

FINAL

The Annual Meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Friday, December 4, 2015 at the Colonnade Hotel, Boston, MA, pursuant to notice duly given. A quorum determined in accordance with the Second Restated NEPOOL Agreement was present and acting throughout the meeting. Attachment 1 identifies the members, alternates and temporary alternates attending the meeting.

Mr. Joel Gordon, Chair, presided and Mr. David Doot, Secretary, recorded. Mr. Gordon welcomed the members, alternates and guests who were present, including: FERC Commissioner Cheryl LaFleur; Mr. Larry Gasteiger, Chief of Staff to FERC Chairman Norman Bay; ISO Board Chairman Mr. Phil Shapiro; ISO Board member Mr. Raymond Hill; numerous New England state officials, including Commissioner Mark Vannoy of the Maine Public Utilities Commission, and FERC representatives, Mr. Eric Jacobi and Mr. Michael Cackoski.

COMMENTS OF FERC COMMISSIONER CHERYL LAFLEUR

Mr. Gordon welcomed FERC Commissioner Cheryl LaFleur and introduced her to the Committee.

Commissioner LaFleur commented on the 2015 NEPOOL Annual Report she had received, referencing the history timeline and noting that November 9, 2015 marked the 50-year anniversary of the 1965 Northeast Blackout. She noted how the blackout led to the formation of NEPOOL and ultimately the evolution of an electric industry with competitive wholesale markets. She described New England as the birthplace of the competitive markets, and expressed pride as a New Englander for the region's leadership on energy efficiency and demand response, for its close regional cooperation, and for organizing the Regional Greenhouse Gas Initiative (RGGI) as one of the nation's inaugural carbon markets.

Commissioner LaFleur observed that New England had been stress testing competitive markets given recent retirements of legacy assets and the addition of new assets. She noted those circumstances predictably led to capacity market prices rising, sending the signal for new investment to support the region's energy needs. She referenced the evolution of the Winter Reliability Program, the definition of the capacity product with pay-for-performance, gas/electric integration, and energy market enhancements. She noted the FERC's focus on energy price formation in order to ensure that locational marginal prices (LMPs) accurately reflect the costs of keeping the lights on. She thanked NEPOOL and its members for their informed participation in that evolution, both in New England and in their filings at the FERC.

Commissioner LaFleur acknowledged New England's need on a priority basis to confront infrastructure challenges, siting issues, and efforts to facilitate off-shore wind and new renewable energy for the region. She noted the key challenge would be to make sure that the market structures are refined so that the markets produce just and reasonable results in both the near and long terms.

Responding to questions from members, she cited as support for the growth in competitive markets the facts that the Midcontinent Independent System Operator (MISO) nearly doubled in size in the prior two years through the addition of the Entergy System and others and that the Southwest Power Pool had added swaths of seven states across the upper Midwest. She noted also that the FERC reviewed and approved cost allocation for the Western Area Power Administration, facilitating entry into a competitive power market, and that six states in addition to California were participating in the West Energy Imbalance Market, with applications for other companies to join being accepted.

Commissioner LaFleur noted the differences in markets across the country and the challenge of ensuring that markets accommodate state and federal policy initiatives, particularly

given low gas prices, and the desire, whether Clean Power Plan-driven or otherwise, to change the environmental profile of the domestic fleet. She expressed her preference that state and federal policy initiatives be addressed through the markets, which although being stress tested, she was optimistic would persist given their many benefits.

She responded to questions concerning litigation over FERC and State jurisdiction then pending before the Supreme Court, noting that the FERC would be prepared to respond to whatever guidance it received from the Supreme Court, including on the complaints pending before that Court on those issues. Recalling her experience helping to identify and implement demand response programs in 1992, prior to competitive markets, she expressed her certainty that there would definitely be a role for customer demand response no matter the outcome of current litigation.

APPROVAL OF NOVEMBER 6, 2015 MEETING MINUTES

Mr. Doot referred the Committee to the preliminary minutes for the November 6, 2015 meeting as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the November 6 meeting were unanimously approved.

CONSENT AGENDA

Mr. Gordon referred the Committee to the Consent Agenda that was circulated in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was approved unanimously, with an abstention noted by Energy America.

TRANSMISSION OUTAGE SCHEDULING REVISIONS

Mr. Gordon referred the Committee to the materials circulated in advance of the meeting regarding revisions to transmission outage scheduling. He reported that the Reliability Committee, at its November 20, 2015 meeting, considered and voted to recommend Participants

Committee support for the changes. He stated this matter would have been on the Consent Agenda but for the timing of the Reliability Committee's action.

The following motion was then duly made, seconded and approved unanimously without comment:

RESOLVED, that the Participants Committee supports the proposed Transmission Outage Scheduling Revisions, as recommended by the Reliability Committee and as reflected in the materials distributed to the Participants Committee for its December 4, 2015 meeting, together with such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

COMMENTS OF LARRY GASTEIGER, CHIEF OF STAFF TO FERC CHAIRMAN NORMAN BAY

Mr. Gordon introduced Mr. Larry Gasteiger, Chief of Staff to FERC Chairman Norman Bay, noting that Mr. Gasteiger's public service at the FERC had spanned the entire period of New England's electric industry restructuring. He reported that Mr. Gasteiger was involved with the drafting and implementation of FERC Order 888, Order 2000, and the Energy Policy Act of 2005; he was also senior staff responsible for New England during the time of the *Devon* orders, the LICAP litigation, and the FCM settlement and implementation.

Mr. Gasteiger thanked the Committee for inviting him to the Annual Meeting and Commissioner LaFleur for sharing her opening remarks and fielding questions. He also acknowledged Mr. Jacobi and Mr. Cackoski, FERC representatives who were also in attendance and actively involved in following New England matters. He noted, with appreciation, the NEPOOL business planning under Mr. Gordon's leadership. He also acknowledged Connecticut Public Utilities Regulatory Authority Chairman Arthur House for his work within NECPUC regarding cyber security issues. He then informed members of the recent passing of FERC Chief

Administrative Law Judge Curtis L. Wagner, who had been in public service for more than 60 years and would be missed.

First, noting that his comments were his alone and may not reflect the views of the Chairman or the FERC, Mr. Gasteiger highlighted some of the FERC Chairman's priorities. Ahead of identifying those priorities, he reviewed the following five key developments in the energy industry that were driving change and required a constant reassessment of FERC's priorities:

1. Shale gas revolution, which had resulted in abundant supplies at very low prices. That, in turn, had resulted in electric generation from natural gas exceeding that from coal.
2. Load growth tempered by increased use of energy efficiency, which had resulted in load growth that was less than 1% notwithstanding population growth, increased use of electronic equipment, and an economy that had grown 2-3%.
3. Increased use of renewables and distributed generation, which was both because of, and causing a reduction in, the price of renewable energy and a more than tripling of energy production over the past decade, with continued growth projected.
4. State and Federal policy, with renewable portfolio standards adopted by 29 states and two territories, the implementation of RGGI in the Northeast and Mid-Atlantic States, the implementation of California's cap and trade program, and the latest passage of the Environmental Protection Agency's (EPA) Clean Power Plan.
5. Technological innovation, which, among other things had (a) enhanced the productivity and use of fracking; (b) effected the reduction in cost for renewables; (c) expanded the use of smart meters; (d) increased the deployment of phase angle regulators; and (e) supported promising development in improved and cheaper energy storage.

