

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

**ISO New England Inc. and
New England Power Pool**

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)

Docket No. ER15-593-000

**SUPPLEMENTAL COMMENTS OF
NEW ENGLAND POWER POOL PARTICIPANTS COMMITTEE**

(December 12, 2014)

The New England Power Pool (“NEPOOL”)¹ Participants Committee² hereby provides the following comments to supplement the filing submitted jointly by ISO New England Inc. (“ISO-NE”) and NEPOOL on December 5, 2014 in the above-captioned docket (the “December 5 Filing”). In the December 5 Filing, ISO-NE and NEPOOL jointly submitted revisions to the Financial Assurance Policy (“FAP”) to revise the minimum criteria for participation in the New England Markets (the “FAP Changes”). These Supplemental Comments provide the Commission with additional information regarding stakeholder consideration of these NEPOOL-supported FAP Changes.³

¹ Capitalized terms not defined herein have the meanings ascribed thereto in the Second Restated NEPOOL Agreement, Participants Agreement, or the ISO New England Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (the “Tariff”). Section III of the Tariff is referred to as “Market Rule 1”.

² NEPOOL is a voluntary association organized in 1971 pursuant to the New England Power Pool Agreement, and it has grown to include over 440 members. The Participants include all of the electric utilities rendering or receiving services under the Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, demand response providers, developers, end users and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission in *ISO New England Inc. et al.*, 109 FERC ¶ 61,147 (2004), the Participants act through the NEPOOL Participants Committee. The NEPOOL Participants Committee is authorized by Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement to represent NEPOOL in proceedings before the Commission. NEPOOL is the principal stakeholder organization for the New England RTO.

³ As indicated previously, NEPOOL and ISO-NE work closely together on joint filings to provide the Commission with an efficient, balanced and broad perspective on filings that enjoy the super-majority support of New England Market Participants. In joint filings, however, ISO-NE and NEPOOL

I. SUPPLEMENTAL COMMENTS

The FAP Changes were considered by the Participants Committee on December 5, 2014, just prior to the filing on that date. The discussion preceding the Committee's vote, including the expressed reasons for Participants' positions on the FAP Changes, was not reported in the December 5 Filing, however. The final vote of the Committee reflected 80.63% support, with numerous abstentions and some oppositions. Those Participants supporting the FAP Changes highlighted the additional protections to be afforded against the risks of thinly-capitalized Participants' market activities and the limited number of Market Participants expected to be impacted by the FAP Changes. There were a variety of reasons cited by those opposing the FAP Changes. The Massachusetts Municipal Wholesale Electric Company ("MMWEC") representative, for MMWEC and its members, expressed concerns with potential impacts on some of its smaller Publicly Owned Entity system members. Some Supplier Sector members ultimately voted in opposition for want of a commitment to highlight in the filing letter the significance of the relationship between the FAP Changes and other, albeit unchanged, provisions in the FAP.⁴ Those related provisions address how Participants may satisfy the FAP's Minimum Capitalization Requirements (and not be required to provide the additional 25% financial assurance margin for those failing to meet those requirements).⁵ Those Participants

seek to include the information that both organizations institutionally support. In some instances ISO-NE includes information that does not have formal support by NEPOOL but that ISO-NE considers to be important to support the filing. In such circumstances, the joint filing is clear in distinguishing that the information is from ISO-NE and not NEPOOL. In other instances, NEPOOL considers it important for the Commission to be aware of information about its deliberations that ISO-NE either may not support or may not consider to be necessary for the record, and does not include in the joint filing. These Supplemental Comments provide such information with respect to the joint filing letter submitting the FAP Changes.

⁴ See FAP, Section II.C.3.

⁵ New England's FAP has a feature, reportedly different from those in other regions, that allows Market Participants to satisfy the Minimum Capitalization Requirements through the submission of unaudited financial information (prepared in accordance with international accounting standards or

requested that the filing identify that the FAP Changes were acceptable or, minimally, not objectionable, in the eyes of some Participants at least, specifically because of the flexibility afforded by those unchanged, but interrelated provisions establishing how the Minimum Capitalization Requirements may be met. In response, ISO-NE indicated that such additional information, which focused on arrangements in other regions, was unnecessary to support the New England FAP Changes and not included in the filing letter. Without the requested assurance that such linkage would be identified in the filing letter, those Suppliers opposed the FAP Changes.

