

EXHIBIT 8



November 4, 2014

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
Room 1A-East, First Floor
888 First Street, NE
Washington, DC 20426

**Re: ISO New England Inc., Docket No. ER15-
Informational Filing for Qualification in the Forward Capacity Market
COMMENT DUE DATE OF NOVEMBER 19, 2014 PURSUANT TO THE
TARIFF**

Dear Secretary Bose:

Pursuant to Section III.13.8.1 of the ISO New England Transmission, Markets and Services Tariff (the “Tariff”),¹ ISO New England Inc. (the “ISO”) hereby submits privileged and public, (*i.e.*, redacted copy) versions of this informational filing for qualification in the Forward Capacity Market (“Informational Filing”) for the 2018-2019 Capacity Commitment Period. The Tariff allows parties to comment on or challenge determinations provided in the Informational Filing. Pursuant to Tariff Section III.13.8.1(b), any comments or challenges to the ISO’s determinations must be filed with the Federal Energy Regulatory Commission (“FERC” or “Commission”) no later than 15 days from the date of this Informational Filing. **Accordingly, the ISO requests that the Commission issue a notice requiring that any comments or protests be filed on or before November 19, 2014.**

In accordance with Tariff Section III.13.8.1(b), if the Commission does not issue an Order **within 75 days** after the date of this filing directing otherwise, the determinations described in the Informational Filing and any elections pursuant to Tariff Section III.13.1.2.3.2.1.1 shall be used in conducting the ninth Forward Capacity Auction (“FCA”), which will be held beginning on February 2, 2015, and will procure the needed capacity for the six state New England Control Area for the 2018-2019 Capacity Commitment Period. This Informational Filing details determinations made by the ISO with respect to that FCA and provides supporting documentation for such determinations.

¹ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the Tariff.

For all de-list bids rejected by the Internal Market Monitor (“IMM”), privileged Attachment E of this Informational Filing includes the IMM’s determination of the resource’s de-list bid.² Participants were notified of the IMM’s final determinations in their Qualification Determination Notifications (“QDNs”), which were provided to Lead Market Participants on September 26, 2014.

With respect to de-list bids, no later than seven calendar days after the issuance of the QDN by the IMM, a resource may elect to submit revised prices for the Static De-list Bid for the resource at prices equal to or less than the IMM’s determined bid price. A resource making such an election is prohibited from challenging the IMM’s determinations regarding the resource’s net risk-adjusted going forward costs and opportunity costs.³ If no such election is made, the Existing Generating Capacity Resource will be entered into the FCA as described in section III.13.2.3.2(c) (that is, as if no Static De-list Bid had been submitted) or as otherwise directed by the Commission.⁴

I. COMMUNICATIONS

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO operates and plans the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the Tariff and the Transmission Operating Agreement with the New England Participating Transmission Owners.

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

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II. BACKGROUND AND OVERVIEW

² Section III.13.1.2.3.2.1.1 of the Tariff addresses the IMM’s review of de-list bids.

³ Section III.13.1.2.3.2.1.1.2(c) of the Tariff

⁴ *Id.*

The Tariff requires the ISO to make a filing setting forth specific information related to the FCA.⁵ The Informational Filing includes the locational capacity requirements of the ninth FCA based upon the topology of the transmission system, and specifically which Capacity Zones are to be modeled in the auction. The Tariff also requires the ISO to identify the multipliers applied in determining the appropriate Capacity Values for Demand Resources, as well as specify the resources accepted or rejected in the qualification process for participation in the ninth FCA.

The ISO has reviewed all resources participating in the ninth FCA. These include Existing and New Generating Capacity Resources, Import Capacity Resources and Demand Resources.⁶⁷ Pursuant to the Tariff, the Informational Filing must include the results of the IMM's review of certain offers and bids, *e.g.*, Existing Capacity Resources that seek to permanently or statically de-list above \$3.94/kW-month,⁸ and new resources that have requested to submit offers below the relevant Offer Review Trigger Prices ("ORTPs").⁹ Further, the Tariff sets forth a specific process for review of the offers and bids submitted by various types of resources. This filing is the ISO's fulfillment of these requirements.

The Tariff requires the Informational Filing to include the transmission interface limits used in the process of selecting which Capacity Zones will be modeled in the ninth FCA; which existing and proposed transmission lines the ISO determines will be in service by the start of the 2018-2019 Capacity Commitment Period; the expected amount of installed capacity in each modeled Capacity Zone during the 2018-2019 Capacity Commitment Period; the Local Sourcing Requirement for each modeled import-constrained Capacity Zone; and the Maximum Capacity Limit for each modeled export-constrained Capacity Zone.

