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February 8, 2010

**VIA ELECTRONIC FILING**

The Honorable Kimberly D. Bose, Secretary  
The Honorable Nathaniel J. Davis, Sr., Deputy Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: ISO New England, Docket Nos. ER08-41-003 and ER08-41-004

Dear Secretary Bose and Deputy Secretary Davis:

Attached for filing in the above-captioned proceeding are comments of the New England Power Pool (“NEPOOL”) Participants Committee on the report, dated January 14, 2010, made by ISO New England Inc. Please contact me if you have any questions or need any further information regarding this filing.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
Eric K. Runge  
Counsel to the NEPOOL Participants  
Committee

cc: Official Service List

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

ISO New England Inc.

)

**Docket Nos. ER08-41-003  
ER08-41-004**

**COMMENTS OF THE  
NEW ENGLAND POWER POOL PARTICIPANTS COMMITTEE**  
(February 8, 2010)

**I. INTRODUCTION**

The New England Power Pool (“NEPOOL”) Participants Committee submits these comments on the report, dated January 14, 2010, made by ISO New England Inc. (“ISO-NE”) regarding tie benefits issues (the “January 14, 2010, Tie Benefits Report”) in the above-captioned proceeding. In the January 14, 2010, Tie Benefits Report, ISO-NE stated its intent to conduct a stakeholder process to comprehensively address and seek to resolve all outstanding and identified tie benefits issues, including certain issues identified as “Reserved Issues”<sup>1</sup> in a November 26, 2008 report filed in Docket Nos. ER08-41-003, -004 (the “November 26, 2008, Tie Benefits Report”).<sup>2</sup> ISO-NE stated its intent to conduct and complete this process and to make a filing with the Commission by the end of the year 2010 to address any required Tariff

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<sup>1</sup> The November 26, 2008, Tie Benefits Report (at n. 5) identified the Reserved Issues as follows: (1) modeling internal transmission constraints that create export and import-constrained Load Zones or sub-areas; (2) allocating tie benefits to individual interconnections with neighboring Control Areas, rather than by Control Area; and (3) modeling capacity and transmission capabilities and constraints for other neighboring Control areas that are not directly connected to New England, for use in developing tie benefits.

<sup>2</sup> January 14, 2010, Tie Benefits Report at pp. 4 and 6.

changes in time for the fifth primary Forward Capacity Auction<sup>3</sup> (“FCA-5”).<sup>4</sup> These stated intentions are referred to herein as the “ISO-NE Proposal”.

In the November 26, 2008, Tie Benefits Report, ISO-NE and NEPOOL presented a schedule that would have had the stakeholder process, including any NEPOOL votes, completed in time for any proposed ISO-NE Tariff changes to be filed with the Commission on or before February 1, 2010. Thus, the ISO-NE Proposal is a change to that schedule. During 2009, ISO-NE and NEPOOL engaged in a substantial effort to address a number of tie benefits issues, but did not complete that effort. In early January 2010, prior to filing the January 14 Tie Benefits Report, but after announcing the intent of the ISO-NE Proposal in a December 15, 2009 filing with the Commission in Docket No. ER10-438-000, ISO-NE requested NEPOOL’s support for that change and for the ISO-NE Proposal. Given the NEPOOL process and the timing of meetings, NEPOOL was not then in a position to state whether it supported the ISO-NE Proposal.<sup>5</sup> At its February 5, 2010 Participants Committee meeting, NEPOOL considered and voted on the ISO-NE Proposal. These comments reflect the results of that consideration and vote.

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<sup>3</sup> Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in the ISO New England Inc. (“ISO-NE”) Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3 (“ISO-NE Tariff”), the Second Restated New England Power Pool Agreement, and the Participants Agreement.”

<sup>4</sup> January 14, 2010, Tie Benefits Report at p. 6.

