

August 23, 2016

By Electronic Mail

NEPOOL Participants Committee
c/o Patrick Gerity
Day Pitney LLP
242 Trumbull Street
Hartford CT 06103

Re: Additional Proposal for Consideration at August 30 IMAPP Meeting

Dear Patrick,

NEPOOL Member Conservation Law Foundation (“CLF”) submits these additional proposals and requests time to present them to the Participants Committee IMAPP group (the “IMAPP Working Group”) during its already-scheduled Aug. 30 meeting:

Additional Proposal 1: CLF proposes that, before further considering any substantive IMAPP proposal – i.e., any specific proposal for new pricing in, or rules for, an existing ISO-NE market(s) or for the establishment of any new ISO-NE market(s) — the IMAPP Working Group should formulate a short and clear consensus statement of the specific objective(s) of the IMAPP effort.

Additional Proposal 2: CLF proposes that NEPOOL request a legal opinion from NEPOOL counsel (Day Pitney LLP) regarding the anticipated legal basis for an ISO-NE Section 205 filing in support of proposals contained in the anticipated IMAPP Working Group Framework Documents.

Relevant Context of Proposals: A range of possible, and potentially conflicting, goals and objectives for the IMAPP effort have been articulated by NEPOOL leadership and by members in their Aug. 11 presentations. Those goals range from: generally “accommodate[ing] public policies” including, among others, “carbon-emissions reductions [and] fuel diversity” without “unreasonably increasing the cost to consumers”¹ to “integrat[ing] into our wholesale markets new criteria” that will, in addition to existing requirements for achieving least-cost grid

¹ NEPOOL, *Policies and Markets Problem Statement* (May 17, 2016), at 1.

reliability, result in “decarbonizing [ISO-NE] over time.”² That broad range of possible IMAPP scope was further broadened, rather than narrowed, by the state “goal posts” which suggest that the IMAPP effort should simultaneously focus on near term goals (such as “accomplishing” MA’s recent H.4568 procurement of hydropower and off-shore wind, and “minimiz[ing] short-term financial effects to current existing resources”), as well as on largely unspecified, or vague, mid-term (10-years) and long-term (30-year) goals.³

Proposal Justification: At least three Aug. 11 presenters have indicated in their initial comments and proposals that the specific goal(s) of the IMAPP effort are to date, insufficiently defined to allow meaningful assessment.⁴ CLF believes that such lack of definition will prohibit fair analysis of the already disparate substantive proposals which run the gamut from protecting current generator revenues (both because of,⁵ and alternately without regard for,⁶ carbon emissions) to the creation of new forward markets to procure “clean energy” in amounts to be designated by “the states” which currently have no direct mechanism for regular participation in ISO-NE markets.⁷ Similarly, having some understanding of the anticipated legal basis for a Section 205 filing seeking to implement any final IMAPP recommendations will directly aid the assessment of the various IMAPP proposals including assessment against the state “goal post” that proposals include consideration of mechanisms to “ensure consumers in any one state do not fund the public policy requirements mandated by another state’s laws.”

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² NEPOOL, *Chairman’s Opening Remarks NEPOOL IMAPP Initiative* (Aug. 11, 2016), at 2; *see also id.* at 3 (“But state policy objectives are changing to encourage the decarbonization of the generating fleet, and so too must our markets.”).

³ NEPOOL, *Policy and Markets: Goal Posts* (Jun. 16, 2016), at 1-2.

⁴ *See, e.g.*, Publicly Owned Entity Sector Presentation (Aug. 11, 2016), at 6 (“The starting point for process improvement needs to be defining the set of objectives we are looking to achieve (i.e. agree on “What constitutes success...”); Objectives and goals define structures and design approaches • Structures and design approaches drive outcomes”); NextEra, *Meeting the Region’s Carbon Goals: IMAPP Presentation* (Aug. 11, 2016), at 2 (“Clear definition of state public policy goals is key”); accord CLF, *Integrating Markets and Public Policy: Using Competitive Markets to Achieve New England’s Energy Decarbonization Goals* (Aug. 11, 2016), at 5 (“Preliminary Step(s) • Develop understanding of what we want the markets to deliver”).

⁵ *See* William Short, *Proposal for clean power plant solicitation* (Aug. 11, 2016), at 2.

⁶ *See* NRG, *Capacity markets & efficient renewable procurement in a carbon-constrained world* (Aug. 11, 2016), at 9.

⁷ *See* National Grid, *A Forward Clean Energy Market for New England?* (Aug. 11, 2016), at 6-8; NextEra, *Meeting the Region’s Carbon Goals: IMAPP Presentation* (Aug. 11, 2016), at 4-5.



In support of Additional Proposal 1, CLF intends to present a draft formulation of a clear and concise statement of specific objectives for the IMAPP effort.

Sincerely,

Jerry Elmer

David Ismay

Senior Attorneys
Conservation Law Foundation