In accordance with Tariff Section III.12.4, the ISO will model four Capacity Zones in the ninth FCA: Southeastern Massachusetts/Rhode Island ("SEMA/RI"), Connecticut, Northeastern Massachusetts/Boston ("NEMA/Boston") and Rest of Pool. The Rest of Pool Capacity Zone includes Maine, Western/Central Massachusetts ("WCMA"), New Hampshire and Vermont. As in previous auctions, the NEMA/Boston and Connecticut zones have been determined to be import-constrained zones by the Capacity Zone objective

⁵ Section III.13.8.1(a) of the Tariff.

⁶ Demand Response Resource Sub-types include: On Peak Demand Resource ("On Peak"), Seasonal Peak Demand Resource ("Seasonal Peak"), Demand Response Capacity Resource ("DRCR" or "RTDR") and Real-time Emergency Generation ("RTEG").

⁷ Except where noted otherwise, values in this filing are represented in FCA Qualified Capacity ("FCA QC") megawatts. Resources were required to submit Financial Assurance by October 27, 2014. Resources that have not submitted Financial Assurance by this deadline have five Business Days (5) to cure their Financial Assurance, but due to timing, resources that have failed to pay Financial Assurance by this deadline are included in this filing.

⁸ Section III.13.1.2.3.2.1.1 of the Tariff.

⁹ Section III.13.1.1.2.2.3 of the Tariff.

criteria and, for the first time, the combined zones of Southeast Massachusetts and Rhode Island SEMA/RI¹⁰ have also been determined to be import-constrained by the Capacity Zone objective criteria and will be modeled as a single Capacity Zone in the 2018-2019 Capacity Commitment Period's FCA. Accordingly, Connecticut, SEMA/RI, and NEMA/Boston will be modeled as import-constrained Capacity Zones. The ISO also determined that there are no export-constrained Capacity Zones for the 2018-2019 Capacity Commitment Period and, therefore, Maximum Capacity Limits were not established for the 2018-2019 Capacity Commitment Period's FCA.¹¹

The Tariff also requires that the Informational Filing include the loss multiplier used to derive the Capacity Value for Demand Resources.¹² For the ninth FCA, this multiplier is 1.08.

Specific statistics related to the ninth FCA are as follows:¹³

- The Installed Capacity Requirement ("ICR") for the 2018-2019 Capacity Commitment Period is 35,142 MW. After accounting for 953 MW of Hydro Quebec Interconnection Capability Credits ("HQICCs"), 34,189 MW remain to be procured in the FCA. The ISO has submitted the 2018-2019 ICR for Commission review in another proceeding.¹⁴
- Qualified Existing Capacity Resources for the 2018-2019 Capacity Commitment Period consist of 29,727 MW¹⁵ from Existing Generating Capacity Resources (intermittent and non-intermittent); 89 MW from Existing Import Capacity

¹⁰ The Commission accepted the SEMA/RI zonal boundary in a letter order dated May 29, 2014 in Docket No. ER14-1939-000.

¹¹ Maximum Capacity Limits were calculated to determine whether there are export-constrained Capacity Zones for the 2018/2019 Capacity Commitment Period. The ISO found that there are no export-constrained zones and, for that reason, there was no need to establish Maximum Capacity Limits for the 2018/2019 Capacity Commitment Period.

¹² Pursuant to Section III.13.8.1(a)(v) of the Tariff.

¹³ Values in this Transmittal Letter are rounded to eliminate decimals. Resources in the attachments are rounded to three decimal places.

¹⁴ *ISO New England Inc.*, Filing of Installed Capacity Requirement, Hydro Quebec Interconnection Capability Credits and Related Values for the 2018-2019 Capacity Commitment Period, filed on November 4, 2014 ("2018-2019 ICR Filing").

¹⁵ Consistent with how resources are treated within the FCA, this value, and all other Existing Generating Capacity values shown within this filing, includes adjustments for significant increases in capacity qualified through the New Capacity Qualification Process pursuant to Section III.13.1.2.2.5 of the Tariff. Significant Increases can be found in Attachment F. Due to a change in a resource's Interconnection Agreement, the qualified summer and winter capacity values illustrated in this filing will be reduced by approximately 2 MW prior to the commencement of the ninth FCA.

