

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>ISO New England Inc.</b>	)	
	)	
	)	
<b>and</b>	)	<b>Docket No. ER19-291-000</b>
	)	
<b>New England Power Pool</b>	)	
<b>Participants Committee</b>	)	
	)	

**MOTION TO INTERVENE AND CONDITIONAL PROTEST OF  
THE NEW ENGLAND POWER GENERATORS ASSOCIATION, INC.**

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),<sup>1</sup> the New England Power Generators Association, Inc. (“NEPGA”)<sup>2</sup> files this Motion to Intervene and Conditional Protest of ISO New England Inc.’s (“ISO-NE”) filing of values it proposes to apply in the thirteenth Forward Capacity Auction (“FCA 13”), including the Installed Capacity Requirement (“ICR”) and the region-wide Marginal Reliability Impact (“MRI”) Demand Curve parameters.<sup>3</sup>

NEPGA conditions this Protest on the Commission’s pending decision on ISO-NE’s August 31, 2018, fuel security compliance filing (“Fuel Security Filing”), pursuant to which ISO proposes: (1) a fuel security reliability standard that, if violated upon the assumption of a resource retirement, qualifies that resource to enter into a cost-of-service agreement if its Retirement De-List Bid is uneconomic in the FCA (*i.e.*, the resource would not obtain a Capacity

---

<sup>1</sup> 18 C.F.R. §§ 385.211, 385.214 (2018). This Motion to Intervene and Protest is timely in accordance with the Commission’s Combined Notice of Filings #1 (Nov. 6, 2018).

<sup>2</sup> The comments expressed herein represent those of NEPGA as an organization, but not necessarily those of any particular member.

<sup>3</sup> *ISO New England Inc. and New England Power Pool Participants Committee Filing of Installed Capacity Requirement, Hydro Quebec Interconnection Capability Credits and Related Values for the Thirteenth FCA (Associated with the 2022-2023 Capacity Commitment Period)*, Docket No. ER19-291-000 (filed November 6, 2018) (“ISO-NE Filing”).

Supply Obligation at its Retirement De-List Bid price) (“Fuel Security RMR Resource”); and (2) to thereafter force the Fuel Security RMR Resource to obtain a Capacity Supply Obligation by effectively re-pricing its Retirement De-List bid at \$0/kW-month.<sup>4</sup> ISO-NE claims that this pricing treatment will allow for a clearing price “similar to that which would result if the ISO could model the fuel security issue [*i.e.*, the Winter Energy Security standard] as a constraint in the FCA.”<sup>5</sup> Yet, the ISO-NE defines the fuel security reliability standard according to assumptions that differ significantly from those it uses to develop the primary constraint in the FCA - the ICR value and associated region-wide MRI Demand Curve parameters (collectively, the “Region-Wide Capacity Requirement”). For its fuel security reliability standard, ISO-NE assumes significantly less access to imported energy and a significantly higher fossil fueled generation outage rate than assumed for purposes of the reliability standard to calculate the Region-Wide Capacity Requirement.

For the fuel security reliability standard to be able to fit within or reasonably be considered a region-wide constraint in the FCA, ISO-NE must apply consistent assumptions. A consistent application of the imported energy and outage rate assumptions would cause the Region-Wide Capacity Requirement to be higher than that proposed by ISO-NE for FCA 13. Absent a consistent approach between the Region-Wide Capacity Requirement and a hypothetical “fuel security” constraint in the FCA, it is not credible to claim that the pricing treatment ISO-NE proposes for Fuel Security RMR Resources is the equivalent of modeling that constraint in the FCA. The fuel security reliability standard cannot plausibly be considered as a constraint under the Region-Wide Capacity Requirement ISO-NE proposes for FCA 13 and thus

---

<sup>4</sup> *ISO New England Inc., Compliance Filing to Establish a Fuel Security Reliability Standard, Short-Term Cost-of-Service Mechanism, and Related Cost Allocation for Out-of-Market Compensation*, Docket No. ER18-2364-000 (filed Aug. 31, 2018) (“Fuel Security Filing”).

