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April 30, 2012

**VIA ELECTRONIC FILING**

The Honorable Kimberly D. Bose, Secretary  
The Honorable Nathaniel J. Davis, Sr., Deputy Secretary  
Federal Energy Regulatory Commission  
Room 1A-East, First Floor  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: ISO New England Inc., Docket No. ER12-\_\_\_\_-000**  
**Forward Capacity Auction Results Filing**  
**JUNE 14, 2012 COMMENT DATE REQUIRED BY REGULATION**

Dear Ms. Bose and Mr. Davis:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Section III.13.8.2 of the ISO New England Transmission, Markets and Services Tariff (the “Tariff”),<sup>2</sup> ISO New England Inc. (the “ISO”) submits this Forward Capacity Auction Results Filing (“FCA Results Filing”), which includes a redacted version of the testimony of Mr. Stephen J. Rourke, Vice President of System Planning at the ISO (“Rourke Testimony”). Also filed herein is a confidential version of the Rourke Testimony, for which the ISO seeks treatment as Critical Energy Infrastructure Information (“CEII”), as discussed further below.

Pursuant to Section III.13.8.2(c) of the Tariff, any objection to the Forward Capacity Auction (“FCA”) results must be filed with the Commission within 45 days from the date of the FCA Results Filing. **Accordingly, any objections must be filed on or before June 14, 2012, and the ISO requests that the Commission issue a notice setting a June 14, 2012 comment date.** As discussed below, the ISO requests an effective date of August 28, 2012, which is 120 days from the date of this submission.

<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> The rules governing the Forward Capacity Market (“FCM Rules”) are primarily contained in Section III.13 of the Tariff, but also may include other provisions, including portions of Section III.12 (Calculation of Capacity Requirements).

Section III.13.8.2(a) of the Tariff requires the ISO to file the results of the FCA with the Federal Energy Regulatory Commission (“Commission”) as soon as practicable after the FCA is complete. The sixth FCA was held on April 2-3, 2012 for the June 1, 2015 through May 31, 2016 Capacity Commitment Period.

In accordance with Section III.13.8.2 of the Tariff, this submission contains the results of the sixth FCA, including the final set of Capacity 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); and a list of which resources received Capacity Supply Obligations in each Capacity Zone; and the amount of those Capacity Supply Obligations.<sup>3</sup> In short, there was one Capacity Zone for the entire New England region, and 2,853 MW<sup>4</sup> of excess capacity remained in the auction at the floor price of \$3.434/kW-month.

Section III.13.8.2 also requires the ISO to enumerate any bids rejected for reliability reasons pursuant to Section III.13.2.5.2.5 of the Tariff, and the reasons for those rejections. Mr. Rourke’s Testimony explains the criteria that the ISO applied to determine if a resource is needed for reliability. Mr. Rourke states that the ISO reviewed each de-list bid to determine if the capacity associated with the bid is needed to maintain reliability so that the system is able to withstand the unplanned loss of system elements (“contingencies”), even if those contingencies occur when the system is serving peak loads and is under stress.

The ISO rejected six Dynamic De-List Bids representing 79 MW of capacity, all located in the Northeast Massachusetts/Boston Load Zone, an area with limited capacity resources. As explained in Mr. Rourke’s testimony, a resource that has had a de-list bid rejected in the auction for reliability reasons may still have that de-list bid accepted at a later date as long as the ISO notifies the resource that it is no longer needed for reliability by June 1 of the year preceding the Capacity Commitment Period for which the de-list bid was accepted.<sup>5</sup>

Section III.13.8.2(b) of the Tariff requires the ISO to provide documentation regarding the competitiveness of the FCA. The documentation may include certification from the auctioneer and the ISO that: (i) all entities offering and bidding in the FCA were properly qualified in accordance with the provisions of Section III.13.1; and (ii) the FCA was conducted in accordance with the provisions of Section III.13. Pursuant to Section III.13.8.2(b), the ISO has included, as documentation of the competitiveness of the FCA, the testimonies of Mr. David LaPlante, Vice President of the Internal Market

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<sup>3</sup> See Section VIII below.

<sup>4</sup> The excess capacity value uses total supply, adjusted to reflect the Real Time Emergency Generation limit of 600 MW, pursuant to Section III.13.2.3.3(f) of the Tariff, adjusted to reflect external interface transfer limits.

<sup>5</sup> Testimony of Stephen J. Rourke at p. 21.

Monitor Unit (“IMM”) at the ISO; Mr. Lawrence M. Ausubel, the auctioneer; and Mr. Stephen J. Rourke.

