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September 16, 2008

**Via Hand Delivery**

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
Room 1A-East, First Floor  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: ISO New England Inc., Docket No. ER08-1513-000**  
**Errata to Informational Filing for Qualification in the Forward Capacity**  
**Market**

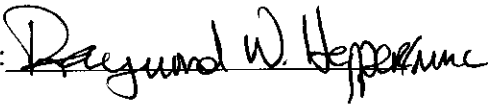
Dear Secretary Bose:

Enclosed for filing in the above captioned docket, please find an original and five copies of the Errata to the Informational Filing for Qualification in the Forward Capacity Market ("Informational Filing") filed by ISO New England Inc. (the "ISO") on September 9, 2008. The Errata substitutes page 10 of the Informational Filing to correct a calculation error in Section IV.A.3. Specifically, the Errata replaces the amount of "8,323" megawatts of existing Connecticut resources with "8,072." The Errata has no effect on the determinations provided in the Informational Filing. Attached is a clean copy of substitute page 10 as well as a blacklined copy reflecting the change.

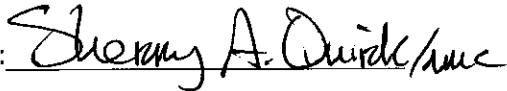
A copy of the foregoing has been served upon all parties that were served the Informational Filing, including the New England Power Pool Participants Committee. The ISO sincerely appreciates the Commission's attention to this matter. If you have any questions or concerns regarding this filing, please feel free to contact me. Thank you for

your assistance in this matter.

Respectfully submitted,

By: 

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Attachments

**BLACKLINED COPY**

Load Zones that are neither export-constrained nor import-constrained are modeled as a single Capacity Zone.

In accordance with Section III.12.4, the ISO will model two Capacity Zones in the FCA: Maine and Rest of Pool. The Rest of Pool Capacity Zone includes Massachusetts, Connecticut, Rhode Island, New Hampshire and Vermont. Neither the Connecticut nor the NEMA/Boston Load Zones will be modeled as a separate Capacity Zone because the existing resources in each Load Zone were greater than the corresponding Local Sourcing Requirements plus any (i) Export Bids or (ii) Administrative Export De-List Bids, which may be exporting capacity through the import-constrained Load Zone. Specifically, in the Connecticut Load Zone, there are 8,072 MW of existing resources and the Local Sourcing Requirement is 6,817 MW. Adding the 100 MW of capacity that submitted an Administrative De-List Bid to the Local Sourcing Requirement pursuant to Section III.12.4(b), the total is 6,917 MW. With respect to NEMA/Boston, the existing resources are 3,784 MW and the Local Sourcing Requirement is 2,016 MW. In each case, the existing resources exceed the Local Sourcing Requirements, so neither will be modeled as a separate zone in the FCA.

Deleted: 323

Pursuant to Section III.12.4(a), as an export-constrained Load Zone, Maine will be modeled as a separate Capacity Zone. Thus, Maine's Maximum Capacity Limit of 3,395 MW is the maximum amount of capacity that the second FCA can procure from resources located in the Maine Capacity Zone. It should be noted that if the price floor is reached in the second FCA, there could be more capacity resources located in Maine than the Maximum Capacity Limit. If such a condition occurs, it would require "double pro ration" of capacity resources electrically located in the Maine Load Zone – once for meeting the Maximum Capacity Limit and, if necessary, once for meeting the total New England Installed Capacity Requirement. There are 3,623 MW of qualified Existing Capacity Resources in Maine. In addition, there are 509 MW of qualified New Capacity Resources located in Maine of which 444 MW have submitted an offer below 0.75 time CONE. Thus, assuming that all of the available resources remain in the auction to the floor price, Maine's market participants will need to elect whether to keep their full Capacity Supply Obligation with a reduced payment rate or to reduce their Capacity Supply Obligation and maintain the original Capacity Clearing Price because without such proration the Maine Maximum Capacity Limit would be exceeded. Further, if the Rest-of-Pool Capacity Zone also has excess capacity, there will also be a similar decision faced by all market participants within the Rest-of-Pool Capacity Zone. Thus, market participants' resources located in Maine could be subject to double pro rationing, which would result in the dollar per megawatt payment to resources in the Maine Capacity Zone falling below the dollar per megawatt payment to resources in the Rest-of-Pool Capacity Zone.

#### **4. The External Interface Limits**

Although not required under the FCM Rules, the ISO is providing the external transfer limits in this Informational Filing. External interface limits, adjusted for tie benefits, control the amount of total capacity that can be imported to New England from neighboring Control Areas. Prior to each FCA, the ISO is required to update the

**CLEAN COPY**

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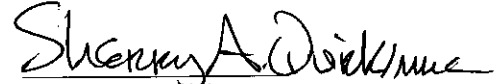
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## **5. The External Interface Limits**

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## CERTIFICATE OF SERVICE

I hereby certify that I have this day served via electronic mail the forgoing document and attachments upon all parties on the Commission's official service list in this proceeding and the individuals identified in the notifications sent to resources that were not qualified to participate in the Forward Capacity Auction, contained in Confidential Attachment I filed with the September 9 Informational Filing. Dated at Washington, DC this 16th day of September, 2008.

  
Sherry A. Quirk