

155 FERC ¶ 61,145
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

ISO New England Inc.

Docket No. ER16-307-001

ORDER DENYING REHEARING

(Issued May 6, 2016)

I. Background

1. In an order issued on January 8, 2016, the Commission, pursuant to section 205 of the Federal Power Act (FPA),¹ accepted ISO New England Inc.'s (ISO-NE) proposed values for the Installed Capacity Requirement (ICR)² and other values needed to develop the demand curve for the 2019/2020 Capacity Commitment Period.³ These values were used for the tenth Forward Capacity Auction (FCA 10),⁴ which was held in February 2016. For FCA 10, ISO-NE proposed, and the Commission approved, the inclusion of

¹ 16 U.S.C. § 824d (2012).

² The ICR is a projection of the minimum amount of capacity necessary to serve load reliably in New England in three years. ISO-NE Transmittal, Docket No. ER16-307-000 at 4 (filed Nov. 10, 2015) (2015 ICR Transmittal); Market Rule 1, § III.12. The ICR values have three main components: (1) forecasted load; (2) projected resource availability; and (3) emergency energy assistance anticipated to be available over the interconnections with neighboring control areas. 2015 ICR Transmittal at 5. The ICR values are used to set the demand curve values, which, in conjunction with the supply curve, determine the amount of capacity that ISO-NE will seek to procure in each Forward Capacity Auction (FCA).

³ *ISO New England Inc.*, 154 FERC ¶ 61,008 (2016) (January 2016 ICR Order).

⁴ FCA 10 procured capacity for the 2019-2020 Capacity Commitment Period, which begins on June 1, 2019 and ends on May 31, 2020.

behind-the-meter photovoltaic (PV or solar) resources that are not yet reflected in historical loads (non-embedded solar resources) in the load forecast used to calculate the ICR.⁵ This change was in response to ISO-NE stakeholder concerns and the Commission's directive in its January 2, 2015 order accepting the ICR and related values for the ninth FCA (FCA 9).⁶ In that order, the Commission stated its expectation that ISO-NE would "examine the market and operational issues associated with incorporating distributed generation into the ICR calculation" and "fully explore the incorporation of such distributed generation into the ICR calculation in the stakeholder process" on a schedule that would allow reflection of these factors in the calculation of FCA 10, "if determined appropriate."⁷

2. In its February 8, 2016 request for rehearing of the January 2016 ICR Order, NRG Companies (NRG)⁸ assert that the Commission erred by allowing ISO-NE to make significant changes to its ICR calculation without requiring ISO-NE to make an FPA section 205 filing to modify its tariff and thereby notify parties of the changes.⁹ NRG also argues that the Commission erred by allowing ISO-NE to include these changes without conducting "a meaningful stakeholder process" as required by the Commission in the FCA 9 Order.¹⁰ Additionally, NRG argues that the Commission "unlawfully switched the burden of proof"¹¹ and "failed to respond meaningfully to concerns raised by NRG."¹² As discussed below, we deny rehearing.

⁵ 2015 ICR Transmittal at 2-3.

⁶ *Id.* at 3 (citing *ISO New England Inc.*, 150 FERC ¶ 61,003 (2015) (FCA 9 Order)).

⁷ FCA 9 Order, 150 FERC ¶ 61,003 at P 20.

⁸ The NRG Companies are NRG Power Marketing LLC and GenOn Energy Management, LLC.

⁹ NRG Rehearing Request at 1-10.

¹⁰ *Id.* at 1-3, 10-11.

¹¹ *Id.* at 4, 10

¹² *Id.* at 4, 10-11.

II. Discussion

A. Procedural Matter

3. Rule 713(d) of the Commission's Rule of Practice and Procedure, 18 C.F.R. § 385.716(d) (2015), prohibits an answer to a rehearing request. Accordingly, we reject the answer to the NRG Rehearing Request filed by the New England States Committee on Electricity on February 26, 2016.

B. Section 205 Filing

4. Contrary to NRG's contention,¹³ nothing in the ISO-NE Transmission, Markets and Services Tariff (Tariff), the FPA or precedent required ISO-NE to amend the Tariff in order to incorporate non-embedded solar resources in the ICR.

