UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England Inc. Docket No. ER20-308-000

(Issued February 20, 2020)

GLICK, Commissioner, *dissenting*:

1. I dissent from today's order because I am concerned that certain energy storage resources are over-mitigated. As explained in my concurrently issued statements involving NYISO, I believe that it is *per se* unjust and unreasonable to apply buyer-side market power mitigation rules to resources that are not buyers with market power.[1] Nothing in today's order concludes that the energy storage resources subject to buyer-side market power mitigation in ISO New England are capacity buyers, much less ones with market power. Accordingly, they should not be subject to buyer-side market power mitigation.

2. Today's order, in particular, illustrates the problems with sweeping market mitigation and the challenges associated with establishing administratively determined offer floors. Those challenges are especially stark for energy storage resources whose optimization must reflect a variety factors, such as charging cycles and price arbitrage, that reflect operator judgment and other factors, which may differ significantly among market participants. Simply put, there is no one right way to run a battery, which makes it challenging to estimate how a resource will or "should" earn revenue through the market. The disagreement between the External Market Monitor and the Internal Market Monitor also underscores the sensitivity of the litany of assumptions that go into establishing an offer floor for energy storage resources.[2]

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[1] *See, e.g.*, *N.Y. Pub. Serv. Comm'n v. N.Y. Indep. Sys. Operator*, 170 FERC ¶ 61,119, at P 38 (2020) (Glick, Comm'r, dissenting at PP 15-16).

[2] The External Market Monitor analyzed different methodologies to estimate the energy and ancillary services (E&AS) net revenues of a hypothetical resource and found that the results would range between \$30 per kW-year to \$63 per kW-year. External Market Monitor Protest at 6. The External Market Monitor asserts that there are a series of assumptions that likely resulted in estimates for E&AS net revenues that are well below what could be reasonably expected, which, the External Market Monitor asserts, led to over-mitigation of some energy storage resources. This includes the quality of price forecasting, whether the resource also receives additional net revenues from the sale

3. The better course of action is to rely on energy storage market participants' own expertise and judgement about the revenue that their business model can earn in the market. Doing so would recognize that these resources have no incentive or ability to lower prices and would properly place the risk of overestimating revenues on the market participants themselves, which helps to ensure that market outcomes are competitive, prices are efficient, and that innovation is rewarded. *That* is the best way to ensure that rates remain just and reasonable.

For these reasons, I respectfully dissent.

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Richard Glick
Commissioner

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of spinning reserves, and overly conservative constraints placed on discharge in the model to protect against Pay-for-Performance penalties, which precluded storage resources from profiting from price spikes. *Id.* at 8.