



December 16, 2014

VIA ELECTRONIC FILING

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

Re: Informational Filing for Qualification of Certain New Import Capacity Resources in the Forward Capacity Market

ISO New England Inc., Docket No. ER15 – _____ – 000

Comments Due On or Before DECEMBER 23, 2014, Pursuant to the Tariff

Dear Secretary Bose:

Pursuant to Section III.13.8.1(c) of the ISO New England Transmission, Markets and Services Tariff (the “Tariff”),¹ ISO New England Inc. (the “ISO”) hereby submits privileged and public (*i.e.*, redacted) versions of this informational filing for qualification of certain New Import Capacity Resources in the Forward Capacity Market for the 2018-2019 Capacity Commitment Period. Pursuant to Section III.13.8.1(c), any comments or challenges to the determinations contained in this informational filing must be filed with the Federal Energy Regulatory Commission (“FERC” or “Commission”) no later than December 23, 2014. **Accordingly, the ISO requests that the Commission issue a notice requiring that any such comments or challenges be filed on or before December 23, 2014.**

In accordance with Tariff Section III.13.8.1(c), if the Commission does not **issue an order by January 15, 2015** directing otherwise, the determinations described in this informational filing shall be used in conducting the ninth Forward Capacity Auction (“FCA”), which will be held beginning on February 2, 2015, and will procure the needed capacity for the six state New England Control Area for the 2018-2019 Capacity Commitment Period.

¹ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the Tariff.

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On November 4, 2014, as required by Section III.13.8.1 of the Tariff, the ISO submitted a comprehensive informational filing to the Commission detailing the transmission system, capacity requirements, and resources participating in the upcoming ninth Forward Capacity Auction.² A recent Commission order, however, required changes to the treatment of certain import capacity resources in that auction.³ On October 16, 2014, the ISO filed Tariff revisions in compliance with that order.⁴ Those revisions include the requirement that the ISO submit this additional informational filing. This filing details the ISO's determination of the New Resource Offer Floor Price for each New Import Capacity Resource requesting to submit offers in the Forward Capacity Auction at prices below the relevant Offer Review Trigger Price and submitting supporting cost information as described in Section III.13.1.3.5.6 and provides supporting documentation for such determinations. Pursuant to Section III.13.1.3.5.7, participants were notified of these determinations, as well as whether the New Import Capacity Resource is associated with a pivotal supplier as described in Section III.A.21.2(d), on December 12, 2014.

I. COMMUNICATIONS

All correspondence and communications in this proceeding should be addressed to:

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II. FILING CONTENTS AND REQUEST FOR PRIVILEGED TREATMENT

This informational filing includes the following materials:

- This transmittal letter – PUBLIC
- Attachment A: New Resource Offer Floor Prices – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE

² See Informational Filing for Qualification in the Forward Capacity Market, FERC Docket No. ER15-328-000 (filed November 4, 2014).

³ See ISO New England Inc., Order to Show Cause, 148 FERC ¶ 61,201 (September 16, 2014).

⁴ See ISO New England Inc., Response to Order to Show Cause, FERC Docket Nos. ER15-117-000, EL14-99-000 (filed October 16, 2014). See also Order Conditionally Accepting Tariff Revisions and Directing Compliance Filings, 149 FERC ¶ 61,227 (December 15, 2014).

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Section III.13.8.1(c) of the Tariff requires the ISO to file the information provided in Attachment A confidentially. Therefore, the ISO requests that the Commission provide privileged treatment to Attachment A, which has been marked: **“Contains Privileged Information - Do Not Release.”** The ISO is filing one version of this informational filing that includes the privileged information, which should not be released to the public. A public, redacted version of this informational filing, which does not include the privileged attachment, is also filed herewith.

III. INFORMATIONAL FILING

As mentioned above, Section III.13.8.1(c) requires the ISO to “make an informational filing with the Commission no later than December 16, 2014 detailing its determination of the New Resource Offer Floor Price for each New Import Capacity Resource making a request and cost information submittal as described in Section III.13.1.3.5.6 and providing supporting documentation for each such determination.”

Pursuant to Section III.A.21.2 of the Tariff, the Internal Market Monitor (“IMM”) determines the New Resource Offer Floor Price for each such New Import Capacity Resource as follows:

- If the New Import Capacity Resource is not associated with a pivotal supplier, as determined pursuant to Section III.A.21.2(d), then the resource’s New Resource Offer Floor Price is \$0.00/kW-month.
- If the New Import Capacity Resource is associated with a pivotal supplier, then the IMM reviews the submitted cost information, consulting with the supplier as needed, and the resource’s New Resource Offer Floor Price will be set to a level that is consistent with the capacity price estimate, as determined by the IMM.⁵ The IMM’s capacity price estimate is derived by entering all relevant resource costs and non-capacity revenue data, as well as assumptions regarding opportunity costs, depreciation, taxes, and discount rate into a capital budgeting model and calculating the break-even contribution required from the Forward Capacity Market to yield a discounted cash flow with a net present value of zero for the project.

As required by Section III.13.8.1(c), the determination of the New Resource Offer Floor Price for each New Import Capacity Resource requesting to submit offers in the Forward Capacity Auction at prices below the relevant Offer Review Trigger Price and submitting supporting cost information as described in Section III.13.1.3.5.6 is provided in privileged Attachment A.

⁵ See Tariff Section III.A.21.2(b)(vi).

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IV. SERVICE

The ISO has served the public version of this document and attachments via electronic mail upon Governance Participants and the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area.

V. CONCLUSION

In this informational filing, the ISO has presented to the Commission all of the information required by Section III.13.8.1(c) of the Tariff.

Respectfully submitted,

By: /s/ Kerim P. May

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Attachments

Attachment A

CONTAINS PRIVILEGED INFORMATION - REDACTED