meter and solar photovoltaic (PV) generation (Figure 12, Figure 13).

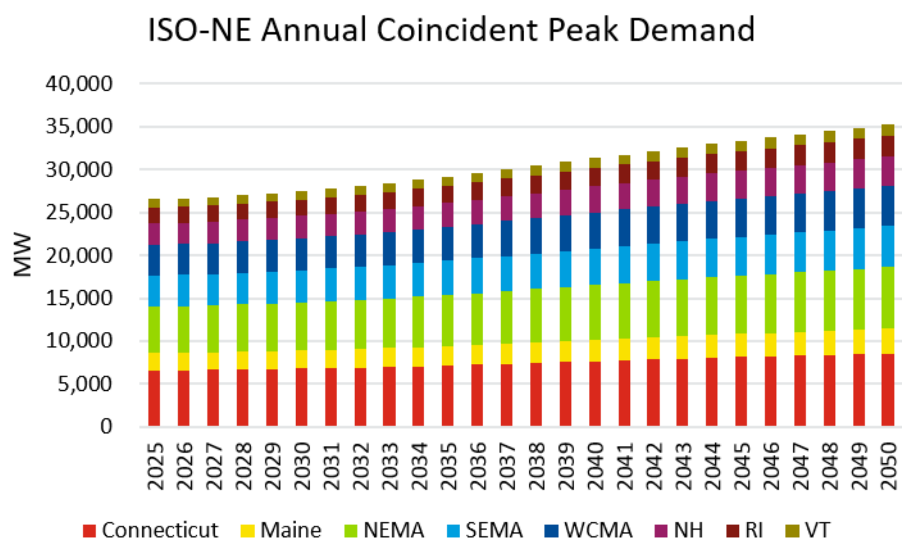


Figure 12. New England coincident peak demand, net of Passive Demand Resources (PDR) and BTM solar

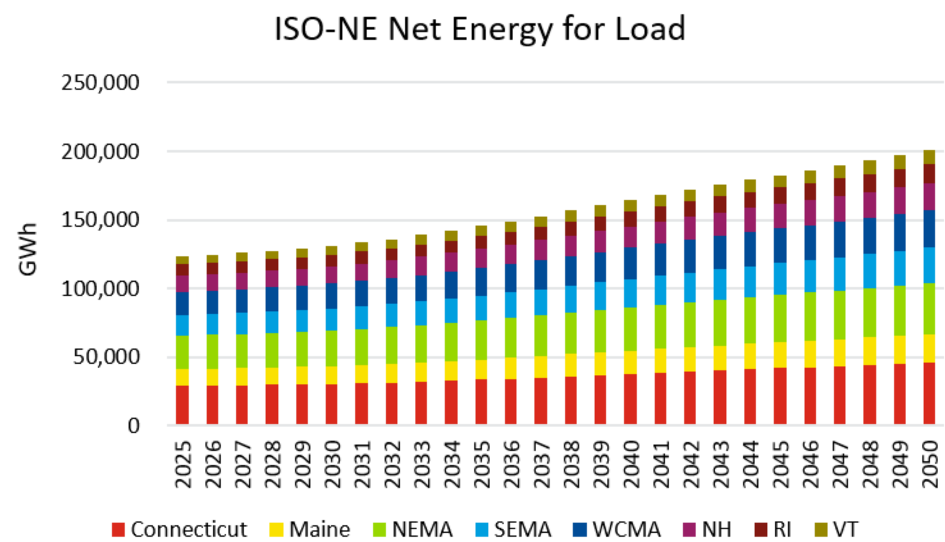


Figure 13. New England forecasted load, net of Passive Demand Resources (PDR) and BTM solar

Generation

Characteristics of the New York and New England generation portfolio as it evolves with retirement and new build throughout the study period are critical inputs that impact the model simulations. Daymark develops its generation assumptions considering known near-term resource changes (retirements and new resource additions), and develops long-term assumptions based on announced state policies and independent economic modeling impacting resource economics. The most relevant state policies include renewable portfolio standards (RPS) and resource-specific statutory procurement targets. For example, the base model assumes sufficient renewable resources to ensure that each state's RPS is met (with some delay), including the addition of specific resource types (such as offshore wind) that are the subject of specific state legislation.

Daymark's capacity expansion model for New York was developed to be consistent with the assumptions and outlook present in the NYISO's 2025-2044 Draft System and Resource Outlook. The buildout incorporated the renewable portfolio standard, clean energy policy, and resource-specific targets reflected in NYISO's Scenario B policy case. Scenario B demonstrates a scenario that is of current Climate Leadership and Community Protection Act (CLCPA) mandates, with an acknowledgement of a 3-year delay in achievement of the 70% renewable energy by 2030 mandate. Scenario B also includes policy targets of 6 GW of energy storage resources by 2030, 9 GW of offshore wind by 2035, 95% zero-emission electricity by 2040, and 100% zero emission electricity by 2044. This scenario is relatively bullish on achievement of clean energy goals, which makes for a conservative approach to estimating benefits from incremental natural gas pipeline capacity. Key inputs such as load growth, existing and candidate resources, retirements, capacity requirements, and applicable reliability criteria were based on the assumptions outlined in the outlook's Draft Capacity Expansion Assumptions Matrix and Draft Production Cost Assumptions Matrix when possible, as well as the NYISO's 2026 Load and Capacity Data Report. The 2023-2042 System and Resource Outlook was also used to inform assumptions and build decisions when necessary (where assumptions have not yet been released from the more recent Outlook), and additional research, available planning information, and professional judgement were also applied as appropriate. Using these inputs, the model develops a resource expansion plan that satisfies installed capacity (ICAP), unforced capacity (UCAP), reserve margin, and Locational Minimum Installed Capacity Requirements while remaining closely aligned with NYISO's System and Resource Outlook.

Daymark's *CapMarker* tool for New England forecasts the economics of existing generators and potential new entry, incorporating revenues from energy and capacity sales, and netting out resource costs including fuel, operations and maintenance (O&M), emission allowance costs, etc. The model estimates relative economics of existing generation in ISO-NE and potential new development to determine the timing of resource retirements and construction of new plants.

