UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Integration of Variable Energy Resources) Docket No. RM10-11-000

COMMENTS OF THE NEW ENGLAND STATES COMMITTEE ON ELECTRICITY (April 12, 2010)

The New England States Committee on Electricity ("NESCOE"), New England's Regional State Committee, submits these brief comments in response to the Federal Energy Regulatory Commission's ("FERC") January 21, 2010 Notice of Inquiry regarding the Integration of Variable Energy Resources (the "VER NOI").

NESCOE writes to provide background on the status and approach to renewable resource development in New England, including VERs, and to indicate general support for the VER comments submitted by the New England Power Pool ("NEPOOL") that were developed through New England's stakeholder process.

New England has approximately 655 MW of VERs online and able to participate in the Independent System Operator, Inc.'s ("ISO-NE") market, with another several thousand MW of wind in ISO-NE's generator interconnection queue. As NEPOOL noted, the amount of VERs now operational and in the queue is relatively small but it is expected grow significantly as New England develops within its region the renewable energy resources necessary to meet its energy and environmental goals. In addition to developing renewable resources within New England, imports of renewable resources, including VERs, into New England from neighboring regions, and in particular from the Eastern Canadian provinces, will likely grow in the years ahead.

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In September 2009, the six New England governors adopted the *New England Governors' Renewable Energy Blueprint* (the "*Blueprint*"). The *Blueprint* reflects New England's collective interest in developing renewable resources within and proximate to New England to meet the New England states' environmental and energy goals through competitive markets and processes. The *Blueprint* was supported by technical analysis conducted by ISO-NE that set forth various scenario analyses showing how the region's energy objectives could be met through the development of wind resources and associated transmission in and around New England. The *Blueprint* and associated technical analysis is not a study of increased VER penetration, but it nevertheless illustrates various development scenarios that could lead to increased VER presence in the region. The six New England states are currently working on potential mechanisms for the joint or coordinated procurement of New England's renewable resources, pursuant to the direction of the New England Governors.

In addition, the New England Governors' and Eastern Canadian Premiers' adopted a Resolution Concerning Renewable Energy³ in September 2009. Through this Resolution, New England and the Eastern Canadian provinces committed to a dialogue about opportunities for the New England and Eastern Canadian electricity marketplaces, including development of a sample regional Request for Proposal for renewable power that could serve as a model for future competitive solicitations. This activity has the potential to increase in the years ahead imports into New England of renewable resources, including VERs, from Eastern Canadian provinces.

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¹ The *Blueprint* can be accessed at the following link: http://www.nescoe.com/uploads/September_Blueprint_9.14.09_for_release.pdf

² The New England Governors' Resolution adopting the Renewable Energy Blueprint can be accessed at the following link: http://www.nescoe.com/uploads/NEGC_Blueprint_Resolution.pdf

³ The New England Governors' and Eastern Canadian Premiers' Resolution concerning Renewable Energy can be accessed at the following link: http://www.negc.org/documents/Res_33-2.pdf

In addition to the region's efforts to facilitate development of renewable resources, including VERs, in and around New England, ISO-NE is conducting a comprehensive wind integration study called the *New England Wind Integration Study* ("NEWIS"). NEWIS will look at operational, reliability and market implications of a substantial increase in the proportion of wind resources in the generation mix for New England. New England's stakeholders have begun to discuss the results of portions of NEWIS that have been completed to date. When NEWIS is completed in the summer of 2010, ISO-NE is expected to present the study's findings and initiate discussions with the New England states and stakeholders concerning any associated recommendations, including potential operational, reliability or market rule changes. New England's comments in connection with issues raised in the VER NOI may be more comprehensive following the completion of NEWIS and the region's consideration of associated recommendations. NESCOE looks forward to the opportunity to provide additional comments as this rulemaking proceeds.

In general, NESCOE concurs with NEPOOL's observations and recommendations in connection with issues such as data and forecasting, scheduling and market participation.

NESCOE also supports NEPOOL's observation on the question of the creation of a multi-control area balancing authority for VERs and its comment that this approach would only make sense for New England consumers if associated benefits for New England are not outweighed by costs to New England ratepayers. Ultimately, the development and integration of renewable resources, including VERs, need to be executed in a way that best serves our consumers' economic interests.

NESCOE appreciates the opportunity to provide comment in this matter.

Respectfully Submitted,

New England States Committee on Electricity

By: <u>Heather Hunt</u>

New England States Committee on Electricity 242 Whippoorwill Lane Stratford, Connecticut 06614

Phone: 203-380-1477

e-mail: <u>HeatherHunt@nescoe.com</u>

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