

186 FERC ¶ 61,001
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 2, 2024

In Reply Refer To:
ISO New England Inc.
Docket No. ER24-339-000

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Attention: Kathryn E. Boucher, Esq.

New England Power Pool Participants Committee
Day Pitney LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103
Attention: Rosendo Garza, Jr., Esq.

Dear Ms. Boucher and Mr. Garza:

1. On November 3, 2023, ISO New England Inc. (ISO-NE), joined by the New England Power Pool Participants Committee (together, Filing Parties) filed proposed revisions to ISO-NE's Transmission, Markets and Services Tariff (Tariff) to delay the nineteenth Forward Capacity Auction (FCA 19), including all pre-auction and post-auction activities related thereto, by one calendar year. Filing Parties explain that FCA 19 will continue to procure capacity for the June 1, 2028 through May 31, 2029 delivery year, or Capacity Commitment Period,¹ and that this filing does not propose to change the timing of Capacity Commitment Period for FCA 19. Filing Parties state that this filing would merely delay the auction, FCA 19, until February 2026, with the qualification process commencing in February 2025.² Filing Parties further explain that all other pre-auction and post-auction deadlines will remain the same during the

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Tariff.

² Filing Parties Transmittal at 1.

qualification process, except that each deadline will take place one calendar year later.³ Additionally, Filing Parties propose to eliminate the first of the three annual reconfiguration auctions for FCA 19, asserting that its elimination will have little to no adverse impact, whereas compressing the timeline to carry out the same number of reconfiguration auctions in a shortened forward period would require significant changes to ISO-NE's systems.⁴ As discussed below, we accept Filing Parties' proposed revisions, effective January 3, 2024.

2. Filing Parties state that the New England region is experiencing a transformation in its resource mix. Filing Parties further state that to ensure that this transition takes place in a manner that meets New England's resource adequacy needs, it is imperative that the region accurately value the reliability contributions of all resources, using a methodology that accounts for the variable nature of loss-of-load events and measures capacity value for each resource in a common manner. Filing Parties explain that "the current methodology falls short of meeting these criteria, and in recognition of this, [ISO-NE], the New England stakeholders, and the New England states have been engaged in a multi-year project to overhaul the [Forward Capacity Market's (FCM)] capacity accreditation methodology."⁵ Filing Parties state that delaying the auction, FCA 19, for a year will afford the region the time necessary to complete the ongoing work on a new methodology in the FCM for calculating resource capacity accreditation values, so that this methodology can be implemented for use in that auction. Filing Parties state that ISO-NE currently anticipates that the new design will be filed with the Commission sometime in the third quarter of 2024, for implementation beginning with the delayed FCA 19 qualification period.⁶

3. Filing Parties explain that the proposed delay should have little, if any, impact on new resource entry decisions.⁷ Filing Parties also explain that the proposed delay should not have any adverse impact related to resource retirements in FCA 19. Further, Filing Parties state that it is not likely that the proposed delay would increase out-of-market

³ *Id.* at 15. Filing Parties explain that the proposed revisions include a provision that allows ISO-NE discretion to make minor adjustments to the auction schedules discussed in the filing (by no more than 10 business days) so long as these minor adjustments are provided to market participants with not less than 30 days' advance notice. *Id.* at 17.

⁴ *Id.* at 15.

⁵ *Id.* at 2; McBride Test. at 3.

⁶ Filing Parties Transmittal at 2-3.

⁷ *Id.* at 11-12.

retention.⁸ Additionally, Filing Parties assert that the proposed delay of FCA 19 affords the region time to evaluate other, more fundamental changes to New England's capacity market design, namely a possible transition to a prompt market structure, with multiple seasonal auctions. Filing Parties also explain that the proposed delay affords the region time to develop and implement changes to the interconnection study queue process that are required under the Commission's Order No. 2023, so that they can be implemented in time for FCA 19.⁹

4. ISO-NE requests that the Commission accept the proposed Tariff revisions, without suspension or hearing, effective January 2, 2024, which Filing Parties state is 60 days from the date of filing. Filing Parties explain that implementing the FCA 19 delay at the beginning of January 2024 will help avoid the need for both ISO-NE and market participants to invest resources and time in preparing for the FCA 19 qualification process, which under the Tariff's current schedule will commence in February 2024.¹⁰

5. Notice of Filing Parties' filing was published in the *Federal Register*, 88 Fed. Reg. 77,301 (Nov. 9, 2023), with interventions and protests due on or before November 24, 2023. Massachusetts Department of Public Utilities filed a notice of intervention. Timely motions to intervene were filed by: Brookfield Renewable Trading and Marketing LP; Calpine Corporation; Constellation Energy Generation, LLC; Dominion Energy Services, Inc.; Eversource Energy Service Company; FirstLight Power Inc. (FirstLight Power); Massachusetts Attorney General; National Grid; New England Power Generators Association Inc. (NEPGA); New England States Committee on Electricity; NRG Business Marketing LLC; Orsted Wind Power North America LLC; Public Citizen, Inc.; RENEW Northeast, Inc.; and Connecticut Municipal Electric Energy Cooperative, Massachusetts Municipal Wholesale Electric Company, New Hampshire Electric Cooperative, and Vermont Public Power Supply Authority (collectively, Public Systems). Comments in support were filed by FirstLight Power, NEPGA, and Public Systems.

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2022), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

7. Commenters agree that delaying FCA 19 by one year will provide ISO-NE and stakeholders additional time to develop resource accreditation methodology modifications that can better ensure that future forward capacity auctions procure

⁸ *Id.* at 12.

⁹ *Id.* at 3 (citing *Improvements to Generator Interconnection Procs. & Agreements*, 184 FERC ¶ 61,054 (2023)).

¹⁰ *Id.*

resources in line with the region's needs.¹¹ Public Systems believes that the filing is an important step in moving New England forward toward a capacity market design that better reflects each resource's contribution to ensuring regional resource adequacy.¹² NEPGA states that resource adequacy, system reliability, and efficient market outcomes will all be served by the proposal to delay FCA 19 by one year. NEPGA further states that denying the one-year delay would risk running FCA 19 with accreditation rules that could create adverse and unintended consequences.¹³ FirstLight Power explains that the proposed delay provides an opportunity to further develop the capacity accreditation design and emphasizes the importance for proper evaluation of the marginal reliability of gas-only resources in the capacity accreditation.¹⁴

8. We find that Filing Parties' request to delay FCA 19, including all pre-auction and post-auction activities related thereto, by one year is just and reasonable. The requested delay will allow ISO-NE the time necessary to develop a revised capacity accreditation methodology, in addition to further potential changes to the FCM design, as discussed above. Accordingly, we accept Filing Parties' proposed revisions, effective January 3, 2024.¹⁵

By direction of the Commission. Commissioner Danly is not participating.

Debbie-Anne A. Reese,
Deputy Secretary.

¹¹ Public Systems Comments at 5; *see also* FirstLight Power Comments at 1-2; NEPGA Comments at 1.

¹² Public Systems Comments at 6.

¹³ NEPGA Comments at 3.

¹⁴ FirstLight Power Comments at 2-3.

¹⁵ Although Filing Parties request a January 2, 2024 effective date, absent waiver, January 3, 2024 is the earliest date that proposed revisions can be made effective (i.e., on the 61st day after filing, after 60 days' notice). *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,120, at P 1 n.4 (2011); *see Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992); *Prior Notice & Filing Requirements Under Part II of the Fed. Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).