The Daymark *CapMarker* forward capacity market (FCM) model simulates the annual Forward Capacity Auctions (FCAs) that ensure sufficient capacity is available to meet peak demand in the New England region and within each transmission-constrained capacity zone. The model uses inputs reflecting resource economics for new additions and existing generation units to determine the timing and quantity of new additions and retirements in the market, incorporating several additional factors that reflect actual components of the market, such as capacity imports, energy efficiency, and renewables. The model simulates ISO-NE demand curve specifications to determine the market clearing price for each auction, which in turn determines retirements and buildout. The output of the model is a schedule of retirements of existing resources and additions of new generic capacity in the region, as well as the annual FCA clearing prices. These retirements and resource builds are then fed into the PLEXOS model.

The regional buildout of resources assumed in New York and New England are summarized in Figure 14 and Figure 15 below.

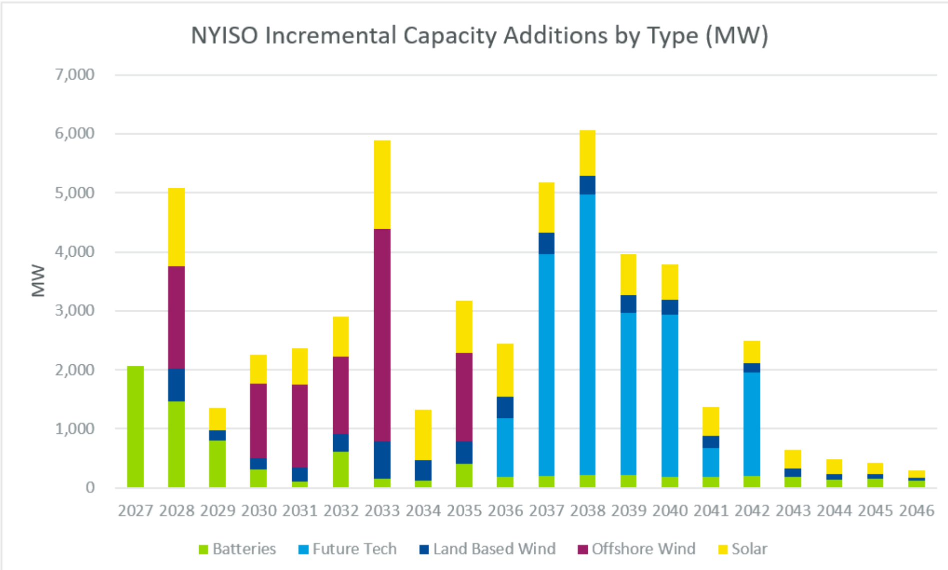


Figure 14. NYISO Incremental Capacity Additions by Type

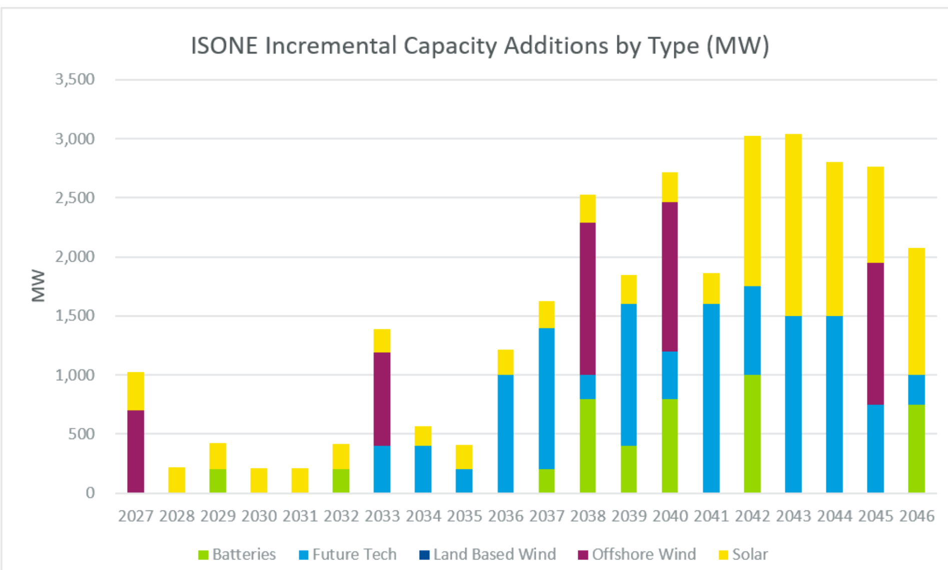


Figure 15. ISO-NE Incremental Capacity Additions by Type

Fuel Prices

Fuel price projections are key assumptions for the NMM and are subject to a large amount of uncertainty. As a key component of dispatch cost, fuel prices drive price formation and regional market dynamics. In the production cost model, each generator is assigned a fuel price based on the type of fuel, unit type, and plant location.

The New York and New England markets are currently dominated by natural gas generation, and that will likely remain the case for many years, particularly for the purposes of setting marginal energy prices. Therefore, natural gas price assumptions are a critical driver to Daymark's modeling and results.

Daymark uses a combination of short- and long-term forecasts developed by the U.S. Energy Information Administration, as well as market-based forward prices from NYMEX to develop the Henry Hub gas price forecast, depicted in Figure 16 below.

