



January 12, 2010

VIA HAND DELIVERY

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

Re: Filing of ISO New England Inc. and New England Power Pool to Respond to Order No. 719-A 180-Day Compliance Requirements; Docket No. ER10-____-000

Dear Secretary Bose:

Pursuant to Rule 1907 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the "Commission" or "FERC"),¹ 18 C.F.R. § 385.1907 (2009), and Order Nos. 719 and 719-A,² ISO New England Inc. (the "ISO" or "ISO-NE"), joined by the New England Power Pool Participants Committee ("NEPOOL") (together, the "Filing Parties"), hereby submit an original and five (5) copies of this filing, which adds a new Section III.13.1.4.10 to Market Rule 1 (the "Order No. 719-A 180-Day Amendments"). The addition of Section III.13.1.4.10 responds to the 180-day compliance requirement established in Order No. 719-A.

I. INTRODUCTION

On July 16, 2009, the Commission issued an order on rehearing in the rulemaking proceeding in Docket No. RM07-19 involving various reforms to the organized electric markets, which has been designated as Order No. 719-A. Order No. 719-A requires the ISO to make a compliance filing no later than January 12, 2010 regarding a mechanism through which an

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement (the "Second Restated NEPOOL Agreement"), the Participants Agreement, or the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO Tariff"), including Market Rule 1, which is Section III of the ISO Tariff. The ISO Tariff is available at www.iso-ne.com/regulatory/tariff/index.html.

² *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 73 Fed. Reg. 64100 (October 28, 2008), FERC Stats. & Regs. ¶ 31,281 (2008) ("Order No. 719"), *Order on Reh'g*, Order No. 719-A, 74 Fed. Reg. 37776 (July 29, 2009), FERC Stats. & Regs. ¶ 31,292 (2009) ("Order No. 719-A"), *reh'g denied*, Order No. 719-B, 129 FERC ¶ 61,252 (2009).

affected load-serving entity can be notified when a retail customer served by that entity is enrolled to participate either individually or through an aggregator of retail customers as a demand response resource in the Forward Capacity Market, and the expected level of participation of the enrolled demand response resource with which the retail customer is associated.

Specifically, Order No. 719-A states:

We will require each RTO or ISO, through the stakeholder process, to develop appropriate mechanisms for sharing information about demand response resources to address the concerns raised by TAPS and others. We direct each RTO and ISO, through the stakeholder process, to develop, at a minimum, a mechanism through which an affected load-serving entity would be notified when load served by that entity is enrolled to participate, either individually or through an [aggregator of retail customers (“ARC”)], as a demand response resource in an RTO or ISO market and the expected level of that participation for each enrolled demand response resource. Finally, we direct each RTO and ISO to submit a compliance filing no later than 180 days from the date of this order indicating how it has complied with these requirements.³

This filing responds to this requirement in Order 719-A.

II. DESCRIPTION OF THE FILING PARTIES; COMMUNICATIONS

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO operates 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. 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 operate the system according to reliability standards established by the Northeast Power Coordinating Council (“NPCC”) and the North American Electric Reliability Corporation (“NERC”).

NEPOOL is a voluntary association organized in 1971 pursuant to the New England Power Pool Agreement, and it has grown to include more than 420 members. The Participants include all of the electric utilities rendering or receiving service under the Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, end users, demand resource providers, developers and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission,⁴ the Participants act through the NEPOOL Participants Committee. The Participants Committee is

³ Order No. 719-A at P 69 (footnotes omitted).

⁴ *ISO New England Inc., et al.*, 109 FERC ¶ 61,147 (2004).

authorized by Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement to represent NEPOOL in proceedings before the Commission. Pursuant to Section 2.2 of the Participants Agreement, "NEPOOL provide[s] the sole Participant Processes for advisory voting on ISO matters and the selection of ISO Board members, except for input from state regulatory authorities and as otherwise may be provided in the Tariff, TOA and the Market Participant Services Agreement included in the Tariff."

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

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And to NEPOOL as follows:

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*Persons designated for service⁵

⁵ Due to the joint nature of this filing, the Filing Parties respectfully request a waiver of Section 385.203(b)(3) of the Commission's regulations to allow the inclusion of more than two persons on the service list in this proceeding.

III. DESCRIPTION OF THE ORDER NO. 719-A 180-DAY AMENDMENTS

The Order No. 719-A 180-Day Amendments add a new section to Market Rule 1 to respond to the load-serving entity notification requirements of Order No. 719-A described in Section I above.

New Section III.13.1.4.10 provides a mechanism through which an affected load-serving entity can be notified when a retail customer served by that entity is enrolled to participate either individually or through an aggregator of retail customers as a demand response resource in the Forward Capacity Market, and the expected level of participation of the enrolled demand response resource with which the retail customer is associated.