1. Tariff and 2006 Filing

5. NRG contends that neither sections III.12.1 ("Installed Capacity Requirement") and III.12.8 ("Load Modeling Assumptions") of the Tariff, nor the 2006 Transmittal Letter¹⁴ characterizing the ICR process, which the Commission relied on in the January 2016 ICR Order, "contemplated" ISO-NE incorporating non-embedded solar resources in the ICR.¹⁵ NRG asserts that the "general tariff authority" does not authorize ISO-NE to reduce ICR based on projected installations of non-embedded solar resources because the Tariff does not specifically reference non-embedded solar technologies.¹⁶ NRG argues that, if the Tariff were read to permit the load forecast adjustments at issue here, there would be "no discernable limiting principle as to how far ISO-NE's authority would stretch."¹⁷ This argument disregards the function of the relevant Tariff provisions and the annual section 205 filings showing how the ICR values are calculated.¹⁸

¹³ NRG Rehearing Request at 5.

¹⁴ Transmittal, Docket No. ER07-365-000 (filed Dec. 22, 2006) (2006 Transmittal Letter).

¹⁵ NRG Rehearing Request at 7.

¹⁶ *Id.* at 8.

¹⁷ *Id.*

¹⁸ See *ISO New England Inc.*, 118 FERC ¶ 61,157, at P 68 (2007) (accepting the filing adding the relevant Tariff provisions because "the combination of the annual ICR filing and the opportunity for state regulatory agencies to participate in the process" afforded parties sufficient opportunity to address their concerns).

6. The purpose of the relevant Tariff provisions is to “provide transparency to the [ICR] calculation process”¹⁹ and to vest ISO-NE with sufficient flexibility to update its assumptions as necessary over time.²⁰ Tariff section III.12.1 provides that the modeling assumptions for calculating ICR are specified in sections III.12.7, III.12.8 and III.12.9 of the Tariff. However, sections III.12.1 and III.12.8 also require ISO-NE to: (1) “adjust the modeling assumptions and/or methodology” when the ICR “shows consistent bias over time, either high or low;” and (2) “propose adjustments to the load modeling methodology” when the load forecast “shows consistent bias over time, either high or low.”²¹ The Tariff does not expressly list all of the assumptions or methodologies that could be used to develop the ICR or the load forecast.²² Rather, “by design,” the Tariff provisions define the process, while ISO-NE’s annual FPA section 205 filings “identify the assumptions used to calculate the ICR for a given period and identify the resulting numerical values.”²³ The Tariff thus affords ISO-NE the flexibility to accommodate future changes over time that could impact the ICR calculation, while ensuring that the process is transparent and produces a just and reasonable result.²⁴ The load forecast is a component of the ICR calculation, and the existing Tariff contemplated adjusting the load

¹⁹ 2006 Transmittal Letter at 11.

²⁰ *Id.*

²¹ *See* January 2016 ICR Order, 154 FERC ¶ 61,008 at P 31 n.62 (quoting Tariff §§ III.12.1 and III.12.8). Moreover, these Tariff provisions specifically direct ISO-NE to make adjustments through the stakeholder process and do not require ISO-NE to make a filing pursuant to section 205 of the FPA amending the Tariff in order to implement such adjustments.

²² *See* Tariff § III.12.1 (“... ISO shall make adjustments to the modeling assumptions and/or methodology through the stakeholder process to eliminate the bias in the Installed Capacity Requirement.”); *see also* Tariff § II.12.8 (“The load forecasts shall be based on appropriate models and data inputs. Each year, the load forecasts and underlying methodologies, inputs and assumptions shall be reviewed with [stakeholders].”).

²³ 2006 Transmittal Letter at 11. While NRG contends that the 2006 Transmittal Letter and Docket No. ER07-365 proceeding were “far more interested” in inertias than non-embedded solar resources (NRG Rehearing Request at 8-9), the point is that the Tariff provides flexibility to cover all assumptions used to calculate the ICR – past, present and future.

²⁴ *See* January 2016 ICR Order, 154 FERC ¶ 61,008 at P 31 & n.66 (citing *ISO New England Inc.*, 118 FERC ¶ 61,157 at P 68).

forecast (and hence the ICR) as necessary to eliminate “consistent bias over time, high or low.”²⁵ The existing Tariff thus affords ISO-NE sufficient flexibility to take into account assumptions such as the extent to which non-embedded solar resources will reduce the amount of capacity that ISO-NE needs to procure to meet reliability targets.