<sup>5</sup> *Id.*, Transmittal Letter at 4.

cannot serve as a rationale for forcing a Fuel Security RMR Resource to clear against the FCA's Region-Wide Capacity Requirement by re-pricing its Retirement De-List Bids at \$0/kW-month.<sup>6</sup>

This design failure can be resolved in one of two ways. First, ISO-NE can calculate the Region-Wide Capacity Requirement using the same imported energy and outage rate assumptions it proposes for its region-wide fuel security reliability standard, which would have the effect of increasing the Region-Wide Capacity Requirement to be compatible with the region-wide fuel security reliability standard.<sup>7</sup> If the RMR Resource is then forced to clear the FCA by re-pricing it at \$0/kW-month, only then could ISO-NE plausibly claim that it is the administrative equivalent of a binding fuel security constraint. Alternatively, ISO-NE could maintain the inconsistency between the calculation of the Region-Wide Capacity Requirement and region-wide fuel security reliability standard, but price a Fuel Security RMR Resource in the FCA at its competitive Retirement De-List Bid Price, or not offer it into the FCA at all, recognizing the different reliability requirements calculated under vastly different assumptions. Indeed, the Commission suggested this pricing treatment in its order denying ISO-NE's request for waivers.<sup>8</sup>

---

<sup>6</sup> Beyond the differences in criteria used to model the Mystic RMR Standard requirement, the nature of the RMR services can even exceed the MW contribution of the RMR resource itself. In testimony in support of ISO-NE's May 31, 2018, waiver request filing, Peter Brandien provides two analyses for each relevant Winter Period within the FCA 13 and 14 Capacity Commitment Periods. While Tables 2 and 4 of his testimony consider the reliability impacts that would result from the retirement of Mystic Units 8 and 9, Tables 1 and 3 consider the much more severe impacts resulting from retirement of both Mystic Units 8 and 9 and the Everett Marine Terminal (a.k.a., "Distrigas"). The RMR agreement for Mystic Units 8 and 9 thus would secure not only Mystic Unit 8 and 9 generation support, but also LNG supply from Distrigas, further demonstrating that the Mystic RMR Standard exceeds the regional capacity requirements addressed in the FCA. See *Petition of ISO New England Inc. For Waiver of Tariff Provisions*, Exh, ISO-1, Testimony of Peter Brandien, at 43-44, Docket No. ER18-1509-000 (filed May 1, 2018).

<sup>7</sup> NEPGA maintains that ISO-NE's fuel security reliability standard is outside the FCA, and NEPGA offers this alternative relief only in the event the Commission allows ISO-NE to force that procurement to be considered as price-taking capacity supply in FCA 13. NEPGA's request here is contingent upon the Commission not granting the relief NEPGA requests in Docket Nos. ER18-2364-000 and EL18-182-000.

<sup>8</sup> *ISO New England Inc.*, 164 FERC ¶ 61,003, at P 57 (2018).

ISO-NE must either be required to calculate the Region-Wide Capacity Requirement consistent with the resource performance upon which its region-wide fuel security reliability standard is based or properly recognize that ISO-NE is seeking to retain a Fuel Security RMR Resource for a winter energy demand outside of the Region-Wide Capacity Requirement. ISO-NE simply cannot have it both ways. Sound market design dictates that ISO-NE should not pick and choose among assumptions depending on the particular objective. NEPGA therefore conditionally protests ISO-NE's proposed Region-Wide Capacity Requirement values for FCA 13, subject to the Commission's order on ISO-NE's Fuel Security Filing.

#### **I. MOTION TO INTERVENE AND COMMUNICATIONS**

NEPGA is the trade association representing competitive power generators in New England. NEPGA's member companies represent approximately 26,000 megawatts, or roughly 80% of the installed capacity in New England. NEPGA's mission is to support competitive wholesale electricity markets in New England. NEPGA believes that open markets guided by stable public policies are the best means to provide reliable and competitively-priced electricity for consumers. A sensible, market-based approach furthers economic development, jobs and balanced environmental policy for the region. NEPGA's member companies are responsible for generating and supplying electric power for sale within the New England bulk power system. As active participants in the ISO-NE wholesale electricity markets, NEPGA's member companies have substantial and direct interests in the outcome of these proceedings, and those interests cannot be adequately represented by any other party in the proceeding.

