



Sherry A. Quirk  
202/778-6475  
squirk@schiffhardin.com

1666 K STREET N.W., SUITE 300  
WASHINGTON, DC 20006

t 202.778.6400  
f 202.778.6460

www.schiffhardin.com

May 28, 2008

**VIA ELECTRONIC FILING**

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

**Re: ISO New England Inc., Docket No. ER08-633-000**

Dear Secretary Bose and Deputy Secretary Davis:

Attached for electronic filing in the above-referenced docket is the *Motion for Leave to Answer and Answer of ISO New England Inc.* A copy of the foregoing has been served upon all parties included in the Commission's service list.

If you have any questions or concerns regarding this filing, please feel free to contact me. Thank you for your assistance in this matter.

Respectfully submitted,

/s/ Sherry A. Quirk  
Sherry A. Quirk, Esq.

Counsel for ISO New England Inc.

Attachment

cc: Official Service List

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**ISO New England Inc.**

)

**Docket No. ER08-633-000**

**MOTION FOR LEAVE TO ANSWER  
AND ANSWER OF ISO NEW ENGLAND INC.**

Pursuant to Rules 101(e), 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”),<sup>1</sup> ISO New England Inc. (the “ISO”) hereby submits its *Motion for Leave to Answer and Answer* (“Answer”) to the answer filed by FirstLight Power Resources Management, LLC, FirstLight Hydro Generating Company and Mt. Tom Generating Company LLC (“FirstLight Answer”) on May 16, 2008 in the above-captioned docket.

As discussed below, the Commission should dismiss FirstLight’s Answer because the concerns raised by FirstLight with respect to the treatment of de-list bids will be addressed through the New England stakeholder process.<sup>2</sup> Specifically, FirstLight requests that the Commission require the ISO to conduct a technical conference to address the treatment of de-list bids rejected for reliability reasons. As explained in the joint New England Power Pool (“NEPOOL”) and ISO filing in Docket No. ER08-952-000, this issue will be addressed in the

---

<sup>1</sup> 18 C.F.R. §§ 385.101(e), 385.212 and 385.213 (2007).

<sup>2</sup> The other issues raised in FirstLight’s Answer have been addressed in the *Motion for Leave to Answer and Answer of ISO New England Inc.* filed on May 2, 2008 and the *Motion for Leave to Answer and Answer of ISO New England Inc.* filed on May 9, 2008 in the above-captioned docket.

stakeholder process.<sup>3</sup> Hence, there is no need for a technical conference and FirstLight's request should be dismissed.

## I. MOTION FOR LEAVE TO ANSWER

While the Commission's Rules of Practice and Procedure allow parties to respond to comments,<sup>4</sup> as a general matter, the Commission's rules prohibit responses to answers.<sup>5</sup> The Commission has the authority, however, to waive this prohibition for good cause.<sup>6</sup> The Commission has found good cause to permit replies where they are otherwise prohibited in various circumstances, including where the answer would assure a complete record in the proceeding,<sup>7</sup> provide information helpful to the disposition of an issue,<sup>8</sup> permit the issues to be narrowed or clarified,<sup>9</sup> or aid the Commission in understanding and resolving issues.<sup>10</sup> The ISO believes that this Answer will clarify the issue with respect to the treatment of de-list bids rejected for reliability purposes, assure a more complete record in this proceeding, and otherwise assist the Commission in understanding and resolving this issue. For these reasons, the ISO respectfully requests that the Commission grant the ISO's motion to provide the following Answer.

---

<sup>3</sup> Limited Revisions to FCM Rules to Extend Date for Filing Regarding Treatment of De-list Bids Rejected for Reliability Reasons, *ISO New England Inc. and New England Power Pool*, Docket No. ER08-952-000 (filed May 14, 2008) ("May 14 Filing").

<sup>4</sup> 18 C.F.R. § 385.213(a)(3) (2007).

<sup>5</sup> *Id.* at § 385.213(a)(2).

<sup>6</sup> *Id.* at § 385.101(e).

<sup>7</sup> *See, e.g., Pacific Interstate Transmission Co.*, 85 FERC ¶ 61,378 at 62,444 (1998), *reh'g denied*, 89 FERC ¶ 61,246 (1999).

<sup>8</sup> *See, e.g., CNG Transmission Corp.*, 89 FERC ¶ 61,100 at 61,287 n.11 (1999).

<sup>9</sup> *See, e.g., PJM Interconnection, L.L.C.*, 84 FERC ¶ 61,224 at 62,078 (1998); *New Energy Ventures, Inc. v. Southern California Edison Co.*, 82 FERC ¶ 61,335 at 62,323 n.1 (1998).

<sup>10</sup> *See, e.g., Tennessee Gas Pipeline Co.*, 92 FERC ¶ 61,009 at 61,016 (2000).

## II. ANSWER

### **FirstLight's Request For A Technical Conference Is Unwarranted And Should Be Dismissed**

FirstLight requests that the Commission direct the ISO to conduct a technical conference to examine the impact on the auction price of rejecting de-list bids for reliability reasons.<sup>11</sup> FirstLight argues that requiring de-list bids to be price takers in the auction artificially suppresses capacity clearing prices.<sup>12</sup> Under Section III.13.2.5.2.5(f) of the Forward Capacity Market Rules, the ISO, after consultation with NEPOOL stakeholders and state regulatory agencies, is required to file with the Commission a determination on the appropriate treatment of de-list bids rejected for reliability purposes. On May 9, 2008, the NEPOOL Participants Committee unanimously voted to extend the date for this determination until May 17, 2010. On May 14, 2008, the ISO and NEPOOL jointly filed a request with the Commission for the extension. The May 14 Filing explained that the extension will allow the ISO, NEPOOL stakeholders and state regulatory agencies to make a determination on the treatment of de-list bids rejected for reliability reasons based on the experience gained in conducting further auctions. FirstLight's request for a technical conference is an attempt to circumvent this stakeholder process and should be rejected. In addition, FirstLight's request lacks merit because Section III.13.2.5.2.5(f) requires this issue to be addressed through the stakeholder process.

---

<sup>11</sup> FirstLight Answer at 7.

<sup>12</sup> *Id.* at 8.

### III. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission grant the ISO's Motion for Leave to Answer and Answer.

Respectfully submitted,

ISO NEW ENGLAND INC.

By: \_\_\_\_\_

Raymond W. Hepper, Esq.  
Kevin W. Flynn, Esq.  
ISO New England Inc.  
One Sullivan Road  
Holyoke, MA 01040-2841  
Tel: (413) 540-4585  
Fax: (413) 535-4379  
E-mail: [rhepper@iso-ne.com](mailto:rhepper@iso-ne.com)

\_\_\_\_\_

Sherry A. Quirk, Esq.  
Montina M. Cole, Esq.  
Schiff Hardin LLP  
1666 K Street NW, Suite 300  
Washington, D.C. 20006  
Tel: (202) 778-6475  
Fax: (202) 778-6460  
E-mail: [squirk@schiffhardin.com](mailto:squirk@schiffhardin.com)

Dated: May 28, 2008

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the parties designated on the official service list for the above-captioned docket in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.2010 (2007).

Dated at Washington, D.C. on this 28th day of May 2008.

/s/ E-filed \_\_\_\_\_  
Sherry A. Quirk  
Attorney for ISO New England Inc.