

133 FERC ¶ 61,230  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Marc Spitzer, Philip D. Moeller,  
John R. Norris, and Cheryl A. LaFleur.

ISO New England Inc.

Docket No. ER10-2477-000

ORDER ON FORWARD CAPACITY AUCTION RESULTS FILING

(Issued December 16, 2010)

1. In this order, the Commission accepts a filing by ISO New England Inc. (ISO-NE) detailing the results of ISO-NE's fourth Forward Capacity Auction, which procured capacity for the 2013-2014 Commitment Period.

**I. Background**

2. As discussed in prior orders,<sup>1</sup> on March 6, 2006, ISO-NE filed a Settlement Agreement establishing the framework for New England's Forward Capacity Market (FCM). Under the FCM mechanism, ISO-NE will provide capacity payments to resources that provide capacity to the New England region, and capacity resources will compete through an annual Forward Capacity Auction to be selected to provide capacity on a three-year forward basis. ISO-NE conducted its fourth Forward Capacity Auction on August 2 and 3, 2010.

3. On August 30, 2010, ISO-NE submitted a filing to the Commission containing the results of the August 2010 Forward Capacity Auction. ISO-NE states that, pursuant to section III.13.8.2 of its Transmission, Markets, and Services Tariff (Tariff), it is submitting the Forward Capacity Auction results, including the final set of Capacity

---

<sup>1</sup> See, e.g., *ISO New England Inc.*, 130 FERC ¶ 61,145 (2010); *ISO New England Inc.*, 127 FERC ¶ 61,040 (2009); *ISO New England Inc.*, 123 FERC ¶ 61,290 (2008). See generally *Devon Power LLC*, 115 FERC ¶ 61,340 (FCM Settlement Order), *order on reh'g*, 117 FERC ¶ 61,133 (2006) (FCM Rehearing Order), *aff'd in relevant part sub nom. Maine Public Utilities Comm'n v. FERC*, 520 F.3d 464 (2008), *order on remand*, *Devon Power LLC*, 126 FERC ¶ 61,027 (2009).

Zones resulting from the auction, the Capacity Clearing Price in each of those Capacity Zones and the Capacity Clearing Price associated with certain imports pursuant to section III.13.2.3.3(d), a list of which resources received Capacity Supply Obligations in each Capacity Zone, and the amount of those Capacity Supply Obligations.

4. Pursuant to ISO-NE's Tariff, the Forward Capacity Auction was required to procure capacity equal to the Net Installed Capacity Requirement (NICR) of 32,127 MW.<sup>2</sup> ISO-NE states that, when the auction reached the price floor of \$2.951/kW-month, 5,374 MW of excess capacity remained in the auction. ISO-NE states that the auction resulted in two Capacity Zones: Maine and Rest-of-Pool and that the Forward Capacity Auction concluded with 26.35 percent (838 MW) excess capacity in Maine and 17.28 percent (4,536 MW) excess capacity in Rest-of-Pool. In accordance with the Tariff, the auction concluded when the auction floor price was reached, and load will pay only NICR times the floor price, or \$2.951/kW-month. The Capacity Clearing Price is \$2.951/kW-month in the Rest-of-Pool and Maine Capacity Zones and for certain imports pursuant to section III.13.2.3.3(d).

5. Because the auction cleared at the floor price with capacity remaining in excess of the NICR and because the Tariff specifies that load will pay for no more than NICR times the floor price, resources will choose between receiving a Capacity Supply Obligation of their full cleared capacity at a prorated rate (\$2.516/kW-month in the Rest-of-Pool Capacity Zone and \$2.336/kW-month in the Maine Capacity Zone), or receiving the floor price of \$2.951/kW-month and prorating their Capacity Supply Obligation, subject to reliability review. Thus, the auction will purchase between 32,127 MW, which is the NICR, and 37,501 MW, depending on the proration elections of the auction participants.

6. Under the FCM, an existing resource may opt out of the market by submitting a de-list bid.<sup>3</sup> Assuming the bid is found by the Internal Market Monitor not to be an

---

<sup>2</sup> The NICR is the quantity of supply necessary to meet the reliability requirements for the New England Control Area and is here used interchangeably with the term ICR, or installed capacity requirement. The "net" in NICR refers to the deduction of Hydro Quebec Interconnection Capability Credits. The NICR of 32,127 MW for the 2013-2014 Commitment Period was approved by a June 25, 2010 unpublished letter order in Docket No. ER10-1182-000.