All correspondence and communications related to this proceeding should be addressed to the following individual:

Bruce Anderson  
Vice President, Market and Regulatory Affairs  
New England Power Generators Association, Inc.  
33 Broad Street, 7<sup>th</sup> Floor  
Boston, MA 02109  
[banderson@nepga.org](mailto:banderson@nepga.org)

## II. BACKGROUND

On July 2, 2018, the Commission denied ISO-NE's request to waive several provisions of its Tariff ("Waiver Filing")<sup>9</sup> to effectively accomplish what it seeks to accomplish in its more recent Fuel Security Filing.<sup>10</sup> In each case, ISO-NE proposes a region-wide fuel security reliability standard for Fuel Security RMR Resource eligibility, and the re-pricing of Fuel Security RMR Resources at \$0/kW-month in the FCA. In the case of the Waiver Filing, ISO-NE sought waivers specifically to allow Mystic Units 8 and 9 to qualify for a cost-of-service agreement under a slightly different reliability standard than it proposes in the Fuel Security Filing. As ISO-NE explains, the Fuel Security Filing includes several assumptions ISO-NE has revised since its Waiver Filing, some that "have the effect of increasing the assumption of energy available, *i.e.*, making the reliability review more optimistic",<sup>11</sup> and some that can increase the level of energy not served.<sup>12</sup> However, the testimony offered by ISO-NE in support of the Waiver Filing remains the only analysis ISO-NE has offered to support qualifying Mystic Units 8 and 9 as Fuel Security RMR Resources in FCAs 13 and 14 ("Mystic RMR Standard"). Thus,

---

<sup>9</sup> *Petition of ISO New England Inc. For Waiver of Tariff Provisions*, Docket No. ER18-1509-000 (filed May 1, 2018).

<sup>10</sup> *ISO New England Inc.*, 164 FERC ¶ 61,003 (2018).

<sup>11</sup> Waiver Filing, Transmittal Letter at 3; Exh. ISO-1, Testimony of Peter Brandien at 9.

<sup>12</sup> While the Mystic RMR Standard assumes that operating reserves may be fully depleted before resorting to load shedding, the Fuel Security Filing employs a minimum operating reserve level of 700MW that must be maintained, including by load shedding.

this Conditional Protest addresses the inconsistency between the Mystic RMR Standard and Region-Wide Capacity Requirement because Mystic Units 8 and 9 are the only resources ISO-NE has yet to seek to qualify as RMR Resources.

The Mystic RMR Standard is a pass/fail test which produces a failing grade (*i.e.*, triggers RMR eligibility) if, under one or more of 18 different scenarios, each with a different mix of assumed LNG injections, oil and dual-fuel generating unit oil tank refills and energy imports from neighboring control areas, among other variables, the retirement of the resource would result in periods with operating reserves below 700 MW and/or load shedding events.<sup>13</sup> If the system “fails” the test due to the assumed retirement of a resource (here, Mystic Units 8 and 9), the resource’s Retirement De-List Bid is rejected and the resource becomes eligible for a cost-of-service rate as a Fuel Security RMR Resource for that commitment period. ISO-NE will then re-price the resource at \$0/kW-month in the FCA, ignoring its competitive Retirement De-List Bid price as reviewed by the Internal Market Monitor and accepted by the Commission.