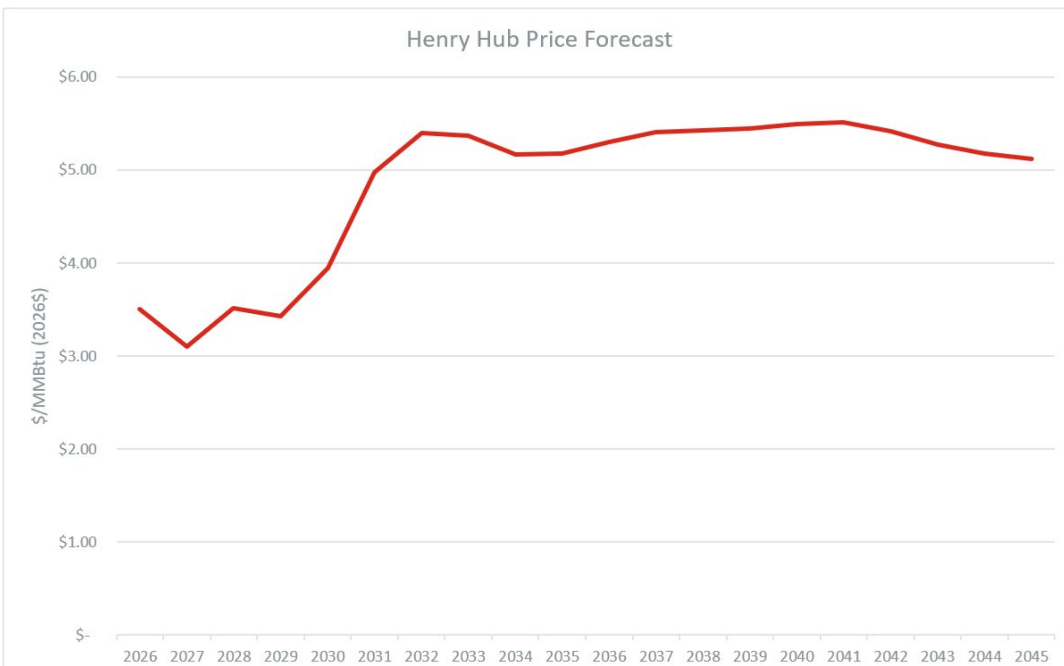


Figure 16. Henry Hub Price Forecast (2026$)

Regional gas basis assumptions and methodologies are discussed in detail in Section II. For New York, we utilize a blended average price by zone, consistent with NYISO assumptions in recent planning studies including The Outlook. The blended prices by NYCA zones used in PLEXOS modeling are shown in Table 5 below.

Table 5. NYISO regional natural gas price blends

NYISO Zones	Gas Pipeline	% Gas Blend
NY A-E	Dominion South	100%
NY F-I	Tennessee Zone 6	38%
	Iroquois Zone 2	35%
	TETCO M3	22%
	Algonquin	5%
NY J	Transco Zone 6	100%
NY K	Transco Zone 6	51%
	Iroquois Zone 2	49%

A single regional delivered gas price is assumed in New England, tied to the Algonquin Citygate hub price.

Greenhouse Gas Emissions

The NMM incorporates emission prices into the production cost, commitment, and dispatch of units.

Both the Base Case and Project Case assume that Regional Greenhouse Gas Initiative (RGGI) prices continue to apply to New York and New England generators through the study period. The price forecast is based on NYISO assumptions from the latest draft NYISO Outlook for 2025-2044. The CO_2 price assumptions are summarized in Figure 17.

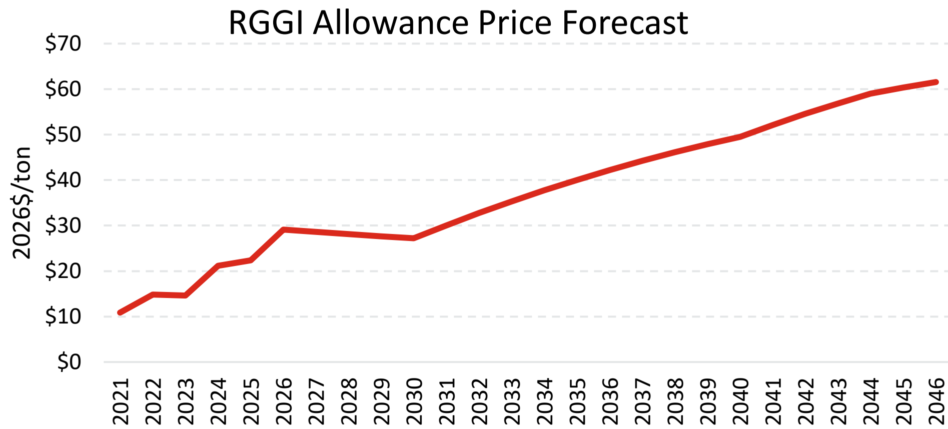


Figure 17. NYISO RGGI Allowance Price Forecast – blend of historical prices and NYISO Draft 2025-2044 Outlook prices

Renewable Resource Dispatch Prices

Resource dispatch prices in the model are typically set by the variable costs of a generator – typically a combination of fuel, variable O&M, and emission allowance costs. Offshore wind and other intermittent renewable resources, however, typically have incentive payments (e.g., production tax credits and RECs) associated with their output that make these resources price-takers even if locational marginal prices (LMPs) go negative. This is modeled in the NMM by assigning a negative bid adder, meaning the resource is willing to pay to avoid being dispatched down (curtailed). The negative bid adders used in NYISO by resource type are shown in Table 6, and are based on REC bid modeling assumptions taken from NYISO's Draft 2025-2044 System and Resource Outlook, Appendix: Production Cost Assumptions Matrix. The negative bid adders used in ISO-NE by resource are shown in Table 7 and are based on ISO-NE's 2024 Annual Markets Report, real time energy offer price data, and review of certain publicly available contracts such as Vineyard Wind 1, Revolution Wind, and various Maine solar projects.

Table 6. NYISO renewable resource negative energy offer prices

RESOURCE	ENERGY OFFER PRICES (2025$/MWh)
Land-based Wind (LBW)	-$22.00
Offshore Wind (OSW)	-$49.00

RESOURCE	ENERGY OFFER PRICES (2025$/MWh)
Grid PV	-$20.00

Table 7. ISO-NE renewable resource negative energy offer prices

RESOURCE	ENERGY OFFER PRICES (2025$/MWh)	PRICE BASIS
Land-based Wind (LBW)		
Existing LBW	-$35.69	Class I REC
Northern Maine RFP Wind	-$35.69	Class I REC
Offshore Wind (OSW)		
Vineyard Wind 1	-$67.80	PPA
Revolution Wind	-$93.97	PPA
All Other OSW	-$142.77	Min Energy Offer
Grid PV		
Grid PV in MA	-$142.77	SMART incentive/Min Energy Offer
Grid PV outside MA	-$70.69	Energy PPA + Class I REC

IV. ESTIMATED BENEFITS

This section translates the power market simulation results from Section III into quantified benefit estimates for New York and New England electricity consumers and the broader power system. Benefits calculated for the Base vs. Project Case include production cost savings and wholesale energy price reductions. These numbers were used to estimate the project impacts on retail prices.

Wholesale LMP[2] Reductions

One of the key indirect benefits of Constitution is the impact on wholesale energy prices, or LMPs. The reduction in gas prices resulting from Constitution's incremental capacity will have a beneficial impact on the region (particularly during times of winter fuel scarcity), reducing LMPs in NYISO and ISO-NE, which will deliver wholesale energy cost savings to ratepayers across both footprints.

