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ISO-New England Inc. and)	Docket No. ER15-716-000
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New England Power Pool)	
Participants Committee)	
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Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),¹ the New England Power Generators Association, Inc. (“NEPGA”)² hereby submits this Motion for Leave to Answer and Answer (“Answer”) to the answer of ISO New England Inc., filed on January 28, 2105, in the above-captioned proceeding (“ISO-NE Answer”).³ ISO-NE asks the Commission to find that NEPGA’s Comments⁴ fall outside of the scope of this proceeding, ostensibly the proposed change in the Renewable Technology Resource definition.⁵ Yet, when regulating the wholesale energy and capacity markets, the Commission is uniquely positioned to review and ensure that the disparate elements of the marketplace form a cohesive whole. It is in that broader context that NEPGA’s Comments ask whether an expansion of the Renewable Technology Resource definition is just and reasonable in light of the Commission’s recent consideration of other

potential changes to the way in which the Forward Capacity Market allows uneconomic resources to displace otherwise economic resources.

I. Motion for Leave to Answer

Rule 213(a)(2) of the Commission's Rules of Practice and Procedure generally prohibits answers to answers.⁶ The Commission has accepted answers that are otherwise prohibited if they clarify the issues in dispute and assist the Commission in its decision-making.⁷ In this Answer, NEPGA responds to an answer raising issues not previously raised in this proceeding. This NEPGA Answer provides the Commission with information directly relevant to issues raised in the answer, and will therefore assist the Commission in its decision-making. NEPGA respectfully requests that the Commission accept this Answer.

II. Answer

NEPGA conditions its support for the expansion of the Renewable Technology Resource ("RTR") definition on its understanding that the volume of resources that may uneconomically clear the Forward Capacity Auction ("FCA") is limited to 200 MW per year.⁸ NEPGA's condition is not speculative, given the Commission's recent rejection of a request to reduce the Installed Capacity Requirement ("ICR") based on projections of installed distributed generation in the relevant Capacity Commitment Period, and directive for NEPOOL and ISO-NE to discuss whether it is appropriate to reduce the ICR on that basis considering its market and operational consequences.⁹ As NEPGA explained in its Comments, a reduction in the ICR on that basis would allow uneconomic entry to displace otherwise economic resources equivalent to the way

⁶ 18 C.F.R. § 385.213(a)(2) (2012).

⁷ See, e.g., *Florida Gas Transmission Co., LLC*, 141 FERC ¶ 61,161 at P 7 (2012); *California Indep. Sys. Operator Corp.*, 139 FERC ¶ 61,207 at P 13 (2012).

⁸ NEPGA Comments at 6.

⁹ *ISO New England Inc.*, 150 FERC ¶ 61,003 at P 20 (2015).

in which RTRs will displace economic resources.¹⁰ It is for this reason NEPGA asks the Commission to consider the proposed expansion of the RTR definition in the context of the potential expansion of other exemptions from the Forward Capacity Market's monopsony power protections.

ISO-NE asks the Commission to not consider NEPGA's Comments. NEPGA's comments, however, ask the Commission to ensure that an individual Tariff change considered in this docket not upset the careful balance the Commission attempts to strike in its consideration of other market reforms. Here, NEPGA implicitly questions whether it is relevant for the Commission to consider, when asked if a proposed Tariff change¹¹ is just and reasonable, other potential Tariff changes that may bear on the same issues raised by the proposed Tariff change. The Commission has and should continue to examine the cumulative effect of multiple rule changes that cause a common market consequence, as is the case with the proposed change in RTR definition and the Commission's discussion of a reduction in the ICR.

Several participants in the Commission's recent workshops on price formation in energy and ancillary service markets have encouraged the same approach, and illustrated the importance of thinking broadly when considering market rule changes.¹² Such a view is both logical and necessary, particularly with so many important changes occurring in the New England wholesale energy and capacity markets. NEPGA asks that the Commission consider its Comments and the cumulative impact of the contemplated RTR and ICR changes on the ability of the Forward Capacity Market to attract and retain economic resources to meet New England's resource

¹⁰ NEPGA Comments at 4.

¹¹ As to whether reducing the ICR based on installed distributed generation projections requires a change in the Tariff, ISO-NE has represented to NEPGA Members that a reduction in ICR on that basis does not require a change to the Tariff.

¹² *Price Formation in Energy and Ancillary Services Markets Operated by Regional Transmission Organizations and Independent System Operators*, Docket No. AD14-14-000 (opened June 19, 2014).

adequacy needs, based on the Commission's unique ability to take a holistic view of the Forward Capacity Market. It is for this reason that NEPGA's Comments are relevant as the Commission considers ISO-NE's proposed Tariff changes in this proceeding.

III. Conclusion

Wherefore, NEPGA respectfully requests that the Commission grant its Motion for Leave to Answer herein and consider its Comments in this proceeding.

Respectfully Submitted,

/s/ Bruce Anderson

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CERTIFICATE OF SERVICE

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

Dated at Boston, Massachusetts, this February 4, 2015.

/s/ Bruce Anderson

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