<sup>3</sup> There are several kinds of de-list bids. Existing resources wishing to remove capacity from the capacity market for a single, one-year commitment period may submit either a static or a dynamic de-list bid. According to current rules, a static de-list bid is at or above the price of 0.8 times Cost of New Entry (CONE), is submitted prior to the auction, and is subject to review by the Internal Market Monitor. A dynamic de-list bid is

(continued...)

attempt to exercise market power, the resource is allowed to withdraw from the auction unless ISO-NE finds that it is needed for reliability. Section III.13.8.2 requires ISO-NE to enumerate any de-list bids it rejects for reliability reasons pursuant to section III.13.2.5.2.5 and the reasons for those rejections. ISO-NE states that it reviewed 281<sup>4</sup> de-list bids to see if those resources were needed for reliability, and rejected three—two static de-list bids and one dynamic de-list bid. ISO-NE states that 1,228 MW of de-list bids were accepted and allowed to leave the auction.<sup>5</sup>

7. ISO-NE states that, for reliability reasons, it rejected two static de-list bids submitted by Dominion Resources Services, Inc. (Dominion) for Salem Harbor Units 3 and 4, which are located in the Northeast Massachusetts and Boston (NEMA) Load Zone. ISO-NE states that it also rejected de-list bids for these same units in the third Forward Capacity Auction and that the Commission approved that need determination in the Third Forward Capacity Auction Results Order.<sup>6</sup> According to ISO-NE, the need for Salem Harbor Units 3 and 4 was determined for the fourth Forward Capacity Auction, as it was for the third, by means of a transmission operability analysis, which demonstrated the need for at least 460 MW from the Salem Harbor units in the fourth Forward Capacity Auction. If Salem Harbor 3 and/or Salem Harbor 4 are retained for the 2013-2014 Capacity Commitment Period, the resources will be paid their Net Risk Adjusted Going Forward Cost, or \$5.005/kW-month, as approved by the Commission earlier this year.<sup>7</sup>

8. ISO-NE states that it also rejected, for reliability reasons, a dynamic de-list bid submitted by Entergy Nuclear Power Marketing for the Vermont Yankee Power Station (Vermont Yankee), a resource representing approximately 604 MW. According to

---

below the price of 0.8 CONE, is submitted during the auction, and is not subject to Internal Market Monitor review. In contrast, a permanent de-list bid removes a resource from all future auctions and commitment periods and is subject to Internal Market Monitor review above 1.25 times CONE.

<sup>4</sup> This amount includes 119 permanent, administrative export and static de-list bids and 162 dynamic de-list bids.

<sup>5</sup> This amount includes 598 MW of permanent, administrative export and static de-list bids, and 1,113 MW of dynamic de-list bids.

<sup>6</sup> *ISO New England Inc.*, 130 FERC ¶ 61,145 at P 28-29 (Third Forward Capacity Auction Results Order); *see also*, *ISO New England Inc.*, 123 FERC ¶ 61,290 at P 18-54.

<sup>7</sup> *ISO New England Inc.*, 132 FERC ¶ 61,044, at P 25 (2010) (accepting ISO-NE's Informational Filing in Docket No. ER10-1185-000).

ISO-NE, although Vermont Yankee de-listed at \$3.933/kW-month, its compensation is subject to Commission review and approval pursuant to section III.13.2.5.2.5.1(a)(i).

9. ISO-NE states that Vermont Yankee is a nuclear power station licensed for operation by the Nuclear Regulatory Commission and subject to certain licensing provisions of Vermont law. ISO-NE states that Vermont Yankee's operating license is set to expire in March 2012, and, at this time, the station has not obtained the necessary approvals to continue operation beyond that date. ISO-NE asserts that its rejection of Vermont Yankee's de-list bid in no way preempts the need for Vermont Yankee to comply with Federal and State requirements in order to continue operation. ISO-NE further states that neither it nor the Commission can require extension of the Vermont Yankee license, nor can the actions in this proceeding of either ISO-NE or the Commission be deemed to require the extension of the license. According to ISO-NE, the practical impact of its rejection of Vermont Yankee's de-list bid is that if, and only if, the station's license is extended and Vermont Yankee can legally operate, then the unit must provide its capacity to New England. ISO-NE states that if the Vermont Yankee license is not extended, it will take whatever actions are necessary to maintain the reliability of the New England electric system.

