

To: NEPOOL Markets Committee

From: Chris Geissler, Market Development

Date: November 8-9, 2017

Subject: Competitive Auction with Sponsored Policy Resources

The ISO is requesting a vote on the Competitive Auctions with Sponsored Policy Resources (CASPR) proposal. By way of background, New England stakeholders held a series of meetings in 2016 to discuss potential wholesale market design changes that would enable competitive markets to better accommodate public policy objectives in New England, also known as the Integration of Markets and Public Policy 'IMAPP' process. Following these stakeholder discussions, the ISO agreed to develop a proposal to address both investors' and states' concerns about subsidized new resources' participation in the Forward Capacity Market (FCM).¹ At its core, the ISO's CASPR design addresses these concerns using a substitution auction, which coordinates the entry of sponsored policy resources with the exit of existing resources. This proposal strikes an appropriate balance between accommodating sponsored policy resources into the FCM over time and preserving competitively-based capacity pricing for other resources.

The specific proposal for the committee's consideration today has been presented in the meeting dates outlined below.

- November 8, 2017, agenda item #2
 - [2017-11-08 and 2017-11-09 MC A02 Competitive Auctions with Sponsored Policy Resources](#)
 - [2017-11-08 and 2017-11-09 MC A02 ISO Tariff Redlines - Competitive Auctions with Sponsored Policy Resources](#)
- October 25, 2017, agenda item #3
 - [2017-10-25 MC A03 Competitive Auctions with Sponsored Policy Resources - Revision 1](#)
 - [2017-10-25 MC A03 ISO Tariff Redlines Competitive Auctions with Sponsored Policy Resources - Revision 1](#)
 - [2017-10-25 MC A03 Memo re: Sponsored Policy Resource Eligibility](#)

¹ At the final IMAPP meeting on May 17, 2017, the ISO presented a discussion paper outlining its conceptual design. This discussion paper is available on the NEPOOL website at http://nepool.com/uploads/IMAPP_20170517_CASPR_Discussion_Paper.pdf.

- [2017-10-25 MC A03 Memo re: Revisions to the ISO's CASPR Proposal Concerning the RTR Exemption](#)
- October 3-4, 2017, agenda item #3
 - [2017-10-03 and 2017-10-04 MC A03 Competitive Auctions with Sponsored Policy Resources- Revision 1](#)
 - [2017-10-03 and 2017-10-04 MC A03 Tariff Redlines Competitive Auctions with Sponsored Policy Resources](#)
- September 12-13, 2017, agenda item #4
 - [2017-09-12 and 2017-09-13 MC A04 Competitive Auctions with Sponsored Policy Resources](#)
 - [2017-09-12 and 2017-09-13 MC A04A Memo re: ISO Response to NESCOE's June 14th Memorandum](#)
- August 8-10, 2017, agenda item #4
 - [2017-08-08-09-10 MC A04 Competitive Auctions with Sponsored Policy Resources Revision 1](#)
- July 11-12, 2017, agenda item #5
 - [2017-07-11 and 2017-07-12 MC A05 Competitive Auctions with Sponsored Policy Resources](#)
- June 13-14, 2017, agenda item #5
 - [2017-06-13 and 2017-06-14 MC A05 Competitive Auctions with Subsidized Policy Resources](#)