

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

<b>Participating Transmission Owners</b>	)	
<b>Administrative Committee &amp;</b>	)	
<b>ISO New England Inc.</b>	)	<b>Docket No. ER21-2337-001</b>
	)	

**AMENDED PROTEST AND COMMENTS OF THE  
NEW ENGLAND POWER GENERATORS ASSOCIATION, INC.**

Pursuant to Rules 212 and 213 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 these Comments and amended Protest of the Participating Transmission Owners Administrative Committee (“PTOs”) and ISO New England, Inc.’s (“ISO-NE”) joint filing of Tariff changes that would newly allow load serving-entities (“LSEs”) to net against their monthly share of Regional Network Service charges the estimated peak energy production of certain, but not all resources located on or behind-the-meter of the LSE systems.<sup>3</sup>

NEPGA incorporates by reference its Protest<sup>4</sup> and Answer<sup>5</sup> filed earlier in this proceeding, and adds here its Comments on the PTO/ISO-NE response<sup>6</sup> to the deficiency letter the Commission’s Office of Energy Market Regulation (“OEMR”) served on the PTOs and ISO-NE

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<sup>1</sup> 18 C.F.R. §§ 385.212, 385.213 (2020).

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

<sup>3</sup> *Participating Transmission Owners Administrative Committee & ISO-NE New England Inc., Modifications to Monthly Regional Network Load Calculation in the ISO-NE Transmission, Markets and Services Tariff*, Docket No. ER21-2337-000 (filed July 1, 2021) (“PTO-AC Filing”).

<sup>4</sup> *Motion to Intervene and Protest of the New England Power Generators Association, Inc.*, Docket No. ER21-2337-000 (filed July 22, 2021) (“NEPGA Protest”).

<sup>5</sup> *Motion for Leave to Answer and Answer of the New England Power Generators Association, Inc.*, Docket No. ER21-2337-000 (Aug. 12, 2021).

<sup>6</sup> *Participating Transmission Owners Administrative Committee and ISO New England Inc. Re: Modification to Monthly Regional Network Load Calculation in the ISO-NE Transmission, Markets and Services Tariff*, Docket No. ER21-2337-000 (filed Sept, 20, 2021) (“Deficiency Letter Response”).

following its review of their original filing.<sup>7</sup> As before, NEPGA asks the Commission to find that the PTOs and ISO-NE have not shown their proposed Tariff changes to be just and reasonable, whether based on the false assertion that the Tariff changes simply clarify a Tariff ambiguity or that the discriminatory Tariff changes are just and reasonable because the resources unduly given preferential treatment are not required to provide revenue quality meters.

## **I. COMMENTS ON DEFICIENCY LETTER RESPONSE**

### **A. THE PTOs AND ISO-NE FAIL TO JUSTIFY DISPARATE TREATMENT OF REGISTERED VERSUS UNREGISTERED RESOURCES ON THE BASIS OF THE USE OF THE BULK TRANSMISSION SYSTEM**

The OEMR asks the PTOs to explain how and the extent to which the behind-the-meter resources not located at a single electrical location are excluded from Network Customer's Monthly Regional Network Load ("RNL"), and how they are similarly situated to those behind a single electrical location, "e.g., whether and how these types of generators do or do not use the integrated transmission system."<sup>8</sup> The PTOs fail to fully respond to this question, obscuring that Network Customers rely on the integrated transmission system to obtain reliable electric service from all resources, whether the generating resource is located behind a single electrical location or not.

The PTOs first fail to admit that there is no difference in physical use of the integrated transmission system by resources not behind a single electrical location regardless of whether the resource is registered as a Generator or is unregistered (*e.g.*, due to its failure to install the metering

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<sup>7</sup> FERC Office of Energy Market Regulation Letter to ISO New England inc. Re: Modifications to Monthly Regional Network Load Calculation, Docket No. ER21-2337-000 (Aug. 20, 2021) ("Deficiency Letter"). This Amended Protest is timely filed according to the Commission's *Combined Notice of Filings #1*, Sept. 28, 2021 (setting the Comment Date at Oct. 12, 2021).

