

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

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)	
ISO New England Inc.)	Docket Nos. EL18-182-000
)	ER18-2364-000
)	ER19-1428-000
)	ER13-2266-004
Constellation Mystic Power, LLC)	ER18-1639-000
)	ER18-1639-002
)	ER18-1639-003

**COMMENTS OF
THE NEW ENGLAND POWER GENERATORS ASSOCIATION, INC.**

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),¹ the New England Power Generators Association, Inc. (“NEPGA”)² hereby files these Comments in advance of the Commission Staff-led public meeting scheduled for July 15, 2019 (“Public Meeting”).³ Below NEPGA offers a set of questions to help frame the Public Meeting for the Commission, informed by the on-going discussion through the NEPOOL process on ISO-NE’s Energy Security Improvements market design proposal, the so-called Chapter 3. NEPGA asks that Commission Staff consider addressing the issues raised by these questions with ISO-New England, Inc. (“ISO-NE”) at the

¹ 18 C.F.R. § 385.211 (2018).

² The comments expressed herein represent those of NEPGA as an organization, but not necessarily those of any particular member.

³ See *Notice of Staff-Lead Public Meeting*, Docket Nos. EL18-182-000, *et al.* (May 21, 2019).

July 15 Public Meeting. Together these questions identify issues raised by the Commission’s Section 206 directive that gave rise to the Chapter 3 proposal. Focusing the July 15 discussion in part on these issues will considerably help ISO-NE, NEPOOL stakeholders and Commission Staff make an informed decision on whether the Chapter 3 proposal satisfies the Commission’s directives in its order and is just, reasonable, and not unduly discriminatory.

NEPGA welcomes further discussion on the issues and questions it raises below.

NEPGA thanks Commission Staff for their consideration of these comments and looks forward to the Public Meeting.

I. COMMENTS

- (1) If accepted by the Commission and put into effect, what system reliability, wholesale market pricing, or other future conditions would ISO-NE consider as successful outcomes of the Chapter 3 design?

- (2) ISO-NE’s has proposed a three-part market design change to comply with the Commission’s Section 206 directive - a multi-day ahead market (“MDAM”), a seasonal forward market, and new ancillary services in the day-ahead market. ISO-NE has suggested that it will include in its October 2019 compliance filing only the day-ahead ancillary service products (*i.e.*, Energy Imbalance Reserves, Replacement Energy Reserves, and Generation Contingency Reserves). Is it ISO-NE’s view that these new day-ahead ancillary services comply with the Commission’s directive to file “improvements to [ISO-NE’s] market design that better address regional fuel security concerns”?⁴ Or, is it ISO-NE’s view that the other two elements of ISO-NE’s proposal

⁴ *Order Denying Waiver Request, Instituting Section 206 Proceeding, and Extending Deadlines*, 164 FERC ¶ 61,003, at P 2 (2018).

(the MDAM and seasonal forward market) are needed to fully comply with the Commission's directive and simply are not ready for filing in October?

- (3) What, if any, amount of detail concerning the MDAM, seasonal forward market, day-ahead ancillary service mitigation, and day-ahead energy market mitigation, among other potential issues, must the Commission and NEPOOL stakeholders further understand in order for them to make a reasoned decision on the Chapter 3 proposal?
- (4) Are there any parts of the existing wholesale markets that are incompatible with the Chapter 3 proposal? If so, why and to what extent?
- (5) Are there any design objectives, beyond winter energy security, that the ISO believes its proposal will achieve?
- (6) Could the Chapter 3 proposal create the risk of Real-Time Energy Market price-suppression if the day-ahead ancillary services strike price (*e.g.*, for the Energy Imbalance Reserve) is set too low, if the future season forward market component results in the procurement of fuel months ahead of the delivery that must be burned or sold in real-time, or for some other reason(s)?
- (7) What would be the future impact on the Chapter 3 design if ISO-NE operators committed units out-of-merit after the day ahead markets clear? How would this impact the efficacy of the proposed day-ahead ancillary service products? If such out-of-merit commitments compromise the purpose of the day-ahead ancillary service products, what actions will ISO-NE take in order to remedy the compromised day-ahead ancillary service design?
- (8) How does ISO-NE expect this potential new revenue stream from these day-ahead ancillary services products impact capacity offers and clearing prices in the FCA?

II. CONCLUSION

NEPGA respectfully requests that Commission Staff consider addressing the issues and questions NEPGA raises above at its Public Meeting on July 15, 2019.

Respectfully Submitted,

/s/ Bruce Anderson_____

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the comments by via email upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Boston, Massachusetts, July 9, 2019.

/s/ Bruce Anderson

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