7. Under NRG’s rationale, no adjustments could be made or proposed unless the Tariff specifically identifies the assumption or element of load modeling methodology that could cause “consistent bias over time, either high or low.”²⁶ Such a reading would render meaningless the Tariff provisions requiring ISO-NE to adjust the ICR/load modeling assumptions or methodology to correct consistent bias.

8. Further, contrary to NRG’s assertion, ISO-NE does not have “unfettered discretion to set reserve margins and other critical wholesale capacity metrics.”²⁷ The Tariff circumscribes ISO-NE’s authority by requiring ISO-NE to make its ICR modeling assumption and/or load forecast adjustments through the stakeholder process,²⁸ and to propose its load forecast-related adjustments to its stakeholders and state utility regulators,²⁹ and then to make annual FPA section 205 filings that include the ICR 90 days before the FCA.³⁰ These filings are noticed for public comment. The Commission must determine that those values are just and reasonable before they can be used for the FCA.³¹

2. FPA and Related Doctrines

9. Next, NRG contends that the FPA and related doctrines, such as the “filed rate doctrine” and the “rule of reason,” required ISO-NE to submit an FPA section 205 filing

²⁵ Tariff § III.12.8. The Tariff requires ISO-NE to make the load forecast annually. Tariff § III.8.1.

²⁶ Tariff §§ III.12.1 and III.12.8.

²⁷ NRG Rehearing Request at 2.

²⁸ Tariff § III.12.1.

²⁹ Tariff § III.12.8.

³⁰ Tariff § III.12.3.

³¹ 16 U.S.C. § 824d(a) (2012); *see also* 2006 Transmittal Letter at 11; January 2016 ICR Order, 154 FERC ¶ 61,008 at P 32 n.17.

modifying the Tariff before considering non-embedded solar resources in the ICR values.³² We disagree.

10. Section 205(c) of the FPA requires public utilities to file “schedules showing all rates and charges for any transmission or sale subject to the jurisdiction of the Commission, and the classifications, practices, and regulations affecting such rates and charges”³³ The filed rate doctrine prohibits a utility from charging a rate other than that properly filed with the Commission.³⁴ Under the longstanding rule of reason, however, utilities need file “only those practices that affect rates and service significantly, that are reasonably susceptible of specification, and that are not so generally understood in any contractual arrangement as to render recitation superfluous.”³⁵ The rule of reason recognizes that there is an “infinite of practices affecting rates and services,”³⁶ and “allows the Commission to exercise its discretion to allow utilities to forego filing particular contracts or practices.”³⁷

11. Consistent with the foregoing principles, the ISO-NE Tariff sets forth the process for revising the ICR and/or load forecast.³⁸ Also consistent with the rule of reason, the ISO-NE Tariff does not list all of the specific assumptions or methodologies that could impact the ICR and/or load forecast, as those factors could vary year-by-year and therefore are not “reasonably susceptible to specification.”³⁹ Further, while not expressly

³² NRG Rehearing Request at 5-10.

³³ 16 U.S.C. § 824d(c) (2012).

³⁴ See, e.g., *Ark. La. Gas Co. v. Hall*, 453 U.S. 571, 577 (1981); *Montana-Dakota Utils. Co. v. Northwestern Pub. Serv. Co.*, 341 U.S. 246, 251-52 (1951).

³⁵ *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985).

³⁶ *Id.*

³⁷ *PacifiCorp*, 127 FERC ¶ 61,144, at P 9 & n.14 (2009) (citing *Pub. Serv. Co. of Colo.*, 67 FERC ¶ 61,371, at 62,267 (1994)).

³⁸ See Tariff § III.12.1 (discussing adjustments to ICR), § III.12.8 (discussing adjustments to load forecast), § III.12.7 (providing for the use of proxy units to reflect resource capacity and outage characteristics), and § III.12.9 (providing for assumptions as to the tie benefits provided by interconnections with neighboring control areas).

³⁹ See, e.g., 2006 Transmittal Letter at 11 (“For example, the proposed provisions anticipate that generator availability metrics will evolve over time and that the detailed generator availability assumptions will be reflected in the annual filings.”).

listed in the Tariff, the factors affecting the ICR in any given year do not escape review. As noted above, the Tariff requires ISO-NE to submit an annual FPA section 205 filing showing the basis of its ICR calculation, which is noticed for comment.

