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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. AD17-11-000]

State Policies and Wholesale Markets Operated by ISO New England Inc., New York Independent System Operator, Inc., and PJM Interconnection, LLC; Notice of Technical Conference

Take notice that the Federal Energy Regulatory Commission (Commission) staff will hold a technical conference to discuss certain matters affecting wholesale energy and capacity markets operated by the Eastern Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). The technical conference will take place on May 1, 2017 and May 2, 2017 beginning at approximately 9:00 am and ending at approximately 5:00 pm. The conference will be held at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. All interested persons are invited to participate in the conference. Commission members may participate in the conference.

Competitive wholesale energy and capacity markets bring value to customers by efficiently pricing energy and capacity, taking into account the operational needs and the dynamics of the transmission system, and providing transparent signals for investment and retirement of resources. Over the years, the rules underpinning competitive

wholesale markets have evolved to address a myriad of issues while ensuring the reliable delivery and sale of electricity at just and reasonable rates. In recent years, there has been increased interest by state policy makers to pursue policies that prioritize certain resources or resource attributes. Because the wholesale competitive markets, as currently designed, select resources based on principles of operational and economic efficiency without specific regard to resource type, there is an open question of how the competitive wholesale markets, particularly in states or regions that restructured their retail electricity service, can select resources of interest to state policy makers while preserving the benefits of regional markets and economic resource selection.

Commission staff appreciates and has been closely monitoring each of the Eastern RTO's/ISO's stakeholder discussions addressing wholesale markets and state policies.¹ These discussions have generally recognized that alternative market designs could take the form of changes to either the capacity or energy markets. Proposals to change the wholesale energy market have generally focused on valuing various resource attributes, including the value of fuel security or certain environmental costs associated with the production of electric energy. By comparison, proposals to change the capacity market have generally focused on ways to preserve the integrity of the capacity market, while also

¹ Commission staff is aware that the New England Power Pool Participants Committee and Markets Committee have conducted several meetings on wholesale markets and state public policy issues, and on August 18, 2016, PJM held a meeting to “address public policy goals and market efficiency.” Further, NYISO has initiated within its Budget and Priorities Working Group a discussion of integrating public policy in its markets.

allowing customers to receive resource adequacy benefits from state supported resources in the capacity market.

Commission staff takes this opportunity to foster further discussion regarding the development of regional solutions in the Eastern RTOs/ISOs that reconcile the competitive market framework with the increasing interest by states to support particular resources or resource attributes. In particular, Commission staff seeks to discuss long-term expectations regarding the relative roles of wholesale markets and state policies in the Eastern RTOs/ISOs in shaping the quantity and composition of resources needed to cost-effectively meet future reliability and operational needs. At one end of the spectrum, state policies would be satisfied through the wholesale energy and capacity markets. At the other end of the spectrum, state policies would be achieved outside of the wholesale markets, and the wholesale markets would be designed to avoid conflict with those state policies. There are numerous alternatives between these two ends of the spectrum. As part of this discussion, Commission staff seeks to understand the pros and cons of the various alternatives in the Eastern RTOs/ISOs. In the end, Commission staff seeks to understand the potential for sustainable wholesale market designs that both preserve the benefits of regional markets and respect state policies.

Supplemental notices will be issued prior to the technical conference with further details regarding the agenda, speakers and organization of the technical conference.

Those wishing to participate in this conference should submit a nomination form online by 5:00 p.m. on March 17, 2017 at: <https://www.ferc.gov/whats-new/registration/05-01-17-speaker-form.asp>.

All interested persons may attend the conference, and registration is not required. However, in-person attendees are encouraged to register on-line at: <https://www.ferc.gov/whats-new/registration/05-01-17-form.asp>.

The technical conference will be transcribed and there will be a free webcast of the conference. The webcast will allow persons to listen to the technical conference, but not participate. Transcripts will be available immediately for a fee from Ace Reporting Company at (202) 347-3700.

Anyone with Internet access who wants to listen to the conference can do so by navigating to www.ferc.gov's Calendar of Events and locating the technical conference in the Calendar. The technical conference will contain a link to its webcast. The Capitol Connection provides technical support for the webcast and offers the option of listening to the meeting via phone-bridge for a fee. If you have any questions, visit www.CapitolConnection.org or call 703-993-3100.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an email to accessibility@ferc.gov

or call toll free (866) 208-3372 (voice) or (202) 502-8659 (TTY), or send a fax to (202) 208-2106 with the requested accommodations.

FOR FURTHER INFORMATION PLEASE CONTACT INDIVIDUALS IDENTIFIED
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Dated: March 3, 2017.

Kimberly D. Bose,

Secretary.

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