

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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August 29, 2017

Mr. Gordon van Welie
President and CEO
ISO New England
1 Sullivan Rd
Holyoke MA 01040

Dear Mr. van Welie:

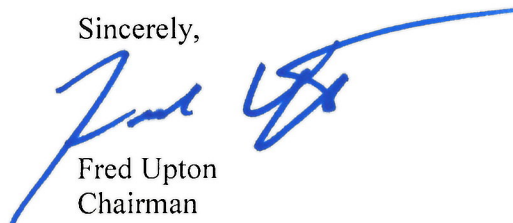
Thank you for appearing before the Subcommittee on Energy on Wednesday, July 26, 2017, to testify at the hearing entitled "Powering America: A Review of the Operation and Effectiveness of the Nation's Wholesale Electricity Markets."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, September 13, 2017. Your responses should be mailed to Elena Brennan, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to Elena.Brennan@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Fred Upton
Chairman
Subcommittee on Energy

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy

Attachment

Attachment—Additional Questions for the Record

The Honorable Fred Upton

1. It has been more than 7 years since FERC embarked on its efforts to promulgate new transmission planning reforms which resulted in Order No. 1000. Your RTO is designated as “Order 1000 transmission planning regions.” Now that you have had real-world experience with these reforms, do you think FERC’s efforts at reforming transmission planning and cost allocation have succeeded, failed, or landed somewhere in between?
2. In your testimony, you state that the “forward capacity market is achieving its objective of ensuring an adequate supply of capacity and investment in new capacity resources.” Are you concerned, however, that resources are coming to rely more and more on capacity payments as energy payments decline?
3. Your RTOs and ISOs play a central role in operating the wholesale electricity markets and (with the exception of ERCOT) your primary regulator is the Federal Energy Regulatory Commission. Do you believe that FERC is appropriately engaged in overseeing wholesale electricity markets?
 - a. Are there additional areas of regulatory oversight that requires the attention of this Subcommittee?

The Honorable John Shimkus

1. If, as we learned at the hearing, markets were structured to build only the least expensive generation, we would build nothing but natural gas plants right now.
 - a. Is that correct? Is that what’s happening?
 - b. If not, how do you explain other generation sources entering the market?

The Honorable Billy Long

1. RTO development began in late 1999 with ISO development soon to follow. Both organizations help to monitor our electric power system. There are still a number of gaps in our electric system where problems could occur. What are your thoughts about the creation of another RTO that could include the states of Nevada, Arizona, Colorado, and other western states? Should it be an RTO or an ISO?
2. How are you planning to manage the growing surplus of generation in your respective regions?

The Honorable Frank Pallone, Jr.

1. Consumer advocates have identified the resource imbalance between the stakeholder members of the RTO/ISO Boards and the small consumer community as a major barrier to having meaningful representation of consumer viewpoints included in decisions about grid operation and capital project evaluation and approvals. What mechanisms, reductions in costs of stakeholder participation, or other support does your RTO/ISO provide to the small consumer community to facilitate their participation in RTO/ISO governance?
2. You indicated at the hearing that ISO New England had a formal structure (e.g. committee or liaison position) for obtaining input on consumer views and concerns on grid management. Please provide detail about how consumer views are incorporated into decision-making at your RTO/ISO.
 - a. Do consumer advocates have voting representation on the Board?
 - b. Do consumer advocates participate actively in the development and approval of grid planning?
 - c. Are there funds available to support full-time staff that serve the interests of consumer advocates? If so, what is the source of those funds?

The Honorable Peter Welch

1. Climate change poses serious threats to public health and safety – and to our power systems. In Vermont and other parts of the Northeast, we’ve seen the devastation that storms like Hurricanes Irene and Sandy can cause to lives and property, while leaving millions without power. We need to address both reliability and climate change, not one or the other.

A 2016 ISO New England economic study, conducted at the request of the region’s electricity stakeholders, suggests that to meet greenhouse gas targets, New England must integrate significantly higher levels of renewable energy. In that study, only scenarios with high levels of renewables were consistent with achieving emissions targets that Vermont and other states are contemplating as part of an update to the Regional Greenhouse Gas Initiative.

- a. Mr. van Welie, in your testimony, you discussed ISO New England’s Competitive Auctions with Sponsored Policy Resources (CASPR) proposal as a way to enable states, such as Vermont, to bring in more renewable energy. My understanding, however, is that while CASPR creates the possibility for state-supported renewables to enter the capacity market, it does not guarantee that they can enter at the rates we need to reach our climate goals. In fact, as part of CASPR, ISO New England is proposing to do away with a mechanism that guarantees space for at least 200 megawatts of wind and solar projects to enter the market each year. It appears this proposal could represent a step backwards for the states because it removes certainty

and makes the ability of a state-sponsored resource to clear in the capacity market dependent on the decisions of generators rather than states. Has ISO New England done any analysis that shows CASPR is consistent with meeting state renewable energy and climate goals? If so, can you share this with the Committee?

2. The latest installment of the Department of Energy's Quadrennial Energy Review highlighted a number of reforms needed to improve the operation of the nation's electricity system, including a number of changes needed to the Federal Power Act. Should the Committee consider changes to the Federal Power Act, are there specific reforms ISO New England believes should be made?
3. Similarly, could you please name one federal policy that you think should be changed to improve grid reliability and one change to improve grid security?
4. ISO-NE has always pursued a fuel-neutral approach to its wholesale markets. The markets in New England appear to be pushing toward the inclusion of more gas-fired generation, and one of the few counter-balances to that is the desire of states to increase the amount of renewables. The number of renewable resource technologies that can currently address the fuel security issue is fairly limited.
 - a. Given these developments, would ISO-NE consider solutions that are not fuel neutral – for example, special provision for baseload imports of Canadian hydro or increased support for battery storage technologies?