

**Date:** July 22, 2024  
**To:** ISO New England & NEPOOL Markets Committee  
**CC:** James Woods, Tongxin Zheng, & Chris Geisler  
**From:** LS Power  
**Topic:** Recommended Improvements to Scoping Accreditation under CAR

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LS Power's diverse portfolio of gas, dual-fuel, hydro, wind, and demand response assets is broadly affected by capacity market reforms. Changes that benefit one portion of our portfolio may be offset by reforms that adversely affect another. With this in mind, we offer the following feedback on ISO-NE's proposed scope for its Capacity Auction Reforms ("CAR") project.

We support the concerns that have been raised by the New England Power Generators Association with respect to the CAR project, specifically the need to address Reliability Must Run contracts, price formation, and tie-benefits as part of the initial market design scope.

LS Power appreciates that the ISO is taking additional steps to more accurately reflect limited gas availability in the winter seasons as part of the CAR and RCA efforts. We agree that it is critical that ISO properly account for fuel assurance in its accreditation model. However, we reiterate our concern here that gas resources are not broadly substitutable and that a market constraint that does not reflect locational attributes will undermine attempts to properly assess reliability in New England. As LS has shown using a variety of methods, gas availability is clearly dependent on temperatures and location of the generator on the system. Gas is more plentiful upstream on gas pipelines and less plentiful downstream or on laterals. Just as the current Forward Capacity Auction methodology recognizes locational variations and unit-specific characteristics for accreditation, ISO's CAR accreditation approach to natural gas accessibility must do the same. Given the limited number of gas-fired units in New England, it is not unreasonable nor infeasible to model unit specific performance to determine fuel adequacy and reliability. At minimum, the ISO should commit to zonal representations of fuel constraints, just as they do for transmission constraints today. Rather than reiterate all the points that LS Power has made, we refer you to the presentations we have provided at the Markets Committee, most recently in March 2024.<sup>1</sup>

Furthermore, we believe ISO should add to the scope consideration of how to reconstitute atypical outages in its accreditation methodology. LS requests the ISO incorporate in its CAR efforts LS's proposal to allow resources to seek adjustment of historical performance data related to atypical outages.<sup>2</sup>

LS Power appreciates the opportunity ISO is offering its stakeholders to actively participate and help shape a greatly enhanced approach to assessing and ensuring reliability in New England with sufficient time to get the details right. Thank you for consideration of our comments and we look forward to working with you on this matter.

Very truly yours,

Ben Griffiths  
Marji Philips  
Dan Pierpont

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<sup>1</sup> [https://www.iso-ne.com/static-assets/documents/100009/a03c\\_mc\\_2024\\_03\\_12\\_13\\_rca\\_jericho\\_power\\_perspective\\_rca\\_forward\\_annual.pdf](https://www.iso-ne.com/static-assets/documents/100009/a03c_mc_2024_03_12_13_rca_jericho_power_perspective_rca_forward_annual.pdf)

<sup>2</sup> [https://www.iso-ne.com/static-assets/documents/100010/a03c\\_mc\\_2024\\_04\\_09\\_10\\_jericho\\_power\\_rca\\_presentation.pdf](https://www.iso-ne.com/static-assets/documents/100010/a03c_mc_2024_04_09_10_jericho_power_rca_presentation.pdf)