Specifically, the proposed language of new Section III.13.1.4.10 states:

III.13.1.4.10 Providing Information On Real-Time Demand Response and Real-Time Emergency Generation Resource:

If requested by a Market Participant with a registered Load Asset, the ISO will provide the following information about end use customers served by the Market Participant: (a) whether the end use customer's facility is registered with the ISO as part of an asset and whether the asset is associated with a Real-Time Demand Response or Real-Time Emergency Generation Resource, and; (b) the load reduction capability of the asset, as specified in the ISO's asset registration system, to which the end-use customer's facility is registered.

The addition of a new Section III.13.1.4.10 responds to the compliance requirement of Order No. 719-A. Under that section, the information will be provided "upon request," in recognition that information linking a load-serving entity with its end-use customer registering a demand response resource is not collected, at present, by any of the ISO's systems. Accordingly, this information is not distributable on a recurring, automatic basis to Market Participants with Load Assets. Should other market rule changes (such as future price-responsive demand rules) necessitate the modification of ISO systems to collect information on these linkages automatically, the ISO will then notify Market Participants with Load Assets on a recurring, automatic basis if their end-use customers' facilities are registered as demand response assets. Whether this information is collected by the ISO upon request (initially), or automatically (potentially in the future), its ultimate source will be the Enrolling Participants. The ISO's current and potential future capabilities to collect and distribute this information were discussed as part of the stakeholder process.

IV. STAKEHOLDER PROCESS

The ISO presented the new Section III.13.1.4.10 to the NEPOOL Markets Committee at its November 9, 2009 meeting as described herein. At that meeting, the Markets Committee recommended, with one opposition and three abstentions in the Supplier Sector and one abstention in the Alternative Resources Sector, that the Participants Committee support the

addition of Section III.13.1.4.10. The Participants Committee, at its December 11, 2009 meeting, voted to support the addition of Section III.13.1.4.10 as part of its Consent Agenda with four abstentions attributed to this item and no oppositions.⁶

V. REQUESTED EFFECTIVE DATE

The Filing Parties request an effective date of June 1, 2010 for the Order No. 719-A 180-Day Amendments. This is the date by which the ISO will have systems and business processes in place to implement the Order No. 719-A 180-Day Amendments. That date also corresponds to the start of the first Capacity Commitment Period under New England's Forward Capacity Market.

VI. ADDITIONAL SUPPORTING INFORMATION

Section 35.13 of the Commission's regulations generally requires public utilities to file certain cost and other information related to an examination of traditional cost-of-service rates. However, the market rule changes do not modify a traditional "rate" and the ISO is not a traditional investor-owned utility. Therefore, to the extent necessary, the Filing Parties request waiver of Section 35.13 of the Commission's regulations.⁷ Notwithstanding its request for waiver, the Filing Parties submit the following additional information in substantial compliance with relevant provisions of Section 35.13 of the Commission's regulations:

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

- ◆ This transmittal letter;
- ◆ Attachment 1: Redlined tariff sheets reflecting the Order No. 719-A 180-Day Amendments;
- ◆ Attachment 2: Clean tariff sheets reflecting the Order No. 719-A 180-Day Amendments; and
- ◆ Attachment 3: List of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont to which a copy of this filing has been sent.

⁶ The Consent Agenda for a Participants Committee meeting, similar to the Consent Agenda for a Commission open meeting, is a group of actions (each recommended by a Technical Committee or subgroup established by the Participants Committee) to be taken by the Participants Committee through approval of a single motion at a meeting. All recommendations voted on as part of the Consent Agenda are deemed to have been voted on individually and independently. The Participants Committee's approval of the December 11, 2009 Consent Agenda included its support for the Order No. 719-A 180-Day Amendments.

⁷ 18 C.F.R. § 35.13 (2009).

35.13(b)(2) – The Filing Parties request that the Order No. 719-A 180-Day Amendments become effective on June 1, 2010.

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_ptcpnts_eserved.pdf. A paper copy of this transmittal letter and the accompanying materials have also been sent to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, and to NECPUC. The names and addresses of these governors and regulatory agencies are shown in Attachment 3. In accordance with Commission rules and practice, there is no need for the Governance Participants or the entities identified on Attachment 3 to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) – A description of the materials submitted pursuant to this filing is contained in Sections III and VI of this transmittal letter.

35.13(b)(5) – The reasons for this filing are discussed in Section III of this transmittal letter.

35.13(b)(6) – The Filing Parties' approval of these changes is evidenced by this filing. These changes reflect the results of the Participant Processes required by the Participants Agreement and reflect the support of the Participants Committee.

35.13(b)(7) – Filing Parties have no knowledge of any relevant expenses or costs 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.