10. ISO-NE states that section III.13.2.4 (c) of the Tariff specifies that the Cost of New Entry (CONE) is adjusted based on the results of the previous auction.<sup>8</sup> ISO-NE states that, because the price in the fourth Forward Capacity Auction was set by the price floor, CONE for the fifth Forward Capacity Auction is calculated by adjusting the value of CONE for the fourth Forward Capacity Auction (\$4.918/kW-month) using a rolling three-year average of the Handy-Whitman Index of Public Utility Construction Costs. This, states ISO-NE, results in a value of CONE for the fifth auction of \$5.133/kW-month.

11. Additionally, as required by section III.13.8.2(b) of the Tariff, ISO-NE provided documentation regarding the competitiveness of the Forward Capacity Auction, including certification from the auctioneer and ISO-NE that all entities offering and bidding in the auction were properly qualified in accordance with section III.13.1 and that the auction was conducted in accordance with section III.13. ISO-NE states that "[t]he results of the

---

<sup>8</sup> ISO-NE notes that while the calculation of CONE and other aspects of the FCM rules are subject to an ongoing FERC proceeding in Docket No. ER10-787-000, this filing is being made in accordance with the FCM rules in effect at the time of the filing, August 30, 2010.

fourth Forward Capacity Auction demonstrate that the FCM continues to procure the necessary resources to provide reliable capacity supply for New England."<sup>9</sup>

## **II. Notice of Filing, Interventions, Comments, Protests, and Answers**

12. Notice of the filing was published in the *Federal Register*, with motions to intervene, notices of intervention, comments, and protests due on or before September 20, 2010.<sup>10</sup> ISO-NE subsequently submitted a supplement to its filing on September 17, 2010. Notice of the supplemental filing was published in the *Federal Register*, with motions to intervene, notices of intervention, comments, and protests due on or before October 8, 2010.<sup>11</sup> The Commission later issued an errata notice extending the comment date until October 14, 2010.

13. Constellation Energy Commodities Group, Inc. and Constellation NewEnergy, Inc. (Constellation); Dominion Resources Services, Inc.; Dynegy Power Marketing Inc. and Casco Bay Energy Co., LLC (Dynegy); Exelon Corp.; the New England Power Pool Participants Committee (NEPOOL); Northeast Utilities Service Co.; NRG Companies; and the Massachusetts Department of Public Utilities filed timely motions to intervene. Mirant Energy Trading, LLC, Mirant Canal, LLC, and Mirant Kendall, LLC (Mirant Parties) filed a motion to intervene out of time. The Conservation Law Foundation filed a timely motion to intervene and protest. ISO-NE and Conservation Law Foundation filed answers.

## **III. Discussion**

### **A. Procedural Issues**

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the notices of intervention and the timely-filed unopposed motions to intervene serve to make the entities filing them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we will grant the motion to intervene out-of-time, as granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties.

---

<sup>9</sup> ISO-NE transmittal letter at 4.

<sup>10</sup> 75 Fed. Reg. 54,602 (2010).

<sup>11</sup> 75 Fed. Reg. 59,250 (2010).

15. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answers filed by ISO-NE and the Conservation Law Foundation because they have provided information that assisted us in our decision-making process.

**B. Compensation for Vermont Yankee Power Station**

16. Vermont Yankee de-listed from the fourth Forward Capacity Auction at a price of \$3.933/kW-month, but its de-list bid was rejected by ISO-NE for reliability reasons. Under section III.13.2.5.2.5.1(a)(i) of the Tariff, because the rejected de-list bid was a dynamic de-list bid, the Commission must approve the compensation to be paid to Vermont Yankee.<sup>12</sup>

17. Under current FCM rules, the market monitor reviews all static de-list bids (bids at or above 0.8 CONE) and any permanent de-list bids above 1.25 times CONE in order to determine whether the bid is consistent with the resource's risk-adjusted going forward costs and opportunity costs. If the market monitor determines that the bid is not consistent with the resource's costs, it will restate the bid using the Commission-approved calculation for net risk-adjusted going forward costs and opportunity costs. Dynamic de-list bids, which are bids submitted during the auction at below 0.8 times CONE, are assumed not to be the product of market power and are not subject to market monitor review. However, market participants are able to comment on dynamic de-list bids in response to ISO-NE's filing of the results of the auction.