In the on-going Fuel Security Filing proceeding, NEPGA challenges the Fuel Security RMR Resource pricing treatment proposed by ISO-NE. In its Protest and Answer in that proceeding, NEPGA presents evidence showing the significant harm ISO-NE’s re-pricing proposal will cause to competitive FCA outcomes and, consequently, to the very fuel security needs ISO-NE seeks to address.<sup>14</sup> Here, NEPGA does not challenge ISO-NE’s Mystic RMR Standard *per se*, but instead only ISO-NE’s failure to consistently apply the resource performance upon which that standard relies to the Region-Wide Capacity Requirement, a step necessary to support its treatment of the region-wide Mystic RMR Standard as the administrative equivalent of a constraint within the Region-Wide Capacity Requirement. NEPGA therefore

---

<sup>13</sup> Waiver Filing, ISO-1, Testimony of Peter Brandien at 43-44; *see also* Fuel Security Filing, Transmittal Letter at 12.

<sup>14</sup> *Motion to Intervene and Protest of the New England Power Generators Association, Inc.*, Docket No. ER18-2364-000 (filed Sept. 21, 2018); *Motion for Leave to Answer and Answer of the New England Power Generators Association, Inc.*, Docket No. ER18-2364-000 (filed Oct. 17, 2018).

conditionally protests ISO-NE's proposed Region-Wide Capacity Requirement for FCA 13, which, if applied under a design where a Fuel Security RMR Resource is re-priced at \$0/kW-month in the FCA, is unjust and unreasonable because it is inconsistent with the Mystic RMR Standard.

### **III. PROTEST**

There are several variables common both to the Mystic RMR Standard and the reliability standard upon which ISO-NE bases the Region-Wide Capacity Requirement, including the quantity of energy imports available to New England and the outage rate for oil, dual-fuel, and gas-fired generation resources ("Outage Rate"). The values ISO-NE assumes for these variables in its Mystic RMR Standard create a more stressed system and a greater likelihood of modelled load shedding risk than under the resource performance it assumes for determining the Region-Wide Capacity Requirement.

First, ISO-NE assumes a certain quantity of available imported energy which can be broken down into two subcategories: (1) MWs of import resources with a CSO; and (2) import MWs not subject to the CSO must-offer requirement that ISO-NE believes it can access in an emergency ("Tie Benefits").<sup>15</sup> The Tie Benefit assumption serves to decrease the Region-Wide Capacity Requirement, in that New England requires less installed capacity for every MW of Tie Benefits ISO-NE assumes it can access, notwithstanding that Tie Benefits are not contracted and the related energy is not required to offer into the Day-Ahead and Real-Time Energy market as is the case for capacity resources. Second, the Outage Rate is the assumed rate at which oil, dual-fuel, and gas-fired generators are out-of-service (outside of scheduled outages), due principally

---

<sup>15</sup> Fuel Security Filing, Transmittal Letter at 11 ("[T]he electricity import levels will be 2,800 MW, 3,000 MW, and 3,500 MW for every hour of the winter period of the year being analyzed.").

under the Mystic RMR Standard to an assumed limit on oil tank re-fills and LNG injections into the New England system, in addition to the extent of unplanned outages due to mechanical or electrical problems affecting the generating plant equipment that are considered in the determination of the Region-Wide Capacity Requirement.<sup>16</sup> The Mystic RMR Standard assumes less access to energy imports and a higher Outage Rate than the values ISO-NE assigns to those variables for purposes of establishing the Region-Wide Capacity Requirement, creating a relative bias towards a more stressed system under the Mystic RMR Standard. It necessarily follows that if ISO-NE were to apply to the Region-Wide Capacity Requirement its Mystic RMR Standard Tie Benefit and Outage Rate assumptions, the Region-Wide Capacity Requirement would be considerably higher, as explained further below. Conversely, if the resource performance assumptions used to calculate the Region-Wide Capacity Requirement were applied to the Mystic RMR Standard, the trigger to qualify for an RMR agreement would be more difficult to satisfy.

