

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ISO New England Inc.)
New England Power Pool Participants) Docket No. ER24-1710-000
Committee)

**COMMENTS OF THE NEW ENGLAND STATES
COMMITTEE ON ELECTRICITY**

Pursuant to the Federal Energy Regulatory Commission’s April 5, 2024 Combined Notice of Filings #1 and its April 8, 2024 Errata Notice, the New England States Committee on Electricity (“NESCOE”) hereby submits these comments in the above-captioned proceeding.¹ On April 5, 2024, ISO-NE and the New England Power Pool Participants Committee (the “NEPOOL PC”), jointly filed proposed revisions to the Tariff to delay New England’s 19th Forward Capacity Auction (“FCA 19”) until February 2028 (the “Filing”). NESCOE files these comments to support the Filing and its proposed delay of FCA 19.

The Filing seeks Commission approval to extend a previously requested delay of FCA 19. Specifically, on November 3, 2023, ISO-NE and the NEPOOL PC sought a one-year delay of FCA 19 and related auction activities, and the Commission approved the requested delay on

¹ On April 15, 2024, NESCOE filed a doc-less motion to intervene in this proceeding. NESCOE is the Regional State Committee for New England, representing the collective positions of the six New England states in regional electricity matters.

Capitalized terms not defined in this filing are intended to have the meaning given to such terms in the ISO New England Inc. (“ISO” or “ISO-NE”) Transmission, Markets and Services Tariff (“Tariff”).

January 2, 2024.² Also in January 2024, Analysis Group, Inc. released a study commissioned by ISO-NE entitled *Capacity Market Alternatives for a Decarbonized Grid: Prompt and Seasonal Markets* (the “AGI Assessment”).³ The AGI Assessment concluded that a prompt seasonal market would likely provide significant market efficiency and reliability benefits and consumer savings.⁴ The AGI Assessment also concluded that transitioning to a prompt seasonal market at the same time as the region develops accreditation reform would be less complex and time intensive because, *inter alia*, the region would only have to develop accreditation reforms for seasonal markets as opposed to reforms for both annual and seasonal markets.⁵ ISO-NE subsequently developed a proposal to defer FCA 19 by an additional two years beyond the previously approved one-year delay, and ISO-NE solicited stakeholder feedback on that proposal through the NEPOOL Participant Processes.⁶ At its April 4, 2024 meeting, the NEPOOL PC voted in favor of the proposed FCA 19 delay.⁷ The motion on the vote made clear that the vote was without prejudice to any position with respect to future proposals “to reform the methodology to accredit resources’ contribution to resource adequacy.”⁸ Subsequently, on April

² *ISO New England Inc. & NEPOOL Participants Comm.*, Filing of ISO New England Inc. and NEPOOL Participants Comm. of Market Rule Changes to Delay Nineteenth Forward Capacity Auction and Related Capacity Market Activities, Docket No. ER24-339-000 (filed Nov. 3, 2023); *see also ISO New England Inc. & NEPOOL Participants Comm.*, 186 FERC ¶ 61,001 (Jan. 2, 2024) (accepting Initial FCA 19 Delay Filing).

³ Filing, Attachment A, Affidavit of Todd Schatzki at 2:14–17.

⁴ *See* Filing, Attachment B, AGI Assessment at 69–71, 95–108.

⁵ *See id.* at 109–10.

⁶ Filing, at 25.

⁷ Notice to Participants Committee Members and Alternates, Re: Noticed Actions of the NEPOOL Participants Committee, at 1 (April 4, 2024) (providing the form of resolution the Participants Committee used at its meeting when considering the proposal), *available at* https://nepool.com/wp-content/uploads/2024/04/NPC_NOA_20240404.pdf.

⁸ *Id.*

8, 2024, ISO-NE and the NEPOOL PC made the instant filing seeking Commission approval of the proposed delay.

The Commission should approve the proposed Tariff changes because the requested delay will provide the region time to investigate and implement potential capacity market reforms for FCA 19 that could result in significant system and consumer benefits. The AGI Assessment found that transitioning to a prompt seasonal market is likely to result in reliability improvements, as well as consumer cost reductions of more than 13 percent.⁹ Like ISO-NE and the NEPOOL PC, NESCOE is not yet ready to support a transition to a prompt seasonal capacity market.¹⁰ However, NESCOE fully supports the delay requested by this Filing. A delay will give states and other stakeholders additional time to investigate a potential transition to a prompt seasonal capacity market and other possible reforms that, when implemented, have the potential to deliver significant reliability and cost reduction benefits to consumers. The amount of work to investigate and implement these potential reforms is substantial and the delay will be helpful to allow stakeholders to focus their resources on this difficult but extremely important and promising work. NESCOE also agrees with ISO-NE and the NEPOOL PC that the benefits of

⁹ See Filing, Attachment B, AGI Assessment at 69–71 (summarizing various potential reliability improvements resulting from a transition to a prompt seasonal capacity market); AGI Assessment at 95–98 (comparing its 2028–2029 forward annual model to its 2028–2029 prompt seasonal model and finding a \$208 million (13.72%) reduction in annual payments).

¹⁰ See Filing, at 4 (“the Filing Parties underscore that... the proposal filed herein does *not* reflect a position on the soundness of a prompt seasonal capacity market, which has yet to be developed.”) (emphasis in original).

the proposed FCA 19 delay outweigh any potential drawbacks for the reasons stated in the Filing.¹¹

Therefore, for the reasons stated herein, NESCOE respectfully requests that the Commission approve ISO-NE and the NEPOOL PC's proposed Tariff revisions to delay FCA 19.

Respectfully Submitted,

/s/ Nathan Forster

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Date: April 22, 2024

¹¹ See Filing, at 19–21.

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 Arlington, Massachusetts this 22nd day of April, 2024.

/s/ Nathan Forster

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