[2] Wholesale energy prices in NYISO are called Locational Based Marginal Prices (LBMPs) rather than LMP. The terms have effectively the same meaning, and LMP is used broadly to refer to both LMP (ISO-NE) and LBMP (NYISO) in this report.

To quantify the wholesale energy cost benefits, Daymark used the output of the market simulation runs, comparing the total wholesale energy costs, calculated as zonal load multiplied by zonal LMP, for each zone from the Base Case to the Project Case (with Constitution). The reduction in total load cost in the model output would reflect the total benefit to ratepayers if all load was fully exposed to market prices. However, since some states have entered into fixed-price contracts for clean energy resources (e.g., through prior procurements), a change in LMPs does not reduce the cost of 100% of the load in each state

To appropriately quantify the wholesale energy cost reduction benefits of the Project, Daymark reviewed the fixed-price renewable contracts executed on behalf of ratepayers in each state and estimated the total energy that will be purchased under existing long-term contracts. Daymark reviewed terms of publicly available long term energy contracts and modeled expected annual energy sales attributable to those contracts. This analysis assumes that as existing contracts expire, replacement energy is purchased through the wholesale market.

Table 8. Benefits estimate summary (2026$ NPV, Billions)

REGION	NPV WHOLESALE ENERGY MARKET SAVINGS ($B)	NPV WHOLESALE ENERGY COST TO LOAD SAVINGS ($B)
NYISO	$3.7	$3.0
ISO-NE	$3.5	$2.8
TOTAL	**$7.2**	**$5.8**

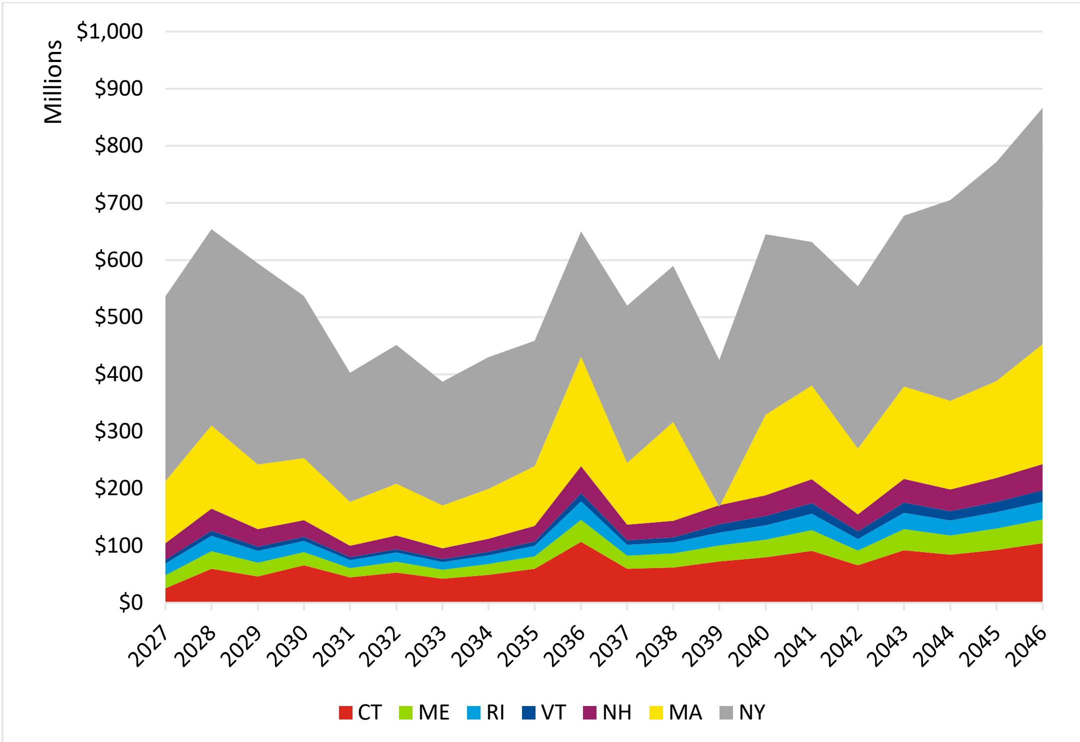


Figure 18. LMP suppression benefit, net of long-term load reduction contracts and average bill impacts (Nominal$)

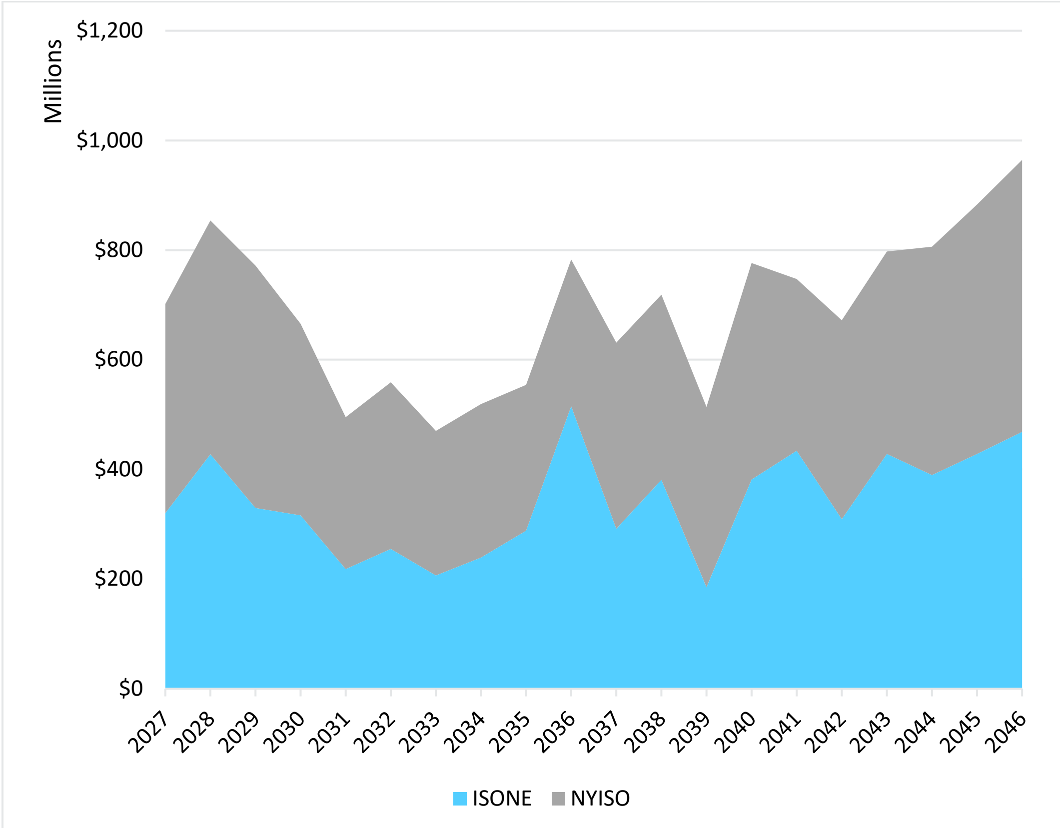


Figure 19. LMP suppression benefit calculated on full load (Nominal$)

