

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

New England Power Pool  
NSTAR Services Company  
ISO New England, Inc.

Docket Nos. EL00-83-003  
EL00-83-006  
ER00-2811-003  
ER00-2811-006  
EL00-62-009  
ER00-2052-007

ORDER ON COMPLIANCE FILINGS

(Issued February 23, 2007)

1. On August 25, 2000, New England Power Pool (NEPOOL) Participants Committee filed a report of compliance (August 25, 2000 Compliance Filing) to the Commission's order in Docket No. EL00-83-003, *et al.*<sup>1</sup> On June 17, 2002 the Commission issued an order on the August 25, 2000 Compliance Filing, requesting that the parties inform the Commission within 30 days whether, in light of measures adopted by NEPOOL in other proceedings, any compliance matters remained active and unresolved.<sup>2</sup> In response, NEPOOL Participants Committee and NSTAR Electric & Gas Corporation (NSTAR) filed compliance filings. On August 25, 2000, ISO New England, Inc. (ISO-NE) filed a compliance filing in which it submitted revisions to the public version of Appendix 1 of its May 8, 2000 filing in Docket Nos. EL00-62-002 and ER00-2052-003. In this order, we reject as moot all four compliance filings.

**Background**

2. On June 12, 2000, ISO-NE submitted a number of proposed changes to NEPOOL's Market Rules and Procedures (Market Rules), including changes to expand ISO-NE's market power mitigation authority under Market Rule 17.<sup>3</sup> On June 13, 2000,

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<sup>1</sup> *New England Power Pool*, 92 FERC ¶ 61,065 (2000) (July 26, 2000 Order).

<sup>2</sup> *NSTAR Services Co. v. New England Power Pool*, 99 FERC ¶ 61,335 (2002) (June 17, 2002 Order).

<sup>3</sup> ISO-NE June 12, 2000 Filing, Docket No. ER00-2811-000.

NSTAR filed a complaint against NEPOOL requesting, among other things, that NEPOOL be required to implement a structural screen and mitigation measures to address market power arising from capacity deficiencies.<sup>4</sup> The Commission partially granted NSTAR's complaint, ordered ISO-NE to consider a structured screen as part of the revisions to Market Rule 17 required by the order, and conditionally accepted the mitigation amendments in its July 26, 2000 Order.

3. NEPOOL Participants Committee submitted its August 25, 2000 Compliance Filing, indicating it had changed several of its Market Rules, including Market Rule 17. In the June 17, 2002 Order, the Commission noted that several matters raised by the August 25, 2000 Compliance Filing already had been addressed by the Commission in other proceedings.<sup>5</sup> The Commission also directed NSTAR and NEPOOL to notify the Commission within 30 days if any compliance matters remained unresolved.

4. On July 16, 2002, NEPOOL Participants Committee submitted a filing in compliance with the June 17, 2002 Order (July 16, 2002 Compliance Filing),<sup>6</sup> indicating that the Commission had not confirmed that emergency energy purchases by ISO-NE from another control area are ineligible to set the Energy Clearing Price, and that the Commission had yet to approve a number of Market Rule sheets submitted with the NEPOOL Participants Committee's August 25, 2000 Compliance Filing.

5. On July 17, 2002, NSTAR submitted its compliance filing to the June 17, 2002 Order,<sup>7</sup> arguing that ISO-NE had not complied with the Commission's July 26, 2000 Order because ISO-NE was exercising unduly broad discretionary authority under section 17.3 of Market Rule 17. ISO-NE and NEPOOL Participants Committee each filed comments in response to NSTAR, stating that Market Rule 17 was no longer applicable because it was replaced by Market Rule 1,<sup>8</sup> and therefore, any issues raised by NSTAR with regard to Market Rule 17 are moot. In response, NSTAR argues that although Market Rule 1 did replace Market Rule 17, Market Rule 1 does not address certain market power issues.

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<sup>4</sup> NSTAR June 13, 2000 Filing, Docket No. EL00-83-000.

<sup>5</sup> June 17, 2002 Order at 62,432 n.3.