18. The Commission has previously found "compensation for rejected one-year de-list bids at the level of the offered de-list bid to be just and reasonable," and we find the same true here.<sup>13</sup> By virtue of its de-list bid, Vermont Yankee signaled that \$3.933/kW-month is an acceptable price. There is nothing in the record to suggest that Vermont Yankee's de-list bid is unduly high and we see nothing to suggest that it should be paid a higher price. Although there may be situations in which this Commission may find such compensation unreasonable, in this case, we find compensation for Vermont Yankee's rejected one-year de-list bid at the level of the offered de-list bid to be just and reasonable.

---

<sup>12</sup> The relevant Tariff provision reads: "[A]ccepted Dynamic De-list Bids filed with the Commission as part of the [Forward Capacity Auction] results filing are subject to review and approval by the Commission pursuant to the 'just and reasonable' standard of [s]ection 205 of the Federal Power Act." ISO-NE Tariff § III.13.2.5.2.5.1(a)(i).

<sup>13</sup> *ISO New England Inc.*, 125 FERC ¶ 61,102, at P 21 (2008).

### **C. Rejection of Salem Harbor De-List Bids**

19. As noted previously, subject to section III.13.2.5.2.5 of the tariff, ISO-NE rejected the static de-list bids of two of the Salem Harbor units for reliability reasons. ISO-NE states that allowing these resources to leave the market would jeopardize the reliable operation of the bulk power system and would result in violations of the criteria of the North American Electric Reliability Corporation (NERC), the Northeast Power Coordinating Council (NPCC), or ISO-NE.

#### **1. Protest and Responses**

20. Conservation Law Foundation protests ISO-NE's alleged failure to meet certain Tariff requirements necessitated by ISO-NE's rejection of the Salem Harbor static de-list bids in the prior Forward Capacity Auction. Specifically, Conservation Law Foundation states that, pursuant to section III.13.2.5.2.5(g) of the Tariff, when ISO-NE rejects a de-list bid for reliability reasons, as it did Salem Harbor's de-list bids in the third Forward Capacity Auction, ISO-NE has the obligation to review the status of the specific reliability need and identify alternatives to resolve that reliability need and the time needed to implement those solutions with the Reliability Committee. According to the Tariff, this must be done before the start of the New Capacity qualification period for the Forward Capacity Auction for the subsequent Commitment Period, which was December 15, 2009 for the fourth Forward Capacity Auction. Conservation Law Foundation alleges that ISO-NE's failure to comply with its Tariff and address the reliability need for the nearly 60-year-old Salem Harbor Station will result in rates that are unjust and unreasonable and cause harm to the public interest by prolonging the life of aging, inefficient coal and oil-fired generation units that impose great costs on public health and the environment. According to Conservation Law Foundation, as a result of ISO-NE's failure, ratepayers will pay Dominion as much as \$36.9 million (and up to \$18.49 million "above market rate") for the capacity period from June 2012 – May 2013, and as high as \$34.65 million (and up to \$16.95 million above market rate) for the capacity period from June 2013 – May 2014.<sup>14</sup>

21. Conservation Law Foundation alleges that, rather than engaging in the analysis required under section III.13.2.5.2.5(g) (that is, initiating review of the "specific reliability need" for Salem Harbor and identifying alternatives and a timeline for implementation prior to December 15, 2009), ISO-NE appears to assert that its Greater

---

<sup>14</sup> Conservation Law Foundation October 14, 2010 Protest, Testimony of Douglas Hurley, at 5 n. 4 and 5, 7. Cost estimates for the June 2012 – May 2013 period are based on Dominion receiving \$5.33/kW-month instead of \$2.66 /kW-month (the pro-rated price based on the capacity market clearing price of \$2.95/kW-month) for 577 MW over the 12-month period.

Boston Area Transmission Needs Assessment (GBATNA) is sufficient to meet its reliability planning obligation. Conservation Law Foundation asserts that the GBATNA does not in fact satisfy the Tariff requirements because, although it includes an analysis of transmission issues that would arise from the retirement of all units at Salem Harbor, it is not directed at obviating the need for Salem Harbor as required by section III.13.2.5.2.5. Specifically, Conservation Law Foundation notes that the GBATNA does not (1) focus on the review of the Salem Harbor need; (2) identify the solutions necessary to retire Salem Harbor prior to the Capacity Commitment period for the fourth (or any) Forward Capacity Auction; or (3) identify the appropriate timeline for implementation of the solution in order to avoid the need for out-of-market payments.

