

187 FERC ¶ 61,175
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

Before Commissioners: Willie L. Phillips, Chairman;
Allison Clements and Mark C. Christie.

ISO New England Inc.

Docket No. ER24-1290-000

ORDER ACCEPTING RESULTS OF THE EIGHTEENTH FORWARD CAPACITY AUCTION

(Issued June 18, 2024)

1. On February 21, 2024, ISO New England Inc. (ISO-NE) filed the results of the eighteenth Forward Capacity Auction (FCA), in accordance with section III.13.8.2 of the ISO-NE Transmission, Markets, and Services Tariff (Tariff), which requires ISO-NE to file the results of each FCA with the Commission upon the completion of the FCA. As discussed below, we accept ISO-NE's filing, effective June 20, 2024, as requested.

I. Filing

2. ISO-NE explains that the eighteenth FCA (FCA 18) was held on February 5, 2024, for the June 1, 2027 through May 31, 2028 Capacity Commitment Period. ISO-NE states that, in addition to the results of FCA 18, it has included in its filing the testimonies of its witnesses Alan McBride, Peter T. Brandien, and Lawrence M. Ausubel to comply with its Tariff requirement to provide documentation regarding the competitiveness of the FCA.¹

3. ISO-NE's submission contains the results of FCA 18, which include: (1) the capacity zones in the auction; (2) the capacity clearing price in each of those capacity zones; (3) a list of resources that received capacity supply obligations (CSO) in each capacity zone; and (4) the amount of the CSOs. ISO-NE explains that the capacity zones for FCA 18 were the Northern New England Capacity Zone (NNE), the Maine Capacity Zone (Maine) and the Rest-of-Pool (ROP) Capacity Zone.² ISO-NE states that the

¹ ISO-NE Transmittal at 2.

² ISO-NE states that the NNE Capacity Zone included Maine, New Hampshire, and Vermont. The Maine Capacity Zone included Maine and was nested within the NNE Capacity Zone. Both the NNE and Maine Capacity Zones were export-constrained. The

descending clock auction starting price in each capacity zone was \$14.525/kW-month. ISO-NE further states that the auction resulted in a capacity clearing price of \$3.580/kW-month for all zones. ISO-NE additionally provides an attachment detailing the resources that received a CSO in each capacity zone.

4. ISO-NE explains that, per the Tariff, it is required to provide the clearing prices and total amount of payments associated with any demand bids cleared at the substitution auction clearing price above their demand bid prices. However, ISO-NE explains that there were no active demand bids for the substitution auction and, accordingly, the substitution auction was not conducted.³ ISO-NE requests that the Commission find that it conducted FCA 18 in accordance with its Tariff and accept its filing effective June 20, 2024.⁴

II. Notice and Responsive Pleadings

5. Notice of ISO-NE's filing was published in the *Federal Register*, 89 Fed. Reg. 14,477 (Feb. 27, 2024), with interventions and protests due on or before April 8, 2024. The New England Power Pool Participants Committee (NEPOOL), National Grid, New England Power Generators Association, Inc., Public Citizen, Inc., Calpine Corporation, and the No Coal No Gas Campaign (NCNG) submitted timely motions to intervene. On April 9, 2024, NCNG also submitted out-of-time comments. On April 16, 2024, NCNG submitted an amendment to their comments which included the names of 4,191 co-signers. In addition, Healthlink, 198 Methods, and 27 individual commenters (Pro Se Commenters) filed comments.⁵ On May 7, 2024, ISO-NE submitted an answer to the comments. On May 16, 2024, NCNG submitted an answer to ISO-NE's answer. On May 20, 2024, Leif Taranta (one of the Pro Se Commenters) submitted an answer to ISO-NE's answer.

6. 198 Methods argues that FCA 18 violates section I.1.3 of ISO-NE's Tariff (ISO-NE Mission Statement) and ISO-NE's mandate.⁶ 198 Methods also asserts that the

ROP Capacity Zone included Connecticut, Western/Central Massachusetts, Northeastern Massachusetts/Boston, Southeastern Massachusetts, and Rhode Island. Testimony of Peter T. Brandien, Attachment C to ISO-NE Transmittal, at 3.

³ ISO-NE Transmittal at 4.

⁴ *Id.* at 7.

⁵ Pro Se Commenters are listed in Appendix A to this order.