In the end, as reported in the joint December 5 Filing, the NEPOOL Participants Committee supported the FAP Changes, by a vote of 80.63% in favor, with oppositions and abstentions noted. Those oppositions and abstentions are identified on the vote tabulation included as Attachment 1 to this pleading.⁶ The additional information in these Supplemental Comments is submitted to complement and complete the synopsis of the stakeholder process described in Section IV of the December 5 Filing.

generally accepted accounting principles in the United States) accompanied by an attestation of a Senior Officer certifying the accuracy of and basis for accounting for that information. As noted in the Participants Committee discussion, this flexibility was for some an important predicate to their support for, or lack of opposition to, the FAP Changes.

⁶ Although a roll call vote was not taken, Participants were asked to identify opposition and abstentions for the record. Those present but not indicating opposition or an abstention were recorded as supporting the FAP Changes.

**DECEMBER 5, 2014 PARTICIPANTS COMMITTEE MEETING
VOTE TAKEN ON
FAP CHANGES**

TOTAL

| | VOTE |
|------------------------------|--------------|
| GENERATION SECTOR | 17.17 |
| TRANSMISSION SECTOR | 17.17 |
| SUPPLIER SECTOR | 12.03 |
| ALTERNATIVE RESOURCES SECTOR | 14.13 |
| PUBLICLY OWNED ENTITY SECTOR | 2.96 |
| END USER SECTOR | 17.17 |
| PROVISIONAL GROUP MEMBER | <u>0.00</u> |
| % IN FAVOR | 80.63 |

GENERATION SECTOR

| Participant Name | VOTE |
|-------------------------------------|------|
| Dominion Energy Marketing, Inc. | F |
| Entergy Nuclear Power Marketing LLC | F |
| EquiPower Resources Management, LLC | F |
| Essential Power, LLC | F |
| GDF SUEZ Energy Marketing NA, Inc. | F |
| Generation Group Member | A |
| NextEra Energy Resources, LLC | F |
| NRG Power Marketing, LLC | F |
| TransCanada Power Marketing Ltd. | F |
| | |
| IN FAVOR (F) | 8 |
| OPPOSED (O) | 0 |
| TOTAL VOTES | 8 |
| ABSTENTIONS (A) | 1 |

TRANSMISSION SECTOR

| Participant Name | VOTE |
|---------------------------------|------|
| Central Maine Power Company | F |
| Emera Maine | F |
| New England Power Company | F |
| NU / NSTAR | F |
| The United Illuminating Company | F |
| Vermont Electric Power Company | F |
| | |
| IN FAVOR (F) | 6 |
| OPPOSED (O) | 0 |
| TOTAL VOTES | 6 |
| ABSTENTIONS (A) | 0 |

SUPPLIER SECTOR

| Participant Name | VOTE |
|---|------|
| BP Energy Company | A |
| Brookfield Energy Marketing Inc./CSC | F |
| Calpine Energy Services | F |
| Citigroup Energy Inc. | A |
| Consolidated Edison Energy, Inc. | A |
| DC Energy, LLC | A |
| DTE Energy Trading, Inc. | A |
| Dynegy Marketing and Trade, LLC | F |
| Energy America, LLC | O |
| Exelon Generation Company | F |
| Galt Power, Inc. | A |
| Granite Ridge/Merrill Lynch Commodities | F |
| H.Q. Energy Services (U.S.) Inc. | F |
| LIPA | A |
| Macquarie Energy, LLC | O |
| Noble Americas Gas & Power Corp. | A |
| PSEG Energy Resources & Trade LLC | F |
| Vitol Inc. | O |
| | |
| IN FAVOR (F) | 7 |
| OPPOSED (O) | 3 |
| TOTAL VOTES | 10 |
| ABSTENTIONS (A) | 8 |

ALTERNATIVE RESOURCES SECTOR

| Participant Name | VOTE |
|--|------|
| Renewable Generation Sub-Sector | |
| First Wind Energy Marketing | A |
| Small RG Group Member | F |
| Distributed Generation Sub-Sector | |
| Conservation Services Group | A |
| Load Response Sub-Sector | |
| EnerNOC, Inc. | A |
| Enerwise Global Technologies Inc. | F |
| Small LR Group Member | A |
| Vermont Energy Investment Corp. | A |
| | |
| IN FAVOR (F) | 2 |
| OPPOSED (O) | 0 |
| TOTAL VOTES | 2 |
| ABSTENTIONS (A) | 5 |

CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of the foregoing document to be served electronically upon each person designated on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission.

Dated at Hartford, Connecticut this 12th day of December 2014.

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