Given these challenges, Mr. Gasteiger noted that Chairman Bay's key priorities would be to focus on the basics of thoughtful, deliberate and well-reasoned decision making, with the benefit of a solid record, using the tools that Congress has given the FERC to tackle the challenges it faces. He explained that the thought process would be continuous and steady, rather than in large advances, though with higher risk of re-direction by the industry or the Courts. He said that Chairman Bay was focusing on progress in improving the markets,

appropriately expanding infrastructure to support those markets, and maintaining high reliability. With respect to markets, the FERC's priority would be greater efficiency, competition and transparency, as demonstrated by the Notice of Proposed Rulemaking (NOPR) on price formation. He encouraged active participation by market participants to better inform the FERC on whether, and in what way, further steps should be taken if they are considered necessary. He said the FERC had signaled its intent to address price caps and mitigation as part of the price formation effort.

He then referenced the NOPR concerning Connected Entities, which he noted was something that New England had clearly focused on, and that Staff wished to explore further, in an already-scheduled technical conference.

On the issue of reliability, he noted the FERC's sensitivity to the interaction between the gas and electric industries and the growing challenges associated with cyber security and physical security. He referenced FERC efforts on gas/electric coordination. He also noted the September NOPR in which the FERC proposed to expand its timely access to transmission and outage data collected by the North American Electric Reliability Corporation (NERC) in order to provide more ability for the FERC to analyze the performance of the markets and bulk power system.

On the topic of infrastructure, Mr. Gasteiger expressed the importance of expanding the gas pipeline and electric transmission systems, stating that well-placed and well-supported infrastructure improves reliability and resiliency, provides economic benefits reducing congestion, making markets more competitive, and furthers state and federal policies. He stated Chairman Bay was concerned with the Order 1000 process, how its implementation was proceeding, and what was and was not working from the perspective of those involved in that process.

In response to members questions concerning timing of orders, Mr. Gasteiger commented on the FERC's work load, citing by way of example the fact that, in the period between the FERC's October and November open meetings, the Commission had issued 106 notational orders in addition to the more than 60 orders voted out at the November meeting, numbers that did not reflect the numerous orders issued during that time by Staff pursuant to delegated authority. Also in response to questions, he noted that the Office of Enforcement's Division of Analytics and Surveillance (DAS) was gearing up to use expanded market data from the RTOs/ISOs to come to a better understanding of developments in the wholesale markets, and to identify anomalous activities that require further examination, and in some cases, referral to the Division of Investigations (DOI). He explained that, while the data was accessible to other policy and program areas within the FERC, it was primarily used for analytics and investigative purposes. Other programs and areas were currently more likely to access the data following questions from, or in consultation with, DAS or DOI, rather than to make use of the data independently. Under consideration moving forward, however, and of particular interest to Chairman Bay, was how to move use of this data beyond primarily investigative functions, to facilitate a deeper understanding of market developments, and maximize the efficiencies that can come from broader FERC use of the data.

Mr. Gasteiger concluded his remarks acknowledging the hard work of New England stakeholders and the need for more process and continued engagement by stakeholders in that process. On behalf of NEPOOL, Mr. Gordon thanked Mr. Gasteiger for his comments and for participating in the Annual Meeting.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the

November 6 meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), reviewed highlights from the December COO report, which was circulated in advance of the meeting and posted on the NEPOOL and ISO websites. Focusing on report highlights, which he explained reflected data through November 24 (November 22 for Real-Time Net Commitment Period Compensation (NCPC)), he reported for November that: (i) Energy Market value was \$245 million, down \$130 million from October 2015 and down \$254 million from November 2014; (ii) natural gas prices were 7.4% lower than October 2015 average values; (iii) Real-Time Hub LMPs on average were 16.5% lower than October 2015 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 98.3% in November, down from 100% in October; (v) daily NCPC for November totaled \$10 million, down \$711,000 from October 2015 NCPC and up \$2.9 million from November 2014; (vi) first contingency payments, totaling \$4.6 million, were \$574,000 lower than October's; (vii) second contingency payments totaled \$4.1 million, \$1 million less than in October 2015; (viii) voltage support payments totaled \$1.3 million, up \$904,000 from October 2015; and (ix) NCPC payments were 4.1% of the total Energy Market value.

He reported that the ISO Board approved the 2015 Regional System Plan (RSP15) at its November 5 meeting, that changes to the RSP process were being proposed to provide for the next RSP to be issued in 2017, that FERC filings were made on November 10, 2015 regarding qualification of resources and regional/zonal requirements for the tenth Forward Capacity Auction (FCA10), with FCA10 scheduled to begin on February 8, 2016, that approximately 62 MW of generation and demand resources would receive the Renewable Technology Exemption,

and that 2015 economic planning studies were underway, with all three study requests focused on the impacts of wind. He reported that the study updates were to be presented at the December 14 Planning Advisory Committee (PAC) meeting, a technical session on the generation queue and overlapping impact test analysis was to be presented at the December 15 PAC meeting, and the results of the reliability review for the Pilgrim Non-Price Retirement Request would be presented at the December 16 Reliability Committee meeting. He reported that preparations were underway regarding existing and new resource qualification training for the eleventh Forward Capacity Auction (FCA11), which would incorporate, subject to FERC approval, timeline changes and new rules associated with the Retirement Reforms Project.

Turning to an update on the 2015/16 Winter Reliability Program, Dr. Chadalavada reported that, based on submissions of intent by oil units and those with LNG contracts, it appeared that the region was prepared for the winter. He stated that an updated slide reflecting the latest inventory levels for oil, LNG and DR participation would be circulated to the Committee once the ISO had a chance to review and quality control the submissions. He reported that, of the six units that had indicated an intention to commission dual-fuel capability, five of the units, totaling 1,500 MW, were commercial and successfully tested; the remaining unit, roughly 300 MW, had yet to complete testing. He stated that NCPC costs incurred as part of the testing had totaled \$1.1 million to that point, and were expected to total less than \$2 million, well below the \$5.7 million cap for NCPC related to commissioning.

In response to questions, Dr. Chadalavada stated that an Inter-regional Planning Stakeholder Advisory Committee (IPSAC) meeting was scheduled for December 14 to discuss interregional planning needs and timelines in light of Order 1000 implementation, queue interconnection studies and other issues affecting planning in the regional systems. Dr.