The results of the sixth FCA demonstrate that the Forward Capacity Market (“FCM”) continues to procure and retain the necessary resources to provide reliable capacity supply for New England.

The ISO tenders the instant filing in compliance with Section III.13.8.2 of its Tariff pursuant to Section 205 of the FPA, and the ISO requests that the Commission find that this filing meets the standard of Section 205. The ISO conducted the sixth FCA in accordance with its FERC approved Tariff and utilizing the same assumptions and methodology previously accepted by the Commission.<sup>6</sup>

## I. COMMUNICATIONS

All correspondence and communications in this proceeding should be addressed to the undersigned as follows:

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## II. STANDARD OF REVIEW

The ISO tenders the instant filing in compliance with Section III.13.8.2 of its Tariff pursuant to Section 205 of the FPA.<sup>7</sup> The ISO respectfully requests that the

<sup>6</sup> *ISO New England Inc.*, Order Accepting Filing, 123 FERC ¶ 61,290 (2008), Order Denying Rehearing and on Informational Filing, 130 FERC ¶ 61,235 (2010); *ISO New England Inc.*, Order Accepting Results of Forward Capacity Auction, 127 FERC ¶ 61,040 (2009); *ISO New England Inc.*, Order On Forward Capacity Auction Results Filing, 130 FERC ¶ 61,145 (2010); *ISO New England Inc.*, 133 FERC ¶ 61,230 (2010); *ISO New England Inc.*, 137 FERC ¶ 61,056 (2011) (“Fifth FCA Results Order”).

<sup>7</sup> It should be noted that the Commission has consistently held that the matters properly in dispute in the annual FCA results filing are the results of the FCA and not the underlying market design or rules. See e.g., *ISO New England Inc.*, 130 FERC ¶ 61,145 at P 33 (2010) (finding that challenges to the FCM market design are outside the scope of the proceeding evaluating the FCA results filing).

Commission find that the sixth FCA Results Filing meets the standard of Section 205, in that the results are just and reasonable rates derived from the auction utilizing a methodology previously approved by the Commission. The attached testimonies support these conclusions, and provide the basis for the Commission to approve the resulting rates.

### **III. REQUEST FOR CEII TREATMENT**

The ISO requests that information contained in the Rourke Testimony, which was filed as “CEII Exhibit B”, be treated as critical energy infrastructure information (“CEII”). The ISO respectfully requests that the material in CEII Exhibit B be treated as CEII pursuant to Section 388.112 of the Commission’s regulations,<sup>8</sup> because it contains information relating to “the production, generation, transportation, transmission, or distribution of energy.” Moreover, the ISO seeks CEII treatment of the information in CEII Exhibit B because its public disclosure could impair system operations, unnecessarily reveal sensitive information, and pose significant security problems as to the facilities referenced therein. For these reasons, the ISO submits that these materials should be exempt from public disclosure and should be granted CEII treatment.

### **IV. REQUESTED EFFECTIVE DATE**

The ISO respectfully requests that the Commission accept the FCA Results Filing to be effective August 28, 2012 which is 120 days after the date of submission. Under the Tariff, parties have 45 days to file with the Commission an objection to the FCA Results Filing. An effective date of 120 days from the date of submission gives interested parties an opportunity to respond to any objections and provides the Commission time to review the FCA Results Filing and associated pleadings.

### **V. OVERVIEW**

The ISO held the New England region’s sixth FCA on April 2-3, 2012. The Starting Price for the auction was set at \$11.446/kW-month. A significant amount of new and existing capacity participated in the FCA and remained in the auction until the Capacity Clearing Price Floor was reached. Pursuant to the Tariff, the FCA was required to procure capacity equal to the Net Installed Capacity Requirement (“NICR”) of 33,456 MW.<sup>9</sup> By the seventh and final round, the auction reached the minimum auction price of \$3.434/kW-month with an excess supply of 2,853 MW.<sup>10</sup>

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<sup>8</sup> 18 C.F.R. § 388.112 (2011).

<sup>9</sup> *ISO New England Inc. and New England Power Pool*, Filing of Installed Capacity Requirement, Hydro Quebec Interconnection Capability Credits and Related Values for the 2015/2016 Capability Year, filed on January 3, 2012, in Docket No. ER12-756-000 (“ICR Filing”), approved by Letter Order issued on February 23, 2012 (“ICR Order”).

