

**Congress of the United States**  
**Washington, DC 20515**

January 30, 2015

Chairman Cheryl LaFleur  
Commissioner Philip Moeller  
Commissioner Tony Clark  
Commissioner Norman Bay  
Commissioner Colette Honorable  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Dear Commissioners,

We would like to take this opportunity to congratulate Commissioner Honorable on her recent confirmation and swearing-in; we look forward to working with all of you.

We are writing to reiterate our concerns regarding electricity prices in the New England region. The continued increase of rates across the New England region is alarming, and the Federal Energy Regulatory Commission's (FERC) inability to conclusively rule on the results of the February 2014 Forward Capacity Auction Eight (FCA8) failed to address the drastic rate increases for ratepayers. Now that FERC can benefit from the counsel and participation of all five members, we urge the Commission to reevaluate the FCA8 rates pursuant to the Federal Power Act.

The results of FCA8 conducted by ISO New England (ISO-NE) and filed with the Commission on February 28, 2014 revealed a clearing price that more than doubled in one year.<sup>1</sup> Yet, policies and capacity demands have not shifted in any manner that would justify a doubling of rates. We strongly supported the Commission's decision to conduct further review of the results of FCA8 last summer but believe FERC's failure to make a conclusive decision in September 2014 has unfairly left the ratepayers of New England without appropriate redress.

The ISO-NE Tariff states the only way to challenge the results of a Forward Capacity Auction is through the filing of an objection.<sup>2</sup> FERC Docket ER14-1409 contains many objections to the auction results, and the Commission accordingly issued its deficiency notice in June 2014. The Commission's subsequent Notice of Filing Taking Effect by Operation of Law the following September, in addition to statements by the four sitting commissioners, clearly shows vastly different views of the results of FCA8.<sup>3</sup> The Commission's further dismissal of numerous

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<sup>1</sup> ISO-NE Press Release: Finalized Auction Results Confirm Slight Power System Resource Shortfall in 2017-2018. February 28, 2014. [http://www.iso-ne.com/nwsiss/pr/2014/fca8\\_final\\_results\\_final\\_02282014.pdf](http://www.iso-ne.com/nwsiss/pr/2014/fca8_final_results_final_02282014.pdf)

<sup>2</sup> ISO-NE Tariff § III.13.8.2.

<sup>3</sup> Notice of Filing Taking Effect by Operation of Law, FERC Docket No. ER14-1409-000. September 16, 2014. See also Statement of Chairman Cheryl LaFleur on Forward Capacity Market Auction 8 Results Proceeding, Docket No. ER14-1409-000, September, 16, 2014; Statement of Commissioner Moeller on FERC's Lack of Action in Docket

requests to rehear and reevaluate the rates set by FCA8 because the Commission did not issue any order has left both ratepayers and the intervening parties advocating on their behalf with no clear legal standing.

In its review of FCA8 last summer, the Commissioners split evenly on whether the Commission had the power to interpret the “just and reasonable” standard as an assessment of the rates themselves. However, both Sections 205 and 206 grant the Commission significant authority to approve or deny certification of rates. Section 205 of the Federal Power Act allows the Commission to hear concerns about new rates to determine their lawfulness, either by the Commission’s own choosing or by complaint.<sup>4</sup> Section 206 allows the Commission to determine the just and reasonable rate after a hearing conducted based on its own concerns or by complaint if the rates are found to be unjust and unreasonable.<sup>5</sup> Despite this authority, the Commission has failed to act.

We urge the Commission to use the authority granted under the Federal Power Act to reexamine this issue and resolve it as quickly as possible to provide some certainty to the ratepayers of New England. Failure to do so will only continue to leave them in legal purgatory and without proper recourse.

Further, with FCA9 scheduled to take place on February 2, 2015, we ask that the Commission closely monitor the upcoming auction and consider the impact of rate prices on consumers in deciding whether to certify the results later this year.

We stand ready to work with you to uphold the Commission’s mission to protect reliable, efficient, and sustainable energy at a reasonable cost for consumers. Thank you for your consideration of this request. We look forward to your timely response.

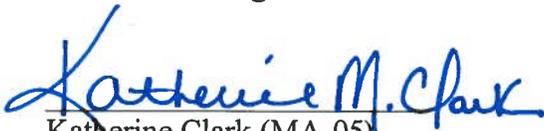
Sincerely,



Joseph P. Kennedy, III (MA-04)  
Member of Congress



Edward J. Markey (MA)  
U.S. Senator



Katherine Clark (MA-05)  
Member of Congress



Richard Blumenthal (CT)  
U.S. Senator



Niki Tsongas (MA-03)  
Member of Congress



Bernard Sanders (VT)  
U.S. Senator

<sup>4</sup> 16 U.S.C. § 824d.

<sup>5</sup> 16 U.S.C. § 824e.



James P. McGovern (MA-02)  
Member of Congress



Jack Reed (RI)  
U.S. Senator



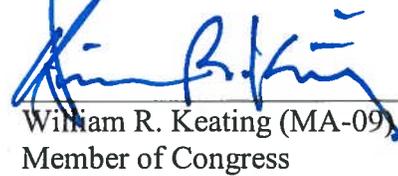
James R. Langevin (RI-02)  
Member of Congress



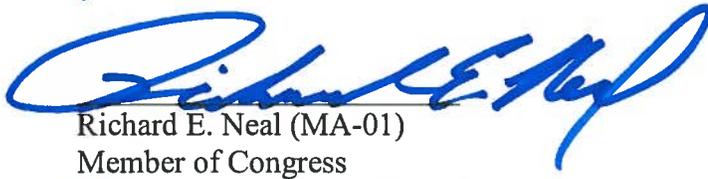
Sheldon Whitehouse (RI)  
U.S. Senator



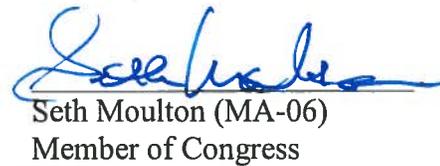
Stephen F. Lynch (MA-08)  
Member of Congress



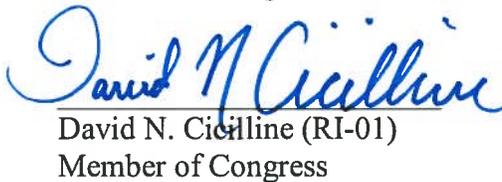
William R. Keating (MA-09)  
Member of Congress



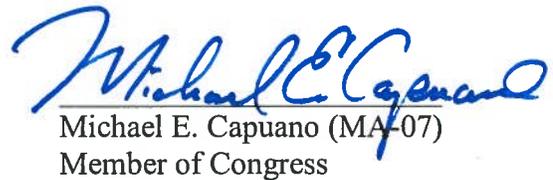
Richard E. Neal (MA-01)  
Member of Congress



Seth Moulton (MA-06)  
Member of Congress



David N. Cicilline (RI-01)  
Member of Congress



Michael E. Capuano (MA-07)  
Member of Congress



Frank Guinta (NH-01)  
Member of Congress



Peter Welch (VT-At Large)  
Member of Congress



Elizabeth Warren  
U.S. Senator