Chadalavada reported that the ISO was still working through what information or reports could be provided on Peak Energy Rent (PER) deductions.

He reported that the Generator Control Application (GCA), which was a prerequisite for Coordinated Transaction Scheduling (CTS), was implemented on November 9, and CTS would be implemented on December 15. Access to the NYISO's Joint Energy Scheduling System for bidding opened to Market Participants on December 2. He stated that the ISO and the IMM would monitor initial CTS performance and would report their observations to stakeholders in the first quarter of 2016.

In response to a question, Dr. Chadalavada reported that GCA had resulted in modest changes to unit commitment and dispatch and reduced overall production costs. He expected, over time, GCA-related production cost savings to be material. He suggested the initial results be presented to the Markets and/or Reliability Committees for discussion. Mr. van Welie added that the ISO would discuss the GCA tool in its February 3 response to the price formation questions posed by the FERC in Docket No. AD14-14.

Dr. Chadalavada concluded his presentation by reporting on NERC's third biennial North American-wide grid resilience exercise (GridEx III), held November 18-19, 2015. GridEx III focused on utility response to simulated, coordinated cyber and physical security threats and incidents, which included disrupted data flow in, and physical damage to, the New England portion of the grid. Dr. Chadalavada said that the exercise was resource intensive for those participating, but provided an excellent opportunity for the ISO, Local Control Centers, and New England utilities to test their ability to respond to, and strengthen their preparation for, potential attacks on the grid. He said that the ISO was still evaluating its response during the exercise, looking for opportunities to improve. He expected NERC to publish its full report on GridEx III in the second quarter of 2016.

2015 NEPOOL ANNUAL REPORT

Mr. Doot referred the Committee to the 2015 NEPOOL Annual Report, “NEPOOL: Markets Made Here Since 1971”, that was circulated before the meeting and had been posted on the NEPOOL website. He noted the active involvement of the Chairman in the report preparation and changes to the Report format, focus, and content from past reports. He expressed appreciation in particular to the Participant contributors, who had provided information and materials for the report, and to the Day Pitney team for their efforts designing, assembling and finalizing the Report with the Chairman’s guidance. He indicated that the report included pictures of New England-based or New England-related assets and locales numbered consecutively, and that a contest challenging members to identify as many of the pictures as possible would be conducted prior to the posting of a key identifying the assets and locales depicted (Annual Report Challenge). The results of that challenge would be announced at the January meeting and those accumulating the most points awarded a Chairman’s prize.

Mr. Doot highlighted from the Report the remarkable level of activity and effort in 2015. He noted that more than 280 regulatory proceedings were monitored throughout the year, many representing a significant level of effort from the Pool. He drew attention in particular to the appellate proceedings that had been active in 2015, more numerous than in past years, and which, depending on their outcomes, could significantly impact the region and the nation’s wholesale markets. Mr. Doot welcomed and encouraged stakeholder feedback on the Report.

ELECTION OF 2016 PARTICIPANTS COMMITTEE OFFICERS

At the request of the Chairman, Mr. Doot referred the Committee to the proposed slate of 2016 NEPOOL Participants Committee Officers circulated and posted in advance of the meeting, describing that the vote was to ratify the prior votes taken by ballot and to elect the Secretary and Assistant Secretary for the following year.

The following motion was duly made, seconded and unanimously approved:

WHEREAS, Section 4.6 of the Participants Committee Bylaws sets forth procedures for the nomination and election of a Chair and Vice-Chairs of the Committee; and

WHEREAS, pursuant to those procedures the individuals identified in the following resolution were nominated and elected for 2016 to the offices of Chair and Vice-Chair, as set forth opposite their names; and

WHEREAS Section 7.1 of the Second Restated NEPOOL Agreement provides that officers be elected at the annual meeting of the Participants Committee.

NOW, THEREFORE, IT IS

RESOLVED, that the Participants Committee hereby adopts and ratifies the results of the election held in accordance with Section 4.6 of the Bylaws and elects the following individuals for 2016 to the offices set forth opposite their names to serve until their successors are elected and qualified:

Chair	Joel S. Gordon
Vice-Chair	Timothy J. Brennan
Vice-Chair	Brian E. Forshaw
Vice-Chair	Thomas W. Kaslow
Vice-Chair	John J. Keene Jr.
Vice-Chair	Donald J. Sipe
Secretary	David T. Doot
Assistant Secretary	Paul N. Belval

Mr. Gordon thanked the Committee members for the trust they showed in electing him to a third term and for supporting him during his two terms as Chairman.

NEPOOL REVIEW BOARD RESOLUTION OF APPRECIATION

Mr. Thomas Kaslow, former Chairman of the Review Board Liaison Committee and one who has remained actively involved since the formation of the Review Board in its briefings, read the following resolution of appreciation to the NEPOOL Review Board, which was approved by acclamation by the Committee:

WHEREAS, the NEPOOL Review Board, created pursuant to a 1999 Amendment to the NEPOOL Agreement, has stood at the ready to address expeditiously any disputes between the New England Power Pool and its members that are presented to it;

WHEREAS, the Review Board heard more than 20 appeals in its first five years, but the roles and responsibilities of NEPOOL and ISO New England since then evolved in ways that resulted in NEPOOL members looking to the Federal Energy Regulatory Commission rather than the Review Board to resolve disputes with NEPOOL;

WHEREAS, given that evolution, NEPOOL has modified its arrangements to remove the standing Review Board as a dispute resolution body, effective January 1, 2016; and

WHEREAS, the terms of service for the following three Review Board Members will end on January 1:

- Jacob (Jake) Feinstein, who was elected to the Review Board in 2005 and brought to the Review Board his long and distinguished career of utility and generation operations.
- Jon (Jack) Lotis, who was one of the inaugural members of the NEPOOL-elected Review Board and has served since, bringing to the Review Board his years of experiences as a FERC Administrative Law Judge and as a highly respected mediator and arbitrator.
- William (Bill) Museler, who was elected to the Review Board in 2005 and brought to the Board his experiences as a utility executive, a former CEO of the New York ISO, and a member of numerous Boards, including the Independent Transmission Company and Ontario's Independent Electric System Operator.

NOW, THEREFORE, the Participants Committee of the New England Power Pool, hereby expresses its gratitude to these distinguished Review Board members for their many years of service to the Pool and wishes them well in their future endeavors.

ESTIMATED BUDGET FOR 2016 NEPOOL EXPENSES

Mr. Kenneth Dell Orto, Chair of the Budget & Finance Subcommittee, referred the Committee to the materials posted in advance of the meeting concerning the estimated budget for the 2016 Participant Expenses (a copy of which is included as Attachment 3 to these minutes).

He reported that, consistent with past practice, the Subcommittee worked with NEPOOL Counsel, the ISO and NEPOOL's Independent Financial Advisor to develop the 2016 Budget. He said that, at its November 19 teleconference, the Subcommittee discussed the proposed 2016 Budget and recommended its adoption without objection.