Retail Bill / State Level Benefits

Wholesale price reductions ultimately benefit retail electricity customers across New York and New England through pass-through retail supply rates. Using the quantification of the wholesale cost to load benefits of the Project summarized in the preceding section, Daymark calculated an estimate of the average retail bill impact of the Project.

The table below summarizes the average annual bill savings and monthly bill impact in real 2026 dollars over a 20-year average from 2027-2046. Retail savings were derived from the load cost reduction for each state within its respective market - this dollar value was divided by the estimated retail sales for that state to find a $/kWh value. Using this unit price, Daymark calculated the total savings for a representative residential customer averaging 600 kWh electricity usage per month.

Table 9. Retail bill impact for a typical residential customer, by state (2026$)

STATE	AVERAGE ANNUAL SAVINGS (2026$)	AVERAGE MONTHLY SAVINGS (2026$)
CT	$11.45	$0.95
MA	$10.50	$0.87
ME	$10.42	$0.87
RI	$13.18	$1.10
VT	$8.77	$0.73
NH	$13.11	$1.09
NY	$8.88	$0.74

Production Cost Savings

Production cost savings measure the reduction in total variable cost of serving load, which includes fuel costs and variable O&M costs, along with hourly interchange production costs. Savings were calculated across NYISO and ISO-NE in the Project Case compared to the Base Case. The primary variable changed in the Project Case included a reduction in natural gas fuel prices resulting from the Constitution project. Lower gas prices lower the fuel costs of gas fired generators, reducing the total cost of dispatch. Production cost savings translate into producer surplus rather than reduced costs to consumers. Nevertheless, the metric provides a measure of the overall system efficiency gains that may support supply resource viability even in a lower market revenue environment.

Table 10 and Figure 20 show the total production cost savings in NYISO and ISO-NE resulting from the Constitution project.

Table 10. Production cost savings (2026$ NPV, Billions)

REGION	NPV PRODUCTION COST SAVINGS ($B)
NYISO	$1.1
ISO-NE	$1.0
TOTAL	**$2.1**

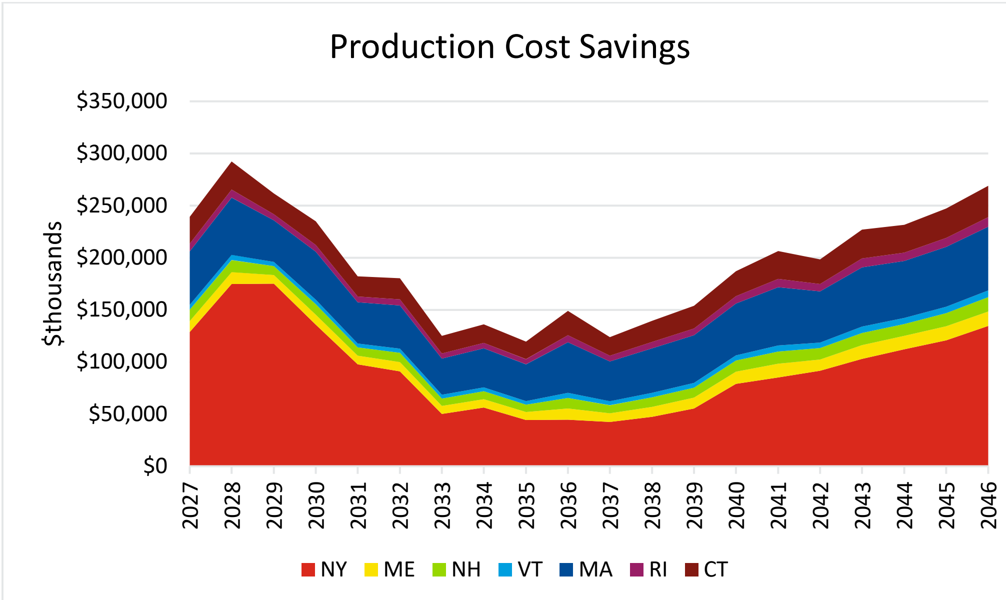


Figure 20. Production cost reduction by state net of import impacts (Nominal $000)

V. PROJECT BENEFIT DURING SEVERE WINTER CONDITIONS

The Northeast region is particularly susceptible to high energy prices and limited natural gas availability during extreme winter weather. Daymark conducted targeted analysis to evaluate the incremental benefits of the Project during such events.

Over the past 10 winters, the region has experienced multiple instances of fuel constraints that have driven up prices for natural gas and electricity prices. Figure 21 below shows monthly average natural gas prices and electricity prices in New England, with the past 10 winter periods (December through February) shaded in gray.