<sup>8</sup> *Id.* at 1-2.

necessary to qualify as a Generator). The laws of physics dictate the flow of electrons and corresponding use of the bulk power system, which laws do not recognize status as registered or unregistered. Injections of energy from either registered or unregistered resources create distribution and transmission flow according to the laws of physics, not whether the resource is metered or not. Thus, customers relying on both types of resources equally use the integrated transmission system solely according to the quantity of energy delivered and not their status as registered or unregistered or interval-metered or not.

Further, the PTOs misrepresent the impact of behind-the-meter generation on transmission system reliability. PTOs state there are no “impacts to system reliability or the level of operating reserves, regardless of whether or not they are located behind the same electrical location.”<sup>9</sup> While the PTOs are correct in explaining that under the current market design “the level of reserves on the ISO-NE system [] is not negatively impacted because ISO-NE commits and dispatches generation to assure that forecasted load can be met while satisfying operating reserve requirements, which are based on the largest and second largest resource contingencies on the system rather than the levels of unmetered behind-the-meter generation,”<sup>10</sup> it does not follow that the lack of predictability and invisibility (to the system operator) of unregistered resource generation has no impact on system reliability or cost. Instead, the intermittence of many of the unregistered resources or the self-scheduled generation of other unregistered resources as well as the lack of ISO-NE visibility and control of those resources, requires ISO-NE to account for and

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<sup>9</sup> Deficiency Letter Response at 4.

<sup>10</sup> *Id.*

plan around this collective unpredictability and lack of situational awareness of unregistered, unmetered generation.<sup>11</sup>

Indeed, ISO-NE explains these new uses of the transmission system in its most recent draft 2021 Regional System Plan:

“The overall variability in gross demand, demand response, PV output, and wind output could create issues for meeting system requirements for ancillary services of ramping, regulation, reserves, and voltage control. Gas-fired generating units may be limited in providing these services because natural gas fuel supply may be inflexible. The decreased operation of fossil fuel generators requires new ways to provide vital ancillary services. The variations in system strength (short-circuit levels), especially in certain areas and during periods with fewer synchronous machines operating on the system, highlight the need for system-protection upgrades, called *adaptive protection*, and other capital improvements. These improvements include those that allow for two-way power flows on the distribution system, an operating mode for which it was not originally designed.”<sup>12</sup> (emphasis added)

“Existing amounts of PV have caused noticeable changes to system operation and, as it grows, it is anticipated to have a greater effect on the system’s need for regulation, ramping, reserves, and voltage support. Interestingly, new flow patterns from distribution substations into (instead of out of) the transmission system when PV production is high have resulted in new uses of the transmission system and have increased the need for dynamic voltage support.”<sup>13</sup>

ISO-NE has elsewhere as well explained many of the challenges of accommodating unmetered resources into its operation of and planning for the bulk power system, for example in its Energy Security Improvements (“ESI”) Filing, where it proposed three new day-ahead reserve products, two of which, Energy Imbalance Reserves and Replacement Energy Reserves were

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<sup>11</sup> The ISO-NE can only observe the change in metered flow over the RTO system tie line with the electric distribution company and cannot directly see the self-schedule decisions made by any unregistered resources.

<sup>12</sup> ISO New England Inc. Draft 2021 Regional System Plan at 75.

<sup>13</sup> *Id.* at 76.

meant to account in part for the variability between forecast generation from unregistered resources and actual generation from those resources during the operating day.<sup>14</sup> ISO-NE explained the need to account for unregistered resource intermittency and uncertainty in the testimony of its Chief Economist, Dr. Matthew White, at the Commission’s September 2021 Technical Conference on Energy and Ancillary Service. Dr. White explained that the uncertainty in the delivery magnitude and timing of behind-the-meter resources output requires additional reserve to cover this new (and growing) category of load forecast uncertainty. ISO-NE proposed to address these operational needs by compensating resources for the necessary reliability services through the ESI design according to two new reserve categories: Energy Imbalance Reserve and Replacement Energy Reserve. Though the Commission did not accept the ESI design proposal, those reserve services continue to be required of operating reserve resources without compensation, but the basic service is scheduled through the ISO-NE unit commitment process in the day ahead energy market, and, where required, subsequent Resource Adequacy Assessment unit commitments.<sup>15</sup>