Following motion duly made and seconded, the Committee considered and approved unanimously the following motion:

RESOLVED, that the Participants Committee adopts the estimated budget for NEPOOL expenses for 2016 as presented at this meeting.

FCM RESOURCE RETIREMENT REFORMS

Ms. Allison DiGrande, Markets Committee Chair, referred the Committee to the materials circulated and posted in advance of the meeting concerning revisions to the Forward Capacity Market (FCM) rules related to resource retirements, as proposed by the ISO and the ISO's Internal Market Monitor (IMM) (the Resource Retirement Reforms). She explained that the Resource Retirement Reforms would replace the current Non-Price Retirement Request mechanism with a requirement for the submission of a priced Retirement De-List Bid (along with adjustments to the Permanent De-List Bid). The ISO's proposal also contained an accelerated schedule for the resource retirement process that would notify the market of potentially retiring resources prior to when new capacity resources must submit Show of Interest applications.

Ms. DiGrande reported that, at its November 18 meeting, the Markets Committee considered but failed to recommend Participants Committee support for the proposed Resource Retirement Reforms with a 57.01% Vote in favor. She also noted that, prior to the Markets Committee's vote on the ISO's proposal, nine motions to amend the main motion were considered. Referring the Committee to the Notice of Actions of the Markets Committee

meeting circulated with the materials, she explained that seven of the motions to amend failed to garner the requisite 60% or greater of the aggregate Sector Voting Share required for Markets Committee approval, one amendment was overwhelmingly supported and the remaining motion to amend withdrawn. Ms. DiGrande then summarized the outcome of a series of November 20 votes taken separately by the Reliability and Transmission Committees on Tariff revisions intended to conform to the Market Rule changes considered by the Markets Committee. She reported that the Reliability Committee recommended Participants Committee support for the ISO's proposed Section III.12 revisions related to the formation of Capacity Zones and the Installed Capacity Requirement calculation, with a 64.04% Vote in favor (changes to Section III.12 requiring a 60% Vote to pass). With a higher 66.67% voting threshold required for consideration of changes to Section I of the Tariff and Attachment K to Section II of the Tariff, the Reliability Committee failed to recommend support for revisions to Section I.3.9.3 (related to the reliability review of proposed retirements) and the Transmission Committee separately failed to recommend support for changes to Attachment K, both with Votes of 64.04% in favor.

Proposed Revisions to Market Rule 1, Appendix A and Section I.2.2 (Definitions)

Ms. DiGrande flagged the fact that the ISO proposal for consideration at this meeting was modified somewhat from the proposal voted on November 18 by the Markets Committee.

Before those differences were identified and explained, the following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Market Rule 1, Section III.13, Appendix A to Market Rule 1 and Section I.2.2 (Definitions) of the Tariff, as proposed by the ISO and circulated to this Committee in advance of this meeting, together with such non-substantive changes as may be approved by the Chair and Vice-Chair of the Markets Committee.

Referencing materials circulated to the Committee in advance of this meeting, Mr. Jeffrey McDonald, the ISO's IMM, responded to members' clarifying questions and identified for the Committee three material changes to the proposal made following, and in response to feedback received during and after, the Markets Committee's November 18 meeting.

Following clarifying questions on the ISO's proposal, the Committee then considered two motions to amend the main motion.

GEN Group Amendment

Referring to a presentation circulated in advance of the meeting, a representative from the Generation Sector summarized an alternative proposal (the GEN Group Amendment) jointly offered by GDF SUEZ Energy Marketing N.A., Exelon Corporation and NextEra Energy Resources, LLC (collectively referred to as the GEN Group). The GEN Group did not oppose the ISO's proposed timing changes, which would accelerate the resource retirement schedule and could provide a better opportunity for new resources to react to potential retirements of capacity resources and enter the market. The GEN Group representative also expressed support for a priced retirement bid construct, which was viewed as an improvement over the current Permanent De-List Bid mechanism, and noted that the GEN Group Amendment adopted that construct.

Where the GEN Group proposal differed from the ISO proposal was in how retirement offers would be handled. Those differences were highlighted for the Committee. In response to clarifying questions, the GEN Group representative made clear that, if the resource owner and the IMM could not come to an agreement on a retirement offer price, the retiring entity retained the opportunity to provide a Non-Price Retirement Request either in March or within 20 days of the ISO issuing Retirement Determination Notifications (RDN) in June. He also explained that the GEN Group opposed the ISO's proposal that the IMM's retirement price determinations be

filed under Section 205 of the Federal Power Act; the burden of successfully challenging an ISO Section 205 filing, he opined, was just too difficult to overcome. Instead, the GEN Group proposed that the retirement price offered by the retiring resource be filed by the ISO as an informational filing, including the resource owner's related cost information. The IMM and any other party would have the ability to explain its concerns or disagreements with the retirement offer, thereby providing the FERC the information it would need to establish the price to be used in the upcoming auction.

In response to questions, it was clarified that the proposal was unclear as to the standard that would apply to the FERC's consideration of the informational filing. The GEN Group spokesperson explained that their proposal sought to use the same process currently employed by the ISO for filing Static De-List Bids as part of the annual FCA Informational Filing. Under that process, a resource's bid is submitted to the FERC for information and, should the FERC not issue an order in response to the informational filing within 90 days, the resource owner's bid would be used in the auction.

Advocating in favor of the GEN Group proposal, the GEN Group representative explained that their proposal would eliminate the IMM's proposed utilization of a proxy de-list bid in the auction, and would avoid the potential for a twice-run auction since the only price run in the auction would be the price resulting from the informational filing at the FERC (unless the resource chooses to submit a Non-Price Retirement Request). This outcome would avoid triggering economic and market concerns resulting from existing resources clearing at one price and new resources clearing at another price.

In responding to concerns by some members that a resource owner might uneconomically retire a resource, the GEN Group representative explained that their proposal addressed this concern by requiring that cost information and other relevant materials be presented to the

FERC. This would place the FERC in a position to affirmatively address any concern with uneconomic retirements.

In further discussions, the GEN Group representative noted that the FERC would have eight months to consider cost information it receives about a potential retirement and it also would have the power to delay an auction should further information or time be needed. Also in response to questions, the GEN Group representative explained that if the FERC rejects a Non-Price Retirement Request as an inappropriate exercise of market power, then the unit owner could be subject to enforcement penalties and otherwise. The proposal did not, however, outline how the auction would be impacted by such circumstances; such direction would have to be provided by the FERC.

Following this discussion, a motion to amend the main motion to incorporate the GEN Group Amendment was duly made and seconded. In discussion, some opposing the Amendment explained concern that the GEN Group Amendment would adversely impact their ability to rely on Appendix A to address market power concerns. The IMM's proposal, they argued, appropriately addressed those concerns. In response, the GEN Group representative argued that the ISO proposal would interfere with the market and meaningfully risk over-mitigation and inefficient outcomes, to the long-term detriment of the market.

