



January 15, 2020

Gordon van Welie, President and CEO  
ISO New England  
One Sullivan Road  
Holyoke, MA 01040-2841

RE: Connecticut Department of Energy and Environmental Protection, Integrated  
Resources Plan Proceeding, Technical Meeting

Dear Mr. van Welie:

In its recent decision expanding the MOPR in PJM, the FERC majority stated:

We find that an expanded MOPR that applies to new and existing capacity resources that receive, or are entitled to receive, a State Subsidy, unless the resource qualifies for an exemption, as discussed below, is a just and reasonable means to address State Subsidies. PJM's existing MOPR fails to consider whether resource types other than new natural gas-fired resources are offering competitively in the capacity market without the influence of State Subsidies. The record in this proceeding indicates that State Subsidies for both existing and new resources are increasing, especially out-of-market state support for renewable and nuclear resources. The June 2018 Order thus found PJM's existing MOPR provisions unjust and unreasonable and unduly discriminatory because they failed to protect the "integrity of competition in the wholesale capacity market against unreasonable price distortions and cost shifts caused by out-of-market support to keep existing uneconomic resources in operation, or to support the uneconomic entry of new resources, regardless of generation type or quantity of the resources supported by such out-of-market support." ¶ 37-38

Connecticut is pursuing aggressive decarbonization goals. FERC has indicated that, as state policy ambitions grow, FERC's efforts to mitigate those policies will increase. Connecticut electric distribution companies (EDCs) have recently entered into contracts for energy and environmental attributes that are equivalent to approximately 58 percent of the state's load, with ongoing negotiations for an additional 14 percent equivalent. Connecticut is concerned that the recently approved Competitive Auctions with

Sponsored Policy Resources (CASPR) will not sufficiently accommodate the state's growing decarbonization goals and FERC will expand the mitigation rules to include existing resources in New England, as well as demand and energy efficiency. Such an expansion of FERC rules into the state's jurisdiction could harm existing contracts between the EDCs and generators. As the agency charged with charting the energy policy of Connecticut, the Department of Energy and Environmental Protection (Department) is compelled to prepare contingency plans to ensure that Connecticut ratepayers and citizens are protected. To assist in the development of those plans, the Department is investigating the potential options for extricating the state from the compulsory forward capacity auctions. As the entity responsible for overseeing the forward capacity auctions, ISO New England, Inc. (ISO-NE) is in the best position to answer the critical questions below. The Department respectfully requests that you provide answers to the following questions at the Department's technical meeting on Wednesday, January 22, 2020 at 10:00AM in furtherance of its Integrated Resources Plan.

1. What steps would Connecticut have to take to assume responsibility for meeting resource adequacy for customers located in Connecticut outside of ISO-NE administered markets?
2. What ISO-NE tariff changes would be needed for Connecticut to "self-supply" for resource adequacy purposes but not for energy dispatch purposes?

Respectfully,



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Katie S. Dykes  
Commissioner

Cc: Anne George  
Kerry Schlichting