<sup>5</sup> In its January 8, 2010 Supplemental Comments in Docket No. ER10-438-000, NEPOOL stated in connection with the ISO-NE Proposal: “The NEPOOL Participants Committee will consider this

## **II. COMMENTS**

### **A. The NEPOOL Participants Committee February 5 Vote**

The ISO-NE Proposal received 43.25% support from the NEPOOL Participants Committee, and, therefore, does not have the support of NEPOOL as an organization.<sup>6</sup> The lack of support for the ISO-NE Proposal can be attributed to three main reasons articulated at the February 5 Participants Committee meeting.

First, several Participants objected to the treatment of the Reserved Issues as a matter of process. They objected to the fact that two proponents of those issues<sup>7</sup> had spent over two years trying to have them addressed, with a commitment from ISO-NE that they would be addressed by February 1, 2010, only to have the time for resolving those issues once again extended. The proponents themselves stated that, not only had a commitment been made, but that work had been nearly finalized that would have allowed ISO-NE to make a recommendation on the Reserved Issues for NEPOOL vote. They noted that other Participants pursuing their own issues could be put in the same situation in the future, whereby an ISO-NE unilateral change in process undercuts their ability to have issues addressed. Several Participants stated that, while they might not support the proponents of the Reserved Issues in their desired substantive outcome of those issues, and while they otherwise support a comprehensive treatment of tie benefits issues, they thought as a matter of due process those issues should have been addressed in accordance with the commitments made.

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proposed change in schedule at its February 5, 2010 meeting, and will provide any comments to the Commission on the ISO Report as appropriate after that meeting.”

<sup>6</sup> A vote of two-thirds or more in favor was required to express that support. Attachment 1 to these Comments tabulates the February 5 Participants Committee vote.

<sup>7</sup> Cross Sound Cable Company, LLC and Long Island Lighting Company d/b/a LIPA are the two primary proponents of the Reserved Issues.

Second, some of those who opposed the ISO-NE Proposal stated that their opposition was based on ISO-NE's late notice and lack of consultation with NEPOOL before announcing the ISO-NE Proposal, rather than on the proposal itself. They objected to ISO-NE announcing its proposal first in Docket No. ER10-438-000 (the so-called "Jump Ball" proceeding, regarding the calculation of tie benefits for the third annual reconfiguration auctions in the Forward Capacity Market) without having first sought advisory input from NEPOOL.

Several Participants raised a concern that NEPOOL's lack of support for the ISO-NE Proposal not be confused with NEPOOL's prior support in the Jump Ball proceeding in Docket No. ER10-438-000 for a stakeholder process to develop rules regarding the calculation of tie benefits for third annual reconfiguration auctions in the Forward Capacity Market. In the Jump Ball proceeding that is pending before the Commission, NEPOOL has submitted a Market Rule amendment that would require a stakeholder process to be conducted in 2010 and concluded by the end of the year for examining and potentially revising the rules *for the calculation of tie benefits for the third annual reconfiguration auctions*. That NEPOOL supported Market Rule proposal *is distinct from the ISO-NE Proposal* to conduct a comprehensive review of tie benefits issues in that the NEPOOL proposal is limited to the rules regarding tie benefits for third annual reconfiguration auctions and does not require further delay in the resolution of the Reserved Issues.

Third, several other Participants stated that the basis for their objection to the ISO-NE Proposal is that they are already fully occupied with work pertaining to the ISO-NE markets and that trying to tackle all of the tie benefits issues in 2010 would be excessive. They advocated for beginning the tie benefits issues process later in 2010 and completing it in 2011, or addressing in

an expedited way the Reserved Issue regarding the calculation of tie benefits on an individual tie line basis, while deferring the rest of the tie benefits issues until late 2010 and 2011..