The PTOs admit that the “load forecast used by ISO-NE system operators already includes forecasted load reductions caused by solar PV, which comprises the vast majority of behind-the-meter generation in New England.”<sup>16</sup> What PTOs fail to mention is that ISO-NE must forecast that behind-the-meter solar PV (“BTMPV”), because it impacts the transmission system, and that the forecast is subject to error. The PTOs also fail to acknowledge that while the load forecast is an hourly forecast, the output of subject BTMPV resources fluctuates within the hour as well as

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<sup>14</sup> See *ISO New England Inc., Compliance Filing of Energy Security Improvements Addressing New England’s Energy Security Problems, Affidavit of Dr. Matthew White, Energy Security Improvements: Creating Energy Options for New England* at 26-28, Docket Nos. EL18-182-000 and ER20-1567-000 (filed Apr. 15, 2020) (explaining in part the “energy gaps” between day-ahead scheduling and real-time operations).

<sup>15</sup> The level of synchronized reserves that must be provided through those unit commitments depends on the level of Fast Start reserves that Fast Start capable resources are required to provide into the day ahead and real-time markets as a consequence of their Capacity Supply Obligation-based requirements. See ISO-NE Tariff Section III.13.6.1.1.2.

<sup>16</sup> Deficiency Letter Response at 4.

across the day. The PTOs also do not answer the question of impacts by behind-the-meter resources not located behind a single electrical location that are not BTMPV.

The only real basis that PTOs seem to proffer to explain the discrimination they seek between the Monthly RNL treatment of unregistered, behind-the-meter resources not located behind a single electrical location and Generators not located behind a single electrical location is that the former is not required to install revenue quality metering. However, as PTO's highlight, ISO-NE must estimate the output of generation that is not telemetered because it impacts the reliability of the integrated transmission system. An estimate of their hourly output used for purposes of ISO-NE load forecasting could just as easily be used for purposes of calculating Monthly RNL.

**B. THE PTOs AND ISO-NE FAIL TO EXPLAIN HOW AND TO WHAT DEGREE TRANSMISSION COSTS WOULD SHIFT BETWEEN NETWORK CUSTOMERS UNDER THE TARIFF CHANGES**

The OEMR also asked the PTOs and ISO-NE to explain “how and to what degree transmission costs would shift between Network Customers under ISO-NE’s proposed revisions.”<sup>17</sup> In response, the PTOs claim that the Tariff changes would not cause any “material shift” in transmission cost allocation because the Tariff changes “maintain the PTOs’ current practice in calculating Monthly RNL.”<sup>18</sup> What is left unsaid, but is obvious, is that the PTOs are comparing their current practice of non-compliance with the Tariff to Tariff changes codifying that non-compliant practice. In that case, with no change in practice, of course there would be no cost shifting. What the PTOs fail to explain is the extent to which costs would shift if the PTOs

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<sup>17</sup> OEMR Deficiency Letter at 2-3.

<sup>18</sup> Deficiency Letter Response at 6.

were currently *complying with the Tariff* and thus grossing up their Monthly RNL for all behind the meter generation consistent with the existing Tariff versus Tariff changes that would allow them to avoid reconstituting their load profile.

Non-compliant action should not serve as the baseline for a comparison of cost allocation – instead compliance with the Tariff should. What matters is whether by not complying with the Tariff (and now looking to modify the Tariff to be consistent with that non-compliant practice) have the non-compliant RNS customers shifted costs onto other RNS customers. Unquestionably, the answer is yes. RNS customers with more unregistered BTM resources shift costs to RNS customers with fewer such resources.

## **II. CONCLUSION**

NEPGA respectfully requests that the Commission find that the PTOs and ISO-NE have failed to show that their proposed Tariff changes are just and reasonable.

Respectfully Submitted,

*/s/Bruce Anderson*

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**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 Cambridge, Massachusetts, October 12, 2021.

*/s/ Bruce Anderson*

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