

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

State Policies and Wholesale Markets  
Operated by ISO New England Inc., New York  
Independent System Operator, Inc., and  
PJM Interconnection, L.L.C.

Docket No. AD17-11-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

(April 13, 2017)

As announced in a Notice of Technical Conference issued on March 3, 2017, Federal Energy Regulatory Commission (Commission) staff will hold a technical conference on Monday, May 1, 2017, and Tuesday, May 2, 2017, to discuss certain matters affecting wholesale energy and capacity markets operated by the Eastern Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). Each day, the conference will commence at approximately 9:00 a.m. and end at approximately 5:00 p.m. The conference will be held at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. Commissioners may participate in the conference.

The agenda for this technical conference is attached. Panelists should submit pre-technical conference statements, not to exceed five pages, on or before April 21, 2017, in the above-referenced docket. In lieu of opening remarks, these statements will be available prior to the conference on the Commission's web site. As stated in the Notice of Technical Conference, Commission staff seeks to discuss long-term expectations regarding the relative roles of wholesale markets and state policies in the Eastern RTOs/ISOs in shaping the quantity and composition of resources needed to cost-effectively meet future reliability and operational needs. To this end, Commission staff asks that panelists focus their statements on the issues raised in the attached agenda. In addition, a schedule for submitting post-technical conference comments will be discussed at the technical conference.

All interested persons may attend the conference, and registration is not required. However, in-person attendees are encouraged to register on-line at:  
<https://www.ferc.gov/whats-new/registration/05-01-17-form.asp>.

The technical conference will be transcribed. Transcripts will be available from Ace Reporting Company and may be purchased online at [www.acefederal.com](http://www.acefederal.com), or by phone at (202) 347-3700. In addition, there will be a free webcast of the conference. The webcast will allow persons to listen, but not participate and will be accessible at [www.ferc.gov](http://www.ferc.gov)'s Calendar of Events. The Capitol Connection provides technical support

for the webcast and offers the option of listening to the technical conference via phone-bridge for a fee. If you have any questions, visit [www.CapitolConnection.org](http://www.CapitolConnection.org) or call (703) 993-3100.

While this conference is not for the purpose of discussing specific cases, it may address matters at issue in the following Commission proceedings that are pending:

- ISO New England Inc.: See ISO New England Inc., Docket No. ER13-2266-000, *et al.*; ISO New England Inc., Docket No. ER17-795-000 and ER17-795-001; and ISO New England Inc., Docket No. ER17-1031-000;
- New York Independent System Operator, Inc.: See N.Y. Indep. Sys. Operator, Inc., Docket No. ER16-1404-000; Indep. Power Producers of N.Y., Inc. v. N.Y. Indep. Sys. Operator, Inc., Docket Nos. EL13-62-001 and EL13-62-002; N.Y. Pub. Serv. Comm'n v. N.Y. Indep. Sys. Operator, Inc., Docket No. EL16-92-001; N.Y. Indep. Sys. Operator, Inc., Docket No. ER17-386-002; N.Y. Indep. Sys. Operator, Inc., Docket Nos. ER16-120-001, ER16-120-003, and EL15-37-002;
- PJM Interconnection, L.L.C.: See Calpine Corp., *et al.* v. PJM Interconnection, L.L.C., Docket No. EL16-49-000; PJM Interconnection, L.L.C., Docket Nos. ER15-623-009, ER15-623-010, EL15-29-006, and EL15-41-002; PJM Interconnection, L.L.C., Docket Nos. ER14-1461-000, ER14-1461-001, ER14-1461-002, EL14-48-000, ER17-367-000, and ER17-367-001.

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an email to [accessibility@ferc.gov](mailto:accessibility@ferc.gov) or call toll free (866) 208-3372 (voice) or (202) 502-8659 (TTY), or send a fax to (202) 208-2106 with the requested accommodations.

For further information please contact individuals identified for each topic:

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**State Policies and Wholesale Markets Operated by ISO  
New England Inc., New York Independent System  
Operator, Inc., and PJM Interconnection, L.L.C.**

**Technical Conference**

**Docket No. AD17-11-000  
May 1, 2017 and May 2, 2017**

**Agenda**

Federal Energy Regulatory Commission (Commission) staff will hold a technical conference in this docket to discuss certain matters affecting wholesale energy and capacity markets operated by the Eastern Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) (Eastern RTOs/ISOs).<sup>1</sup> Competitive wholesale markets, as currently designed, generally select resources based on principles of operational and economic efficiency without specific regard to resource type. This technical conference will explore how the competitive wholesale markets can select resources of interest to state policy makers while preserving the benefits of regional markets and economic resource selection. Panelists will discuss long-term expectations regarding the relative roles of competitive wholesale markets and state policies in the Eastern RTOs/ISOs in shaping the quantity and composition of resources needed to cost-effectively meet future reliability and operational needs. Panelists will also discuss the development of regional solutions in the Eastern RTOs/ISOs to reconcile the competitive wholesale market framework with the increasing interest by states to support particular resources or resource attributes.