Resources;¹⁶ and 2,740 MW from Existing Demand Resources,¹⁷ totaling 32,555 MW of Existing Capacity.¹⁸

- A total of 8,301 MW of de-list bids were submitted for the ninth FCA. Subsequently, 97 MW of these de-list bids were later converted into Non-Price Retirement Requests. In total, 41 existing resources submitted Non-Price Retirement Requests.¹⁹ In addition, participants who submitted de-list bids are entitled to withdraw those bids or reduce the bids following receipt of the QDN. Attachment E of this Informational Filing provides details regarding post QDN reductions or withdrawals.
- Approximately 8,547 MW²⁰ of new resources were qualified.²¹

Overall, the qualification process for the ninth FCA resulted in approximately 8,547 MW²² of new resources, and 32,555 MW of existing resources competing to provide 34,189 MW, after accounting for HQICCs, to the New England control area for the 2018-2019 Capacity Commitment Period.

III. FILING CONTENTS AND REQUEST FOR PRIVILEGED TREATMENT

This Informational Filing includes the following materials:

- This transmittal letter – PUBLIC
- Attachment A: Existing Transmission Lines – PUBLIC
- Attachment B: Proposed Transmission Lines – PUBLIC

¹⁶ Section IV.C.1 of this Transmittal Letter.

¹⁷ *Id.*

¹⁸ Non-Price Retirements are represented as Existing Qualified Capacity Resources. A resource qualified to participate in the FCA may change ownership on a monthly boundary. Changes in Lead Market Participant effective after the creation of this filing letter may not be reflected in the applicable numbers in this Filing and the attachments.

¹⁹ Section IV.C.1.b of this Transmittal Letter.

²⁰ Summer Qualified Capacity.

²¹ As of the issuance of the Qualification Determination Notifications. New Real-Time Emergency Generation Projects are represented as New in the megawatt totals as well as Attachment D, even though these resources are treated as existing capacity in the auction.

²² Summer Qualified Capacity.

- Attachment C: Existing Generating, Import, and Demand Resource Capacity²³ – PUBLIC
- Attachment D: New Generating, Import, and Demand Resource Capacity – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment E: Summary of All De-List Bids Submitted – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment F: Significant Increases – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment G: Major Elements In The Determination of Expected Net Revenues – Generation – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment H: Major Elements In The Determination of Expected Net Revenues - Demand Resources – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment I: Notifications sent to resources that were not qualified to participate in the FCA – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE
- Attachment J: Methodology used by IMM in establishing an alternative de-list bid value when the IMM rejected some or all of the components of the participant-submitted de-list bids [NOTE: This document was included as attachment B to each QDN letter of rejected de-list bids by the IMM.] - PUBLIC

Section III.13.8.1 (a) of the Tariff requires the ISO to file the determinations in Sections III.13.8.1(a) (vi-viii) as confidential. These determinations are provided in Attachments D-H. Additionally, Attachment I includes notifications sent to resources that were not qualified to participate in the FCA. The notifications only went to the Project Sponsor and include a detailed explanation of the ISO's determination not to qualify a particular resource, which includes confidential information.²⁴ Therefore, the ISO requests that the Commission provide privileged treatment to Attachments D through I, as indicated above.

²³ Included in this filing are Existing Capacity Resources that cleared as Out-Of-Market Resources in the sixth and/or seventh FCA. The summer and winter qualified capacity associated with these resources has been adjusted accordingly.

²⁴ Because the information is commercially sensitive, the Commission has granted the ISO's requests to treat this information as confidential in Informational Filings for previous FCAs. See, *Order Accepting Informational Filing*, 138 FERC ¶ 61,196 (2012). This information is also confidential pursuant to Section III.13.8.1 (a) of the Tariff.

The privileged Attachments have been marked: “**Contains Privileged Information - Do Not Release.**” The ISO is filing one version of the Informational Filing that includes the privileged information, which should not be released to the public. A public, redacted version of this Informational Filing, which does not include the privileged attachments, is also filed herewith.

Pursuant to Section III.13.8.1 (a) of the Tariff, the ISO will publish the confidential information in Attachments D-H, no later than 15 days after the ninth FCA.

IV. INFORMATIONAL FILING

A. Inputs Used to Model the FCA

Tariff Section III.13.8.1(a)(i-iv) requires the ISO to address in the Informational Filing the following inputs used to model the FCA: the Capacity Zones modeled in the FCA; the transmission interface limits used to model the Capacity Zones in the FCA; the existing and proposed transmission lines that will be in service by the start of the Capacity Commitment Period; the expected amount of Installed Capacity in each modeled Capacity Zone; the Local Sourcing Requirement for each modeled import-constrained Capacity Zone; and the Maximum Capacity Limit for each modeled export-constrained Capacity Zone.