#### **A. Tie Benefit Assumption**

As ISO-NE explained in its Waiver Filing, it proposes to make Mystic Units 8 and 9 eligible as Fuel Security RMR Resources due to the system “failing” the Mystic RMR Standard in Scenarios where ISO-NE assumed 2,500 - 3,000 MW of energy imports (*i.e.*, the sum of imports with CSOs and Tie Benefits).<sup>17</sup> The ISO-NE import assumptions are relatively low, given that the sum of Tie Benefit and CSO imports in the past five FCAs has ranged from 3,107 - 3,440 MWs.<sup>18</sup> More importantly, the embedded Tie Benefit assumption in the Mystic RMR

---

<sup>16</sup> Waiver Filing, Exh. ISO-1, Testimony of Peter Brandien at 43-44, (showing column headings LNG Cap and Dual-Fuel (Oil Tank Refills)).

<sup>17</sup> *Id.*, Table 2.

<sup>18</sup> Tie Benefit values obtained from ISO-NE Forward Capacity Auction Parameters Table dated March 8, 2018, available at <https://www.iso-ne.com/markets-operations/markets/forward-capacity-market/>; Import CSO values obtained from Forward Capacity Auction Flow Diagrams, available at <https://www.iso-ne.com/static-assets/documents/2018/05/fca-flow-diagram.pdf>.

Standard is much lower than the Tie Benefit assumption ISO-NE uses for purposes of its Region-Wide Capacity Requirement calculation.

Over the past five FCAs, no less than 1,217 MW of imports have cleared the auction and thus acquired CSOs.<sup>19</sup> Based on this low-end value of 1,217 MW of CSO imports, ISO-NE's 2,500 MW total import assumption dictates an implied Tie Benefit value of only 1,283 MW (*i.e.*, 2,500 MW – 1,217 MW). Based on the same CSO import value of 1,217 MW, ISO-NE's 3,000 MW import assumption leads to an implicit 1,783 MW Tie Benefit value. In each case, the Tie Benefit value ISO-NE uses for purposes of the Mystic RMR Standard is less than the 2,000 MW Tie Benefit assumption ISO-NE uses for purposes of reducing the Region-Wide Capacity Requirement, in the former case by approximately 717 MW. This in turn causes a lower Region-Wide Capacity Requirement than would be the case if ISO-NE were to apply the Mystic RMR Standard Tie Benefit assumption to the Region-Wide Capacity Requirement.<sup>20</sup>

## **B. Outage Rate Assumption**

The generator Outage Rate value ISO-NE uses for the Mystic RMR Standard likewise creates a significantly more stressed system than the Outage Rate value ISO-NE uses to create the Region-Wide Capacity Requirement. Under the Mystic RMR Standard, ISO-NE assumes certain volumes of LNG injections into the system and certain numbers of oil tank refills as a means to model generator unavailability due to a lack of fuel, creating an implied Outage Rate that may be derived from the reliability metrics ISO-NE provided in its Waiver Filing in two steps: first by calculating the amount of electric energy not served under ISO-NE's Scenarios,

---

<sup>19</sup> See *Motion to Intervene and Protest of FirstLight Power Resources, Inc.*, at 16, Table 1, Docket No. ER18-2364-000 (filed Sept. 21, 2018) (showing cumulative import resource MW that cleared in each FCA 1-12).

<sup>20</sup> Because all CSO megawatts are considered interchangeable under the ICR and region-wide MRI demand curve calculations, the model used for FCA13 need only reflect the 2,000 MW Tie Benefits and the 79.8 MW of long-term capacity import contracts. The majority of the imports clearing in FCAs are year-to-year transactions (*e.g.*, the majority of the 1217MWs cleared in FCA12) determined through the FCA.

and then by backing out from those values the necessary level of generating resource outage to achieve those electric energy not served values.