**B. The NEPOOL Stakeholder Process for Review of Tie Benefits Issues**

NEPOOL recognizes that its vote on the ISO-NE Proposal is advisory, and that ISO-NE as a practical matter, subject to Commission guidance, will conduct the process it outlined in that proposal. As always, NEPOOL will work with ISO-NE to try to achieve an efficient and effective stakeholder process. In 2009, NEPOOL already did considerable work with ISO-NE to scope out a comprehensive list of tie benefits issues of concern to New England. NEPOOL recommends that the tie benefits issues list developed in 2009 form the starting point for the comprehensive list of outstanding and identified tie benefits issues. Additionally, given the breadth and complexity of tie benefits issues that already exist, NEPOOL Participants have requested that ISO-NE quickly develop a comprehensive list of identified tie benefits issues and a realistic work plan and schedule for addressing and resolving those issues. In formulating the work plan, ISO-NE should give thought to whether any of the Reserved Issues can be expedited. This issues list, work plan and schedule should be developed in close consultation with NEPOOL.

### **III. CONCLUSION**

For the reasons stated herein, NEPOOL requests that the Commission take these comments into consideration in any determination it makes regarding the ISO-NE Proposal as contained in the January 14 Tie Benefits Report.

Respectfully submitted,

NEPOOL PARTICIPANTS COMMITTEE

By: \_\_\_\_\_/s/\_\_\_\_\_

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Its Attorneys

Dated: February 8, 2010

**Attachment 1**

**February 5, 2010 Participants Committee Vote**

**NEPOOL PARTICIPANTS COMMITTEE  
VOTE TAKEN AT FEBRUARY 5, 2010 MEETING  
ISO PROPOSAL REGARDING SCHEDULE FOR RESOLUTION OF TIE BENEFITS ISSUES**

**TOTAL**

<b>Participant Name</b>	<b>VOTE</b>
GENERATION	0.00
TRANSMISSION	17.30
SUPPLIER	0.00
ALTERNATIVE RESOURCES	0.00
PUBLICLY OWNED ENTITY	17.30
END USER	8.65
<b>% IN FAVOR</b>	43.25

**GENERATION SECTOR**

<b>Participant Name</b>	<b>VOTE</b>
BG Dighton Power, LLC	O
Boston Generating, LLC	O
Caithness New England Services Co.	A
NAEA Energy Massachusetts, LLC	A
Dominion Energy Marketing, Inc.	O
Entergy Nuclear Power Marketing LLC	A
International Power America (ANP Funding I, LLC)	A
Millennium Power Partners	O
Mirant Energy Trading, LLC	O
NextEra Energy Resources, LLC	A
NRG Power Marketing, LLC	A
TransCanada Power Marketing Ltd.	A
Provisional Group Member	O
BG Dighton Power, LLC	O
IN FAVOR (F)	0
OPPOSED (O)	7
TOTAL VOTES	7
ABSTENTIONS ( A)	15

**TRANSMISSION SECTOR**

<b>Participant Name</b>	<b>VOTE</b>
Bangor Hydro-Electric Company	F
Central Maine Power Company	F
New England Power Company	F
The United Illuminating Company	F
Northeast Utilities Service Company	F
NSTAR Electric Company	F
Vermont Electric Power Company, Inc.	F
IN FAVOR (F)	7
OPPOSED (O)	0
TOTAL VOTES	7
ABSTENTIONS (A)	0

**SUPPLIER SECTOR**

<b>Participant Name</b>	<b>VOTE</b>
BP Energy Company	A
Brookfield Energy Marketing Inc./CSC	S
Brookfield (split)	O
Cross-Sound Cable Co. (split)	O
Consolidated Edison Energy, Inc.	O
Constellation Energy Commodities Group	A
DC Energy, LLC	A
Dynegy Power Marketing, Inc.	A
Energy America, LLC	A
Exelon Generation, LLC	O
GDF SUEZ Energy Marketing/FirstLight	A
Granite Ridge/Merrill Lynch Commod./BoA	O
H.Q. Energy Services (U.S.) Inc.	O
Hess Corporation	A
Integrus Energy Services, Inc.	A
LIPA	O
Pepco Energy Services, Inc.	A
Pinpoint Power	O
PPL EnergyPlus, LLC	A
PSEG Energy Resources & Trade LLC	A
IN FAVOR (F)	0
OPPOSED (O)	7
TOTAL VOTES	7
ABSTENTIONS (A)	11