Contemporaneously with this filing, the ISO is filing its annual ICR Filing with the Commission in which it submits for approval the 2018-2019 Capacity Commitment Period values for the ICR and the Local Sourcing Requirements.²⁵ Given that the ICR Filing provides a comprehensive explanation of these values, the ISO does not repeat in detail those findings here.

The proposed ICR for the New England region for the 2018-2019 Capacity Commitment Period is 35,142 MW. The net amount of capacity to be purchased in the FCA to meet the ICR, after deducting 953 MW of interconnection capability credit associated with the HQICCs, is 34,189 MW (“NICR”).²⁶

1. Existing and Proposed Transmission Lines and Transmission Interface Limits

Pursuant to Section III.13.8.1(a)(iii) of the Tariff, the ISO is required to provide the existing and proposed transmission lines that the ISO determines will be in service by the start of the 2018-2019 Capacity Commitment Period. Section III.12.6.2 of the Tariff establishes the initial threshold for transmission projects to be considered in service. Under

²⁵ See footnote 15 *supra*.

²⁶ NICR stands for Net Installed Capacity Requirement.

this threshold, transmission projects submit critical path schedules, and must demonstrate that they are meeting certain milestones in the critical path schedule. Section III.12.6.2 of the Tariff also requires a statement from a company officer of the relevant transmission owner verifying that the critical path schedule submitted to the ISO is achievable.

For transmission projects that satisfy the threshold specified under Section III.12.6.2 of the Tariff, the ISO considers additional factors set forth in Section III.12.6.3 to determine if the project can be included in the network model for the relevant Capacity Commitment Period. The ISO has determined that the existing and proposed transmission lines listed in Attachments A and B will be in service by the start of the Capacity Commitment Period associated with the ninth FCA.

The Informational Filing also identifies the transmission interface limits used in the process of determining the Local Sourcing Requirements and the Maximum Capacity Limit used in selecting the Capacity Zones modeled in the FCA.²⁷ Pursuant to Section III.12.5 of the Tariff, the ISO determines the transmission interface limits using network models that include existing and proposed transmission lines that the ISO concludes will be in service no later than the first day of the relevant Capacity Commitment Period. The ISO has calculated the transmission interface limits using a model that includes the existing and proposed transmission lines included in Attachments A and B. The following transmission interface limits were used in the process of calculating the Local Sourcing Requirements: the transmission interface limit from Maine to New Hampshire of 1,900 MW; the transmission interface limit of the Boston import area of 4,850 MW, the transmission interface limit of the SEMA/RI import area of 786 MW, and the transmission interface limit of the Connecticut import area of 2,950 MW. The transmission interface limits were determined consistent with Section 4 of ISO New England Planning Procedure No. 3 - Transmission Transfer Capability.

2. Capacity Zones

In accordance with Tariff Section III.12.4, the ISO will model four Capacity Zones in the ninth FCA: SEMA/RI, Connecticut, NEMA/Boston and Rest of Pool. There are no export-constrained Capacity Zones for the ninth FCA. Connecticut, SEMA/RI and NEMA/Boston will be modeled as import-constrained Capacity Zones. These four Capacity Zones will also be modeled in subsequent reconfiguration auctions and Capacity Supply Obligation Bilaterals.

3. Local Sourcing Requirements and Maximum Capacity Limit

The Tariff requires the ISO to provide the Local Sourcing Requirement and Maximum Capacity Limit for each modeled import-constrained and export-constrained

²⁷ Section III.13.8.1(a)(ii) of the Tariff.

Capacity Zone.²⁸ These values are used to determine the amount of capacity needed in each Load Zone. The Local Sourcing Requirement is the minimum amount of capacity that must be electrically located within an import-constrained Load Zone.²⁹ Import-constrained Load Zones are areas within New England that may not have adequate local resources and transmission import capability to reliably serve local demand. The ICR Filing describes the methodology used to calculate the Local Sourcing Requirements.³⁰ The 2018-2019 Capacity Commitment Period Local Sourcing Requirements for the Connecticut, SEMA/RI and NEMA/Boston Load Zones are 7,331 MW, 7,479 MW and 3,572 MW, respectively.³¹

The Maximum Capacity Limit is the maximum amount of capacity that can be procured in an export-constrained zone to meet the ICR.³² As explained in the ICR Filing, for the ninth FCA, there are no export constrained Capacity Zones.³³ Accordingly, no Maximum Capacity Limit was established for the ninth FCA.