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<sup>1</sup> *State Policies and Wholesale Markets Operated by ISO New England Inc., New York Independent System Operator, Inc., and PJM Interconnection, L.L.C.*, Notice of Technical Conference, Docket No. AD17-11-000 (Mar. 3, 2017).

Staff is holding this technical conference to: (1) better understand states' objectives in adopting policies that prioritize certain resources or resource attributes; (2) explore whether those objectives can be achieved through existing or modified wholesale market mechanisms; (3) identify the implications of such policies for wholesale energy and capacity markets depending on whether the policy objectives can be achieved through the markets, focusing on both market outcomes and market participants' ability to make long-term decisions; and (4) explore long-term alternatives to reconcile the competitive market framework with state policies, including the objectives that such solutions seek to achieve and the market design principles that should guide the wholesale market rules needed to implement those solutions.

To that end, on May 1, staff will discuss with panelists state policies that prioritize certain resources or resource attributes and the implications of those policies for the wholesale energy and capacity markets, as currently designed, in each of the Eastern RTOs/ISOs. On May 2, staff will explore with panelists potential wholesale market and resource adequacy implications of long-term alternatives to reconcile state policy preferences with wholesale market design, as well as the objectives and market design principles that panelists believe should guide the selection of any alternative.

### **May 1, 2017**

**9:00am – 9:20am**

**Welcoming Remarks**

### **Sessions I, II, III: RTO/ISO-Specific**

Each of Sessions I, II, and III are devoted to a specific Eastern RTO/ISO. Each Session consists of two panels. Panel 1 will focus on the states' policy perspectives, while Panel 2 will provide an opportunity for a wide range of stakeholders to address the topics and questions described below. During Panel 2, participants from Panel 1 will be available to respond to comments made by Panel 2 participants.

Participants of Panel 1 in Sessions I, II, and III should be prepared to discuss the following topics and questions:

1. What objectives or policy priorities, if any, are states considering implementing in the coming years?
2. In a multi-state RTO/ISO, if one state's policy priorities come into conflict with another state's policy priorities to what extent should, and/or can, the wholesale markets resolve or mitigate that conflict?
3. What specific features of the existing market design, if any, would you seek to modify to meet your state and region's policy goals?
4. In light of current and future state actions to secure specific resources outside of the centralized energy and capacity markets (out-of-market

- actions), what role do you see the RTO/ISO having in managing the procurement of capacity for resource adequacy in the long-term?
5. To the extent state policy priorities are effectuated outside of the centralized energy and capacity markets, what long-term impacts, if any, might such actions have on the ability of these markets to provide signals for efficient entry and exit and ensure resource adequacy?
  6. Is there a way to achieve state or regional policy objectives with the centralized energy and capacity markets through potentially new or different market mechanisms? If so, what would be the elements of a policy solution to accommodate the objectives of your state or region while preserving the competitiveness and efficiency of wholesale markets?

Participants of Panel 2 in Sessions I, II, and III should be prepared to discuss the following topics and questions:

1. There are a number of state policies that may or may not influence wholesale markets. Should the Commission distinguish between state actions that are considered inside the market and ones that are out of market, and why? How can certain types of state policies be readily integrated into wholesale markets as opposed to pursuing state policies outside of the centralized energy and capacity markets?
2. If your company is receiving/seeking an out-of-market payment as a result of a state policy, please explain the dynamics or features of the RTO/ISO market that, in your view, made this particular payment necessary. For the rest of the panelists, please explain how this payment has affected or will affect wholesale markets in general and your entity specifically.
3. What wholesale market benefits may be lost when states take actions outside of these markets?
4. With the idea that state or regional policy objectives can be achieved on a long-term basis through modifications to or potentially new or different wholesale market mechanisms, what would be the elements of a policy solution that could accommodate the objectives of a state or region while preserving the competitiveness and efficiency of wholesale markets?
5. If state policy objectives cannot be achieved through the wholesale markets, what are the consequences for the wholesale markets, as well as for market participants' ability to make long-term decisions, of continued state support for certain resources or resource types outside wholesale markets?
6. In light of current and future state actions, what role should the RTO/ISO play in ensuring resource adequacy? Specifically, do you see a diminished role for the RTO/ISO? Under what conditions should a state intervene in a

resource's entry and exit decision and at what point could any such intervention affect the RTO's/ISO's role in ensuring resource adequacy?