A member expressed concern that the GEN Group Amendment would allow a resource owner's retirement bid effectively to be treated as superior to rather than on equal legal footing with the IMM-determined proxy bid price. This member suggested a jump ball-type burden would be more supportable. In response, a GEN Group representative clarified that differing opinions on bids between a resource owner and the IMM does not mean there is an attempt to exercise power. The GEN Group Amendment would place any such dispute directly before the FERC rather than imposing, as effectively proposed in the Main Motion, a burden of

demonstrating the ISO-filed rate to be unjust and unreasonable on anyone who would challenge that rate.

The NESCOE representative reported that the states did not have a chance to review the GEN Group Amendment so they did not have an official opinion at that time. He explained, though, that the currently effective Non-Price Retirement option had always been a concern for the states and thus he expected that the states would not support the GEN Group Amendment because it retained that mechanism. He also made clear that all six New England states supported the ISO proposal.

On behalf of the ISO, Mr. Mark Karl stated that one of the key objectives the ISO was trying to accomplish was to move from a Non-Price Retirement option to priced retirement bids. From a markets development standpoint, he stated that any FERC accepted price would be binding and would be the price used in the auction.

Following final comments by the GEN Group representative expressing concern that the ISO's proposal would unwind a lot of the benefits that could be achieved through the creation of priced retirement bids, the Committee considered and failed to approve the GEN Group Amendment with a 51.14% Vote in favor (Generation Sector – 17.12%; Transmission Sector – 1.43%; Supplier Sector – 17.12%; Alternative Resources Sector – 6.40%; Publicly Owned Entity Sector – 0%; End User Sector – 9.06%; and Provisional Member Group Seat – 0.02%). (See Vote 1 on Attachment 2).

NRG Amendment

The NRG representative summarized NRG's proposal (NRG Amendment), recognizing some of the objectives the ISO was trying to accomplish, including advance notification to the market of prospective retirements prior to the Show of Interest application deadline, a priced retirement construct, and a mitigation framework. He noted that the NRG Amendment would

include those components but also would provide appropriate flexibility for a resource owner to withdraw its retirement bid or lower its bid price, or submit a conditional retirement similar to option included the ISO's proposal. He stated the NRG Amendment would help resource owners better manage the risks associated with retiring a unit, and ensure that such owners could factor in all the latest information, supported by the RDN deadline being coincident with the Qualification Determination Notification (QDN) deadline of no later 127 days before the FCA, and make adjustments as appropriate.

Referencing background materials circulated in advance of the meeting, the NRG representative provided an overview of the NRG Amendment, including highlighting changes made to the proposed alternative since it was considered by the Markets Committee at its November 18 meeting.

The motion to amend the main motion (NRG Amendment) was duly made and seconded. The Committee then asked clarifying questions and commented on the NRG Amendment. In response, the NRG representative confirmed NRG's view that its Amendment was more consistent with how the IMM mitigates the energy market if there is physical withholding.

Mr. McDonald acknowledged that both the GEN Group Amendment and the NRG Amendment were efforts to address the IMM's concerns while accounting for desires of Market Participants. He expressed concern with the NRG Amendment in its ability to mitigate offers for the protection of the market. He stated the IMM's mission was to protect the whole market from the potential exercise of market power, which the ISO proposal accomplished but the NRG Amendment would not.

The NRG representative's final comments recognized the issues and concerns the ISO's IMM was tasked with managing, but expressed concern the ISO's proposal would over mitigate the capacity market as the proposal would rely on the IMM's judgment and assumptions in

determining a resource's retirement bid and would use a crude instrument, the portfolio benefit test, in determining whether a resource retirement would provide actual financial benefit to an owner's capacity portfolio.

Following those comments, the Committee considered and failed to approved the NRG Amendment with a 46.41% Vote in favor (Generation Sector – 17.12%; Transmission Sector – 0.00%; Supplier Sector – 17.12%; Alternative Resources Sector – 5.12%; Publicly Owned Entity Sector – 0%; End User Sector – 7.05%; and Provisional Member Group Seat – 0.02%). (See Vote 2 on Attachment 2).

Vote on Unamended Main Motion (the ISO Proposal)

Following additional comments, the Committee considered and failed to approve the unamended main motion with a 48.17% Vote in favor (Generation – 0%; Transmission – 14.27%; Supplier – 0%; Alternative Resources – 6.71%; Publicly Owned Entity – 17.12%; and End User – 10.07%). (See Vote 3 on Attachment 2).

Proposed Revisions to Sections III.12.4 and III.12.7.2

The Committee then reviewed the ISO's proposed revisions to Sections III.12.4 and III.12.7.2. as circulated in advance of the meeting.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to the Market Rule 1, Section III.12, as recommended by the Reliability Committee and circulated to this Committee in advance of this meeting, together with such non-substantive changes as may be approved by the Chair and Vice-Chair of the Reliability Committee.

The Committee considered and failed to approve the motion with a 48.17% Vote in favor (Generation – 0%; Transmission – 14.27%; Supplier – 0%; Alternative Resources – 6.71%; Publicly Owned Entity – 17.12%; and End User – 10.07%). (See Vote 4 on Attachment 2).

Proposed Revisions to Section I.3.9.3 and Attachment K of Section II of the Tariff

The Committee then reviewed the ISO's proposed revisions to Section I.3.9.3 and Attachment K of Section II of the Tariff as circulated in advance of the meeting.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to the Section I.3.9.3 and Attachment K of Section II, as proposed by the ISO and circulated to this Committee in advance of this meeting, together with such non-substantive changes as may be approved by the Chairs and Vice-Chairs of the Reliability and Transmission Committees.

Without discussion, the Committee considered and failed to approve the motion with a 48.17% Vote in favor (Generation – 0%; Transmission – 14.27%; Supplier – 0%; Alternative Resources – 6.71%; Publicly Owned Entity – 17.12%; and End User – 10.07%). (See Vote 5 on Attachment 2).

LITIGATION REPORT

Mr. Doot referred the Committee to the December 2 Litigation Report that had been circulated and posted in advance of the meeting. Mr. Patrick Gerity, NEPOOL Counsel, noting the Proposed Rulemakings on price formation referred to by Commissioner LaFleur earlier in the meeting, highlighted an additional rulemaking initiated since the last meeting in which the FERC proposed to eliminate the exemptions for wind generators from the requirement to provide reactive power, with comments due January 25, 2016. He also noted that a technical conference to address the FERC's proposed rule on the collection of connected entity data was scheduled for December 8. He encouraged all those interested to attend or view the technical conference via webcast.

