FINAL

The Annual Meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Friday, December 2, 2016 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.

APPROVAL OF NOVEMBER 4, 2016 MEETING MINUTES

Mr. Doot referred the Committee to the preliminary minutes for the November 4, 2016 meeting as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the November 4 meeting were unanimously approved without change.

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 with an opposition noted by DTE and abstentions noted by BP, Direct Energy, and Galt Power. The representative of those entities stated the opposition and abstentions related to Consent Agenda Item 3 (Net Commitment Period Compensation (NCPC) Modifications).

COMMENTS OF FERC COMMISSIONER CHERYL LAFLEUR

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

Commissioner LaFleur, after introducing Mr. Andrew Weinstein, her legal advisor, noted that she was pleased to accept the invitation to this meeting when it was extended to her, in part because of the earlier communicated plan that the Committee would be voting on IMAPP.

While disappointed that IMAPP had not yet advanced to that point, she was especially interested in hearing about, and helping if possible, on New England's efforts to integrate energy and environmental policies.

Commissioner LaFleur then transitioned to talk more generally about the FERC given the upcoming change in administration. She noted that the FERC currently had only three of the usual five Commissioners, and all three were Democrats. She explained that the chairman is a presidential appointee and expected that the new President's appointment would go to a Republican. Speaking for herself, she said that her term as Commissioner extended through 2019 and that she planned to stay through her term.

Commissioner LaFleur explained that the FERC generally had not been a partisan body, with decisions in most cases achieving unanimous support. When there were disagreements, they were seldom along party lines. She stated said that bipartisanship had been more challenging when the topic related to the overlap of environmental rules and energy markets. She said that the FERC's work over the past six years had been driven almost exclusively by changes in the nation's resource mix that were impacting wholesale markets. Going forward, she viewed climate change challenges as shaping much of the FERC's work. She opined that addressing that challenge would be fundamentally different than how the industry and its regulators had worked to address criteria pollutants. The FERC had been focused most recently on how to reconcile the Clean Power Plan (CPP) with federally-regulated wholesale markets. With the future of the CPP uncertain, actions by states may increase, adding to the current challenges being faced in the wholesale power markets.

Commissioner LaFleur opined that the organized markets in New England and around the country had produced successes for customers over the last 20 years, deploying resources over a wider footprint, drawing efficiencies out of the generation fleet, allowing for new technologies, and attracting new investments. She expressed the view that markets were also capable of capturing, monetizing, and taking into account environmental consequences, but only if designed to do that, which was not currently the case. She noted that some of the markets around the world were incorporating some carbon pricing into their markets, citing California and New England's experiences with the Regional Greenhouse Gas Initiative (RGGI). She noted that RGGI, as currently designed, was insufficient by itself to produce the desired public policy outcomes sought by the states. For a variety of state policy reasons, states were seeking more input into the specific resources to be deployed in the region.

Supporting her observations, Commissioner LaFleur referenced the tri-state RFP, the Massachusetts law calling for 1,600 MW of off-shore wind and 1,200 MW of hydro-power, and similar legislation in other states. She also referenced the New York efforts to mandate the issuance of zero emissions credits for specific nuclear plants in New York, the Illinois efforts to provide additional revenues to nuclear units in Illinois, and legislation pending in Connecticut and several other states.

The issue for the FERC, she explained, was to analyze how state actions impact wholesale power markets. She said that the tri-state RFP appeared to work fine with the 200 MW rolling renewable exemption in the Forward Capacity Market (FCM), presuming no change to the 200 MW exemption. She observed that the 200 MW renewable exemption would not work for State-identified plans for 2,800 MW of new hydro and off-shore wind, resulting in the potential need to adjust for subsidies and potential expanded use of minimum offer prices. She saw the IMAPP process as an effort to address these circumstances by changing the market rules to support or to advance states' objectives while still producing reasonable prices and a reliable grid.