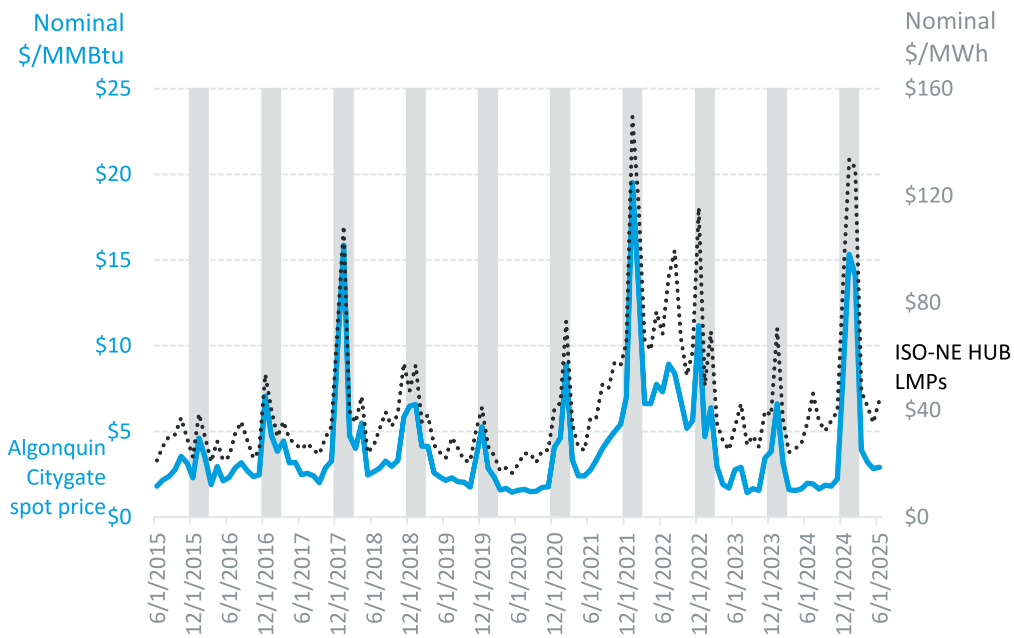


Figure 21. Historical monthly prices for natural gas and electricity in New England

To evaluate the benefit of Constitution during severe winter conditions, Daymark developed a sensitivity to evaluate project performance under more stressed seasonal conditions. The sensitivity focused on a three-month winter period spanning December 2027 through February 2028 and was designed to capture the potential effects of elevated natural gas prices and constrained gas availability on regional power markets. Thus, the variables changed in the Severe Winter Conditions case and Severe Winter Conditions + Project case included the gas price forecast and the available daily pipeline headroom, which is a measure of the slack in the pipeline system at any given time, available for gas generators. This scenario was analyzed for a single winter season using the latest available data from the 2024-2025 winter season, which featured high prolonged winter wholesale energy prices across the Northeast. The high prices were driven by high heating demand, high natural gas prices and limited pipeline supply, leading to reliance on high marginal cost oil-fueled generators in many hours.

In the Severe Winter Condition case (without project), Daymark used historical gas prices from the 2024-2025 winter season, as well as daily historical pipeline headroom for gas generators during the same period to implement gas-to-generator supply limitations in the model consistent with the winter conditions. These historical price and headroom values were plugged into the December 2027 through February 2028 winter sensitivity runs.

In the Project case of the Severe Winter Conditions sensitivity, historical gas prices and headroom were adjusted to approximate the impact of the Constitution project during this same time period. To develop the adjusted historical gas price, the proportional difference in price between the with and without Constitution, *GasBasis* forecast was used as a proxy to determine the relative adjustment in price for the historical period.

To adjust the gas pipeline headroom constraint in the Project case, the incremental capacity assumed to be added by the project for each region is added to the historical headroom (i.e., 520 MMcf/day for New York and 130 MMcf/day for New England). This increase in headroom reflects the greater available pipeline capacity that would be observed as a result of the Constitution project.

Charts showing the final delivered gas prices used in the Severe Winter Conditions case and Severe Winter Conditions + Project case are shown below.

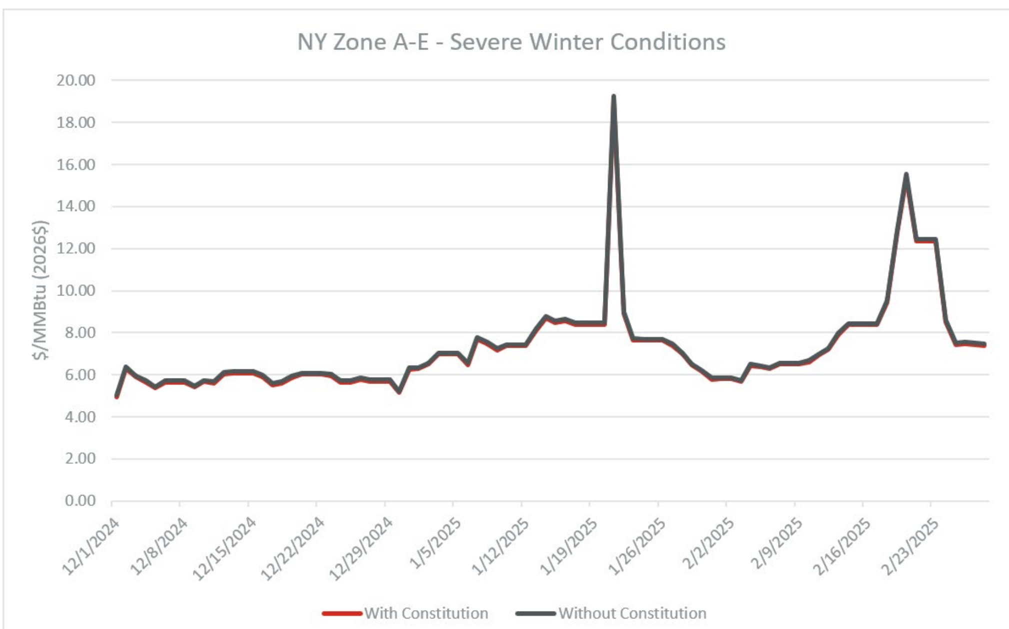


Figure 22. Delivered natural gas prices: NY Zone A-E (2026$)