12. Thus, contrary to NRG's assertion, ISO-NE's adjustment to ICR to reflect increased non-embedded solar resources was consistent with the filed rate doctrine.⁴⁰ As NRG notes, the filed rate doctrine ensures "that regulated companies charge only those rates of which the agency has been made cognizant."⁴¹ ISO-NE adhered to the process set forth in the Tariff, which has been approved by, and is on file with, the Commission; and the FCA 2010 ICR values were submitted in an annual FPA section 205 filing for Commission and stakeholder review.

13. NRG asserts that the Commission "erroneously concluded that the impact of ISO-NE's changes to the ICR were not large enough to warrant a tariff change."⁴² The Commission's ruling in the January 2016 ICR Order did not rest on the size of the impact of ISO-NE's changes. Rather, the Commission based its determination on the language of the existing Tariff, the role of annual ICR filings, and ISO-NE's past practice.⁴³ The heart of NRG's argument is its speculation that a 390 MW reduction in ICR values for 2019/2020 will, in turn, reduce capacity payments in the FCA by \$700 million.⁴⁴ NRG argues that this figure "significantly" affects rates, triggering the FPA section 205 filing requirement. NRG's arguments are misplaced. As noted in the January 2016 ICR Order, the relevant issue here is the appropriate ICR value.⁴⁵ The purpose of the ICR is to

⁴⁰ NRG's citation to *Quest Energy, L.L.C. v. Detroit Edison Co.*, 106 FERC ¶ 61,227 (2004), *see* NRG Rehearing Request at 4, is distinguishable from the present case because in *Quest*, the utility followed a formula in its handbook that conflicted with the formula in its tariff. Here, there is no conflict between the Tariff provisions and the load forecasting/ICR methodology used in the annual FPA section 205 filing.

⁴¹ NRG Rehearing Request at 5 & n.5 (quoting *Ark. La. Gas. Co. v. Hall*, 453 U.S. at 578).

⁴² *Id.* at 7.

⁴³ January 2016 ICR Order at PP 26-30, P 31, P 34.

⁴⁴ NRG Rehearing Request at 7.

⁴⁵ January 2016 ICR Order, 154 FERC ¶ 61,008 at P 36.

ensure ISO-NE procures sufficient capacity to meet its reliability requirement.⁴⁶ While the level of the ICR may influence the resulting prices in an annual FCA, the purpose of the ICR is not to establish a particular price.⁴⁷ NRG has not shown – indeed it does not even argue – that the ICR for FCA 10 will not enable ISO-NE to meet its reliability requirement.⁴⁸

3. Notice, Precedent and Burden of Proof

14. NRG alleges that the lack of notice that ISO-NE would depart from its historical practice of calculating ICR, plus the fact that the change was made in an annual filing, deprived parties of their rights under the FPA and Administrative Procedure Act (APA).⁴⁹ This argument lacks merit. NRG was aware of the possibility that non-embedded solar resources would be included in the ICR forecast as early as FCA 9, when the Commission expressly directed ISO-NE to endeavor to resolve this issue prior to FCA 10.⁵⁰ Further, NRG was able to participate during the months-long stakeholder process when the treatment of non-embedded solar resources was developed.⁵¹

15. As discussed above, the FPA does not require notice in the form of an FPA section 205 filing modifying the Tariff before ISO-NE may consider non-embedded solar resources in determining the ICR.⁵² Moreover, the APA precedent NRG cites

⁴⁶ *Id.* P 36; *see also id.* P 35 (finding that incorporation of non-embedded solar resources into the load forecast “more accurately defines the state of the system and prevents ISO-NE from over-procuring capacity resources.”); Tariff § III.12.1.

⁴⁷ January 2016 ICR Order, 154 FERC ¶ 61,008 at P 36.

⁴⁸ *See* ISO New England Inc., *ISO-NE Finalized Capacity Auction Results Confirm 10th FCA Procured Sufficient Resources, at a Lower Price, for 2019–2020*, at 1 (Feb. 2016), http://www.iso-ne.com/static-assets/documents/2016/02/20160229_fca10_finalresults.pdf.

⁴⁹ *Id.* at 9 & n.11 (citing 5 U.S.C. § 553(c) (2012)).