Commissioner LaFleur identified three potential future outcomes. The first and most desired outcome would be a consensual redesign or refinement of the markets to address the impact on the wholesale markets of state subsidies, which could be a price on carbon, a clean energy capacity market, or two-tiered capacity prices.

The second potential outcome would be ongoing litigation and iterative resolutions ordered by the FERC to address changing facts and circumstances as they materialize. She saw this outcome as the worst, both in terms of predictability and cost for consumers. Further explaining this potential outcome, she described potential circumstances where RFPs produce additional out-of-market commitments where new resources are bid into future Forward Capacity Auctions and a complaint is filed seeking imposition of a modified, minimum offer price rule. The FERC would respond to the complaint, resulting in potential appeals, market changes or changes in law, which would produce further litigation. She said the FERC would meet its statutory mandate to ensure the markets produce reliable service at just and reasonable prices but the process would be particularly messy and uncertain for the markets and its customers.

The third potential outcome Commissioner LaFleur discussed was a complete redesign and re-rationalization of the markets, where the states take back resource adequacy. This outcome would have to be staged and states would have to affirmatively step in and assume full regulatory responsibility.

In considering the three alternative outcomes, Commissioner LaFleur expressed her view that the region had worked hard and successfully to build and evolve New England’s markets for the past two decades, and it would be far better for the region to continue to work together to identify an acceptable solution rather than litigating outcomes at the FERC and in the courts. She strongly encouraged the continuation of the IMAPP process, acknowledging that progress would be slow given, in part, the diverse goals of the states. In commenting on the carbon pricing option, she noted the attractiveness and flexibility afforded by this option but also the concerns it raised with the states. She said she had heard about the states' concern about cost allocation given different policies among the states. She also heard that the states worry about losing future control over market outcomes if those outcomes are driven through the FERC-regulated wholesale power markets, but opined that state control was already limited by the mandatory capacity market and regional planning in the region. Thus, in her view, rather than taking away control, IMAPP presented the states the chance for the markets to be designed to provide the states more input.

She noted her hope that the ISO would help to play a more active role in finding an acceptable solution for the region. She viewed the ISO as not having a commercial interest and able to look more broadly, independently and objectively at the various options. She counselled against a wait-and-see approach, noting a universal recognition that the industry was in uncharted waters and the small chance that a more international or national solution would emerge. Changes would most likely occur at the state level, and the FERC would be far more open to solutions that come from the region than it would be to mandate specific solutions for the region. She concluded by noting that actions by the New England states were creating increased urgency to find an acceptable solution, ahead of the potentially inevitable complaints and litigation at the FERC if a solution was not submitted by the region.

In Q&A, Commissioner LaFleur agreed with a questioner that FERC should appropriately balance cost, complexity, priority, impact on reliability, and need in establishing or adjusting NERC standards. In comparing the sense of urgency of the IMAPP issue across the country, the Commissioner noted that the single-state organizations in New York and California were demonstrating urgency comparable to New England's, but each had chosen different paths.

California was considering how to address how other states' initiatives should impact the California markets. PJM, she observed, was showing less urgency given its broad geographic scope, but that could change very quickly given the efforts in the Midwest to provide out-of-market support to nuclear and coal. She noted that New England has previously done a very good job of working through solutions and anything that New England works out could be a model for other regions of the country.

In response to another question, Commissioner LaFleur commented on the substantial challenges arising with energy prices that are impacted by abundant zero cost and potentially negative cost resources. She noted those challenges were already starting to be seen in California, where there was so much solar that new, efficient gas plants cannot make enough money to run because they are not dispatched during peak hours. She said that these resources, though, are absolutely needed for reliability and the California Independent System Operator (CAISO) responded by implementing a Flexible Resource Adequacy Criteria (FRAC), adding compensation for units providing ramping service, and CAISO continued to explore and file new proposals to address this challenge. She reported that the FERC would continue to work in its price formation docket to improve Real-Time price formation in the wholesale power markets.

