

111 FERC ¶61,380
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, and Joseph T. Kelliher.

ISO New England Inc.

Docket No. ER02-2330-035

ORDER ACCEPTING COMPLIANCE FILING

(Issued June 9, 2005)

1. In this order the Commission accepts a status report filed by ISO New England, Inc. (ISO-NE) with regard to ISO-NE's market design, and requires that ISO-NE continue reporting partial de-listing of capacity and regional resource adequacy requirements in the future. This order benefits customers by ensuring the transparency of the market design processes in New England.

I. Background

2. In compliance with the Commission's orders of September 20, 2002 and December 20, 2002 approving the Standard Market Design for New England (NE-SMD),¹ since implementation of NE-SMD on March 1, 2003, ISO-NE has been filing quarterly status reports informing the Commission of the status of the implementation of NE-SMD and the development of certain market enhancements. In a status report filed on March 14, 2005, ISO-NE reported on the status of efforts to develop specific NE-SMD enhancements, among which efforts are: (1) replacement qualified upgrade award calculation; (2) price eligibility data; (3) the regional resource adequacy requirement; (4) partial de-listing of capacity resources; (5) partially self-scheduled resources; (6) ancillary services markets project.

3. In its March 14 Filing, in addition to providing reports on each of these six issues, ISO-NE proposed to discontinue reporting on the second, third and fourth issues outlined above. Specifically, with regard to issue (2), price eligibility data, ISO-NE states that it continues to research and analyze the conditions under which resources set, or fail to set, energy prices in the context of various market enhancements, and also asks that the results of this ongoing work should only be brought before the Commission as appropriate, rather than quarterly. ISO-NE also proposes to stop reporting on issue (3), the regional resource adequacy requirement, as this issue will be partially addressed

¹ See *New England Power Pool and ISO New England, Inc.*, 100 FERC ¶ 61,287 (2002); *New England Power Pool and ISO New England, Inc.*, 101 FERC ¶ 61,344 (2002).

through the locational long-term resource adequacy mechanism (LICAP) scheduled for implementation on January 1, 2006.² Finally, ISO-NE states that it has fulfilled its obligation to report on issue (4), implementation of partial de-listing, through its submittal in Docket No. ER05-531-000 of a partial de-listing proposal on January 31, 2005, and that further developments with regard to this issue will take place before the Commission in that proceeding.

Notice of Filings, Interventions, Comments, and Protests

4. Notice of ISO-NE's March 14 Filing was published in the *Federal Register*, 70 Fed. Reg. 15,076 (2005), with protests and interventions due on or before April 4. The New England Power Pool Participants Committee (NEPOOL Participants Committee) filed a timely motion to intervene. Calpine Eastern Corporation (Calpine) filed a timely motion to intervene and protest. On April 8, 2005, ISO-NE filed a motion for leave to answer and answer to the protests.

II. Discussion

A. Procedural Matters

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2004), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer filed by ISO-NE because it provides information that assists us in our decision-making process.

B. Protest

6. Calpine objects to ISO-NE's proposal to discontinue regular reporting regarding the partial de-listing and regional resource adequacy requirements. Calpine submits that it is beneficial to continue to monitor the progress of all aspects of NE-SMD implementation via regularly submitted status reports, as originally envisioned by the Commission. As to resource adequacy (and LICAP), Calpine suggests that those matters have not been fully resolved yet, and therefore need to be monitored. As to partial de-listing, Calpine points out that the order on partial de-listing issued in response to ISO-NE's January 31, 2005 submittal requires modifications to the partial de-listing policy proposed by ISO-NE,³ and thus it is appropriate to track these action items in the NE-SMD status reports.

² See *Devon Power LLC*, 109 FERC ¶ 61,156 (2004).

³ *New England Power Pool and ISO New England, Inc.*, 110 FERC ¶ 61,396 (2005), *rehearing pending*.

7. In its answer, ISO-NE states that, given that Calpine has raised what it views as legitimate concerns regarding continuing reporting with respect to resource adequacy and partial de-listing, ISO-NE has no objection to continuing to report on those issues in future NE-SMD status reports.

C. Commission Response

8. We agree with Calpine that there are still a number of unresolved issues related to both resource adequacy (and LICAP) and partial de-listing and that until both of these issues are fully addressed, it would be useful to track these initiatives through NE-SMD status reports. Such regular updates will facilitate the collaborative process so that all parties can be kept informed. The Commission notes that ISO-NE now has no objection to continuing to report on issues related to resource adequacy and partial de-listing.

9. In addition, we believe that, since the implementation of NE-SMD, stakeholders and ISO-NE have gained substantial experience regarding price eligibility data, and that it would be more appropriate to bring up any future issues related to price eligibility data through specific filings with the Commission. For this reason, we agree with ISO-NE that there is no further need for regular reporting with regard to issue (2). ISO-NE may discontinue reporting on this issue in future NE-SMD quarterly reports.

The Commission orders:

A) ISO-NE's compliance filing is hereby accepted, as discussed in the body of this order.

B) ISO-NE is hereby directed to continue reporting on its implementation of those components of NE-SMD related to regional resource adequacy requirements and partial de-listing of capacity in its NE-SMD status reports, but may discontinue reporting on price eligibility data, as discussed in the body of this order.

By the Commission. Commissioner Kelly not participating.

(S E A L)

Linda Mitry,
Deputy Secretary.