⁵⁰ FCA 9 Order, 150 FERC ¶ 61,003 at P 20 (“[W]e expect ISO-NE to fully explore the incorporation of distributed generation into the ICR calculation in the stakeholder process . . . if determined appropriate, [include it] in the ICR calculation for FCA 10.”) (footnote omitted); *see also* January 2016 ICR Order, 154 FERC ¶ 61,008 at P 27 & n.58 (quoting FCA 9 Order, 150 FERC ¶ 61,003 at P 20).

⁵¹ *See* NEPOOL Participants Committee Comments, Docket No. ER16-307-000 at 3-5 (filed Dec. 1, 2015) (NEPOOL Comments).

⁵² *See supra* text at PP 4-12.

pertains to rulemakings.⁵³ This proceeding is not a generic rulemaking proceeding, but rather a case-specific adjudicative proceeding.

16. We disagree with NRG's assertion that market participants were deprived of the opportunity to "meaningfully comment" on the change to the ICR methodology "because the first time the Commission considered the changes was in the context of an informational filing ratifying an already implemented tariff change."⁵⁴ The "informational filing" was submitted under section 205 of the FPA, noticed in the Federal Register,⁵⁵ and NRG, along with a number other parties, provided comments,⁵⁶ which the Commission considered before issuing the January 2016 ICR Order accepting the proposed ICR values. Moreover, ISO-NE did not submit an "already implemented tariff change" because the Commission evaluates the justness and reasonableness of the ICR values before they can be used in the FCA.⁵⁷

17. Nor did the January 2016 ICR Order switch the burden of proof. Under section 205(e) of the FPA, the utility has the ultimate burden to show that proposed rates are just and reasonable.⁵⁸ Here, ISO-NE, the utility, has the burden to show that its ICR calculation methodology is just and reasonable. The Commission makes this determination annually when ISO-NE submits its filing showing the ICR calculations, and the Commission found here that ISO-NE had met its burden of showing that incorporation of non-embedded solar resources into the ICR was appropriate.⁵⁹

⁵³ NRG Rehearing Request at 9 & n.11 (citing 5 U.S.C. § 553(c)); *id* at 10 & n.12 (quoting *Abington Mem'l Hosp. v. Heckler*, 576 F. Supp. 1081, 1084-85 (E.D. Pa. 1983), *aff'd*, 750 F.2d 242 (3rd Cir.), *cert. denied*, 474 U.S. 863 (1985)).

⁵⁴ *Id.* at 4.

⁵⁵ 80 Fed Reg. 72,431 (Nov. 19, 2015).

⁵⁶ Protest of the NRG Companies, Docket No. ER16-307-000 (filed Dec. 1, 2015). Thus, contrary to NRG's assertion, the Commission has not "effectively bypas[s]e[d] the prior notice requirement of section 205 of the [FPA], as well as . . . the notice and comment requirements of the [APA]." Rehearing Request at 2.

⁵⁷ *E.g.*, January 2016 ICR Order, 154 FERC ¶ 61,008 at P 32 n.17.

⁵⁸ 16 U.S.C. § 824d(e) (2012).

⁵⁹ January 2016 ICR Order, 154 FERC ¶ 61,008 at P 30 ("We find that ISO-NE has properly incorporated Non-Embedded Solar Resources into its ICR calculation, and has supported that action.").

B. Stakeholder Process

18. While NRG acknowledges that there were indeed presentations and discussions at “multiple stakeholder forums” concerning ISO-NE’s framework for including non-embedded solar resources in the ICR calculation,⁶⁰ NRG nevertheless contends that ISO-NE provided no evidence that it “meaningfully ‘explore[d] the incorporation of distributed generation’ and ‘examine[d] market impacts and operational issues’” with its stakeholders, in accordance with the FCA 9 Order.⁶¹

19. We disagree. Contrary to NRG’s contention, the record in this proceeding shows that ISO-NE’s stakeholder process provided reasonable opportunity for ISO-NE and its stakeholders to explore the incorporation of non-embedded solar resources in the ICR and to evaluate potential market impacts and operational issues.

20. First, during the over 10-month period when the non-embedded solar resources forecast and related ICR proposal were developed and vetted, there were numerous opportunities for stakeholders to discuss and identify market, operational and other concerns, and they did so.⁶² The proposal was discussed in several NEPOOL committees, including the Distributed Generation Working Group, the Reliability Committee, the Power Supply Planning Committee, the Markets Committee and the Participants Committee.⁶³ This Distributed Generation Working Group, whose stakeholders included representatives of the six New England states’ regulatory commissions, helped ISO-NE develop the non-embedded solar resources forecast between December 2014 and April 2015. The Distributed Generation Working Group met three times (December 2014, February 2015, and April 2015) and its members “provided numerous comments on the assumptions, methodology and results of the preliminary forecast which were reflected in the final non-embedded solar resources forecast.”⁶⁴ In addition, the forecast for non-embedded solar resources was discussed at

⁶⁰ NRG Rehearing Request at 11.