COMMITTEE REPORTS

Officers from each of the Technical Committees reported on the schedule for Committee meetings in December. Mr. Robert Stein reported that the Reliability Committee had been invited to join, in December, the Markets Committee for consideration of FCM Zonal Demand Curves and the Transmission Committee for consideration of interconnection process improvements. At its December 16 meeting, the Reliability Committee would consider, together with its usual business, upcoming changes to reactive capability testing and participation in the Schedule 2 compensation program. Mr. Stacy Dimou reported that the Markets Committee was scheduled to meet the following week, on December 9-10, in Westborough, MA. Mr. Jose Rotger reported that, in addition to continuing its discussion of interconnection process reforms, which would likely be moved for a vote at the Transmission Committee's January meeting, there would be a vote on the ISO's proposed revisions to Attachment K to implement a revised, biannual Regional System Plan timeline. Mr. Dell Orto reported that the next Budget & Finance Subcommittee meeting was scheduled for January 29, with time reserved for discussion on GIS exemption requests and changes to the Financial Assurance Policy. Mr. Gordon, referring to the draft 2016 NEPOOL Scenario Analysis Proposal circulated November 19, requested that comments be submitted by December 14, which would be reflected in a revised draft and discussed at an in-person meeting to be scheduled in January.

OTHER BUSINESS

Mr. Doot reported that the January 8, 2016 meeting would be held as a teleconference meeting.

There being no further business, the meeting adjourned at 2:36 p.m.

Respectfully submitted,

David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
DECEMBER 4, 2015 ANNUAL MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Ashburnham Municipal Light Plant	Publicly Owned		Michael Lynch	
Belmont Municipal Light Department	Publicly Owned		Phil Smith	
Boylston Municipal Light Department	Publicly Owned		Michael Lynch	
BP Energy Company	Supplier			Nancy Chafetz
Calpine Energy Services, LP	Supplier	John Flumerfelt	Brett Kruse	
Central Maine Power Company	Transmission	Eric Stinneford (tel)		
Chester Municipal Electric Light Department	Publicly Owned	Phil Smith		
Chicopee Municipal Lighting Plant	Publicly Owned		Michael Lynch	
CLEAResult Consulting, Inc.	AR	Doug Hurley		
Concord Municipal Light Plant	Publicly Owned		Phil Smith	
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw		
Connecticut Office of Consumer Counsel	End User		Joe Rosenthal	Dave Thomson
Conservation Law Foundation	End User	Jerry Elmer		
Consolidated Edison Energy, Inc.	Supplier	Jeff Dannels		William Killgoar
Danvers Electric Division	Publicly Owned		Phil Smith	
DC Energy, LLC	Supplier	Bruce Bleiweis		
Dominion Energy Marketing, Inc.	Generation	Jim Davis		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dynergy Marketing and Trade, LLC	Supplier			Bill Fowler
Elektrisola, Inc.	End User		Gus Fromuth	
Emera Maine	Transmission	Jeff Jones	Jose Rotger	Stacy Dimou Andrew McCullough Sandi Hennequin
Energy America, LLC	Supplier		Marji Philips	Nancy Chafetz
EnerNOC, Inc.	AR	Herb Healy		
Entergy Nuclear Power Marketing, LLC	Generation		Ken Dell Orto	
Essential Power, LLC	Generation	M.Q. Riding	Bill Fowler	
Eversource Energy	Transmission	James Daly	Joe Staszowski	
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
Fairchild Semiconductor Corporation	End User	Gus Fromuth		
Galt Power, Inc.	Supplier	Nancy Chafetz		
GDF SUEZ Energy Marketing NA, Inc.	Generation	Thomas Kaslow		
Generation Group Member	Generation	Dennis Duffy		Bob Stein
Georgetown Municipal Light Department	Publicly Owned		Phil Smith	
Granite Ridge/Merrill Lynch	Supplier		Bill Fowler	
Groton Electric Light Department	Publicly Owned		Michael Lynch	
Groveland Electric Light Department	Publicly Owned		Phil Smith	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault	Bob Stein	
Harvard Dedicated Energy Limited	End User	Mary Smith		Paul Peterson
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned		Phil Smith	
Holden Municipal Light Department	Publicly Owned		Michael Lynch	
Holyoke Gas & Electric Department	Publicly Owned			Michael Lynch
Hull Municipal Lighting Plant	Publicly Owned		Michael Lynch	
Industrial Energy Consumer Group	End User	Don Sipe		Gus Fromuth
Invenergy Energy Management LLC	Provisional Group	Alex Ma		
Ipswich Municipal Light Department	Publicly Owned		Michael Lynch	
Long Island Lighting Company (LIPA)	Supplier		William Killgoar	
Littleton (MA) Electric Light & Water Department	Publicly Owned		Phil Smith	
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kiemy	
Maine Public Advocate Office (ME OPA)	End User			Sarah Jackson Paul Peterson
Maine Skiing, Inc.	End User	Don Sipe		Gus Fromuth
Mansfield Municipal Electric Department	Publicly Owned		Michael Lynch	
Marblehead Municipal Light Department	Publicly Owned		Michael Lynch	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
DECEMBER 4, 2015 ANNUAL MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Marble River, LLC	Supplier		John Brodbeck (tel)	Steve Garwood
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett	Christina Belew	
Mass. Development Finance Agency	Publicly Owned		Phil Smith	
Mass. Municipal Wholesale Electric Company (MMWEC)	Publicly Owned	Michael Lynch		
Merrimac Municipal Light Department	Publicly Owned		Phil Smith	
Middleborough Gas and Electric Department	Publicly Owned		Michael Lynch	
Middleton Municipal Electric Department	Publicly Owned		Phil Smith	
National Grid	Transmission	Timothy Brennan	Timothy Martin	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned	Steve Kaminski		Brian Forshaw
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson	Sarah Jackson	
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
Noble Americas Gas & Power Corp.	Supplier		Becky Merola	
NRG Power Marketing LLC	Generation	Dave Cavanaugh		
Parkview Adventist Medical Center	End User	Gus Fromuth		
Pascoag Utility District	Publicly Owned		Phil Smith	
Paxton Municipal Light Department	Publicly Owned		Michael Lynch	
Peabody Municipal Light Plant	Publicly Owned		Michael Lynch	
PowerOptions, Inc.	End User	Cindy Arcate (tel)		
Princeton Municipal Light Department	Publicly Owned		Michael Lynch	
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		
Repsol Energy North America Company	Supplier	Sam Moreton (tel)	Nancy Chafetz	
Rowley Municipal Lighting Plant	Publicly Owned		Phil Smith	
Russell Municipal Light Department	Publicly Owned		Michael Lynch	
St. Anselm College	End User	Gus Fromuth		
Shipyards Brewing LLC	End User	Gus Fromuth		
Shrewsbury Electric & Cable Operations	Publicly Owned		Michael Lynch	
Small Load Response Group Member	AR	Doug Hurley	Brad Swalwell	
Small Renewable Generation Group	AR	Erik Abend (tel)		
South Hadley Electric Light Department	Publicly Owned		Michael Lynch	
Sterling Municipal Electric Light Department	Publicly Owned		Michael Lynch	
Stowe Electric Department	Publicly Owned		Phil Smith	
SunEdison (First Wind Energy Marketing, Inc.)	AR	John Keene		Bob Stein
Taunton Municipal Light Department	Publicly Owned		Phil Smith	
Templeton Municipal Lighting Plant	Publicly Owned		Michael Lynch	
The Energy Consortium	End User		Mary Smith	Paul Peterson
The Westerly Hospital	End User		Gus Fromuth	
TransCanada Power Marketing Ltd.	Generation	Dan Congel		
Union of Concerned Scientists	End User		Francis Pullaro	
United Illuminating Company (UI)	Transmission	Christian Bilcheck	Alan Trotta	
Utility Services, Inc.	End User			Paul Peterson
Vermont Electric Cooperative	Publicly Owned	Craig Kienny		
Vermont Electric Power Company	Transmission	Frank Etori		
Vermont Energy Investment Corporation	AR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned	David Mullett		
Vitol Inc.	Supplier	Joseph Wadsworth		
Wakefield Municipal Gas and Light Department	Publicly Owned		Michael Lynch	
Wallingford DPU Electric Division	Publicly Owned	Phil Smith		
Wellesley Municipal Light Plant	Publicly Owned		Phil Smith	
West Boylston Municipal Lighting Plant	Publicly Owned		Michael Lynch	
Westfield Gas & Electric Light Department	Publicly Owned		Phil Smith	
Wheelabrator North Andover Inc.	AR	Bill Fowler		
Z-TECH, LLC	End User		Gus Fromuth	