<sup>10</sup> The excess capacity value is calculated based on the total supply, adjusted to reflect the 600 MW limit on the amount of Real Time Emergency Generation that can be counted towards

In accordance with the Tariff, when the minimum auction price is reached, the auction will conclude and load will pay only NICR times the applicable floor price. Resources will choose between a Capacity Supply Obligation of their full cleared capacity at an effective payment rate, or receiving the floor price of \$3.434/kW-month and prorating their Capacity Supply Obligation by the same ratio.<sup>11</sup> Thus, the auction will purchase capacity in an amount between 33,456 MW, which is the NICR, and 36,326<sup>12</sup> MW depending on the proration elections of the auction participant.

A number of resources elected to leave the market when the auction prices fell below a certain level. The FCM allows existing resources to opt-out of the market by submitting a de-list bid that clears the auction. All de-list bids are subject to reliability review by the ISO.<sup>13</sup> If the price in the FCA drops below the de-list price, and the resource is not needed for reliability, the bid will be deemed to have cleared the auction. The ISO received a total of 191<sup>14</sup> de-list bids from resources in all six New England states. A total of approximately 1,868 MW of de-lists bids were reviewed for reliability and of that total, 1,789 MW of de-list bids were cleared to leave the auction.

## VI. BACKGROUND

As required by Section III.13.8.1 of the Tariff, on January 3, 2012, the ISO filed with the Commission an Informational Filing for qualification in the sixth FCA.<sup>15</sup> The Informational Filing detailed determinations made by the ISO with respect to resource qualification for the sixth FCA and provided the supporting documentation for such determinations. In the Informational Filing, the ISO discussed in detail the qualification process for resources to participate in the sixth FCA and the process subsequently used by the ISO to review the qualification of those resources. The ISO also specified resources accepted or rejected in the qualification process in the sixth FCA.<sup>16</sup> In an Order issued on March 15, 2012, the Commission accepted the Informational Filing.<sup>17</sup>

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meeting the ICR pursuant to Section III.13.2.3.3(f) of the Tariff, adjusted to reflect external interface transfer limits.

<sup>11</sup> Tariff Section III.13.2.7.3(b).

<sup>12</sup> This value is not Adjusted to reflect the Real Time Emergency Generation limit of 600 MW, pursuant to Section III.13.2.3.3(f) of the Tariff, and adjusted to reflect external interface transfer limits.

<sup>13</sup> Tariff Section III.13.2.5.2.5.

<sup>14</sup> This amount includes two Permanent, one Administrative Export, 38 Static, and 150 Dynamic De-List bids.

<sup>15</sup> See Informational Filing in Docket No. ER12-757-000.

<sup>16</sup> Subsequent to the January 3, 2012 Informational Filing, certain non-commercial resources were withdrawn from critical path schedule monitoring and one resource failed to meet the requirements of the Financial Assurance Policy. Accordingly, these resources were ineligible to participate in the sixth FCA.

<sup>17</sup> *Order Accepting Informational Filing*, 138 FERC ¶ 61,196 (2012).

Pursuant to Section III.13.2.2 of the Tariff, the auction procures capacity equal to NICR. The Commission approved an NICR for the 2015-2016 Capacity Commitment Period of 33,456 MW.<sup>18</sup> Therefore, the sixth auction was intended to procure capacity equal to the NICR of 33,456 MW.

Section III.13.2.4 of the Tariff specifies how the starting price of the FCA and the Cost of New Entry (“CONE”) are determined. Each Capacity Zone modeled in the FCA will have an FCA starting price, which will equal two times the CONE applicable to that Capacity Zone. For the sixth FCA, CONE was set at \$5.723/kW-month for the Maine and Rest-of-Pool Capacity Zones. Accordingly, the sixth FCA starting price was \$11.446/kW-month. The auction consisted of seven rounds. The auction concluded when the price reached \$3.434/kW-month (0.6 times CONE), the Capacity Clearing Price Floor in the Tariff.<sup>19</sup>

Upon conclusion of the sixth FCA, when the End-of-Round Price reached the floor price of \$3.434/kW-month, more capacity was offered in the auction than was needed to meet the NICR. Pursuant to Section III.13.2.7.3(b) of the Tariff, when the Capacity Clearing Price reaches the floor price, offers in the auction are prorated such that no more than NICR times the floor price is paid in the FCA.<sup>20</sup> Therefore, for the sixth FCA, payment to resources with Capacity Supply Obligations will be prorated by the total amount of megawatts of capacity clearing in the auction.<sup>21</sup> Resources may also elect to prorate their bid megawatts by partially de-listing one or more resources. Proration requests are subject to reliability review by the ISO. If a proration request is rejected for reliability reasons, the resource will be paid its full Capacity Clearing Price for each of the megawatts that clear in the auction. The difference between the resource’s actual payment and what the payment would have been had the resource not been rejected for reliability reasons will be allocated to Network Load within the affected Reliability Region.<sup>22</sup>

