



Participants and adversely impact the competitiveness of the auction. Further, Vineyard Wind may seek RTR status in the fourteenth Forward Capacity Auction (“FCA 14”).

## **I. BACKGROUND**

Vineyard Wind did not qualify for RTR treatment for the primary auction associated with FCA 13<sup>5</sup> because the proposed resource will not be geographically located in a New England state. Specifically, then-existing Section III.13.1.1.1.7 (b) of the Tariff explicitly required that, to be treated as an RTR, a resource “must qualify as a renewable or alternative energy generating resource *in the state in which it is geographically located.*”<sup>6</sup> Vineyard Wind’s proposed offshore wind project will be geographically located in federal waters off the coast of Massachusetts. As such, the explicit terms of the Tariff precluded the ISO from treating Vineyard Wind as an RTR at the time of its qualification.

On November 30, 2018, the ISO, joined by the New England Power Pool Participants Committee, filed conforming Tariff changes related to the implementation of the Competitive Auction with Sponsored Policy Resource rules (“CASPR-Related Changes Filing”).<sup>7</sup> The CASPR-Related Changes Filing included a proposed clarification to Section III.13.1.1.1.7 (b) of the Tariff to allow offshore wind resources located in federal waters, such as Vineyard Wind, to qualify for RTR treatment in FCA 13 and future auctions.<sup>8</sup> As explained in the CASPR-Related Changes Filing, offshore wind resources seeking to utilize the revised Tariff language for FCA

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<sup>5</sup> The FCA is composed of two parts: the primary auction and the substitution auction. RTR treatment is only relevant to participation in the primary auction.

<sup>6</sup> Emphasis added.

<sup>7</sup> Docket No. ER19-444-000.

<sup>8</sup> CASPR-Related Changes Filing at 3 and 38.

13 would need to receive a waiver from the Commission of certain Tariff provisions.<sup>9</sup> The Commission approved the CASPR-Related Changes Filing on January 29, 2019.<sup>10</sup>

On December 14, 2019, Vineyard Wind submitted a waiver request asking the Commission to waive certain provisions of the Tariff to allow Vineyard Wind to receive RTR treatment for FCA 13.<sup>11</sup> Vineyard Wind requested that the Commission act on the Waiver Request by January 29, 2019.<sup>12</sup>

The ISO filed comments on Vineyard Wind's Waiver Request on January 4, 2019.<sup>13</sup> In its comments, the ISO did not oppose the Waiver Request and noted that the Waiver Request adopted the approach outlined in the CASPR-Related Changes Filing.<sup>14</sup> The ISO requested, however, that the Commission act on the Waiver Request by January 29, 2019 in order for Vineyard Wind to receive RTR treatment for FCA 13.<sup>15</sup> This deadline would allow the ISO the time to make the software and modelling changes necessary to include Vineyard Wind as an RTR resource in the auction that commenced on February 4, 2019.

Because the Commission did not act on the Waiver Request in time for the auction, Vineyard Wind did not receive RTR treatment in FCA 13. Vineyard Wind filed its "emergency

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<sup>9</sup> *Id.* at 39.

<sup>10</sup> *ISO New England and New England Power Pool Participants Committee*, 166 FERC ¶ 61,061 (2019).

<sup>11</sup> Petition of Vineyard Wind LLC for Waiver of Tariff Provisions and Expedited Commission filed in Docket No. ER19-570-000 on December 14, 2018 ("Waiver Request").

<sup>12</sup> Waiver Request at 1.

<sup>13</sup> Motion to Intervene and Comments of ISO New England Inc. filed in Docket No. ER19-570-000 on January 4, 2019.

<sup>14</sup> *Id.* at 3.

<sup>15</sup> *Id.* at 1 and fn. 8.

motion” on the day of the auction, but the Commission did not act on the request for stay on that day. The ISO conducted and concluded the primary auction on February 4, 2019. In this Answer, the ISO addresses Vineyard Wind’s alternative request that the Commission vacate the results of FCA 13 and rerun the auction. For the reasons explained below, the Commission should deny Vineyard Wind’s alternative request.

## II. ARGUMENT

### A. Rerunning the Auction Would Harm the Expectations of Auction Participants

Rerunning FCA 13 will substantially harm other parties. FCA 13 commenced on February 4, 2019. During the auction, some auction participants made business decisions to leave the auction, while others remained in the auction and took on Capacity Supply Obligations. Auction participants participated in FCA 13 with the expectation that the outcome of the auction was final, subject to acceptance by the Commission. The expectations of auction participants who participated in FCA 13 should not be changed. Indeed, in a recent case the Commission held that:

The Commission generally does not order a remedy that requires rerunning a market because market participants participate in the market with the expectation that the rules in place and the outcomes will not change after the results are set. Rerunning past auctions creates two different types of risk: (1) capital risks for resources that made investments based on auction results, and (2) regulatory risk going forward (i.e., investors would be unlikely to want to invest capital in a market if the results were subject to change at a later date due to legal error). Thus, as a general matter, rerunning the markets undermines the markets themselves by creating uncertainty for market participants, and we generally eschew directing them to be rerun.<sup>16</sup>

Additionally, rerunning the auction would adversely impact the competitiveness of the auction. The Forward Capacity Auction is a descending clock auction. During the auction,

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<sup>16</sup> *PJM Interconnection, L.L.C.*, 161 FERC ¶ 61,252 at P 55 (2017).

participants learn about aggregate supply conditions in the system and subareas at the conclusion of each round. Further, since FCA 13 has concluded, auction participants were provided detailed information about their Capacity Supply Obligations, including Capacity Clearing Prices. Also, at the conclusion of the auction, aggregate auction information, such as the Capacity Clearing Prices in each Capacity Zone and the total amount of cleared capacity is public. Rerunning FCA 13 would allow auction participants to utilize strategic information gathered from the previous auction, which would adversely impact the competitiveness of the auction.

### **B. Vineyard Wind Can Seek RTR Treatment For FCA 14**

As the basis for its motion, Vineyard Wind claims that the “Vineyard Wind project is predicated on its ability to offer its capacity into the ISO-NE market. RTR status is an important component of making such an offer, as that status, as approved by the Commission, places the offeror in a favorable auction position.”<sup>17</sup> As explained in the CASPR-Related Changes Filing,<sup>18</sup> and noted by Vineyard Wind in its Waiver Request,<sup>19</sup> the RTR cap has not been reached. Accordingly, Vineyard Wind may seek RTR treatment for FCA 14.<sup>20</sup>

### **III. CONCLUSION**

For the foregoing reasons, the ISO respectfully requests that the Commission deny Vineyard Wind’s motion to rerun FCA 13.

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<sup>17</sup> Vineyard Wind Motion at 5.

<sup>18</sup> CASPR-Related Changes Filing at 39.

<sup>19</sup> Vineyard Wind Waiver Request at 5-6.

<sup>20</sup> Although Vineyard Wind did not receive RTR treatment, Vineyard was qualified to participate in the primary auction and substitution auction associated with FCA 13, and is qualified to participate in subsequent reconfiguration auctions.

Respectfully submitted,

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Dated: February 6, 2019

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Holyoke, Massachusetts this 6<sup>th</sup> day of February 2019.

/s/ Julie Horgan  
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