VOTES TAKEN AT
DECEMBER 4, 2015 PARTICIPANTS COMMITTEE ANNUAL MEETING

TOTAL

Sector	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
GENERATION	17.12	17.12	0.00	0.00	0.00
TRANSMISSION	1.43	0.00	14.27	14.27	14.27
SUPPLIER	17.12	17.12	0.00	0.00	0.00
ALTERNATIVE RESOURCES	6.40	5.12	6.71	6.71	6.71
PUBLICLY OWNED ENTITY	0.00	0.00	17.12	17.12	17.12
END USER	9.06	7.05	10.07	10.07	10.07
% IN FAVOR	51.14	46.41	48.17	48.17	48.17

GENERATION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Dominion Energy Marketing, Inc.	A	A	O	O	O
Entergy Nuclear Power Marketing LLC	F	F	O	O	O
Essential Power, LLC	A	A	O	O	O
GDF SUEZ Energy Marketing NA, Inc.	F	F	O	O	O
Generation Group Member	F	F	O	O	O
NextEra Energy Resources, LLC	F	A	O	O	O
NRG Power Marketing, LLC	A	F	O	O	O
TransCanada Power Marketing Ltd.	F	F	O	O	O
IN FAVOR (F)	5	5	0	0	0
OPPOSED (O)	0	0	8	8	8
TOTAL VOTES	5	5	8	8	8
ABSTENTIONS (A)	3	3	0	0	0

TRANSMISSION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Central Maine Power Company	O	O	F	F	F
Emera Maine	S	S	S	S	S
Emera Maine	O	O	O	O	O
Emera Energy Services Subsidiaries	F	A	O	O	O
Eversource Energy	O	O	F	F	F
National Grid	O	O	F	F	F
The United Illuminating Company	O	O	F	F	F
Vermont Electric Power Company, Inc.	O	O	F	F	F
IN FAVOR (F)	0.5	0	5	5	5
OPPOSED	5.5	5.5	1	1	1
TOTAL VOTES	6	5.5	6	6	6
ABSTENTIONS (A)	0	0.5	0	0	0

ALTERNATIVE RESOURCES SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Renewable Generation Sub-Sector					
SunEdison (First Wind Energy)	A	A	O	O	O
Wheelabrator North Andover Inc.	F	A	O	O	O
Small RG Group Member	F	F	O	O	O
Distributed Generation Sub-Sector					
CLEARresult Consulting	O	O	F	F	F
Load Response Sub-Sector					
EnerNOC, Inc.	A	A	O	O	O
Vermont Energy Investment Corp.	O	O	F	F	F
Small LR Group Member	S	S	S	S	S
Energy Federation Inc.	O	A	F	F	F
Tangent Energy Solutions, Inc.	F	A	O	O	O
IN FAVOR (F)	2.5	1	2.5	2.5	2.5
OPPOSED	2.5	2	4.5	4.5	4.5
TOTAL VOTES	5	3	7	7	7
ABSTENTIONS (A)	2	4	0	0	0

**VOTES TAKEN AT
DECEMBER 4, 2015 PARTICIPANTS COMMITTEE ANNUAL MEETING**

SUPPLIER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
BP Energy Company	A	A	A	A	A
Calpine Energy Services	F	F	O	O	O
Consolidated Edison Energy, Inc.	F	F	O	O	O
DTE Energy Trading, Inc.	A	A	A	A	A
Dynegy Marketing and Trade, LLC	F	A	O	O	O
Energy America, LLC	A	A	A	A	A
Exelon Generation Company	F	A	O	O	O
Galt Power, Inc.	A	A	A	A	A
Granite Ridge/Merrill Lynch Commodities	F	A	O	O	O
H.Q. Energy Services (U.S.) Inc.	F	F	O	O	O
LIPA	A	A	A	A	A
Marble River, LLC	F	F	O	O	O
PSEG Energy Resources & Trade LLC	F	F	O	O	O
Repsol Energy North America	A	A	A	A	A
Vitol Inc.	F	F	O	O	O
IN FAVOR (F)	9	6	0	0	0
OPPOSED	0	0	9	9	9
TOTAL VOTES	9	6	9	9	9
ABSTENTIONS (A)	6	9	6	6	6

END USER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Connecticut Office of Consumer Counsel	O	O	F	F	F
Conservation Law Foundation	O	O	F	F	F
Elektrisola, Inc.	F	F	O	O	O
Fairchild Semiconductor Corporation	F	F	O	O	O
Harvard Dedicated Energy Limited	O	O	F	F	F
High Liner Foods (USA) Inc.	F	F	O	O	O
Industrial Energy Consumer Group	F	O	F	F	F
Maine Public Advocate Office	O	O	F	F	F
Maine Skiing, Inc.	F	O	F	F	F
Mass. Attorney General's Office	O	O	F	F	F
NH Office of Consumer Advocate	O	O	F	F	F
PowerOptions, Inc.	O	O	F	F	F
St. Anselm College	F	F	O	O	O
Shipyards Brewing Co., LLC	F	F	O	O	O
The Energy Consortium	O	O	F	F	F
Utility Services Inc.	A	A	A	A	A
Westerly Hospital	F	F	O	O	O
Z-TECH, LLC	F	F	O	O	O
IN FAVOR (F)	9	7	10	10	10
OPPOSED	8	10	7	7	7
TOTAL VOTES	17	17	17	17	17
ABSTENTIONS (A)	1	1	1	1	1