Table 1, below, summarizes the assumptions ISO-NE used in applying the Mystic RMR Standard to the retirement of Mystic Units 8 and 9 in the FCA 13 Capacity Commitment Period<sup>21</sup> and the implicit energy not served (load shedding) derived from that information:

**TABLE 1**

Scenario	LNG	Imports	Tank Refills	10-minute reserve depletion			OP7 load shedding			Electric Energy Not Served		
	Bcf/day	MW		MWh	Hours	MWh/h	MWh	Hours	MWh/h	MWh/h @ 20,342 MW Winter peak	MWh/h @ 24,150 MW 90-10 winter peak for FCA 13	MWh/h @ 23,450 MW 50-50 winter peak for FCA 13
A	1	2500	2	25,568	35	731	4,307	5	861	1,561	5,369	4,669
B	1	3000	2	8,519	16	532	459	1	459	1,159	4,967	4,267
C	1	3500	2	1,715	5	343	0	0	0	0	Indeterminate	Indeterminate
D	1	3000	1	48,022	51	942	11,781	6	1,964	2,664	6,472	5,772
E	1.1	2500	2	6,944	12	579	269	1	269	969	4,777	4,077
F	1.1	3000	2	1,086	4	272	0	0	0	0	Indeterminate	Indeterminate
G	1.1	3500	2	56	1	56	0	0	0	0	Indeterminate	Indeterminate
H	1.2	2500	2	561	3	187	0	0	0	0	Indeterminate	Indeterminate
I	1.2	3000	2	0	0	0	0	0	0	0	Indeterminate	Indeterminate

As shown, several modelled Scenarios (highlighted in yellow) yielded reserve depletion and load shedding values that violated the reliability criteria established by ISO-NE under the Mystic RMR Standard. The Scenarios each assumed the depletion of all operating reserves before any load-shedding under Operating Procedure 7 (“OP7”). For purposes of calculating the Region-Wide Capacity Requirement, ISO-NE assumes that a minimum of 700 MW of ten-

<sup>21</sup> Waiver Filing, Exh. ISO-1, Testimony of Peter Brandien, at 43, Table 2.

minute operating reserves are maintained at all times. To be consistent with that assumption, the Mystic RMR Standard would likewise need to assume that the 700 MW minimum operating reserve requirement is maintained, which in turn would cause the modelled system to shed load sooner and in a greater amount than currently shown under the Mystic RMR Standard.

The column third from the right in Table 1, above, (titled “Electric Energy Not Served” or “EENS” at the winter peak load of 20,342 MW) shows the amount of load shed that must occur in order to preserve 700 MW of minimum operating reserves under each Scenario. The EENS value is simply the sum of the as-modelled load shed under the Mystic RMR Standard and 700 MW, reflecting the additional load shed that would occur under the 700 MW minimum operating reserve requirement ISO-NE assumes in both the Region-Wide Capacity Requirement and the Fuel Security Filing. The two right-most columns show that an even higher EENS would occur at the 50-50 and 90-10 winter peaks loads for FCA 13 (assuming that resource performance and load that can be served remains the same as in the Mystic RMR Standard).

Table 2 (below) then shows the back-calculation of the extent of unit unavailability (the Outage Rate) that must occur in order to achieve the extent of EENS reflected in the Scenarios:

**TABLE 2**

Assumptions for purposes of Mystic RMR Evaluation					
Scenario		A	B	D	E
Implied outage rate		58%	58%	63%	56%
Outages as modelled in Mystic RMR Evaluation (MW)		17,391	16,989	18,494	16,799
Type	Capacity (MW)				
Available Generation	29,260 – 29,760 *	12,369	12,271	10,766	12,961
Demand Response	3,490	3,490	3,490	3,490	3,490
Import	2500-3000	2500	3000	3000	2500
Tie Benefit					
OP4 Action 6 & 8 (voltage reduction)	422	422	422	422	422
	Load served	18,781	19,183	17,678	19,373
	<b>90-10 Winter Load</b>	<b>24,150</b>	<b>24,150</b>	<b>24,150</b>	<b>24,150</b>
	EENS	-5,369	-4,967	-6,472	-4,777

\*The level of generating capacity subject to a CSO is based on aggregate CSO MWs at the FCA13 Net ICR of 33,750MW less Demand Resources of 3,490MW and Import CSO of 500-1000MW (2,500-3,500 MW less 2,000 MW Tie Benefit assumed in the calculation of the FCA13 Net ICR). For Scenarios A and E, the value used is 29,760 MW, and for Scenarios B and D, 29,260 MW, each reflecting the respective import assumptions under each Scenario.

