

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England Inc.

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Docket No. ER18-2364-001  
EL18-182-002

*MOTION FOR EXPEDITED ACTION OF THE  
NEW ENGLAND POWER GENERATORS ASSOCIATION, INC.*

The New England Power Generators Association, Inc. (“NEPGA”) hereby moves for the Commission to issue an order on rehearing in this proceeding by September 26, 2019, before key deadlines lapse for the next scheduled Forward Capacity Auction, FCA 14. NEPGA seeks a Commission order granting rehearing and reversing its decision to require generators needed for fuel security to offer at zero in the capacity auction. Rehearing has been pending for over seven months, since January 2, 2019. Inaction on rehearing past September 26 will distort FCA 14 and produce unjust and unreasonable rates.

Chairman Chatterjee’s dissent explained the harm caused by requiring resources held for fuel security to offer at zero in the capacity auctions:

In attempting to avoid over-procurement of capacity ... ISO-NE’s price taker proposal is likely to compound the very fuel security problem it sought to address. Indeed, ISO-NE acknowledges that its price taker proposal will result in lower FCA prices and fails to appropriately compensate resources that provide both resource adequacy and fuel security. These lower FCA prices will encourage marginal units – specifically those that otherwise would have received adequate capacity revenue if fuel security resources were not entered into the FCA as price takers – to retire. If these same units also are fuel secure resources, then this price suppression could lead to a further decline in fuel security. The result could be a *vicious cycle* of additional out-of-market interventions for these retiring resources, further price suppression, and even more retirements, which, in turn, will only further diminish the region’s fuel security.

ISO New England Inc., 165 FERC ¶ 61,202 (2018) (Chairman Chatterjee, dissenting) (citations omitted, emphasis added). The Commission can prevent this “vicious cycle” from perpetuating into FCA 14 by issuing an order granting rehearing by September 26.

Otherwise, “[p]rices will be suppressed for all resources” in yet another forward capacity auction. *See id.*

September 26 is a key date because it is the final day before the start of the submission window to finalize static delist bids in FCA 14. *See* <https://www.iso-ne.com/static-assets/documents/2019/02/fca-14-schedule-2-13-18.pdf>. By that date, generation resources must decide whether to delist or not. Basic market fundamentals—such as whether fuel security resources will be required to offer at zero or submit cost-based offers—must be established by that date.

We already know that Mystic 8 & 9 are needed for fuel security again in FCA 14. *See* [https://www.iso-ne.com/static-assets/documents/2019/06/fca\\_14\\_fuel\\_security\\_reliability\\_review\\_retention\\_nepool\\_notice.pdf](https://www.iso-ne.com/static-assets/documents/2019/06/fca_14_fuel_security_reliability_review_retention_nepool_notice.pdf). We also know that 5,000 megawatts of fuel-secure coal and oil resources are at risk of retirement. *See* “State of the Grid: 2019,” ISO New England Inc. (Feb. 20, 2019), at 16, *available at* [https://www.iso-ne.com/static-assets/documents/2019/02/20190220\\_pr\\_state-of-the-grid\\_presentation\\_final.pdf](https://www.iso-ne.com/static-assets/documents/2019/02/20190220_pr_state-of-the-grid_presentation_final.pdf). The Commission should issue an order granting rehearing on the price taker issue before another auction is distorted and the “vicious cycle” of artificially low prices and premature retirements rolls on, exacerbating New England’s fuel security problem.

Alternatively, if the Commission cannot issue an order on rehearing by September 26, it should at the very least ensure an order in advance of FCA 14, set to begin on February 3, 2020. *See* <https://www.iso-ne.com/static-assets/documents/2019/02/fca-14-schedule-2-13-18.pdf>. This would mean an order by January 31, 2020.

*CONCLUSION*

Pursuant to Rule 212<sup>1</sup> of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, NEPGA respectfully moves for the Commission to issue an order granting rehearing in these proceedings as soon as practicable, or by September 26, 2019. In no event should an order be delayed beyond January 31, 2020, in time for FCA 14.<sup>2</sup>

Respectfully submitted,

*/s/ Paul F. Wight*

Paul F. Wight  
Stephen J. Hug  
BRACEWELL LLP  
2001 M St., NW, Suite 900  
Washington, DC 20036  
(202) 828-5832

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<sup>1</sup> 18 C.F.R. § 385.212 (2019).

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

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*CERTIFICATE OF SERVICE*

I hereby certify that I have this day caused to be served copies of the foregoing document upon the official service list in this proceeding.

Dated at Washington, D.C., this 6<sup>th</sup> day of August, 2019.

*/s/ Alexandra Zak*

Alexandra Zak  
Bracewell LLP  
2001 M St., N.W., Suite 900  
Washington, D.C. 20036  
(202) 828-5810