22. Conservation Law Foundation argues that section III.13.2.5.2.5 of the Tariff protects against the danger of over-recovery by generators through the use of a static de-list bid to “toggle” between market rates and cost-of-service compensation, and that when ISO-NE fails to abide by this provision, it invites toggling by existing generators like Dominion. Conservation Law Foundation alleges that as long as ISO-NE fails to address the specific reliability need met by Salem Harbor, Dominion will be able to confidently engage in toggling to ensure that it receives the highest price possible for capacity, regardless of whether a more cost-effective solution exists. Conservation Law Foundation contends that it is impossible to justify continued out-of-market payments to Dominion when ratepayers have already been saddled with approximately \$233 million in transmission investments over a period of ten years that Conservation Law Foundation asserts was explicitly designed to, among other things, eliminate the reliability need for Salem Harbor. Conservation Law Foundation states that costly environmental upgrades are likely to be required in the near future, and ratepayers should not be forced to bear these costs unless no cost-effective alternatives are available. Finally, Conservation Law Foundation argues that ISO-NE must take future public policy requirements into account during its planning process, and urges the Commission to require ISO-NE to include consideration of the impacts of these requirements in its review of the specific reliability need for Salem Harbor and in its calculations regarding the costs of alternatives.

23. Conservation Law Foundation requests that the Commission set this proceeding for hearing or, in the alternative, direct ISO-NE to submit a compliance filing that (1) includes an expedited timeline for developing a transmission or non-transmission alternative to meet the specific need created by retirement of the Salem Harbor Units, (2) sets forth milestones for the planning process, and (3) requires ISO-NE to file an analysis explaining the most cost-effective measures to relieve the need for Salem Harbor and a timeline for completion. Conservation Law Foundation states that if the Commission decides to allow the out-of-market payments to Salem Harbor, then the approval should be conditioned on the completion of an expedited study and a revisiting of the determination to evaluate whether an acceptable alternative has been identified prior to the June 1, 2012 deadline for notification to Dominion of whether or not it will be required to operate during the Commitment Period from June 1, 2013 – May 31, 2014.



24. In its answer, ISO-NE states that it presented the specific reliability need for Salem Harbor Units 3 and 4 to the NEPOOL Stakeholders, including the Reliability Committee, on several occasions.<sup>15</sup> ISO-NE also argues that Conservation Law Foundation fails to consider that the de-list bids submitted by Dominion were static de-list bids and not permanent de-list bids, and that Salem Harbor therefore did not signal an intent to exit permanently from the market, giving rise to the need for a potential transmission solution. ISO-NE states that, for the fifth Forward Capacity Auction, Dominion has submitted a permanent de-list bid for Salem Harbor; because Dominion has now requested to permanently exit the FCM, ISO-NE will treat Salem Harbor as retired in transmission planning studies, including the GBATNA. ISO-NE states that if a permanent de-list bid is rejected for reliability purposes in the fifth Forward Capacity Auction, the resource will receive compensation only as long as the reliability need continues to exist, pursuant to section III.13.2.5.2.5.1(b)(ii).

25. With respect to Conservation Law Foundation's allegation that Dominion can "toggle" between cost-of-service and market rates, ISO-NE states that, in accordance with the Tariff, it has limited the compensation for Salem Harbor Units 3 and 4 to the Net Risk Adjusted Going Forward and Opportunity Costs, which do not permit the units to recover sunk capital investments. ISO-NE also asserts that many of the issues raised by Conservation Law Foundation challenge the reliability determination for the third Forward Capacity Auction and therefore constitute a collateral attack on the Commission order accepting the results of the third Forward Capacity Auction. ISO-NE asserts that Conservation Law Foundation's comments on ISO-NE's planning process are outside the scope of the instant proceeding. Finally, ISO-NE argues that to the extent the Conservation Law Foundation accuses it of failing to follow Tariff provisions that do not relate to the presentation of the fourth Forward Capacity Auction results to the Commission, Conservation Law Foundation's protest should be filed as a complaint rather than a protest.