**ALTERNATIVE RESOURCES SECTOR**

<b>Participant Name</b>	<b>VOTE</b>
<b>Renewable Generation</b>	
Gas Recovery Systems, Inc.	O
Small RG Group Member	F
<b>Distributed Generation</b>	
Small DG Group Member	O
<b>Load Response</b>	
Comverge, Inc.	A
Conservation Services Group	O
CPower, Inc.	A
EnerNOC, Inc.	A
Vermont Energy Investment Corporation	O
Small Load Response Group Member	O
IN FAVOR (F)	1
OPPOSED (O)	5
TOTAL VOTES	6
ABSTENTIONS ( A)	3

**NEPOOL PARTICIPANTS COMMITTEE  
VOTE TAKEN AT FEBRUARY 5, 2010 MEETING  
ISO PROPOSAL REGARDING SCHEDULE FOR RESOLUTION OF TIE BENEFITS ISSUES**

**PUBLICLY OWNED ENTITY SECTOR**

<b>Participant Name</b>	<b><u>VOTE</u></b>
Ashburnham Municipal Light Plant	F
Braintree Electric Light Department	F
Boylston Municipal Light Department	F
Chicopee Municipal Lighting Plant	F
Concord Municipal Light Plant	F
Conn. Municipal Electric Energy Cooperative	F
Groton Electric Light Department	F
Hingham Municipal Lighting Plant	F
Holden Municipal Light Department	F
Holyoke Gas & Electric Department	F
Hudson Light and Power Department	F
Hull Municipal Lighting Plant	F
Ipswich Municipal Light Department	F
Littleton (NH) Water & Light Department	F
Mansfield Municipal Electric Department	F
Marblehead Municipal Light Department	F
Mass. Municipal Wholesale Electric Co.	F
Middleborough Gas and Electric Department	F
Middleton Municipal Electric Department	F
Pascoag Utility District	F
Paxton Municipal Light Department	F
Peabody Municipal Light Plant	F
Princeton Municipal Light Department	F
Rowley Municipal Lighting Plant	F
Shrewsbury's Electric & Cable Operations	F
South Hadley Electric Light Department	F
Sterling Municipal Electric Light Department	F
Taunton Municipal Lighting Plant	F
Templeton Municipal Lighting Plant	F
Vermont Electric Cooperative	F
Wakefield Municipal Gas and Light Dept.	F
West Boylston Municipal Lighting Plant	F
Westfield Gas & Electric Light Department	F
IN FAVOR (F)	33
OPPOSED (O)	0
TOTAL VOTES	33
ABSTENTIONS (A)	0

**END USER SECTOR**

<b>Participant Name</b>	<b><u>VOTE</u></b>
511 Plaza, LP	A
Connecticut Office of Consumer Counsel	O
Conservation Law Foundation	A
Corinth Wood Pellets, LLC	A
Dennis Beverage	A
Dragon Products Company	A
Elektrisola, Inc.	A
Fairchild Semiconductor Corporation	A
Food City, Inc.	A
Garland Manufacturing Company	A
Hammond Lumber Company	A
Hardwood Products Company	A
Harvard Dedicated Energy Limited	A
LaBree's Inc.	A
Lavalley Lumber Co.	A
Maine Woods Pellet Company	A
Marden's Inc.	A
Mass. Attorney General's Office	F
Merchants Plaza LLC	A
New Hampshire Office of Consumer Advocate	O
PalletOne of Maine	A
PowerOptions, Inc.	A
Quality Egg of New England	A
RJF – Morin Brick LLC	A
Robbins Lumber	A
St. Anselm College	A
St. Joseph Health Services of Rhode Island	A
The Energy Consortium	F
The Energy Council of Rhode Island	A
The Westerly Hospital	A
Union of Concerned Scientists	A
Whole Foods Market Group, Inc.	A
Z-TECH, LLC	A
IN FAVOR (F)	2
OPPOSED (O)	2
TOTAL VOTES	4
ABSTENTIONS (A)	29

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document electronically upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Hartford, Connecticut this 8th day of February, 2010.

\_\_\_\_\_/s/  
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