



To: NEPOOL Markets Committee (MC) and NEPOOL Transmission Committee (TC)

From: ISO New England

Date: December 16, 2019

Subject: ISO New England's Anticipated Further Compliance Plan on Order No. 841

This memorandum briefly describes ISO New England's (ISO-NE's) current plan for compliance with the Commission's November 22, 2019 order¹ in the Electric Storage Participation proceeding,² in which the Commission accepted, subject to a further compliance filing due by January 21, 2020, ISO-NE's Order No. 841 compliance filing.

In the November 22, 2019 order, the Commission directed ISO-NE to submit a response to four issues in a further compliance filing. These issues include:

- (1) Adding language regarding metering and accounting practices for electric storage resources to the Tariff;
- (2) Explaining how the Tariff allows for electric storage resources to participate in both wholesale and retail markets or, alternatively, revising the Tariff to allow electric storage resources that provide retail services to also participate in ISO-NE's markets;
- (3) Applying transmission charges to an electric storage resource when that resource is charging for later resale in wholesale markets and is not providing a service; and
- (4) Accounting for Maximum Run Time, Maximum Charge Time, State of Charge, Maximum State of Charge, and Minimum State of Charge through bidding parameters or other means in its Day-Ahead Energy Market.

ISO-NE has been reviewing the November 22, 2019 order and assessing how to best comply with each of the above-mentioned issues. As mentioned at the December 10, 2019 MC meeting, the responses that ISO-NE intends to submit to the Commission will be consistent with the filing submitted by ISO-NE, NEPOOL and the PTO-AC on December 3, 2018. At this time, we anticipate that we will be incorporating additional clarifications to Tariff Section III.1.10.6, and perhaps to Section III.3.2, to address issues (1) and (2) – i.e., adding language regarding metering and accounting practices and revising the Tariff to clarify

¹ See *ISO New England Inc.*, 169 FERC ¶ 61,140 (2019) (“November 22, 2019 order”).

² See *ISO New England Inc. and New England Power Pool*, Revisions to ISO New England Inc. Transmission Markets and Services Tariff in Compliance with FERC Order 841, Docket Nos. ER19-470-000, ER19-470-001, and ER19-470-002 (filed December 3, 2018).

that electric storage resources are not precluded from participating in retail markets if they are able to fulfil their wholesale market obligations.

Regarding item (3) – applying transmission charges to an electric storage resource when that resource is charging for later resale in wholesale markets and is not providing a service – ISO-NE is anticipating both adding language to Section III.1.10.6 to enumerate the Tariff-defined services that will result in the transmission charge exemption and expanding its explanation regarding why exempting Electric Storage Facilities from transmission charges is justified given the policy direction set out in Order No. 841 and Order No. 841-A.³

Regarding item (4) – accounting for Maximum Run Time, Maximum Charge Time, State of Charge, Maximum State of Charge, and Minimum State of Charge through bidding parameters or other means in its Day-Ahead Energy Market – ISO-NE is considering to further demonstrate, in a request for rehearing, that the proposal filed by ISO-NE and NEPOOL complies with Order No. 841. Because filing for rehearing does not waive the associated compliance obligation, we anticipate also submitting compliant Tariff revisions. However, we are hopeful that the Commission will grant the request for rehearing.

The additional Tariff revisions will be discussed and voted at the January 14-15, 2020 MC meeting. It is anticipated that the Participants Committee (PC) would consider and act on these additional Tariff clarifications at its February 6, 2020 meeting.⁴

Please be advised that our assessment of the November 22, 2019 order is ongoing. If anything changes with regards to our anticipated plan for compliance, we will continue to update and discuss with NEPOOL stakeholders as time permits.

³ See [*Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators, Order No. 841, 162 FERC ¶ 61,127 \(2018\), order on rehearing, Order No. 841-A, 167 FERC ¶ 61,154 \(2019\).*](#)

⁴ NEPOOL Counsel has noted that NEPOOL will be filing a request with the Commission to grant a short extension of the further compliance filing due date such that NEPOOL can act on the proposed Tariff revisions at its scheduled February 6, 2020 PC meeting. If this extension is not granted by the Commission, the PC meeting schedule to discuss this item may be revised.