4. The External Interface Limits

The ISO has calculated the following external interface capabilities to be used for the purpose of calculating tie benefits and in the conduct of the ninth FCA: for Hydro-Quebec to New England interfaces, the Highgate import capability is 200 MW and the HQ Phase II import capability is 1,400 MW; for the New Brunswick to New England interface, the import capability is 700 MW; and for the New York to New England AC interface, the import capability is 1,400 MW and the direct current Cross Sound Cable import capability is zero MW. These values are the same as those used in the calculation of Tie Reliability Benefits, for determining the ICR, and were reviewed as part of the stakeholder process.

After accounting for the following Tie Reliability Benefits; 148 MW from Quebec over Highgate; 953 MW from Quebec over the HQ Phase II interface; 523 MW from New Brunswick over the New Brunswick to New England interface; and 346 MW from New York over the New York to New England AC interfaces, the maximum amount of import capacity resources that can be purchased over each interface without exceeding the external interface capabilities is 52 MW for the Highgate Interface; 447 MW for the HQ Phase II Interface; 177 MW for the New Brunswick to New England interface; 1,054 MW for the New York to New England AC interfaces, and 0 MW for the Cross Sound Cable.³⁴ For the ninth Forward Capacity Auction, there were no Export De-List Bids reduced or limited by export limits from New England to a neighboring Control Area.

²⁸ Section III.13.8.1(a)(iv) of the Tariff.

²⁹ Section III.12.2 of the Tariff.

³⁰ ICR Filing at pp. 14-16.

³¹ *Id.* at p. 2.

³² Section III.12.2 of the Tariff.

³³ ICR Filing at pp. 6-7.

³⁴ Pursuant to Section III.12.10 of the Tariff.

B. Capacity Value of Demand Resources

Section III.13.8.1(a)(v) of the Tariff requires that the Informational Filing provide the multipliers applied in determining the Capacity Value of a Demand Resource, as described in Section III.13.7.1.5.1. For the ninth FCA, the multiplier is 1.08, which represents avoided peak transmission and distribution losses.

C. List of Resources Accepted and Rejected

Section III.13.8.1(a)(vi) of the Tariff requires that the Informational Filing list the resources that are accepted and rejected in the qualification process to participate in the FCA. Further, Section III.13.8.1(a)(vii) requires the ISO to provide the IMM's determinations regarding requests from new capacity resources to submit prices in the FCA below the relevant ORTP, including information regarding each of the elements considered in the IMM's determination (other than revenues from ISO-administered markets) and whether that element was included or excluded in the determination of whether the offer is consistent with the resource's long run average costs net of expected revenues other than capacity revenues. Additionally, Section III.13.8.1(a)(viii) requires the IMM to provide an explanation of reasons for rejecting de-list bids.³⁵ Finally, Section III.13.8.1(a) provides that the determinations in Sections III.13.8.1 (a)(vi-viii) be filed as privileged with the Commission.

Lead Market Participants for existing resources were notified of their resource's initial Qualified Capacity on May 9, 2014. Each Project Sponsor or Lead Market Participant of a potential new capacity resource was notified of its QDN on September 26, 2014. Copies of the QDNs for resources that were not fully qualified to participate in the auction and for resources with rejected IMM de-list bids and offers below the relevant ORTP are attached hereto as privileged Attachment I. Because the notifications contain commercially sensitive information, the ISO has requested that the Commission treat the information in Attachment I as privileged. Summary explanations for the rejections are provided in privileged Attachments D, G and H, which will be made public no later than 15 days after the FCA.³⁶

1. Existing Resources

An Existing Capacity Resource may be an Existing Generating Capacity Resource, an Existing Import Capacity Resource, or an Existing Demand Resource. A total of 32,555 MW of Existing Capacity Resources qualified for the ninth FCA; representing 29,727 MW from Existing Generating Capacity Resources, 89 MW from Existing Import Capacity

³⁵ Pursuant to Section III.13.2.5.2.5 of the Tariff, all de-list bids are also subject to reliability review.

³⁶ Section III.13.8.1 (a).

Resources, and 2,740 MW from Existing Demand Resources. Attachment C shows the Existing Capacity Resources qualified for the ninth FCA.

a. Existing Resources That Submitted De-List Bids

Market Participants with Existing Capacity Resources may opt out of the capacity market by submitting a de-list bid. For the ninth FCA, a total of 8,301 MW of pre-auction de-list bids were submitted Pursuant to Section III.13.1.2.3.2 of the Tariff, the IMM must review Export Bids and Static and Permanent De-list Bids submitted by Market Participants above the Dynamic De-list Bid Threshold of \$3.94/kW-month.³⁷ For each participant that is a pivotal supplier, the IMM must determine if the de-list bid submitted by the participant is consistent with the four cost components comprising a de-list bid: (1) the participants' net going forward costs for the resource; (2) the participant's reasonable expectations of the resource's Capacity Performance Payments; (3) the participant's reasonable risk premium; and (4) opportunity costs.