COMMENTS OF MASSACHUSETTS UNDERSECRETARY OF ENERGY & ENVIRONMENTAL AFFAIRS NED BARTLETT

Mr. Gordon welcomed Ned Bartlett, Undersecretary of Energy & Environmental Affairs for the Commonwealth of Massachusetts, and introduced him to the Committee. Undersecretary Bartlett shared his perspectives on IMAPP, explaining that he saw IMAPP as a vehicle for identifying changes to the wholesale markets that could preserve market integrity while also giving ratepayers confidence that carbon reduction goals for the various states would be addressed at a reasonable cost. He expressed Massachusetts' continued commitment to work with everyone in search of acceptable proposals.

Undersecretary Bartlett explained that the Governor of Massachusetts was committed to balancing costs, reliability, and sustainability in the Commonwealth's efforts to reduce greenhouse gas (GHG) emissions. He referred to this challenge, as had British executives and government officials, as a "trilemma". He underscored that, while reducing GHG was a global challenge, it had not been accepted as a Federal issue so the states had stepped in. He reminded the members that Massachusetts was central almost nine years earlier in achieving, through litigation all the way to the U.S. Supreme Court, an endangerment finding on carbon under the Clean Air Act. Working to address these issues through the markets was new and it would be challenging to find a market-driven solution to the GHG challenge.

Undersecretary Bartlett expressed agreement with Commissioner LaFleur's three alternative courses of action, as well as her conclusion that a regionally-proposed market solution would be preferred over full and protracted litigation. He expressed ongoing support for NEPOOL's pro-active efforts to solve the problems framed by IMAPP. He acknowledged that the states had not been as helpful in advancing the carbon adder proposal as a solution. He viewed the use of a carbon adder as one of a number of potential tools to explore that might help to satisfy public policy goals. While a carbon adder was one approach, it wouldn't necessarily help to satisfy Massachusetts legislative mandates for the purchase of energy from narrowly and particularly-identified types of resources. The Massachusetts legislature picked certain types of resources that must be purchased, and Massachusetts regulators were duty bound to comply and issue an RFP for such resources by April 1, 2017.

He reported that every constitutional branch of Massachusetts government had a role in energy policy in 2016, and all were working to balance costs, reliability and sustainability in their collective effort to reduce GHG emissions. He reinforced his view that the IMAPP process was one of the most promising approaches to help address the trilemma. In the meantime, the Commonwealth would consider action to reduce disruption in the wholesale markets, citing as an example the Solar Reform Bill that reformed incentives for solar but with an orderly transition intended to minimize market disruption.

Concluding, Undersecretary Bartlett emphasized that Massachusetts passed laws that must be implemented. NEPOOL's existing opportunity was to help identify one or more market solutions that could minimize the risk of future, market-disrupting laws. He urged all to continue the IMAPP process and to look to the states as partners in the work to achieve public policy goals through the markets to the maximum extent possible.

Undersecretary Bartlett responded to a question from Commissioner LaFleur concerning RGGI and the role it plays in the IMAPP process. He explained that there were ongoing discussions among the states regarding RGGI, with the next meeting scheduled for December 5 in Boston. While he viewed the role of RGGI as complementary to the IMAPP efforts, one could not substitute for the other. In connection with this discussion, Mr. Gordon noted the recent Massachusetts regulations developed in response to a Massachusetts court decision, that was perceived among market participants as establishing a Massachusetts-specific RGGI, potentially providing a road map for other like-minded states to adopt a similar state-specific cap and trade regime. Undersecretary Bartlett responded that there had been earlier talk of RGGI having the same shape and constitution of the RTO or ISO size, but there was a broader desire at that time to expand RGGI to cover as large a trading area as possible. He stated that new circumstances certainly created the opportunity for reconsidering that earlier decision. At that point, though, those in RGGI had a strong desire to keep the geography covered by RGGI intact, but possibly with separate rules for sub-areas depending on differences within that RGGI footprint.