⁶¹ *Id.* at 11 & n.14 (quoting FCA 9 Order, 150 FERC ¶ 61,003 at P 20).

⁶² 2015 ICR Transmittal at 7-8, 14 (stating that the proposed ICR and related values were developed “through an extensive stakeholder process”); *see also id.*, Rourke-Wong Testimony at 14:12-15 (stating that ISO-NE “worked with stakeholders for a period over ten months”) and *id.* at 14-15 (describing process).

⁶³ *Id.* at 7; *see also* January 2016 ICR Order, 154 FERC ¶ 61,008 at P 37 & n.82.

⁶⁴ 2015 ICR Transmittal at 7.

the April 28, 2015 meeting of the Planning Advisory Committee.⁶⁵ In May, June, July and August 2015, the Power Supply Planning Committee discussed the modeling assumptions for calculating the ICR-related values.⁶⁶ These discussions included resource adequacy issues related to the appropriate incorporation of non-embedded solar resources into the ICR-related values calculations.⁶⁷ After the Power Supply Planning Committee “reviewed the operational and resource adequacy issues” related to the ICR-related values and the Markets Committee discussed the market issues raised by the New England Power Generators Association, the ICR-related values were presented to the Reliability Committee in September 2015.⁶⁸

21. Moreover, these were not superficial discussions. ISO-NE specifically identified a list of potential market and operational issues, including “concerns about double-counting resources, the ability to obtain accurate information, treating different resource types consistently and encouraging solar resources to participate in the market to the extent practical to ‘improve visibility and operational awareness.’”⁶⁹ ISO-NE devised solutions to these problems, such as separating the solar forecast into four distinct categories, including non-embedded solar resources, to avoid double-counting and ensure that photovoltaics are properly accounted for in the ICR values.⁷⁰ Stakeholders also presented their concerns. For example, the New England Power Generators Association discussed market impacts arising from incorporating the solar forecast three times, at the March, April and May 2015 Markets Committee meetings.⁷¹

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ ISO-NE Answer, Docket No. ER16-307-000 at 5 (filed Dec. 16, 2015) (ISO-NE Answer).

⁶⁹ New England States Committee on Electricity Comments, Docket No. ER16-307-000 at 8 (filed Dec. 1, 2015) (quoting ISO-NE, Use of the Solar Photovoltaic Forecast to Modify the Long-Term New England Load Forecast, NEPOOL Reliability Committee Meeting, at Slide 4 (Feb. 17, 2015)).

⁷⁰ 2015 ICR Transmittal, Rourke-Wong Testimony at 17:10-13.

⁷¹ ISO-NE Answer at 4-5.

At those meetings, stakeholders had an opportunity to discuss and provide feedback on the issues raised by NEGPA.⁷²

22. Further, the NEPOOL Participants Committee notes that preceding the October 2, 2015 vote on ICR values, stakeholders discussed several market and operational concerns, including concerns that ICR values were too high or too low.⁷³ Some stakeholders raised the possibility that “there could be a contradiction between [the proposal] and the premise for the Renewable Technology Resource Exemption treating non-embedded solar as a load reducer would further reduce peak demand to yield flat or declining peak demand.”⁷⁴ Other participants speculated that, in the long run, capacity prices would decline, accelerating the retirement of existing capacity resources, which, in turn, would diminish reliability.⁷⁵

23. Accordingly, we affirm our determination that the record reflects sufficient stakeholder process and exploration of market and operational issues to enable ISO-NE reasonably to determine that it was appropriate to include non-embedded solar resources in ICR values.

The Commission orders:

Rehearing is hereby denied, consistent with the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷² *Id.* at 5. ISO-NE states that the New England Power Generator Association’s concern – that including non-embedded solar resources in the ICR-related forecast conflicts with other features of the FCM – was not substantiated. *Id.*

⁷³ NEPOOL Comments at 4.

⁷⁴ *Id.*

⁷⁵ *Id.*