In April and May 2014, the IMM held multi-day de-list bid review and ORTP training for Market Participants. De-list bids for existing resources and offers below ORTPs for new resources were due by mid-June 2014. The IMM reviewed each de-list bid and the supporting cost information. The IMM then engaged in an iterative review process, by first inviting participants to present their submissions in person, then evaluating submissions, and sending participant-specific questions and requests for additional information in July and August. The IMM issued preliminary determinations in mid-September, and then incorporated the additional feedback from participants into the final determinations where possible. Participants were notified of the IMM's final determinations in QDNs issued on September 26, 2014.

If the IMM determined that the de-list bid is consistent with the resource's net going forward costs, reasonable expectation of the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs, the bid will be entered into the FCA as described in Section III.13.2.3.2.(b) of the Tariff. If the IMM determined that the participant's de-list bid is inconsistent with reasonable estimates of any of those four elements of the de-list bid, and if the participant is a pivotal supplier, as defined in Section.III.13.1.2.3.2 of the Tariff, then the de-list was rejected and replaced with the IMM's determined de-list bid. For the ninth FCA, all participants with existing resources are pivotal suppliers and are therefore subject to review by the IMM.

A participant that has had its de-list bid rejected by the IMM may elect to accept the IMM determined bid, to submit revised prices for the de-list bid for the resource at prices equal to or less than the IMM's determined bid price, or to withdraw the de-list bid. A participant making any of these elections is prohibited from challenging the IMM's determined de-list bid. If no such election is made, the participant may challenge the

³⁷ See Sections III.13.1.2.3.2.1.1. and III.13.1.4.1.1. of the Tariff.

IMM's determination and propose a different de-list bid detailing the bid and its justification based on the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs pursuant to Section III.13.8.1(b) of the Tariff.

Attachment J contains the approach and methodology followed by the IMM in establishing an alternative de-list bid value when the IMM rejected some or all of the components of the participant-submitted de-list bids. This document was included as attachment B to each QDN letter of rejected de-list bids by the IMM.

i. Accepted De-List Bids

Section III.13.8.1(a) of the Tariff requires the ISO to file the de-list bids accepted by the IMM as confidential. Accordingly, the IMM accepted de-list bids are included in privileged Attachment E. In accordance with Sections III.13.8.1(a), the ISO will make this Attachment public no later than 15 days after the FCA.

ii. Rejected De-List Bids

Section III.13.8.1(a) of the Tariff requires the ISO to file the de-list bids rejected by the IMM as confidential. Accordingly, the IMM rejected de-list bids are included in privileged Attachment E.

b. Non-Price Retirements

A Non-Price Retirement Request is a binding request to retire the capacity of a resource and supersedes any prior de-list bid for the same Capacity Commitment Period.³⁸ Approval of Non-Price Retirement Requests is subject to reliability review under the Tariff.³⁹ During the qualification process for the 2018-2019 Capacity Commitment Period, 41 Non-Price Retirement Requests for approximately 464 MW were submitted to the ISO. See the following link for details: <http://www.iso-ne.com/system-planning/resource-planning/nonprice-retirement>.

2. New Resources

A New Capacity Resource may be a New Generating Capacity Resource, a New Import Capacity Resource or a New Demand Resource. All Project Sponsors of new resources must have submitted a New Capacity Show of Interest Form, and, at a later date, a New Capacity Qualification Package, in order to be eligible to participate in the FCA. A new resource is required to demonstrate in the New Capacity Show of Interest Form and

³⁸ Pursuant to Sections III.13.1.2.3.1.5 and III.13.1.4.1.1 of the Tariff, a resource may retire a portion of its capacity.

³⁹ Section III.13.2.5.2.5 of the Tariff.

the New Capacity Qualification Package that it can produce or curtail a specific megawatt value for the relevant Capacity Commitment Period.

a. Accepted New Resources

Attachment D, which pursuant to Section III.13.8.1(a) of the Tariff is filed as privileged, lists the new Generating, Import and Demand Resources qualified to participate in the ninth FCA. Resources that were qualified but withdrew by the relevant deadline are excluded.⁴⁰ In addition, for those resources that have been qualified as incremental new capacity, only the incremental megawatt amount is shown. Pursuant to the Tariff, new Real-Time Emergency Generation resources are treated as Existing Capacity Resources for purposes of running the FCA.⁴¹

