

150 FERC ¶ 61,155
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
Norman C. Bay, and Colette D. Honorable.

ISO New England Inc.

Docket No. ER15-325-001

ORDER GRANTING CLARIFICATION

(Issued February 27, 2015)

1. On January 2, 2015, the Commission accepted a filing by ISO New England Inc. (ISO-NE) proposing the Installed Capacity Requirement (ICR) and related values for the 2018/2019 Capacity Commitment Period.¹ The New England Power Pool Participants Committee (NEPOOL) asks the Commission to clarify a statement in that order regarding NEPOOL's position on the ICR value. As discussed below, we grant the requested clarification.

I. January 2, 2015 Order

2. ISO-NE administers the Forward Capacity Market, in which eligible resources compete in an annual Forward Capacity Auction (FCA), to provide capacity three years in advance of the relevant delivery year.² The ICR is the minimum level of capacity required to meet the reliability requirements defined for the New England control area.³

3. On November 4, 2014, ISO-NE submitted a proposed value for the Installed Capacity Requirement for the 2018/2019 Capacity Commitment Period, which was used as part of the ninth FCA held in February 2015. ISO-NE stated that, consistent with prior years, the values for the Installed Capacity Requirement were based on three essential

¹ *ISO New England Inc.*, 150 FERC ¶ 61,003 (2015) (January 2, 2015 Order).

² *See, e.g.*, Transmission, Markets and Services Tariff (Tariff) section I.2.2 (50.0.0).

³ ISO-NE November 4, 2014 Filing, Attachment 1 (Joint Testimony of Stephen J. Rourke and Peter K. Wong) at 8.

components (the load forecast, resource availability, and tie benefits), and that it had used the same methodology to calculate the ICR as in previous years.⁴

4. NEPOOL filed comments stating that it did not support the ICR value. It noted that the NEPOOL Participants Committee vote on the ICR values failed to pass,⁵ and stated that:

Some of those voting in opposition indicated their opposition was based on their belief that the total ICR Value should be reduced to account for distributed generation ("DG"), especially solar photovoltaic resources ("PV"), that is forecasted to be available to serve load in the 2018/2019 Capacity Commitment Period. Others expressed concern with that approach.⁶

5. NEPOOL stated that ISO-NE has explained that it is not opposed to including distributed generation in the ICR calculation as a resource, but that doing so requires that ISO-NE and stakeholders more fully consider such a change.⁷ In its answer, ISO-NE stated that it intended to work with stakeholders to determine whether it is appropriate to consider distributed generation that does not participate in the FCA in the ICR calculations.⁸

6. In the January 2, 2015 Order accepting the filing, the Commission noted that "ISO-NE must examine the market and operational issues associated with incorporating distributed generation into the ICR calculation," and stated that it "expect[s] ISO-NE to fully explore the incorporation of distributed generation into the ICR calculation in the stakeholder process."⁹

7. In its January 2, 2015 Order, the Commission further described NEPOOL's position as follows:

⁴ ISO-NE November 4, 2014 Filing at 2, 10-12.

⁵ NEPOOL November 19, 2014 Comments at 4.

⁶ *Id.* at 2.

⁷ *Id.* at 5-6.

⁸ ISO-NE December 10, 2014 Answer at 4-6.

⁹ January 2, 2015 Order, 150 FERC ¶ 61,003 at P 20.

NEPOOL states that it does not support the ICR value because NEPOOL believes the ICR value should be reduced to account for distributed generation, especially solar photovoltaic resources, that is forecasted to be available during the 2018/2019 Capacity Commitment Period. According to NEPOOL, some participants contend that failure to reflect the amount of solar photovoltaic capacity in the ICR calculation will lead to over-procurement of capacity in the FCA.¹⁰

II. Request for Clarification

8. In a request for clarification filed on January 30, 2015, NEPOOL asks the Commission to clarify that NEPOOL has not, in fact, adopted a position on the issue of whether distributed generation, mostly in the form of solar photovoltaic capacity, should be included in the calculation of the ICR. NEPOOL states that NEPOOL, as an organization, has not adopted this substantive position (and has not voted on whether or how ISO-NE should change its ICR calculation method to more fully account for distributed generation). NEPOOL asserts that, given the Commission's direction for additional stakeholder process on the role of distributed generation in the establishment of the ICR, NEPOOL's position on that question will be determined during that stakeholder process.¹¹

9. The Commission grants the requested clarification, on the basis of the arguments made by NEPOOL.

The Commission orders:

The request for clarification is granted, as discussed above.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁰ *Id.* P 7 (footnotes omitted).

¹¹ NEPOOL Request for Clarification at 2-3.