

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

ISO New England, Inc.

Docket No. ER18-619-000

**MOTION TO INTERVENE
AND COMMENTS IN SUPPORT OF
THE RETAIL ENERGY SUPPLY ASSOCIATION**

Pursuant to Rule 214 of the Federal Energy Regulatory Commission’s (“Commission’s”) Rules of Practice and Procedure, 18 C.F.R. §§ 385.214 and 385.212, the Retail Energy Supply Association (“RESA”)¹ hereby files this Motion to Intervene and Comments in support in the above-referenced proceeding, in which ISO New England, Inc. (“ISO-NE”) seeks to make changes to the Forward Capacity Market (“FCM”) provisions of its Tariff to accommodate out-of-market procurement programs undertaken by the states. RESA supports ISO-NE’s proposed tariff changes, as described below. In support of this Motion to Intervene and Comments, RESA submits as follows:

**I.
MOTION TO INTERVENE**

A. Correspondence and Communications

Correspondence and communications regarding this matter should be addressed to the following person(s), and the same should also be designated for service on the Commission’s

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

official list for this proceeding:

Elizabeth W. Whittle
Nixon Peabody LLP
799 Ninth Street, N.W.
Suite 500
Washington, DC 20001
202-585-8338
202-585-8080 (fax)
ewhittle@nixonpeabody.com

Joseph E. Oliker
Regulatory Counsel
IGS Energy
6100 Emerald Parkway
Dublin, OH 43016
614-659-5069
joliker@igsenergy.com

B. RESA

RESA is a non-profit trade association of independent corporations that are involved in the competitive supply of electricity. RESA and its members are actively involved in retail electricity markets throughout the United States, including retail markets in each of the Commission-approved RTO/ISOs. Many of RESA's members are active in ISO-NE markets.

C. Motion to Intervene

On January 8, 2018, ISO-NE filed to implement new Tariff provisions and changes to the FCM to incorporate new rules referred to as Competitive Auctions with Sponsored Policy Resources or CASPR. ISO-NE and the stakeholders developed CASPR rules to accommodate states' out of market procurements, while at the same time maintaining the competitive pricing in the FCM.

RESA's members are active in ISO-NE markets and purchase services, including capacity in ISO-NE markets. RESA, therefore, has an interest in this proceeding that is not represented by any other party. RESA respectfully requests that its motion to intervene be granted.

**II.
COMMENTS**

As ISO-NE notes in its filing, state-mandated and other efforts to reduce greenhouse gas emissions and meet climate goals outside the ISO-NE markets, could affect adversely ISO-NE's

competitive FCM. ISO-NE has been incorporating these resources via an exemption from the Minimum Offer Price Rule (referred to as a Renewable Technology Resource (“RTR”)) exemption, as additional resources are proposed by the states, the RTR exemption may be insufficient to ensure that: (1) there is a competitive FCM; and (2) state-supported programs to encourage renewable energy development continue.

ISO-NE proposes to implement CASPR rules and, at the same time, remove the RTR exemption. Under CASPR, ISO-NE will conduct the Forward Capacity Auction (“FCA”) in two stages. In the first stage, referred to as the primary auction, ISO will clear resources as it does today, with new resources subject to the MOPR. In the second stage, which will follow immediately after the primary auction, ISO-NE will administer a voluntary secondary auction, referred to as the substitution auction. In the substitution auction, existing capacity resources that retained Capacity Supply Obligations (“CSOs”) in the primary auction and are willing to exit the markets permanently may transfer their CSOs in their entirety to sponsored policy resources that did not acquire capacity obligations in the primary auction and are willing to sell capacity in the second stage. The transferring resource must pay the sponsored resources a portion of their capacity revenue, and then permanently retire from the wholesale markets. Importantly, ISO-NE will ensure that reliability will not be impacted by the retirement of an existing resource. In addition, resources that replace existing resources will be bound by ISO-NE capacity rules, including pay for performance.

ISO-NE also proposes to phase out the RTR exemption. ISO-NE notes that including both proposals may result in incentives that result in excess capacity.

ISO-NE requests an effective date of March 9, 2018 to coincide with the beginning of the auction-administration cycle for the 13th FCA. The 13th FCA is the first auction in which the

procurements required by the Massachusetts Energy Diversity Act may be qualified to participate.

RESA supports ISO-NE's proposal as a reasonable way to maintain competitive capacity markets while incorporating state-mandated renewable energy projects into ISO-NE. ISO-NE considered and adequately responded to concerns of some market participants that the new proposal may be gamed, and, importantly, indicates that if there are unanticipated adverse effects on the market, ISO-NE will engage stakeholders and propose improvements accordingly.

RESA believes that competitive wholesale markets provide clear benefits to retail customers and appreciate ISO-NE's efforts to maintain and further refine the competitive wholesale capacity markets. RESA sees the CASPR rules as a refinement of the capacity markets and supports the proposal.

WHEREFORE, RESA respectfully requests that its Motion to Intervene be granted and Comments considered by the Commission in this proceeding.

Respectfully submitted,

Elizabeth W. Whittle

Elizabeth W. Whittle
Counsel to
The Retail Energy Supply Association

Of Counsel:
Nixon Peabody LLP
799 9th Street, N.W.
Suite 500
Washington, DC 20001
202-585-8338
ewhittle@nixonpeabody.com

Dated: January 29, 2018

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on each person listed on the Official Service list compiled by the Secretary in this proceeding.

Dated in Washington, DC this 29th day of January 2018.

Elizabeth W. Whittle
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