Not included in the values in Attachment D is an additional 5 MW of capacity that was inadvertently not qualified due to an update in the ISO's evaluation tool. Due to the timing of the update, the ISO was not able to include the 5 MW of capacity in the QDNs issued to these resources on September 26, 2014. Accordingly, the ISO requests that the Commission allow the ISO to qualify these resources at the additional 5 MW capacity value. More detail on these resources is included in Attachment D. If the Commission approves the new qualification values for these resources specified in Attachment D, the affected resources will need to pay the FCM deposit for the additional values, along with the remaining financial assurance, no later than January 16, 2015.

b. Rejected New Resources

The ISO undertook a detailed analysis of each project to ascertain whether it met all of the qualification criteria for the ninth FCA. This analysis involved a careful review of the interconnection of the resource and associated transmission upgrades that would be necessary to qualify a Generating Capacity Resource and careful review of Project Descriptions, Measurement and Verification Plans, Customer Acquisition Plans, and Funding Plans. The ISO provided guidance to Market Participants and publicly posted the deadline in advance of the New Capacity Qualification Deadline. In accordance with Tariff Section III.13.1.1.2.3, the ISO worked in consultation with the applicable Transmission Owner in reaching each determination involving that Transmission Owner's assets. Similarly, the ISO consulted with Demand Resource Market Participants and sought to ascertain clarity on project submittals where needed.

As a general matter, several participants have had the non-commercial portion of their existing Demand Resources terminated for failing to meet Critical Path Schedules. Many of these same participants also sought to qualify additional capacity

⁴⁰ Section III.13.1.1.2 of the Tariff.

⁴¹ Section III.13.1.4.1.3 of the Tariff.

even though they failed to deliver capacity from their existing Demand Resource projects. As a result, these proposed demand resources were denied qualification of the full amount of their proposed projects because the participant did not sufficiently demonstrate that the resources could be developed on top of existing monitored projects and their capability of delivering new capacity to the system.

Section III.13.8.1 (a) of the Tariff requires the ISO to file, as confidential, resources rejected in the qualification process, with the exception of new resources rejected due to the overlapping interconnection impacts analysis. Accordingly, rejected new resource projects are provided in privileged Attachment D. New resources rejected due to the overlapping interconnection impact analysis are described below.

Exelon Generation Company, LLC.

The Everett Peaker - 345 kV project requested to be qualified with a summer Qualified Capacity of 194.800 MW and requested winter Qualified Capacity of 205.100 MW in the NEMA/Boston Load Zone. The initial interconnection analysis, including the analysis of overlapping interconnection impacts, determined several transmission elements to be overloaded after the addition of the Everett Peaker - 345 kV project. The ISO has determined that the upgrades required to eliminate these overloads cannot be reasonably expected to be completed by the start of the 2018-2019 Capacity Commitment Period.

The Everett Peaker - 115 kV project requested to be qualified with a summer Qualified Capacity of 194.800 MW and requested winter Qualified Capacity of 205.100 MW in the NEMA/Boston Load Zone. The initial interconnection analysis, including the analysis of overlapping interconnection impacts, determined several transmission elements to be overloaded after the addition of the Everett Peaker - 115 kV project. The ISO has determined that the upgrades required to eliminate these overloads cannot be reasonably expected to be completed by the start of the 2018-2019 Capacity Commitment Period.

Hawkes Meadow Energy, LLC.

The Hawkes Meadow Energy Station project requested to be qualified with a summer Qualified Capacity of 451.000 MW and requested winter Qualified Capacity of 481.000 MW in the NEMA/Boston Load Zone. The initial interconnection analysis, including the analysis of overlapping interconnection impacts, determined several transmission elements to be overloaded after the addition of the Hawkes Meadow Energy Station project. The ISO has determined that the upgrades required to eliminate these overloads cannot be reasonably expected to be completed by the start of the 2018-2019 Capacity Commitment Period.

The following new resource project in Maine was not qualified because the overlapping interconnection impact analysis determined that the addition of the project would overload the Orrington South interface. Due to the complexity of the transmission planning analyses necessary to fully identify the upgrades and the amount of additional transfer capability necessary to allow the new resource to qualify north of the Orrington South interface, the ISO determined that the upgrades are not expected to be in place prior to the start of the 2018-2019 Capacity Commitment Period. It is important to note that the resource did not request a preliminary overlapping interconnection impact analysis pursuant to Schedules 22 or 23 of the ISO Tariff (the Large/Small Generator Interconnection Procedures) to identify potential upgrades necessary for the resource to qualify for participation in the FCA.⁴² Resources that are not qualified to participate in the FCM may still be built and operated in the energy and other ancillary markets. In fact, several of the resources that have not been qualified for previous FCAs because of the Orrington South interface constraint, have nonetheless built their projects and are providing energy (but not capacity) to the ISO Control Area.