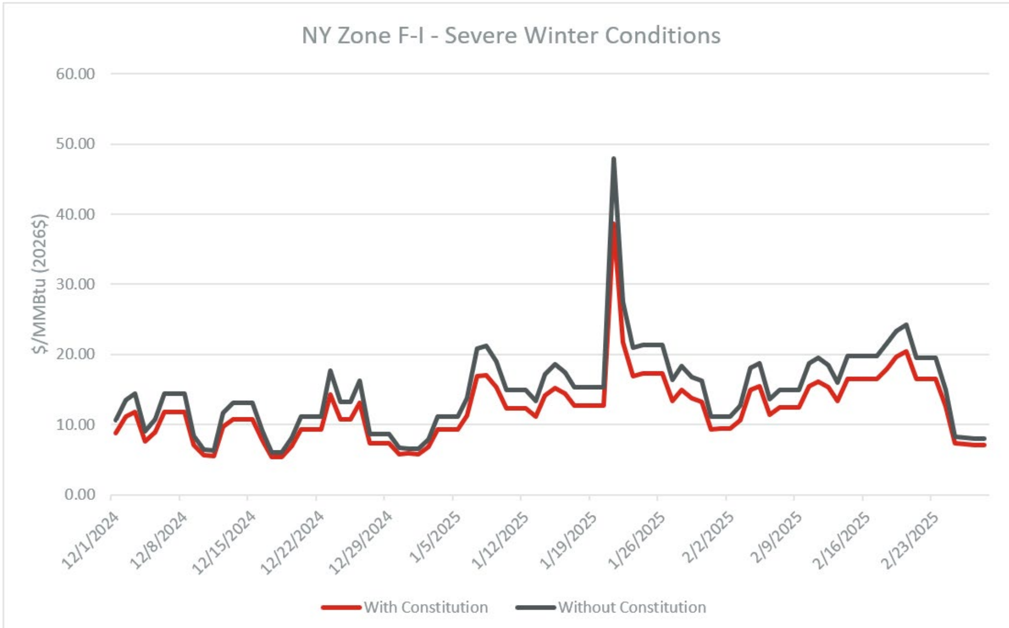


Figure 23. Delivered natural gas prices: NY Zone F-I (2026$)

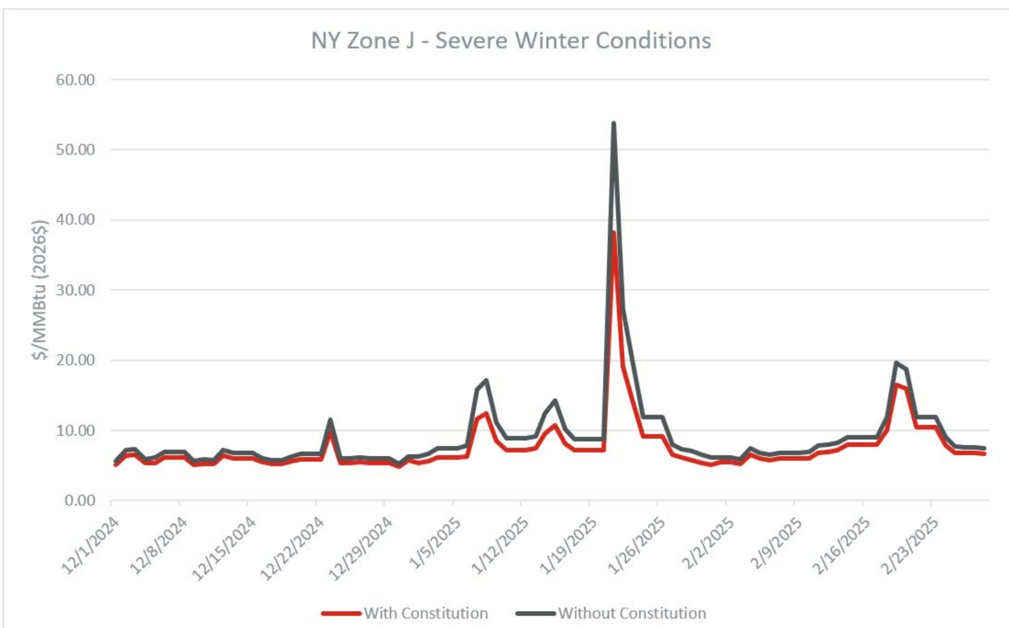


Figure 24. Delivered natural gas prices: NY Zone J (2026$)

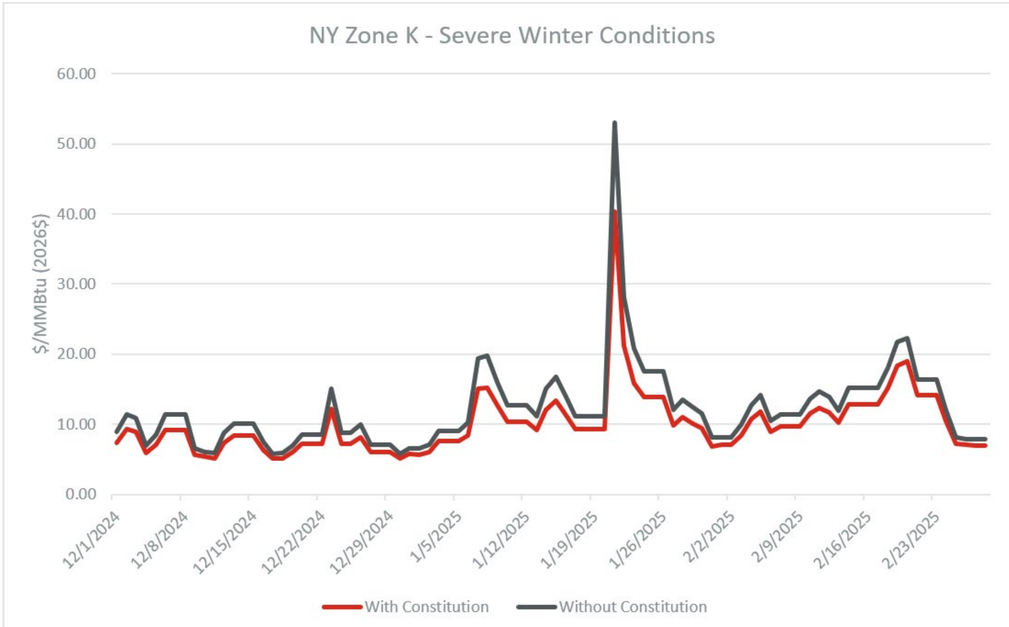


Figure 25. Delivered natural gas prices: NY Zone K (2026$)