⁶ 198 Methods Comments at 1 (citing ISO-NE Tariff, § I.1 Purpose, Components, Objectives (2.0.0), § I.1.3 (Mission of ISO)). 198 Methods states that ISO-NE's mandate is to "protect the health of the region's economy and the well-being of its people by

Commission must reject the results of FCA 18 because the results and the structure of the FCA itself are in violation of the Tariff and ISO-NE's mandate.⁷ 198 Methods argues that, contrary to section I.1.3(a) of the Tariff, FCA 18 does not promote reliability because fossil fuel use and infrastructure directly contributes to climate change, making extreme weather events more likely; thus fossil fuels are a threat multiplier to New England grid reliability, not a reliability enhancement.⁸ 198 Methods states that FCA 18 is not in compliance with section I.1.3(d) of the Tariff because FCA 18 was run under the existing Forward Capacity Market (FCM) design, but ISO-NE has a new market structure that will be implemented for FCA 19.⁹ 198 Methods states that, contrary to section I.1.3(e) of ISO-NE's Tariff, ISO-NE has never produced simple explanations or plain-language trainings on how the FCA works, and 198 Methods argues that FCA 18, ISO-NE's Tariff, and the Commission's process are intentionally opaque, and that transparency for the rate paying public could be achieved by the creation of a plain language version of the Tariff.¹⁰

7. NCNG asks the Commission to reject the results of FCA 18 because fossil fuel peaker plants are “expensive, unreliable, and a clear threat to the wellbeing of New England Ratepayers, both now and in the future,” and therefore capacity payments to fossil fuel generators would violate ISO-NE’s responsibility to ratepayers.¹¹ NCNG claims that “[t]he FCA 18 results stand in stark violation to the Tariff’s core mission.”¹² NCNG also states that ISO-NE’s market design is inherently biased in favor of fossil

ensuring the constant availability of competitively-priced wholesale electricity – today and for future generations.” *Id.* at 1 (quoting ISO-NE, *Our Three Critical Roles*, <https://www.iso-ne.com/about/what-we-do/three-roles> (last visited May 2024)). NCNG and Pro Se Commenters also provided similar arguments.

⁷ *Id.* at 5.

⁸ *Id.* at 2-3. Section I.1.3 (a) states that a mission of the ISO is “to assure the bulk power supply of the New England Control Area conforms to proper standards of reliability.”

⁹ *Id.* Section I.1.3(d) states that a mission of the ISO is “to allow informed participation and encourage ongoing market improvements.”

¹⁰ *Id.* Section I.1.3(e) states that a mission of the ISO is “to provide transparency with respect to the operation of and the pricing in markets and purchase programs.”

¹¹ NCNG Comments at 1.

¹² *Id.* at 1.

fuels and penalizes renewables by means of the minimum offer price rule.¹³ NCNG calls for “the complete abolition or a major overhaul of the [FCM].”¹⁴ Pro Se Commenters also argue that the Commission should reject the FCA 18 results filing on the basis of the continued use of fossil fuel peaker plants,¹⁵ the existence of the minimum offer price rule,¹⁶ the structure of the FCA,¹⁷ the transparency of the ISO-NE stakeholder and/or the FERC filing process,¹⁸ insight into the determination of the clearing price,¹⁹ environmental responsibility, and/or public health concerns.²⁰ Pro Se commenters also raise multiple concerns regarding the coal-fired Merrimack Generating Station located in New Hampshire including its recent and current operational status, its ability to produce electricity when called upon, and environmental concerns such as its emissions levels.²¹

8. Healthlink argues that the FCA is a flawed aspect of the FCM design.²² Healthlink states that problems include limited flexibility, inefficient resource allocation, barriers to

¹³ *Id.* at 3.

¹⁴ *Id.* at 4.

¹⁵ See Comments of: Susan L. Durling, Linda M. Walsh, James C. Mulloy, Nathan G. Phillips, Steven Botkin, Siobhan Senier, Regine A. Spector, Natasia Lawton-Sticklor, Leif Taranta, and David M Hughes.

¹⁶ See Comments of: Montserrat Archibald, Paul Shorb, and Leif Taranta.

¹⁷ See Comments of: Susan L. Durling, Rebecca Beaulieu, Kendra L. Ford, and Regine A. Spector.