The effective payment rate applied to RTEG is prorated by the maximum amount of RTEG allowed to be purchased in the auction, 600 MW,<sup>23</sup> divided by the total amount of RTEG that received a Capacity Supply Obligation in the auction (617 MW). The result is an adjusted effective payment rate of \$3.044/kW-month that will be multiplied

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<sup>18</sup> Letter Order Accepting ICR Filing in Docket No. ER12-756-000. The 2015-2016 Capability Year extends from June 1, 2015 to May 31, 2016.

<sup>19</sup> Tariff Section III.13.2.7.3(b).

<sup>20</sup> Except under Section III.13.2.7.3(b)(iv) when proration requests are denied for reliability reasons.

<sup>21</sup> These values are adjusted to reflect the RTEG limit of 600 MW, discussed further below, and external interface transfer limits.

<sup>22</sup> Tariff Section III.13.2.7.3(b)(iv).

<sup>23</sup> Tariff Section III.13.7.2.5.2.

by an RTEG's Capacity Supply Obligation. RTEG Resources are not permitted to elect to prorate their Capacity Supply Obligations.<sup>24</sup>

The total quantity of Import Capacity offered at the Capacity Clearing Price Floor is subject to prorating if it exceeds the capacity transfer limit of the external interface. Two external interfaces had excess supply at the conclusion of the auction. The HQ Phase II external interface had 95 MW of excess supply above its capacity transfer limit of 358 MW. The New York AC Ties external interface had 57 MW of excess supply above its capacity transfer limit of 1,100 megawatts. Excess Import Capacity megawatts offered at the external interfaces will be prorated to match the capacity transfer limit of the external interface.

## **VII. SPECIFIC FCA RESULTS**

### **A. Capacity Zone Resulting From the Auction**

Section III.13.8.2(a) of the Tariff requires the ISO to provide the final set of Capacity Zones resulting from the FCA. Section III.13.2.3.4 specifies how the final Capacity Zones for the FCA are determined. It provides that after the FCA is concluded for all modeled Capacity Zones, "the final set of distinct Capacity Zones that will be used for all purposes associated with the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals, shall be those having distinct Capacity Clearing Prices as a result of constraints between modeled Capacity Zones binding in the running of the [FCA]."<sup>25</sup> In the Informational Filing, the ISO explained that it modeled two Capacity Zones in the FCA: Maine (as a potentially export constrained zone) and Rest-of-Pool. No price separation occurred during the FCA, therefore, the FCA resulted in a single Capacity Zone.

### **B. Capacity Clearing Price**

The Tariff requires the ISO to provide the Capacity Clearing Price in each Capacity Zone (and the Capacity Clearing Price associated with certain imports pursuant to Section III.13.2.3.3(d)).<sup>26</sup> For the sixth FCA, the Capacity Clearing Price for the entire New England region is \$3.434/kW-month.

### **C. Capacity Supply Obligations**

The Tariff requires the ISO to specify in the FCA Results Filing the resources which received Capacity Supply Obligations in each Capacity Zone and the amount of those Capacity Supply Obligations.<sup>27</sup> This information is provided in Attachment A.

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<sup>24</sup> *Id.*

<sup>25</sup> Tariff Section III.13.2.3.4.

<sup>26</sup> Tariff Section III.13.8.2(a).

<sup>27</sup> *Id.*

The Tariff also requires the ISO to list which resources cleared as Conditional Qualified New Generating Capacity Resources and to provide certain information relating to Long Lead Time Generating Facilities.<sup>28</sup> No resources cleared as Conditional Qualified New Generating Capacity Resources in the FCA and there were no Long Lead Time Generating Facilities that secured a Queue Position to participate as a New Generating Capacity Resource in the FCA nor were any resources with a lower Queue priority that were selected in the FCA subject to Long Lead Time Generating Facility with the higher Queue priority.

