



Kevin W. Flynn
Senior Regulatory Counsel

July 30, 2013

Via Electronic Filing

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: ISO New England Inc., Docket No. ER12-953-002
Compliance Filing**

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC")¹ Order on Compliance Filing issued on May 31, 2013 in the above-captioned docket (the "May 31 Compliance Order"),² ISO New England Inc. (the "ISO") hereby submits this compliance filing to provide the Commission with a schedule to address the directives in the May 31 Compliance Order.

I. COMMUNICATIONS

The ISO is the private, non-profit entity that serves as the regional transmission organization ("RTO") for New England. The ISO operates the New England bulk power system and administers New England's organized wholesale electricity market pursuant to the Tariff and the Transmission Operating Agreement with the New England Participating Transmission Owners.

All correspondence and communications in this proceeding should be addressed to the undersigned as follows:

¹ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the ISO's Transmission Markets, and Services Tariff (the "Tariff").

² *ISO New England Inc.*, 143 FERC ¶ 61,198 (2013).

Kevin W. Flynn, Esq.
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: (413) 535-4177
Fax: (413) 535-4379
E-mail: kflynn@iso-ne.com

II. BACKGROUND

On March 14, 2013, the ISO submitted a filing to comply with the Commission's Order on Compliance issued on February 12, 2013 in the above-referenced docket.³ As part of that filing, the ISO submitted a proposal to continue to use four Capacity Zones in the Forward Capacity Auction ("FCA"). In the May 31 Compliance Order, the Commission accepted the ISO's proposal to retain four Capacity Zones. The Commission, however, directed the ISO to consider in its ongoing stakeholder process issues related to determining the appropriate number of Capacity Zones and the boundaries for the Capacity Zones. Specifically, the Commission required the ISO to consider in the stakeholder process:

(1) the appropriate level of zonal modeling going forward; (2) the appropriate rules to govern intra and inter zonal transactions; and (3) whether objective criteria by which zones may be automatically created in response to rejected de-list bids, generation retirements or other changes in system conditions would be appropriate in New England, or if not, why not.⁴

In the May 31 Compliance Order, the Commission also directed the ISO to "develop and file with the Commission revisions to the ISO-NE tariff that articulate appropriate objective criteria to revise the number of boundaries of capacity zones automatically as the relevant conditions change, or (ii) file with the Commission an explanation as to why such criteria are unnecessary."⁵ The Commission required the ISO to submit a compliance filing by July 30, 2013 with a schedule for the completion of the tasks outlined in the May 31 Compliance Order.⁶

III. SCHEDULE

In compliance with the Commission's May 31 Compliance Order, the ISO has included the schedule below to implement the Tariff revisions by the upcoming ninth FCA. Under the schedule, the ISO will make its filing of proposed Tariff changes in March 2014, with a Commission ruling by May

³ *ISO New England Inc.*, 142 FERC ¶ 61,107 (2013).

⁴ May 31 Compliance Order at P 35.

⁵ *Id.*

⁶ *Id.*

2014, which is before the New Capacity Qualification Deadline⁷ and the de-list bid deadline⁸ for the ninth FCA.

Month	Item
June 2013	Stakeholder meetings to discuss and address items identified in the May 31 Compliance Order, to develop and finalize zonal requirements and to develop corresponding Tariff language.
July 2013	
August 2013	
September 2013	
October 2013	
November 2013	
December 2013	
January 2014	
February 2014	Technical Committee Action
March 2014	Participants Committee Action and FERC Filing
April 2014	
May 2014	FERC Order

Respectfully submitted,

Kevin Flynn
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4177

⁷ June 17, 2014.

⁸ June 2, 2014.