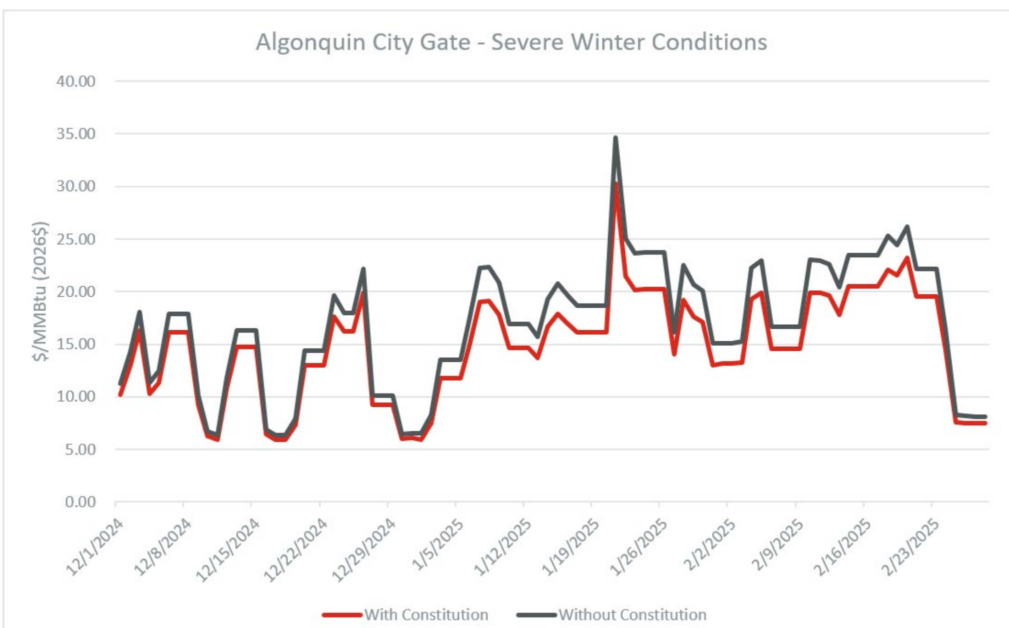


Figure 26. Delivered natural gas prices: Algonquin Citygate (2026$)

This analysis provides an indication of how the impacts and benefits of the Constitution project may change during periods of heightened winter demand and greater pressure on the regional natural gas and electric systems. The results of the sensitivity analysis show that Constitution's incremental capacity provides over $800 million in wholesale energy market savings in just three months, which is $260 million more than the savings shown over the same three-month period in the Reference scenario analysis.

The two figures below compare the LMP reduction impact of Constitution over the winter period in both the Reference Scenario and the Severe Winter Condition sensitivity. The addition of the project has a predictably greater impact on reducing LMPs during severe winter conditions.

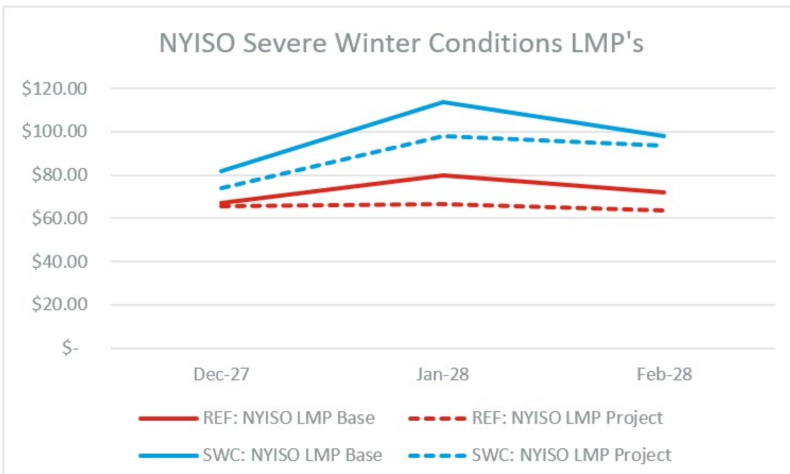


Figure 27. LMP suppression in NYISO severe winter conditions scenario (Nominal $/MWh)

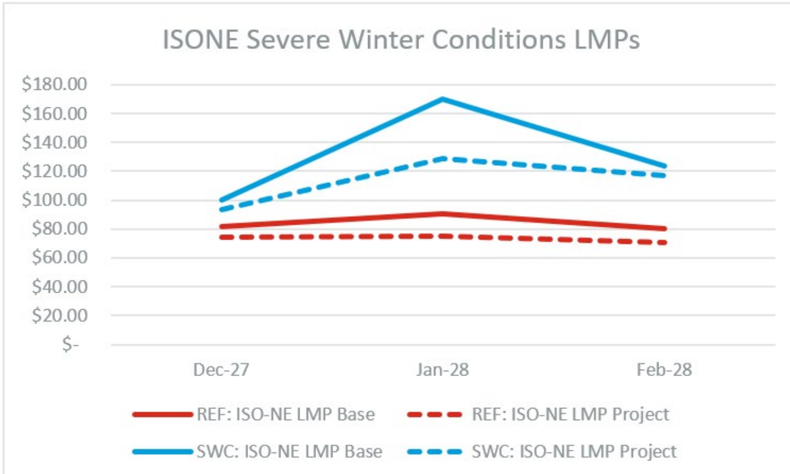


Figure 28. LMP suppression in ISO-NE severe winter conditions scenario (Nominal $/MWh)

These LMP reductions translate into significant end-user energy cost savings in each of the New England states and New York. Table 11 compares energy cost savings by state for the winter period under Reference scenario conditions and under the severe winter conditions scenario.

Table 11. Wholesale load cost reduction in severe winter conditions scenario compared to Reference (Nominal $millions)

STATE	REFERENCE CASE	SEVERE WINTER	INCREMENTAL BENEFIT
NY	272.4	329.4	57.0
CT	48.0	88.2	40.2
MA	124.2	216.9	92.7
ME	33.8	58.1	24.3
RI	21.7	37.1	15.4
VT	10.5	18.1	7.6
NH	33.1	56.7	23.6
TOTAL	**543.7**	**804.5**	**260.8**

One dynamic that can be observed in severe winter conditions in New England is that natural gas pipeline limitations lead to reliance on on-site reserves of oil to fuel dual fuel and oil-fired generators. The result is a reliance on emission-intensive and high-cost oil-fired generation, as well as various ISO-NE programs to ensure sufficient on-site oil inventories for reliability. In calendar year 2025, ISO-NE relied on oil-fired resources for 1,147 GWh, just 1% of all generation. However, in the severe winter weather conditions of the first 45 days of 2026 (January 1 through February 14, 2026) ISO-NE relied on 1,657 GWh of oil-fired generation, accounting for 11.1% of total generation. The construction of Constitution and the resulting increased capacity in natural gas supply during severe winter conditions would reduce oil generation and burn in New England by 703 GWh and 7.245 million MMBtu, respectively, over the course of the winter season. Assuming replacement by natural gas generation, the reduced oil burn would reduce CO_2 emissions by 163,000 tons[3] over the three-month period.

[3] Based on assumed emissions factors of 118 lb/MMBtu for natural gas and 163 lb/MMBtu for distillate fuel oil.