**Session I: The Interplay between State Policies and the Wholesale Markets Operated by ISO New England Inc.**

**9:20am – 10:20am Panel 1: States' Perspective in ISO-NE**

**Panelists:**

- Eric Annes, Research Analyst, Connecticut Department of Energy and Environmental Protection, also speaking on behalf of the Connecticut Public Utilities Regulatory Authority
- Jeffrey Bentz, Director of Analysis, New England States Committee on Electricity
- Sarah Hofmann, Board Member, Vermont Public Service Board, speaking on behalf of the National Council on Electricity Policy
- Angela M. O'Connor, Chairman, Department of Public Utilities of Massachusetts
- Robert Scott, Commissioner, New Hampshire Public Utilities Commission

**10:20am – 11:40am Panel 2: Stakeholders' Perspective in ISO-NE**

**Panelists:**

- Matthew White, Chief Economist, ISO New England Inc.
- David B. Patton, President, Potomac Economics
- Brian Forshaw, Principal, Energy Market Advisors LLC, speaking on behalf of Connecticut Municipal Electric Energy Cooperative, New Hampshire Electric Cooperative, and Vermont Public Power Supply Authority
- Peter Fuller, Vice President of Market and Regulatory Affairs, NRG Energy, Inc.
- Seth Kaplan, Senior Manager of Regional Government Affairs, EDP Renewables, also speaking on behalf of RENEW Northeast
- Tom Kaslow, Chairman, New England Power Pool
- Aleksandar Mitreski, Senior Director, Regulatory Affairs, Brookfield Renewable

- Bill Murray, Senior Policy Director, Dominion Resources

**Session II: The Interplay between State Policies and the Wholesale Markets Operated by New York Independent Operator, Inc.**

**11:40am – 12:20pm Panel 1: States’ Perspective in NYISO**

**Panelists:**

- Susanne DesRoches, Deputy Director of Policy, Infrastructure, City of New York
- Scott Weiner, Deputy of Markets and Innovation, New York State Department of Public Service
- New York State Energy Research and Development Authority representative

**12:20pm – 1:30pm Lunch**

**1:30pm – 2:50pm Panel 2: Stakeholders’ Perspective in NYISO**

**Panelists:**

- Bradley C. Jones, President and Chief Executive Officer, New York Independent System Operator, Inc.
- David B. Patton, President, Potomac Economics
- Kathleen Barrón, Senior Vice President of Competitive Market Policy, Exelon Corporation
- James Holodak, Vice President of Regulatory Strategy and Integrated Analytics, National Grid
- Mark Kresowik, Regional Director of Beyond Coal Campaign, Sierra Club
- John Reese, Senior Vice President, Eastern Generation
- John E. Shelk, President and Chief Executive Officer, Electric Power Supply Association

**Session III: The Interplay between State Policies and the Wholesale Markets Operated by PJM Interconnection, L.L.C.**

**2:50pm – 3:50pm Panel 1: States’ Perspective in PJM**

**Panelists:**



- Robert Irwin, General Counsel, Maryland Public Service Commission
- Richard Mroz, President, New Jersey Board of Public Utilities
- Andrew Place, Vice Chairman, Pennsylvania Public Utility Commission
- Brien Sheahan, Chairman and Chief Executive Officer, Illinois Commerce Commission

**3:50pm – 5:30pm**

**Panel 2: Stakeholders' Perspective in PJM**

**Panelists:**

- Andrew Ott, President and Chief Executive Officer, PJM Interconnection, L.L.C.
- Joseph Bowring, President, Monitoring Analytics, LLC
- Paul Bailey, President and Chief Executive Officer, American Coalition for Clean Coal Electricity
- Michael Cocco, Senior Director of RTO and Regulatory Affairs, Old Dominion Electric Cooperative, also speaking on behalf of National Rural Electric Cooperative Association
- Lathrop Craig, Vice President of ISO Operations, PSEG Energy Resources & Trade LLC
- Robert Flexon, President and Chief Executive Officer, Dynegy Inc.
- John Moore, Director of Sustainable FERC Project, Natural Resources Defense Council
- Gregory Poulos, Executive Director, Consumer Advocates of the PJM States, speaking on behalf of PJM Joint Consumer Advocates
- Raja Sundararajan, Vice President of Regulatory Services, American Electric Power Company

**May 2, 2017**

**9:00am – 12:00pm**

**Session IV: The Implications of State Policies for Wholesale Energy and Capacity Markets and Resource Adequacy**

Panelists will include representatives from the states and market participants. Panelists should discuss any potential wholesale market and resource adequacy implications of the potential long-term alternatives to reconcile state policy preferences with wholesale market design. Panelists will also explore whether there are

certain state policies that could be more readily integrated into wholesale energy or capacity markets than others. During this discussion, representatives from the Eastern RTOs/ISOs will be available to provide technical expertise as needed.