26. In its reply, Conservation Law Foundation states that, contrary to ISO-NE's claims, its protest does not ask the Commission to treat static de-list bids as permanent de-list bids, nor does it attack the Tariff itself. Instead, asserts Conservation Law Foundation, its protest centers on the fact that ISO-NE did not engage in the process required by section III.13.2.5.2.5(g) of the Tariff, and as a consequence, has established rates that are unjust and unreasonable. Conservation Law Foundation argues that ISO-NE's argument rests on the faulty premise that the planning obligation set forth in section III.13.2.5.2.5(g) does little more than require a presentation of the reliability analysis that led to the

---

<sup>15</sup> Specifically, at the November 13, 2009 and December 15, 2009 Reliability Committee meetings and the November 18, 2009 Planning Advisory Committee meeting.

rejection of Dominion's static de-list bid. In effect, Conservation Law Foundation states, ISO-NE contends that the rejection of a static de-list bid does not trigger the same type of planning obligation as a permanent de-list bid. Conservation Law Foundation notes that this distinction does not exist in the language of the Tariff.

27. Conservation Law Foundation notes that ISO-NE's presentations to the Reliability Committee and Planning Advisory Committee devoted ample time to describing the reliability analysis and the determination of the need for Salem Harbor, but did not identify alternatives to meet the need nor establish a timeline for the implementation of a solution. Conservation Law Foundation also notes that ISO-NE's statement that out-of-market payments will persist only as long as the reliability need continues provides little comfort, especially when viewed in light of ISO-NE's long history of failing to take effective action to resolve this need, which has existed since at least April 25, 2003, when USGen filed a request to retire the facility.<sup>16</sup>

## 2. Commission Determination

28. First, as the Commission has stated in prior orders, ISO-NE is required to file the results of each Forward Capacity Auction with us and we must evaluate the filing to determine if ISO-NE conducted the Forward Capacity Auction in accordance with its market rules.<sup>17</sup> Conservation Law Foundation's protest concerns section III.13.2.5.2.5(g), which describes the procedures ISO-NE must follow after it rejects a de-list bid for reliability reasons if there is the possibility that the reliability need may not be resolved before the subsequent commitment period. Conservation Law Foundation alleges that ISO-NE rejected de-list bids for reliability reasons in the third Forward Capacity Auction and did not follow the procedures it was required to follow under section III.13.2.5.2.5(g) in preparation for the fourth Forward Capacity Auction. Conservation Law Foundation thereby alleges that ISO-NE did not conduct the fourth Forward Capacity Auction in accordance with its market rules. We therefore find that Conservation Law Foundation's protest is properly before us.

29. Section III.13.2.5.2.5(g) of the Tariff requires ISO-NE to "identify alternatives to resolve" the reliability need for a rejected de-list bid and identify "the time to implement those solutions" with the Reliability Committee "prior to the start of the New Capacity qualification period" for the next Forward Capacity Auction, which in this case was December 15, 2009.<sup>18</sup> While ISO-NE asserts that it made presentations to the Reliability

---

<sup>16</sup> Conservation Law Foundation Reply at 5.

<sup>17</sup> See, e.g., 130 FERC ¶ 61,145 at P 33.

<sup>18</sup> Contrary to ISO-NE's implication, the requirement to follow this procedure is

(continued...)

Committee and the Planning Advisory Committee on or before December 15, 2009, we find these presentations do not “identify alternatives to resolve” the reliability need for the Salem Harbor Units 3 and 4, nor do they identify “the time to implement those solutions.” We agree with the Conservation Law Foundation that the implicit distinction ISO-NE draws between the requirements triggered by static and by permanent de-list bids is not present in this tariff language.

30. We therefore order ISO-NE to submit a compliance filing within 60 days that either identifies alternatives to resolve the reliability need for Salem Harbor Units 3 and 4 and the time to implement those solutions, or includes an expedited timeline for identifying and implementing alternatives. We decline Conservation Law Foundation’s request to require ISO-NE to include consideration of the impacts of public policy requirements in its review of the specific reliability need for Salem Harbor and in its calculations regarding the costs of alternatives, as we find this request to be outside the scope of this proceeding.

The Commission orders:

The Commission accepts ISO-NE’s Forward Capacity Auction Results filing for the fourth Forward Capacity Auction pending the submittal of a compliance filing, within 60 days, as discussed above.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

---

not limited to situations in which a resource indicates an intent to retire permanently from the FCM. Section III.13.2.5.2.5(g) provides that ISO-NE must take the steps discussed here when reliability problems could be caused by “the rejection of a . . . Static De-List Bid, or Dynamic De-List Bid,” i.e., bids to leave the FCM for a single year.

Document Content(s)

ER10-2477-000.DOC.....1-11