¹⁸ See Comments of: Regine A. Spector, Isaac B. Patterson and Natasia Lawton-Sticklor.

¹⁹ See Comments of Regine A. Spector.

²⁰ See Comments of: Susan L. Durling, Linda M. Walsh, Robert Feder, Jack Hanson, Sonja K. Birthisell, James C. Mulloy, Nathan G. Phillips, Steven Botkin, Lucy Lee, Paul Shorb, Natasia Lawton-Sticklor, Olivia Chatfield, Rose M. Shuker-Haines, Sabine von Mering, and Mary Raven.

²¹ See Comments of: Susan L. Durling, Linda M. Walsh, Steven Botkin, Rebecca Beaulieu, Siobhan Senier, Kendra L. Ford, Julie C. Macuga, Rose M. Shuker-Haines, Leif Taranta, David M. Hughes, Sabine von Mering, and Mary Raven.

²² Healthlink Comments at 1.

innovation, and risk of stranded assets.²³ Healthlink suggests improvements to the FCM design that would reduce emphasis on fossil fuels and shift focus towards renewables.²⁴

9. In its answer, ISO-NE states that the Commission has made it clear that challenges to the FCM market design are outside the scope of the FCA results filing proceeding and, as such, the Commission will not address them when evaluating the results of the FCA.²⁵ ISO-NE states that the protests express concerns regarding, among other things, climate change, fossil fuels, and that some protests request abolishment of the FCM.²⁶ ISO-NE states that these arguments are unrelated to whether ISO-NE followed its Tariff when it conducted FCA 18 and should therefore be rejected as outside the scope of this proceeding.

10. In its answer, NCNG requests that the Commission deny ISO-NE's answer and affirm NGNG's protests and comments as within the scope of these proceedings.²⁷ NCNG states that ISO-NE's answer is nearly an exact copy of last year's response.²⁸ NCNG further requests that both ISO-NE and the Commission make a detailed and documented examination of all comments filed in the instant proceeding, assessing them against the full Tariff. NCNG states that ISO-NE's Answer attempts to suppress the more complete and accurate record supplied by NCNG's comments and is an attempt to narrow the scope to the point that ISO-NE's own Tariff compliance is no longer relevant to the FCA results. NCNG argues that, after hundreds of comments were ruled "outside the scope" in last year's filing of the results of FCA 17,²⁹ this year's commenters were extremely diligent in citing the Tariff and highlighting the ways that ISO-NE's conduct

²³ *Id.* at 1-2.

²⁴ *Id.* at 2-4.

²⁵ ISO-NE Answer at 2 (citing *ISO New England Inc.*, 130 FERC ¶ 61,145, at P 33 (2010)).

²⁶ *Id.* at 2-3.

²⁷ *Id.* at 2.

²⁸ NCNG Answer at 3. In a May 20, 2024 supplement to NCNG's May 16, 2024 answer, Leif Taranta attaches an annotated document that is highlighted to show the differences between ISO-NE's 2024 Answer and ISO-NE's 2023 answer filed under Docket No. ER23-1435-000.

²⁹ See *ISO New England Inc.*, 184 FERC ¶ 61,041 (2023).

has deviated from the mission and powers granted therein.³⁰ NCNG states that the arguments in its comments are based directly on the FCA results' compliance with the Tariff — specifically section I.1.3.³¹

11. NCNG argues that ISO-NE's statement that "challenges to the FCM market design are outside the scope of the results filing proceeding" relies on only one citation to the Commission's acceptance of the results of FCA 3.³² NCNG states that ISO-NE claims the authority to choose which sections of the Tariff to follow. NCNG argues that ISO-NE is attempting to limit the scope of this docket to the point where its own governance document is outside the bounds of consideration.³³ NCNG quotes extensively from the comments of Isaac Petersen, highlighting his arguments that "ISO-NE has not protested, nor has the Commission stated, that the FCA results should be judged against only certain sections of the Tariff,"³⁴ and "[t]he inclusion of [the ISO Mission Statement] in the Tariff broadens the scope of this docket far beyond the technicalities to which ISO-NE would prefer we limit ourselves."³⁵ NCNG notes Petersen's argument that, if ISO-NE argues that a comment is outside the scope, it is the responsibility of the Commission to "explore and relate . . . to which sections of the Tariff might the comment in question connect . . ."³⁶

12. NCNG also argues that ruling NCNG comments outside the scope of the proceedings and clearing FCA 18 would violate the Commission's own mission and guiding principles, because FERC has a responsibility to "ensure reliable, safe, secure, [and] economically efficient energy for consumers at a reasonable cost through appropriate regulatory and market means, and collaborative efforts."³⁷

³⁰ NCNG Answer at 2-3.