First, starting at the bottom of the table, the amount of load served under each Scenario is equal to the 90-10 winter load for FCA 13 less EENS (with the EENS values coming from Table 1, above). Load served is then further reduced by assumptions for OP4 Action voltage reductions, imported energy (either 2,500 MW or 3,000 MW, consistent with the respective Scenarios), and demand response resource contributions.<sup>22</sup> The resulting values (under “Available Generation”) are equal to the approximate amount of load served in each of the Scenarios from generating resources with CSOs.<sup>23</sup> The MW value of implied outages is the total

<sup>22</sup> Using the existing demand resource values reflected in slide 62 ISO-NE’s Sept. 26, 2018, presentation to the NEPOOL Reliability Committee titled “Proposed Installed Capacity Requirement (ICR) Values for the 2022-2023 Forward Capacity Auction (FCA 13),” available at: <https://www.iso-ne.com/committees/reliability/reliability-committee/?eventId=134586>.

<sup>23</sup> There is no transparency into the actual results of the RMR evaluation for Mystic Units 8 and 9 for any class of resources so NEPGA cannot confirm that these values are precisely the outputs from the ISO-NE modelling.

Generation CSO MWs (either 29,260 MW of 29,760 MW, depending on the Scenario) less Available Generation, with the resulting value shown in the row titled “Outages as modelled in Mystic RMR Evaluation (MW)” (“Outages”). The implied Outage Rate is then simply Outages/ Total Generation CSO MWs. For example, under Scenario A, the implied Outage Rate is equal to:  $(17,391 \text{ MW} / 29,760 \text{ MW}) = 58.4\%$ . As can be seen in Table 2, the implied Outage Rates under the Mystic RMR Standard (due principally to fuel unavailability) needed to yield the EENS at the 90-10 winter peak load range from approximately 56% - 63%. By comparison, for purposes of the Region-Wide Capacity Requirement for FCA 13 ISO-NE uses a significantly lower assumed outage rate of 7.3%.<sup>24</sup>

Table 3 applies the same values shown in Table 2, but under the 50-50 winter peak load level considered in the calculation of the FCA13 Region-Wide Capacity Requirement:

---

However, any differences would be immaterial given the magnitude of the differences in Outage Rates between the calculation of the region-wide capacity values and the region-wide fuel security evaluation.

<sup>24</sup> ISO-NE’s presentation to the NEPOOL Reliability Committee, “Proposed Installed Capacity Requirement (ICR) Values for the 2022-2023 Forward Capacity Auction (FCA 13),” at 60, Sept. 26, 2018, *available at*: <https://www.iso-ne.com/committees/reliability/reliability-committee/?eventId=134586>.

**Table 3**

Assumptions for purposes of Mystic RMR Evaluation					
Scenario		A	B	D	E
Implied forced outage rate		58%	58%	63%	56%
Outages as modelled in Mystic RMR Evaluation (MW)		17,391	16,989	18,494	16,799
Type	Capacity (MW)				
Available Generation	29,260 – 29,760 *	12,369	12,271	10,766	12,961
Demand Response	3,490	3,490	3,490	3,490	3,490
Import	2500-3000	2500	3000	3000	2500
Tie Benefit					
OP4 Action 6 & 8 (voltage reduction)	422	422	422	422	422
	Load served	18,781	19,183	17,678	19,373
	<b>50-50 Winter Load</b>	<b>23,450</b>	<b>23,450</b>	<b>23,450</b>	<b>23,450</b>
	EENS	-4,669	-4,267	-5,772	-4,077

As Table 3 illustrates, even at the lower 50-50 winter peak load, given the extent of fossil generator unavailability coupled with the limit on energy imports assumed under the Mystic RMR Standard, there would still be significant energy not served even at committed resource levels above the 34,719 MW ICR value ISO-NE proposes for FCA13.<sup>25</sup> There can be no clearer evidence that the Mystic RMR Standard cannot reasonably be considered a constraint within the Region-Wide Capacity Requirement. Indeed, the Region-Wide Capacity Requirement would need to be at least 4,669 MW higher for the region-wide fuel security requirement to even fit within the region-wide capacity requirement.<sup>26</sup>

<sup>25</sup> This table considers the equivalent of 34,286 MW to 34,786 MW of Capacity Supply Obligation resources comprised of 30,296 of generating capacity, 3,490MW of demand resources and import CSOs of 500 MW to 1000 MW (corresponding to the import scenario cases of 2,500 MW and 3,000 MW respectively).