NextEra Energy Power Marketing, LLC.

The PineTree Landfill gas to energy project requested to be qualified with a summer Qualified Capacity of 0.800 MW in the Maine Load Zone. The overlapping interconnection impact analysis determined that the Orrington South interface would be overloaded after the addition of the PineTree Landfill gas to energy project. Due to the complexity of the transmission planning analyses necessary to fully identify the upgrades and the amount of additional transfer capability necessary to allow new resources to qualify north of the Orrington South interface, the ISO has determined that the upgrades are not expected to be in place prior to the start of the 2018-2019 Capacity Commitment Period.

c. Requested Prices below the relevant Offer Review Trigger Price

Pursuant to Section III.A.21.2 of the Tariff, the IMM reviews requests submitted by a new capacity resource to submit offers in the FCA below the ORTP for the applicable resource type, using an iterative process that follows the same timeline as the de-list bid review process. If the IMM determines that the requested offer price is inconsistent with the IMM's capacity price estimate, then the resource's New Resource Offer Floor Price will be set to a level that is consistent with the capacity price estimate, as determined by the IMM.⁴³ The IMM's capacity price estimate is derived by entering all relevant resource costs and non-capacity revenue data, as well as assumptions regarding depreciation, taxes, and discount rate into the capital budgeting model used to develop the relevant ORTP and calculating the break-even contribution required from the Forward Capacity Market to yield a discounted cash flow with a net present value of zero for the project.

⁴²Section 7.3 of Schedule 22 of the Open Access Transmission Tariff.

⁴³ Section III.13.A.21.2(b)(iv) of the Tariff.

Section III.13.8.1(a)(vii) requires the ISO to provide the IMM's determinations regarding requested offer prices below the relevant ORTP, including information regarding each of the elements considered in the IMM's determination (other than revenues from ISO-administered markets) and whether that element was included or excluded in the determination of whether the offer is consistent with the resource's long run average costs net of expected revenues other than capacity revenues (the IMM's capacity price estimate). Pursuant to Section III.13.8.1(a) of the Tariff, the IMM determinations regarding requested offers below the relevant ORTP and the information regarding each of the elements considered in the IMM's determination (other than revenues from ISO-administered markets) are filed as privileged in Attachments D, G and H. Section III.13.8.1(a) of the Tariff also requires the ISO to file the Generating Capacity Resource supply offers⁴⁴ and New Demand Resource offers evaluated by the IMM as confidential. Accordingly, the IMM evaluated New Generating Capacity Resources supply offers⁴⁵ and New Demand Resource offers are included in the privileged Attachments G and H. These attachments will be made public no later than 15 days after the FCA.⁴⁶

i. Renewable Technology Resources

Pursuant to Section III.13.1.1.1.7 of the Tariff, seven resources, totaling approximately 79 MW, were designated as Renewable Technology Resources. This total is less than the 200 MW Renewable Technology Resource maximum allowed, and therefore was not prorated. The ORTP for these resources has been updated to \$0/kW-Month.

V. SERVICE

The ISO has served via electronic mail the foregoing document and attachments upon the Governance Participants posted on the ISO's website at <http://www.iso-ne.com/committees/directory/default/committee.action?committeeId=1>.

VI. CONCLUSION

In this Informational Filing, the ISO has presented all of the information required by Section III.13.8.1 of the Tariff. The ISO has reviewed and set forth the characteristics of the transmission system, and Capacity Zones that will be modeled for the auction. The ISO has also calculated and presented a multiplier for Demand Resources as required by the Tariff. The ISO and the IMM, as appropriate, have reviewed a large number of offers and bids and determined which should qualify for the FCA pursuant to the Tariff, and have

⁴⁴ The megawatt values presented in this table are offered megawatts and may differ from the FCA Qualified Capacity megawatts found in Attachment D.

⁴⁵ The megawatt values presented in this table are offered megawatts and may differ from the FCA Qualified Capacity megawatts found in Attachment D.

⁴⁶ Section III.13.8.1(a) of the Tariff.

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provided their determinations herein as required by the Tariff. Overall, 32,555 MW of existing and approximately 8,547 MW⁴⁷ of new resources have qualified to participate in the ninth FCA and will compete in the auction to meet a NICR of 34,189 MW.

Respectfully submitted,

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Attachments

⁴⁷ Summer Qualified Capacity.