

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
ISO New England Inc.
Docket No. ER21-787-000

Issued: March 1, 2021

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Attention: Kerim P. May, Esq.
Senior Regulatory Counsel

Reference: Updates to CONE, Net CONE, and Capacity Performance Payment Rate

Dear Mr. May:

On December 31, 2020, ISO New England Inc. (ISO-NE) filed revisions to sections I.2, III.13.2, and III.13.7 of ISO-NE's Transmission, Markets and Services Tariff (Tariff)¹ pursuant to section 205 of the Federal Power Act (FPA).² The proposed revisions update the Cost of New Entry (CONE), Net CONE, and Capacity Performance Payment Rate values used in the Forward Capacity Market. The proposed revisions also include modifications to the definition of "Net CONE."³ On February 12, 2021, ISO-NE

¹ ISO-NE, Tariff, [I.2, I.2 Rules of Construction; Definitions, 131.0.0](#); [III.13.2, III.13.2 Annual Forward Capacity Auction, 60.0.0](#); and [III.13.7, III.13.7 Performance, Payments and Charges in the FCM, 64.0.0](#).

² 16 U.S.C. § 824d.

³ ISO-NE states that it retained the energy consultancy firm Concentric Energy Advisors (Concentric) to assist in the preparation of the updated CONE and Net CONE values. ISO-NE states further that Concentric partnered with engineering firm Mott MacDonald, Inc. (Mott MacDonald) to prepare capital cost estimates for the hypothetical reference unit used to calculate CONE and Net CONE. *See* ISO-NE Transmittal at 2, 10. ISO-NE attaches to its filing Concentric's evaluation of the CONE and Net CONE parameters (Concentric Report).

filed an answer to parties' protests.

Please be advised that your submittal is deficient and that additional information is required in order to process the filing. Please provide the information requested below. If you are requesting confidential treatment for some of the required information, please submit a non-public version in addition to the public version.

1. In your filing,⁴ you state that Concentric assumes a two-mile interconnection to both a main natural gas transmission line and the electric grid. In your answer,⁵ you state that Mott MacDonald identified potential sites for the reference unit in New London County, Connecticut.
 - a) Please provide an example of a potential site for the reference unit, in or near New London County, Connecticut, that is two miles from both a main natural gas transmission line and the point of interconnection to the electric grid.
 - b) Please identify the main natural gas transmission line described in your filing and answer.⁶ Please explain how the reference unit would have access to sufficient natural gas to run as modeled.
2. In your answer,⁷ you state that a 2.5 ppm NOx emissions limit is achievable with the General Electric (GE) 7HA.02 simple-cycle gas turbine and selective catalytic reduction (SCR) technology.
 - a) Please provide or estimate the nitrous oxide (NOx) emissions limit that the reference unit would need to achieve to meet the state of Connecticut's requirements. Please provide support for your answer.
 - b) Please explain whether meeting this emissions limit would affect ISO-NE's estimate of the net energy and ancillary services revenues earned by the reference unit (including Pay for Performance

⁴ See ISO-NE Transmittal at 10 (citing Concentric Report at 25-26).

⁵ See ISO-NE Answer at 25.

⁶ See ISO-NE Transmittal at 10 (citing Concentric Report at 25-26); ISO-NE Answer at 25.

⁷ See ISO-NE Answer at 31.

payments).⁸

3. In your answer,⁹ you state that the reference unit always runs on natural gas rather than oil in the dispatch model. Please provide additional support for this assumption.

This letter is issued pursuant to 18 C.F.R. § 375.307 and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code "M" (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code "E" (Electric Traditional Cost of Service and Market Based Rates Public Utilities).¹⁰ In addition, submit an electronic version of your response to Arlo Redwine at arlo.redwine@ferc.gov. The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.¹¹ A notice will be issued upon receipt of your filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Kurt M. Longo, Director, Division of Electric Power Regulation – East

⁸ See Concentric Report at 58-72.

⁹ See ISO-NE Answer at 27-28.

¹⁰ The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. See *generally Electronic Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish statutory filing and other procedural dates).

¹¹ See *Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (stating that "the Commission will consider any amendment or supplemental filing filed after a utility's initial filing . . . to establish a new filing date for the filing in question").

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