<sup>26</sup> While the Mystic RMR Standard scenarios B and E reflect only 1 day of load shedding at the 20,342 MW load level (shown in Table 1 to this pleading), and thus arguably meet the one day in ten loss of load expectation, scenarios A and D reflect 5 and 6 days, respectively, of load shed at the 20,342 MW load level, a level that is far

NEPGA maintains that it is unjust and unreasonable to re-price Fuel Security RMR Resources as price-takers in the FCA for the reasons NEPGA explained in its Protest and Answer to ISO-NE's Fuel Security Filing. If, however, the Commission accepts the pricing treatment proposed by ISO-NE, it must also order ISO-NE to base the Region-Wide Capacity Requirement on the Tie Benefit and Outage Rate assumptions ISO-NE uses for the Mystic RMR Standard. Accordingly, should the Commission accept ISO-NE's Fuel Security Filing, including the re-pricing of Fuel Security RMR Resources, NEPGA requests that the Commission order ISO-NE to increase all points on the region-wide MRI Demand Curve for FCA 13 by 1,400 MWs - the quantity of qualified capacity for Mystic Units 8 and 9 which ISO-NE proposes to offer as price-takers in FCA 13. This would have the effect of causing the MRI Demand Curve to shift to the right, and for each price/quantity pair on the MRI Demand Curve to exceed those proposed by ISO-NE. NEPGA conditions its request on the Commission declining to grant the relief NEPGA seeks in Docket Nos. ER18-2364-000 and EL18-182-000, specifically to either offer Mystic Units 8 and 9 at their Commission-accepted Retirement De-List Bid prices, or other relief necessary to allow for competitive clearing prices in FCAs 13 and 14.

#### **IV. CONCLUSION**

NEPGA respectfully requests that the Commission grant this Motion to Intervene and order ISO-NE to either increase the FCA 13 Region-Wide Capacity Requirement in an amount equal to the 1,400 MWs of Mystic Unit 8 and 9 qualified capacity, offer a Fuel Security Resource into the FCA at its Commission-accepted Retirement De-List Bid price, or grant any other relief the Commissions deems necessary to guarantee competitive outcomes in FCA 13.

---

outside the one day in ten year loss of load expectation. For this reason, the lower of the scenario case A and D EENS values was chosen. NEPGA recognizes that the same generating unit performance could yield more days of load at the 50-50 and 90-10 winter peak loads reflected Tables 2 and 3; however, it is not possible to determine without additional information (not available in the Waiver Filing). For the purposes of this pleading, the order of magnitude is the relevant focus, not the precise value.

Respectfully Submitted,

*/s/ Bruce Anderson* \_\_\_\_\_

Bruce Anderson  
Vice President, Market and Regulatory Affairs  
New England Power Generators Association, Inc.  
33 Broad Street, 7<sup>th</sup> Floor  
Boston, MA 02109  
Tel: 617-902-2347  
Email: [banderson@nepga.org](mailto:banderson@nepga.org)

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the comments via email upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Boston, Massachusetts, November 27, 2018.

*/s/ Bruce Anderson* \_\_\_\_\_

Bruce Anderson  
Vice President, Market and Regulatory Affairs  
New England Power Generators Association, Inc.  
33 Broad Street, 7<sup>th</sup> Floor  
Boston, MA 02109  
Tel: 617-902-2347  
Fax: 617-902-2349  
Email: [banderson@nepga.org](mailto:banderson@nepga.org)