September 20, 2018

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: ISO New England Inc.
Resource Termination Filing; Docket No. ER18-000

Dear Secretary Bose:


Section III.13.3.4(c) of the Tariff includes rules relating to the termination of a resource’s Capacity Supply Obligation (“CSO”) under certain circumstances. Specifically, under Section III.13.3.4(c), if the Project Sponsor covers the resource’s CSO for two Capacity Commitment Periods or if the date by which the resource will have achieved all of its critical path schedule milestones is beyond the beginning of the Capacity Commitment Period for which the resource first obtained a CSO, then the ISO, after consultation with the Project Sponsor, has the right, through a filing with the Commission, to terminate the resource’s CSO for any future Capacity Commitment Periods. The termination also removes the resource’s right to any payments associated with that CSO and the resource’s qualified capacity for participation in the Forward Capacity Market. If the Commission accepts this termination filing, the ISO will terminate the CSO and the Project Sponsor will forfeit any financial assurance provided with respect to that CSO.

As more fully described below, the Project Sponsor, Inenergy Energy Management LLC, (“Inenergy”), covered Clear River Unit 1’s CSO for two Capacity Commitment Periods. In

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2 Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the ISO’s Transmission, Markets and Services Tariff (the “Tariff”).
3 (“Clear River Unit 1”).
4 See, also, ISO Financial Assurance Policy, Section VII.D.
addition, Invenergy has not made sufficient progress to achieve Clear River Unit 1’s critical path schedule milestones, and the commercial operation date for Clear River Unit 1 is more than two years beyond June 1, 2019, which is the start of the Capacity Commitment Period in which the resource first obtained a CSO. Accordingly, by this filing, the ISO is exercising its right to terminate Clear River Unit 1’s CSO for the 2021-2022 Capacity Commitment Period. 5 If the Commission accepts this termination filing, the ISO will terminate the CSO, draw down the financial assurance that Invenergy provided for Clear River Unit 1’s CSO, and will remove the resource’s qualified capacity, which will render it ineligible to participate in the upcoming thirteenth FCA. 6

I. DESCRIPTION OF THE ISO

The ISO is the private, independent non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO plans and operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO Tariff and the Transmission Operating Agreement with the New England Participating Transmission Owners. In its capacity as an RTO, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to plan and operate the system according to reliability standards established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation.

Correspondence and communications in this proceeding should be addressed to:

Kevin W. Flynn, Esq.
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: (413) 535-4177
Fax: (413) 535-4379
E-mail: kflynn@iso-ne.com

II. REASONS FOR TERMINATION

Clear River Unit 1 is a proposed 485 MW combined cycle gas turbine power plant in Burrillville, Rhode Island, which is in the Southeast New England Capacity Zone. Clear River Unit 1 initially obtained a CSO in the tenth FCA (held in February 2016) for the June 1, 2019 to May 31, 2020 Capacity Commitment Period. Accordingly, the original commercial operation date for Clear River Unit 1 was no later than June 1, 2019. Invenergy has since covered the resource’s CSO for

5 This is the Capacity Commitment Period associated with the twelfth Forward Capacity Auction (“FCA”).
6 The thirteenth FCA is scheduled to be held in February of 2019.
the 2019-2020 and 2020-2021 Capacity Commitment Periods (the Capacity Commitment Periods associated with the tenth and eleventh FCAs, respectively). Pursuant to Section III.13.3.4(c) of the Tariff, if a Project Sponsor covers its CSO for two Capacity Commitment Periods, then the ISO has the right to terminate the CSO.

Further, as reported in the critical path schedule reports that Invenergy has submitted to the ISO, little progress has been made to commence construction since Clear River Unit 1 first obtained a CSO in the tenth FCA. The commercial operation date for the project is currently reported to be later than June 1, 2021. Pursuant to Section III.13.3.4(c) of the Tariff, if as a result of milestone date revisions, the date by which a resource will have achieved all its critical path schedule milestones is more than two years after the beginning of the Capacity Commitment Period for which the resource first received a CSO, then the ISO shall also have the right to terminate the CSO. Since Invenergy has covered the CSO for Clear River Unit 1 for two Capacity Commitment Periods and because the commercial operation date is reported to be more than two years beyond the Capacity Commitment Period for which the resource first received a CSO, the ISO is filing to terminate Clear River Unit 1’s CSO for the 2021-2022 Capacity Commitment Period in accordance with Section III.13.3.4(c).

As required by the Tariff, the ISO consulted with Invenergy prior to making the determination to submit this filing to terminate Clear River Unit 1. If the Commission accepts this termination filing, the ISO will terminate Clear River Unit 1’s CSO, draw down the amount of financial assurance associated with the terminated CSO, and remove Clear River Unit 1’s qualified capacity, which will render the resource ineligible to participate in the thirteenth FCA.

The ISO respectfully requests that the Commission issue an Order within 60 days of the date of this resource termination filing. Commission action on this resource termination filing is important because the ISO and Market Participants need certainty on the status of this resource prior to the thirteenth FCA, which is scheduled to be held in February of 2019.

Respectfully submitted,

/s/ Kevin W. Flynn
Kevin W. Flynn, Esq.
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4177

Attorney for ISO New England Inc.

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7 Section III.13.3.4(c) of the Tariff.