³¹ *Id.* at 3.

³² *Id.* at 5 (quoting ISO-NE Answer at 2).

³³ *Id.*

³⁴ *Id.* at 4 (quoting Comments of Isaac Petersen at 1).

³⁵ *Id.* (quoting Comments of Isaac Petersen at 2).

³⁶ *Id.* at 6 (quoting Comments of Isaac Petersen at 3).

³⁷ *Id.* at 7 (quoting Federal Energy Regulatory Commission, *Strategic Plan, Fiscal Years 2022-2026* 7 (Mar. 28, 2022), www.ferc.gov/media/ferc-fy22-26-strategic-plan).

III. Discussion

A. Procedural Matters

13. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2023), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

14. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2023), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We accept ISO-NE’s answer, NCNG’s answer, and Leif Taranta’s answer because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

15. ISO-NE is required to file the results of the FCA with the Commission,³⁸ and the Commission evaluates the filing to determine if ISO-NE conducted the FCA in accordance with the Tariff.³⁹ We find that ISO-NE did conduct the FCA in accordance with its Tariff. The protests of NCNG, Healthlink, 198 Methods, and Pro Se Commenters raise issues that are outside the scope of this proceeding because they do not bear on the sole question here – namely, whether ISO-NE conducted FCA 18 in accordance with the requirements set forth in its Tariff. Instead, these protests largely challenge the FCM design and raise various challenges related to climate change, fossil fuels, the minimum offer price rule and the Merrimack Generating Station, which are issues that are beyond the scope of the instant proceeding. As to 198 Methods’ and NCNG’s argument that ISO-NE’s FCM design is at odds with ISO-NE’s Mission Statement contained in its Tariff section I.1.3, we find that broader concerns about the FCM design are more appropriately raised in the stakeholder process rather than in response to the instant filing, which solely relates to whether ISO-NE conducted FCA 18 in accordance with Tariff section III.13.⁴⁰

16. We also find out of scope 198 Methods’ argument that FCA 18 is not in compliance with ISO-NE’s Tariff because FCA 18 was run under the existing FCM design and ISO-NE has a new market structure that will be implemented for FCA 19.

³⁸ ISO-NE Tariff, § III.13 (Forward Capacity Market), § III.13.8 (Reporting and Price Finality) (29.0.0), § III.13.8.2 (Filing of Forward Capacity Auction Results and Challenges Thereto).

³⁹ *E.g., ISO New England Inc.*, 184 FERC ¶ 61,041 at P 11.

⁴⁰ *See ISO New England Inc.*, 127 FERC ¶ 61,040, at P 28 (2009).

The issue in this proceeding is whether ISO-NE conducted FCA 18 in accordance with the effective Tariff at the time that FCA 18 was conducted, and as stated above, we find that it did.

17. Based upon the foregoing, we accept ISO-NE's filing, effective June 20, 2024, as requested.

The Commission orders:

ISO-NE's filing is hereby accepted, effective June 20, 2024, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Acting Secretary.

Appendix A

Pro Se Commenters

1. Ellanora Lerner
2. Susan L. Durling
3. Linda M. Walsh
4. Montserrat Archibald
5. Robert Feder
6. Jack Hanson
7. Sonja K. Birthisell
8. James C. Mulloy
9. Nathan G. Phillips
10. Steven Botkin
11. Rebecca Beaulieu
13. Lucy Lee
14. Siobhan Senier
15. Kendra L. Ford
16. Regine A. Spector
17. Paul Shorb
18. Julie C. Macuga*
19. Isaac B. Petersen*
20. Natasia Lawton-Sticklor*
21. Olivia Chatfield*
22. Rose M. Shuker-Haines*
23. Leif Taranta*
24. David M. Hughes*
25. Marla J. Marcum*
26. Sabine von Mering*
27. Mary Raven*

*An asterisk indicates a commenter who submitted comments after the April 8, 2024 comment deadline.