<sup>6</sup> NEPOOL Participants Committee July 16, 2002 Compliance Filing, Docket No. EL00-83-006.

<sup>7</sup> NSTAR July 17, 2002 Compliance Filing, Docket No. EL00-83-003.

<sup>8</sup> Market Rule 1 amendments were accepted by the Commission in Docket No. ER02-2330-000 on September 20, 2002. *New England Power Pool*, 100 FERC ¶ 61,287 (2002) (Market Rule 1 Order), *order on reh'g*, 101 FERC ¶ 61,344 (2002), *order on reh'g*, 103 FERC ¶ 61,304 (2003), *order on reh'g*, 105 FERC ¶ 61,211 (2003).

6. On August 25, 2000, in Docket Nos. EL00-62-009 and ER00-2052-007, ISO-NE filed revisions to the public version of Appendix 1 of its May 8, 2000 filing in Docket Nos. EL00-62-002 and ER00-2052-003. ISO-NE had been directed by the Commission to make certain revisions to Appendix 1 in compliance with Market Rule 17.<sup>9</sup>

### **Notices of Filing, Interventions and Protests**

7. The Commission issued notice of NEPOOL Participants Committee's August 25, 2000 Compliance Filing on August 31, 2000, with interventions and protests due on or before September 25, 2000.

8. The Commission issued notice of NEPOOL Participants Committee's July 16, 2002 Compliance Filing on July 18, 2002, with interventions and protests due on or before August 6, 2002.

9. The Commission issued notice of NSTAR's July 17, 2002 Compliance Filing on July 30, 2003, with interventions and protests due on or before August 11, 2003.

10. The Commission issued notice of ISO-NE's August 25, 2000 Compliance Filing on September 1, 2000, with interventions and protests due on or before September 25, 2000.

### **Discussion**

11. With respect to NEPOOL Participants Committee's August 25, 2000 Compliance Filing and the outstanding issue of Market Rule 17 revisions, we agree with ISO-NE and NEPOOL that the revisions to the Market Power Rules submitted by NEPOOL Participants Committee on August 25, 2000 are now moot. All the Market Power Rules that were subject to the revisions proposed in NSTAR's June 13, 2000 complaint have been resolved in other proceedings.

12. With regard to NEPOOL Participants Committee's July 16, 2002 Compliance Filing, the new Market Rule 1 has provisions for emergency energy purchases so NEPOOL's arguments regarding emergency energy purchases are now moot in this proceeding. Furthermore, with respect to the outstanding tariff sheets from the August 25, 2000 Compliance Filing, because Market Rule 1 superseded all other Market Rules existing at the time of the compliance filing, those proposed tariff sheet revisions are also moot.

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<sup>9</sup> *NSTAR Services Co.*, 92 FERC ¶ 61,065 (2000).

13. We disagree with NSTAR that revisions to Market Rule 17 remain outstanding. Not only has Market Rule 17 been replaced by Market Rule 1, but Market Rule 1 has been revised many times. The strengths and weaknesses of Market Rule 1 are beyond the scope of this proceeding. Any concerns NSTAR had about Market Rule 1 should have been raised during the Market Rule 1 proceedings. If NSTAR has further concerns, they can be raised through a complaint under section 206 of the Federal Power Act.<sup>10</sup>

14. With respect to ISO-NE's filing of revisions to Appendix 1, the initial Appendix 1 filing was required by then effective Market Rule 17. Because Market Rule 17 was superseded and replaced by new market rules and procedures in March 2003, the Appendix 1 revisions are moot.

The Commission orders:

(A) NEPOOL Participants Committee's August 25, 2000 Compliance Filing is moot, as discussed in the body of this order.

(B) NEPOOL Participants Committee's July 16, 2002 Compliance Filing is moot, as discussed in the body of this order.

(C) NSTAR's July 17, 2002 Compliance Filing is moot, as discussed in the body of this order.

(D) ISO-NE's August 25, 2000 Compliance Filing is moot, as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>10</sup> 16 U.S.C. § 824e (2000).