#### **D. De-List Bids Reviewed For Reliability Purposes**

Prior to the sixth FCA, pursuant to Section III.13.2.5.2.5, the ISO reviewed each Permanent De-List Bid, Static De-List Bid, and Export De-List Bid to determine if the capacity associated with each such bid was needed for reliability. During the FCA, also pursuant to Section III.13.2.5.2.5, the ISO reviewed each Dynamic De-List Bid to determine if the capacity associated with each such bid was needed for reliability purposes. The capacity is deemed to be needed for reliability if a violation of any North American Electric Reliability Corporation (“NERC”), Northeast Power Coordinating Council (“NPCC”), or ISO criteria would occur in the absence of the capacity. The ISO’s review of de-list bids considered the availability of all existing supply resources in the FCM, including Demand Resources.

The ISO process for performing the reliability review of de-list bids is provided in Section III.13.2.5.2.5 of the Tariff and in Section 7 of the ISO New England Planning Procedure No. 10 — Planning Procedure to Support the Forward Capacity Market (“PP-10”).<sup>29</sup> The Commission has approved the ISO’s reliance on this process for performing reliability reviews.<sup>30</sup>

##### **1. Accepted De-List Bids**

Pursuant to Section III.13.2.5.2.5, all Permanent, Static and Export de-list bids submitted during the qualification process were subject to a reliability review prior to the sixth FCA. The ISO reviewed 2 Permanent and 38 Static De-List Bids prior to the auction. No De-List Bids submitted prior to the auction were rejected for reliability reasons.

During the FCA, 150 Dynamic De-List Bids located in every New England State were submitted, totaling approximately 1,495 MW of capacity. The ISO accepted 144 Dynamic De-List Bids, representing a total of 1,416 MW of capacity because the ISO determined that system reliability can be maintained without relying on these resources.

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<sup>28</sup> *Id.*

<sup>29</sup> PP-10 available at: [http://www.iso-ne.com/rules\\_proceeds/isone\\_plan/pp10\\_r9.pdf](http://www.iso-ne.com/rules_proceeds/isone_plan/pp10_r9.pdf).

<sup>30</sup> *See e.g.*, Fifth FCA Results Order.



Of particular note, for the third consecutive FCA, Entergy Nuclear Power Marketing submitted a Dynamic De-List Bid for the 604 MW Vermont Yankee nuclear station. While the ISO rejected Vermont Yankee's de-list bids for the fourth and fifth FCAs, the ISO determined that Vermont Yankee is not needed for reliability for the 2015-2016 Capacity Commitment Period. This determination is based on the expectation that certain transmission upgrades will be in place prior to the 2015-2016 Capacity Commitment Period as well as new resources which have been procured through the Forward Capacity Market.

## **2. Rejected De-List Bids**

Section III.13.8.2(a) requires the ISO to enumerate bids rejected for reliability reasons pursuant to Section III.13.2.5.2.5, and the reasons for those rejections. The ISO rejected six Dynamic De-List Bids for reliability reasons, totaling 79 MW all located in the Northeast Massachusetts/Boston Load Zone.

In his testimony, Mr. Stephen Rourke addresses the ISO's reasons for rejecting the six Dynamic De-List Bids. Mr. Rourke explains that the ISO rejected the bids for reliability reasons because allowing the resources to leave the market would have resulted in a violation of NERC, NPCC, or ISO criteria, specifically NPCC Directory # 1, Section 5, PP-10, Section 7, and Planning Procedure No. 3 ("PP-3"), Section 3.<sup>31</sup>

## **VIII. DOCUMENTATION OF COMPETITIVENESS**

Section III.13.8.2(b) requires the ISO to provide documentation regarding the competitiveness of the FCA. The documentation may include certification from the auctioneer and the ISO that: (i) all entities offering and bidding in the FCA were properly qualified in accordance with the provisions of Section III.13.1; and (ii) the FCA was conducted in accordance with the provisions of Section III.13. In this regard, the ISO has included the testimonies of Mr. David LaPlante, the Vice President of Market Monitoring at the ISO; the auctioneer, Mr. Lawrence M. Ausubel; and Mr. Rourke.

In his testimony, Mr. LaPlante explains that the IMM reviewed offers from new resources submitted during the qualification process that indicate an intention to remain in the FCA at prices below 0.75 times CONE.<sup>32</sup> Mr. LaPlante testifies that he oversaw the IMM's review of these bids and offers and certifies that such review was performed in accordance with the provisions of Section III.13.1.<sup>33</sup> Mr. LaPlante also notes that the IMM's determinations with respect to the offers and bids were approved by the Commission in the Informational Filing Order.<sup>34</sup>

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<sup>31</sup> Testimony of Stephen J. Rourke at p. 3.