VOTES TAKEN AT
DECEMBER 4, 2015 PARTICIPANTS COMMITTEE ANNUAL MEETING

PUBLICLY OWNED ENTITY SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Ashburnham Municipal Light Plant	O	O	F	F	F
Belmont Municipal Light Department	A	O	F	F	F
Boylston Municipal Light Department	O	O	F	F	F
Chester Municipal Light Department	A	O	F	F	F
Chicopee Municipal Lighting Plant	O	O	F	F	F
Concord Municipal Light Plant	A	O	F	F	F
Conn. Municipal Electric Energy Coop.	O	O	F	F	F
Danvers Electric Division	A	O	F	F	F
Georgetown Municipal Light Department	A	O	F	F	F
Groton Electric Light Department	O	O	F	F	F
Groveland Electric Light Department	A	O	F	F	F
Hingham Municipal Lighting Plant	A	O	F	F	F
Holden Municipal Light Department	O	O	F	F	F
Holyoke Gas & Electric Department	O	O	F	F	F
Hull Municipal Lighting Plant	O	O	F	F	F
Ipswich Municipal Light Department	O	O	F	F	F
Littleton (MA) Electric Light Department	A	O	F	F	F
Littleton (NH) Water & Light Department	O	O	F	F	F
Mansfield Municipal Electric Department	O	O	F	F	F
Marblehead Municipal Light Department	O	O	F	F	F
Mass. Development Finance Agency	A	O	F	F	F
Mass. Municipal Wholesale Electric Co.	O	O	F	F	F
Merrimac Municipal Light Department	A	O	F	F	F
Middleborough Gas and Electric Dep't	O	O	F	F	F
Middleton Municipal Electric Department	A	O	F	F	F
New Hampshire Electric Coop.	O	O	F	F	F
Pascoag Utility District	A	O	F	F	F
Paxton Municipal Light Department	O	O	F	F	F
Peabody Municipal Light Plant	O	O	F	F	F
Princeton Municipal Light Department	O	O	F	F	F
Rowley Municipal Lighting Plant	A	O	F	F	F
Russell Municipal Light Department	O	O	F	F	F

PUBLICLY OWNED ENTITY SECTOR (cont.)

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Shrewsbury's Electric & Cable Ops.	O	O	F	F	F
South Hadley Electric Light Department	O	O	F	F	F
Sterling Municipal Electric Light Dep't	O	O	F	F	F
Stowe (VT) Electric Department	A	O	F	F	F
Taunton Municipal Lighting Plant	A	O	F	F	F
Templeton Municipal Lighting Plant	O	O	F	F	F
Vermont Electric Cooperative	O	O	F	F	F
Vermont Public Power Supply Authority	O	O	A	A	A
Wakefield Municipal Gas and Light Dep't	O	O	F	F	F
Wallingford, Town of	A	O	F	F	F
Wellesley Municipal Light Plant	A	O	F	F	F
West Boylston Municipal Lighting Plant	O	O	F	F	F
Westfield Gas & Electric Light Dep't	A	O	F	F	F
IN FAVOR (F)	0	0	44	44	44
OPPOSED	27	45	0	0	0
TOTAL VOTES	27	45	44	44	44
ABSTENTIONS (A)	18	0	1	1	1

**ESTIMATED 2016 NEPOOL BUDGET COMPARED TO
2015 NEPOOL BUDGET AND 2015 PROJECTED ACTUAL EXPENSES**

<u>Line Items</u>	<u>2016 Proposed Budget</u>	<u>2015 Approved Budget</u>	<u>2015 Current Forecast</u>
NEPOOL Counsel Fees (1)	\$3,700,000	\$3,700,000	\$3,500,000
NEPOOL Counsel Disbursements (1)	\$ 55,000	\$ 55,000	\$ 55,000
Independent Financial Advisor Fees and Disbursements (2)	\$ 45,000	\$ 45,000	\$ 43,000
Committee Meeting Expenses (3)	\$ 625,000	\$ 650,000	\$ 595,000
Review Board Compensation (4)	\$ ---	\$ 108,000	\$ 108,000
Review Board Administrative and Support Expense (4)	\$ ---	\$ 20,000	\$ 20,000
Generation Information System (3)	\$1,095,000	\$1,200,000	\$1,086,000
Credit Insurance Premium (3)	\$ 400,000	\$ 450,000	\$ 400,000
NEPOOL Audit Management Subcommittee (NAMS) Consultant (5)	\$ 64,000	\$ 75,000	\$ 11,000
SUBTOTAL EXPENSES	\$5,984,000	\$6,303,000	\$5,818,000
<u>Revenue</u>			
NEPOOL Membership Fees (3) (6)	(\$1,856,000)	(\$1,834,000)	(\$1,897,000)
Generation Information System (3) (7)	(\$1,095,000)	(\$1,200,000)	(\$1,086,000)
Credit Insurance Premium (3) (8)	<u>(\$ 400,000)</u>	<u>(\$ 450,000)</u>	<u>(\$ 400,000)</u>
TOTAL REVENUE	(\$3,351,000)	(\$3,484,000)	(\$3,383,000)
TOTAL NEPOOL EXPENSES	\$2,633,000	\$2,819,000	\$2,435,000

Notes

- (1) 2016 proposed estimate provided by Day Pitney LLP, NEPOOL counsel.
- (2) 2016 proposed estimate provided by Michael M. Mackles, NEPOOL's Independent Financial Advisor.
- (3) 2016 proposed estimate provided by ISO New England Inc. (ISO).
- (4) The Review Board was eliminated by the 129th Agreement Amending New England Power Pool Agreement, which will become effective on January 1, 2016. The Participants are considering whether to identify an alternative dispute resolution mechanism for disputes related to Markets Committee or Participants Committee actions related to the NEPOOL Generation Information System, but no decision has been made with respect to such a mechanism.
- (5) The NEPOOL Participants Committee approved a total budget of \$75,000 for the NAMS Consultant at its June 5, 2015 meeting. William Dunn was retained as the NAMS Consultant to participate in the ongoing ISO operational audit process. Mr. Dunn is expected to complete his work in 2016, and the total budget approved by the NPC will cover that work in both 2015 and 2016.
- (6) The 2016 proposed estimate is based on the 2015 actual receipts through October 2015, plus a forecast (a) for new members, of 3 members at \$5,000 each, 2 members at \$1,000 each, 4 members at \$500 each, and (b) for terminated members, of 4 at \$5,000 each, 2 at \$1,250 each, and 5 at \$500 each.
- (7) Generation Information System costs are paid by "GIS Participants" under Allocation of Costs Related to Generation Information System, which was approved by the NEPOOL Participants Committee on June 21, 2002.
- (8) Credit insurance premium is paid by Qualifying Market Participants according to methodology described in Section IX of the ISO Financial Assurance Policy.