Panelists should be prepared to discuss the following topics and questions:

1. Are there certain types of state policies that can be readily integrated into wholesale markets as opposed to pursuing state policies outside of the centralized energy and capacity markets? Are there certain types of state policies that can be readily integrated into centralized capacity markets, as opposed to centralized energy markets, and vice versa? Please explain.
2. If state policy objectives cannot be achieved through the wholesale markets and states choose to provide support outside of the markets, what are the implications for wholesale market outcomes and market participants' ability to make long-term decisions?
3. Please explain whether wholesale energy and capacity markets can value or select additional attributes to respect state policies.
4. What are the implications for wholesale market outcomes and market participants' ability to make long-term decisions of a hybrid approach where some state policies are achieved through the wholesale markets and some are achieved through out-of-market actions? Similarly, what are the implications of addressing state policy objectives through the capacity market versus through the energy market?

**Panelists:**

- Kathleen Barrón, Senior Vice President of Competitive Market Policy, Exelon Corporation
- New England state representative
- Thad Hill, President and Chief Executive Officer, Calpine Corporation
- John Hughes, President and Chief Executive Officer, Electricity Consumers Resource Council
- Lisa McAlister, General Counsel for Regulatory Affairs, American Municipal Power, Inc.
- Richard Mroz, President, New Jersey Board of Public Utilities
- Andrew Place, Vice Chairman, Pennsylvania Public Utility Commission

- Michael Polsky, Founder and Chief Executive Officer, Invenergy
- Brien Sheahan, Chairman and Chief Executive Officer, Illinois Commerce Commission
- Abraham Silverman, Vice President and Deputy General Counsel, Regulatory, NRG Energy, Inc.

**12:00pm – 1:00pm          Lunch**

### **Session V: Reconciling Wholesale Competitive Markets with State Policies**

**1:00pm – 3:15pm          Panel 1: Industry Experts**

Panelists will discuss, among other things, potential solutions for sustainable wholesale market designs that both preserve the benefits of regional markets and respect state policies. This panel will also address the objectives that panelists seek to achieve through their proposed solutions, as well as the market design principles that panelists believe should guide the wholesale market rules needed to implement those solutions. Throughout the discussion, panelists may be asked to comment on the issues raised by the previous panelists in this conference and/or in their pre-technical conference statements, for the purpose of identifying points of consensus and remaining issues in dispute.

Panelists should be prepared to discuss the following topics and questions:

1. What are indicators that wholesale energy and capacity markets are meeting a region's needs?
2. Please explain whether wholesale energy and capacity markets can value or select additional operational attributes to respect state policies.
3. Are there certain types of state policies that can be readily integrated into wholesale markets instead of pursuing state policies outside of the centralized energy and capacity markets? Are there certain types of state policies that can be readily integrated into centralized capacity markets, as opposed to centralized energy markets, and vice versa? Please explain.
4. What are potential approaches to integrate state policies into wholesale energy and capacity markets, and what key tradeoffs should be considered when evaluating various potential approaches?

#### **Panelists:**

- Cliff Hamal, Managing Director, Navigant
- William Hogan, Research Director, Harvard Electricity Policy Group, Harvard Kennedy School of Government

- Lawrence Makovich, Vice President and Chief Power Strategist, IHS Markit
- Samuel Newell, Principal, The Brattle Group
- Roy Shanker, Independent Consultant
- Robert Stoddard, Senior Consultant, Charles River Associates, speaking on behalf of Conservation Law Foundation
- Susan Tierney, Senior Advisor, Analysis Group

**3:15pm – 4:15pm**

**Panel 2: Opportunity for Response**

**Panelists:**

- Jeffrey Bentz, Director of Analysis, New England States Committee on Electricity
- Stu Bresler, Senior Vice President, PJM Interconnection, L.L.C.
- Rana Mukerji, Senior Vice President of Market Structure, New York Independent System Operator, Inc.
- Scott Weiner, Deputy of Markets and Innovation, New York State Department of Public Service
- Matthew White, Chief Economist, ISO New England Inc.
- PJM state representative

**4:15pm – 4:45pm**

**Closing Remarks**