<sup>32</sup> Testimony of David LaPlante at pp. 2-3.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.* at p. 3.

Mr. LaPlante also testifies that the IMM reviewed each round of the FCA in addition to the final results of the FCA.<sup>35</sup> Each round of the auction was evaluated by the IMM and no evidence of collusive or manipulative behavior was noted. In his testimony, Mr. LaPlante certifies that no anti-competitive behavior was evident in the auction.<sup>36</sup>

Mr. Ausubel, the auctioneer and chairman and founder of Power Auctions LLC, the company that helped implement and administer the FCA, certifies that the auction was conducted in accordance with Section III.13.<sup>37</sup> Mr. Ausubel's certification is based on his vast experience in conducting energy auctions. Finally, Mr. Rourke, who oversaw the qualification of resources, certifies that those resources were qualified in accordance with Section III.13.1.<sup>38</sup>

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<sup>35</sup> *Id.* at p. 4.

<sup>36</sup> *Id.*

<sup>37</sup> Testimony of Lawrence M. Ausubel at pp. 3-4.

<sup>38</sup> Testimony of Stephen J. Rourke at pp. 3-4.

## IX. ADDITIONAL SUPPORTING INFORMATION

The ISO tenders the instant filing in compliance with Section III.13.8.2 of its tariff pursuant to Section 205 of the FPA.<sup>39</sup> Section 35.13 of the Commission's regulations generally requires public utilities to file certain cost and other information related to an examination of cost-of-service rates.<sup>40</sup> However, the results of the FCA are not traditional "rates" and the ISO is not a traditional investor-owned utility. Therefore, to the extent necessary, the ISO requests waiver of Section 35.13 of the Commission's regulations. Notwithstanding its request for waiver, the ISO submits the following additional information in compliance with the identified filing regulations of the Commission applicable to Section 205.

35.13(b)(1) - Materials included herewith are as follows:

- a. This transmittal letter;
- b. Attachment A: List of Capacity Supply Obligations;
- c. Attachment B: Testimony of Mr. Stephen J. Rourke;
- d. Attachment C: Testimony of Mr. David LaPlante;
- e. Attachment D: Testimony of Mr. Lawrence M. Ausubel; and
- f. Attachment E: List of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont to which a copy of this filing has been emailed.

35.13(b)(2) - The ISO respectfully requests that the Commission accept this filing to become effective on August 28, 2012, 120 days after filing.

35.13(b)(3) - Pursuant to Section 17.11 (e) of the Participants Agreement, Governance Participants are being served electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO's website at [http://www/iso-ne.com/regulatory/ferc/nepool/gov\\_prtcpnts\\_eserved.pdf](http://www/iso-ne.com/regulatory/ferc/nepool/gov_prtcpnts_eserved.pdf). An electronic copy of this transmittal letter and the accompanying materials has also been emailed to the governors and electric utility regulatory agencies for the six New England states which comprise the New England Control Area, and to the New England Conference of

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<sup>39</sup> As was noted above, the Commission has consistently held that the scope of the proceeding evaluating the annual FCA results filing is limited to the results of the FCA. *See e.g., ISO New England Inc.*, 130 FERC ¶ 61,145 at P 33 (2010) (finding that challenges to the FCM market design are outside the scope of the proceeding evaluating the FCA results filing).

<sup>40</sup> 18 C.F.R. § 35.13 (2011).

Public Utility Commissioners, Inc. The names and addresses of these governors and regulatory agencies are shown in Attachment E.

35.13(b)(4) - A description of the materials submitted pursuant to this filing is contained in the transmittal letter;

35.13(b)(5) - The reasons for this filing are discussed in the background section to this transmittal letter; and

35.13 (b)(7) - The ISO has no knowledge of any relevant expenses or cost of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

## X. CONCLUSION

In this FCA Results Filing, the ISO has presented all of the information required by the Tariff. The ISO has demonstrated that the sixth FCA was conducted in accordance with the Tariff, as found just and reasonable by the Commission. The ISO has specified the Capacity Zones that resulted from the auction. The ISO has also provided the Capacity Clearing Price of the Capacity Zone and a list of which resources received Capacity Supply Obligations. Finally, the ISO has provided documentation in the form of testimony, regarding the competitiveness of the sixth FCA. Accordingly, the ISO requests that the Commission accept the results of the sixth FCA within 120 days of this filing.

Respectfully submitted,

By: Raymond W. Hepper

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### Attachments

cc: Governance Participants (electronically) and entities listed in Attachment E.