35.13(b)(8) – A form of notice and electronic media are no longer required for filings in light of the Commission's Combined Notice of Filings notice methodology.

35.13(c)(1) – The market rule changes herein do not modify a traditional "rate." The statement required under this Commission regulation is not applicable to this filing.

35.13(c)(2) – The ISO does not provide services under other rate schedules that are similar to the wholesale, resale and transmission services it provides under the ISO Tariff.


35.13(c)(3) – No specifically assignable facilities have been or will be installed or modified in connection with the revisions contained herein.

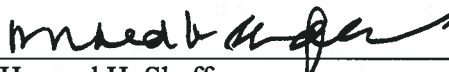
VII. CONCLUSION

The Filing Parties request that the Commission accept the Order No. 719-A 180-Day Amendments as submitted, and without modification or condition, to be effective as of June 1, 2010.

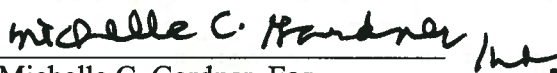
Respectfully submitted,

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Attachments

Attachment 1

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- (b) the customers of Host Utilities that distributed 4 million MWh or less in the previous fiscal year, unless the relevant electric retail regulatory authority permits such customers' demand response to be bid into the ISO-administered markets or programs or the Market Participant registering the Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource is, or is acting on behalf of, the Host Utility serving the customers comprising the Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource.

III.13.1.4.9.1. Requirement for Real-Time Demand Response Asset, Real-Time Emergency Generation Asset, On-Peak Demand Resource and Seasonal Peak Demand Resource Retirement: A Market Participant must retire a previously registered Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource that is comprised of customers specified in subsections (a) or (b) of Section III.13.1.4.9 no later than 12 months from the date that the ISO receives notice that the relevant electric retail regulatory authority prohibits such customer's demand response to be bid into the ISO-administered markets or programs or May 31, 2013, whichever is later.

III.13.1.4.10. Providing Information On Real-Time Demand Response and Real-Time Emergency Generation Resource.
If requested by a Market Participant with a registered Load Asset, the ISO will provide the following information about end use customers served by the Market Participant: (a) whether the end use customer's facility is registered with the ISO as part of an asset and whether the asset is associated with a Real-Time Demand Response or Real-Time Emergency Generation Resource, and; (b) the load reduction capability of the asset, as specified in the ISO's asset registration system, to which the end-use customer's facility is registered.

Attachment 2

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- (b) the customers of Host Utilities that distributed 4 million MWh or less in the previous fiscal year, unless the relevant electric retail regulatory authority permits such customers' demand response to be bid into the ISO-administered markets or programs or the Market Participant registering the Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource is, or is acting on behalf of, the Host Utility serving the customers comprising the Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource.

III.13.1.4.9.1. Requirement for Real-Time Demand Response Asset, Real-Time Emergency Generation Asset, On-Peak Demand Resource and Seasonal Peak Demand Resource Retirement: A Market Participant must retire a previously registered Real-Time Demand Response Asset, Real-Time Emergency Generation Asset or asset associated with an On-Peak Demand Resource or Seasonal Peak Demand Resource that is comprised of customers specified in subsections (a) or (b) of Section III.13.1.4.9 no later than 12 months from the date that the ISO receives notice that the relevant electric retail regulatory authority prohibits such customer's demand response to be bid into the ISO-administered markets or programs or May 31, 2013, whichever is later.

III.13.1.4.10. Providing Information On Real-Time Demand Response and Real-Time Emergency Generation Resource. If requested by a Market Participant with a registered Load Asset, the ISO will provide the following information about end use customers served by the Market Participant: (a) whether the end use customer's facility is registered with the ISO as part of an asset and whether the asset is associated with a Real-Time Demand Response or Real-Time Emergency Generation Resource, and; (b) the load reduction capability of the asset, as specified in the ISO's asset registration system, to which the end-use customer's facility is registered.

Attachment 3

**New England Governors
and Utility Regulatory
and Related Agencies**

Connecticut

The Honorable M. Jodi Rell
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210 Capitol Ave.
Hartford, CT 06106

Connecticut Department of Public Utility Control
10 Franklin Square
New Britain, CT 06051-2605

Maine

The Honorable John E. Baldacci
One State House Station
Rm. 236
Augusta, ME 04333-0001

Maine Public Utilities Commission
State House, Station 18
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Massachusetts

The Honorable Deval Patrick
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Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110

New Hampshire

The Honorable John H. Lynch
State House
25 Capitol Street
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New Hampshire Public Utilities Commission
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Rhode Island

The Honorable Donald L. Carcieri
State House Room 115
Providence, RI 02903

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Vermont

The Honorable James H. Douglas
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Vermont Public Service Board
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