

120 FERC ¶ 61,263
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

ISO New England, Inc.

Docket No. ER02-2330-047

ORDER ACCEPTING COMPLIANCE FILING
AND DISCONTINUING REPORTING REQUIREMENT

(Issued September 21, 2007)

1. The Commission hereby accepts a compliance filing by ISO New England, Inc. (ISO-NE) with regard to its Standard Market Design (SMD), and also grants ISO-NE's request to discontinue a reporting requirement.

Background

2. On September 20, 2002, the Commission issued an order in this proceeding addressing the proposed SMD for New England that was successfully implemented on March 1, 2003.¹ In the SMD Order, the Commission directed ISO-NE to file quarterly status reports concerning the implementation of SMD. ISO-NE has been filing those status reports, as required. On June 11, 2007, ISO-NE filed its nineteenth status report, addressing both its implementation of a regional resource adequacy mechanism and its implementation of SMD, and its progress regarding partial de-listing of resources.

3. First, ISO-NE reports on its progress in implementing a regional resource adequacy mechanism. It notes that the Commission has now approved a Forward Capacity Market (FCM) for New England.² ISO-NE submits it will use best efforts to

¹ *New England Power Pool*, 100 FERC ¶ 61,287 (2002) (the SMD Order).

² *Devon Power, LLC*, 115 FERC ¶ 61,340, *order on reh'g and clarification*, 117 FERC ¶ 61,133 (2006).

conduct the first forward capacity auction no later than the end of the first quarter of 2008 for a commitment period beginning June 1, 2010. ISO-NE states that after the completion of these proceedings and the implementation of a capacity market, ISO-NE and stakeholders in New England will continue to monitor long-term resource adequacy issues within the framework decided upon by the Commission.³

4. Second, ISO-NE addresses the Commission's directive in the SMD Order to develop the necessary procedures to allow for partial de-listing of capacity resources, *i.e.*, to allow the owners of capacity resources to de-list a part but not all of such resources from providing capacity. ISO-NE explains that since the SMD order, it has developed those procedures, with the exception of two remaining issues.

5. As to the first issue, in an order on compliance filing issued November 17, 2005, the Commission directed ISO-NE to remove a restriction that disallowed the de-listing of multiple segments of a resource.⁴ On May 30, 2006, the Commission directed ISO-NE to provide a specific date on which it will file to implement multiple segment de-listing.⁵ ISO-NE submitted its response on August 28, 2006, stating that it would file tariff revisions on or before March 30, 2007.

6. In the instant filing, ISO-NE explains that work on other high-priority issues such as the FCM and long-term firm transmission rights has precluded working with stakeholders on the issue of de-listing multiple segments of a capacity resource in the timeframe it contemplated in its August 28, 2006 filing. However, ISO-NE states that since then, it has determined that only minor changes to Manual M-20 are necessary to allow multiple segment de-listing, rather than changes to Market Rule 1, and those changes to Manual M-20 were implemented on June 9, 2007.⁶

7. As to the second issue, ISO-NE states that the Commission required the parties to continue to explore solutions to the "re-listing" requirement associated with the treatment of partially de-listed resources in the Forward Reserve Market. In a March 31, 2005

³ ISO-NE status report at 3.

⁴ *ISO New England, Inc., New England Power Pool*, 113 FERC ¶ 61,157 (2005) (November 17 Order); *see also ISO New England, Inc.*, 115 FERC ¶ 61,263 at P 12 (2006).

⁵ *ISO New England, Inc.*, 115 FERC ¶ 61,263 (2006).

⁶ ISO-NE status report at 4.

order,⁷ the Commission recognized that the delay is attributable to the required software modifications, but expressed its concern that “fully and partially de-listed resources that clear a portion of their capacity in the forward reserves market will have their options limited by the requirement to re-list the entire resources.” In the instant filing, ISO-NE asserts that removing the re-listing requirement appears to be insurmountable within the current software platform and market design; however, ISO-NE will continue to consider solutions and proposals offered by market participants.⁸

8. ISO-NE states that, in light of the discussion above, it believes that the reporting requirement as to re-listing has been fulfilled, and it will not continue to report on the re-listing requirement in future quarterly SMD status reports unless the Commission directs otherwise or a stakeholder raises a properly-supported objection.

Discussion

9. ISO-NE's filing was noticed on June 14, 2007,⁹ with protests or comments due on August 29, 2007. None was received.

10. The Commission hereby accepts ISO-NE's June 11, 2007 status report.

11. We will grant ISO-NE's request to discontinue its reporting obligation with regards to the re-listing requirement for partially de-listed resources. We find that ISO-NE has fulfilled its obligation and in light of its willingness to continue to consider potential solutions, as well as any specific proposals offered by market participants, it is unnecessary for ISO-NE to continue reporting on the re-listing requirement for partially de-listed resources.

The Commission orders:

(A) ISO-NE's June 11, 2007 status report is accepted.

⁷ *ISO New England, Inc.*, 110 FERC ¶ 61,396 (2005).

⁸ ISO-NE status report at 5, footnote omitted.

⁹ 72 Fed. Reg. 46620 (2007).

(B) ISO-NE's request to discontinue its reporting requirement with regards to the re-listing requirement for partially de-listed resources is hereby accepted.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.