

I. DESCRIPTION OF COMMENTER

NESCOE is the Regional State Committee for New England. It is governed by a board of managers appointed by the Governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont and is funded through a regional tariff that ISO-NE administers.⁵ NESCOE's mission is to represent the interests of the citizens of the New England region by advancing policies that will provide electricity at the at the lowest possible price over the long term, consistent with maintaining reliable service and environmental quality. These comments represent the collective view of five of the New England states.⁶

II. COMMENTS

NESCOE supports the CASPR revisions, which are designed to promote competitive market pricing and the participation in the capacity market of certain state-sponsored clean energy resources that contribute to resource adequacy. NESCOE⁷ and the Commission⁸ have previously expressed concerns about excessive wholesale rates if the capacity market fails to accommodate the entry of state-sponsored renewable resources. CASPR provides a new mechanism for accommodating clean energy resources in the wholesale market and seeks to balance this objective with achieving competitive market pricing outcomes.⁹ NESCOE

⁵ *ISO New England Inc.*, 121 FERC ¶ 61,105 (2007).

⁶ Connecticut does not support these comments. Various New England states may file separate pleadings in this proceeding.

⁷ *See, e.g., Post-Technical Conference Comments of the New England States Committee on Electricity*, Docket No. AD17-11-00 (June 22, 2017), at 3; Statement of Jeffrey W. Bentz on Behalf of NESCOE, FERC Technical Conference on Centralized Capacity Markets in Regional Transmission Organizations and Independent System Operators, Docket No. AD13-7-000 (Sept. 25, 2013), at 4. *See also New England States Committee on Electricity v. ISO New England Inc.*, 142 FERC ¶ 61,108 (2013), *reh'g denied*, 151 FERC ¶ 61,056 (2015).

⁸ *See, e.g., ISO New England Inc.*, 158 FERC ¶ 61,138 at PP 9, 26, 43, 48 (2017) (“Renewables Exemption Remand Rehearing Order”); *ISO New England Inc.*, 155 FERC ¶ 61,023 at PP 33-34 (2016).

⁹ NESCOE has supported a number of proposals over the years to improve energy market price formation, including settling energy markets sub-hourly, energy market offer flexibility, and improving the pricing methodology for “fast-start” resources.

appreciates the work of the New England Power Pool (“NEPOOL”) in establishing the stakeholder process—known as Integrating Markets and Public Policies—through which the CASPR proposal emerged.

Striking an appropriate balance between the requirements of state laws and competitive wholesale markets, both of which exist to benefit consumers, is challenging but crucial if consumers and state policymakers are to continue supporting markets long-term. ISO-NE recounts in the CASPR Filing the various design objectives it sought to balance, concluding that (i) there is tension among the objectives, (ii) there exists “no perfect solution to” balancing the objectives, and (iii) “it is unlikely that all of these design objectives can be simultaneously achieved to all stakeholders’ satisfaction.”¹⁰

Importantly, ISO-NE commits to “assess the performance of CASPR” following its implementation and to “working with stakeholders to refine or replace” CASPR if it fails to “achieve its intended purpose of accommodating state entry over time[.]”¹¹ ISO-NE also commits that, “should state policies change, ISO-NE will work with stakeholders to determine if the new laws can and should be accommodated by CASPR” and may propose a revised definition of CASPR-eligible supply.¹²

ISO-NE’s commitment to monitor CASPR’s performance and to propose appropriate remedies is critical—and a condition of NESCOE’s support. ISO-NE *must* revise CASPR if it falls short of its intent to accommodate the participation of state-sponsored resources or if it proves inflexible to the execution of state laws, which are not static. Indeed, should CASPR not accommodate the entry of state-sponsored resources, NESCOE expects that ISO-NE would act

¹⁰ CASPR Filing, Transmittal Letter, at 5.

¹¹ *Id.* at 12.

¹² *Id.* at 14.

expeditiously, in collaboration with states and stakeholders, to develop and file revised market rules with the Commission—including interim rules as necessary—to protect against excessive consumer costs. If and when that circumstance should occur, the need for expedited action may be particularly acute given the planned phase out of the Renewable Technology Resource exemption, New England’s current just and reasonable mechanism for accommodating state-sponsored policy resources and limiting the risk of excessive consumer costs arising from redundant capacity purchases.¹³

NESCOE respectfully requests that the Commission accept the CASPR Filing.¹⁴

NESCOE looks forward to continuing work with the Commission, ISO-NE, NEPOOL, and others to harmonize state laws and wholesale markets as both evolve over time for the benefit of consumers.

¹³ *See generally* Renewables Exemption Remand Rehearing Order.

¹⁴ At the December 8, 2017 NEPOOL Participants Committee meeting, NESCOE provided some perspectives regarding the process employed to finalize the CASPR proposal. Those perspectives should not be conflated with NESCOE’s position on the merits of the CASPR proposal, which is addressed in this filing.

III. CONCLUSION

For the reasons stated herein, NESCOE respectfully requests that the Commission consider the above comments in this proceeding.

Respectfully submitted,

/s/ Jason Marshall

Jason Marshall
General Counsel
New England States Committee
on Electricity
655 Longmeadow Street
Longmeadow, MA 01106
Tel: (617) 913-0342
jasonmarshall@nescoe.com

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CERTIFICATE OF SERVICE

In accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served by electronic mail a copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Cambridge, Massachusetts this 29th day of January, 2018.

Respectfully submitted,

/s/ Jason Marshall
Jason Marshall
General Counsel
New England States Committee
on Electricity
655 Longmeadow Street
Longmeadow, MA 01106
Tel: (617) 913-0342
jasonmarshall@nescoe.com