In discussing the role NEPOOL might play in educating legislators in New England, Undersecretary Bartlett noted that the level of knowledge among legislators was highly varied, with some legislators being very knowledgeable and others not so much. He stated that identifying and explaining NEPOOL's actions, current and in the future, was more important than educating legislators on history. In his view, NEPOOL's identified solutions arising out of IMAPP would be what matters. It would be the outcome of the IMAPP process, and not the process itself, that could temper future legislation.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), discussed the ISO's expected focus for 2017. He identified as key emerging challenges for 2017 the issues being discussed in IMAPP and the need to ensure that the FCM was successfully working to maintain resource adequacy and reliability and was facilitating appropriate entry and exit in the market. He said that the IMAPP discussions had been extremely useful in exploring various ideas and helping the ISO and stakeholders understand what was technically and politically feasible. He stated the ISO would be focused in 2017 on trying to solve that problem, and expressed some concern that the ISO's market designers spend their time and resources on finding a solution rather than analyzing numerous stakeholder proposals. He provided his reactions to three potential solutions:

(1) Carbon adder - most productive way to move forward but political impediments currently preventing it from being selected as an acceptable solution.

(2) Forward Clean Energy Market – not workable at that point; would need to be a singular environmental attribute (e.g., zero carbon emissions) on a regional basis to be workable.

(3) Adjusting the price in the Forward Capacity Market in recognition that there were out-of-market actions taking place, including either:
- an automatic mechanism such as two tier pricing
- a set of rules that result in targeted price adjustments.

He stated the ISO's first priority in 2017 would be to react to the proposals based on the input it had received to date and to identify and present a recommendation on a path forward. The ISO's second priority would be to focus on fuel security, particularly in the winter, to address the expected reduction over time of the region's reliance on coal and oil resources. An effective capacity market that would allow for continuing exit and entry would not produce reliable results if there was not enough fuel in future winters to support the regional resource base. He acknowledged that there was a connection between the first two priorities because the market would have to pay for the reliability service sought.

The ISO's third priority would be to deal with ensuring reliable operations given the ongoing growth in renewable energy. New England would need additional products and services, such as ramping services, as more and more renewable energy resources were added to the system.

He concluded that the first two priorities were urgent and needed to be addressed in the next two years, whereas the third priority would need to be addressed in the next three to four years.

Mr. van Welie went on to express the ISO's appreciation to Mr. Gordon for his three years as the NEPOOL Chair, and his leadership in initiating and continuing the IMAPP discussions.

At Mr. Gordon's request, a panel discussion among Commissioner LaFleur, Undersecretary Bartlett, and Mr. van Welie ensued. In response to member comments concerning fuel certainty, Mr. van Welie stated that ISO continued to rely on pay-for-performance, but had some concerns that the performance rate may have been set too low given existing and projected constraints on the fuel system. Responding to a member's observations that the IMAPP process (but not efforts to address impacts on the region's nuclear facilities) should be deferred until after the new federal administration is in place and signals future federal priorities and plans, both Mr. van Welie and Commissioner LaFleur expressed their views that it would be inadvisable to suspend work pending more definition from the new administration given the considerable and potentially prolonged uncertainty associated with any new directions, current needs, and the importance, highlighted by Undersecretary Bartlett, of any identified solutions arising out of the IMAPP process.

Concluding his remarks, Mr. van Welie referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the November 4 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 21, he reported for November that: (i) Energy Market value was $157 million, down $72 million from October 2016 and down $135 million from November 2015; (ii) natural gas prices were 4.0% higher than October 2016 average values; (iii) Real-Time Hub LMPs on average were 11.2% lower than October 2016 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 97.9% in November, down from 98.6% in October; (v) daily NCPC for November totaled $9.9 million, down $3.8 million from October 2016 NCPC and down $1.6 million from November 2015; (vi) first contingency payments, totaling $1.1 million, were $2.0 million lower than October's; (vii) second contingency payments totaled $8.8 million, $1.6 million less than in October 2016; (viii) voltage support payments totaled $20,000, down $140,000 from October 2016; and (ix) NCPC payments were 6.3% of the total Energy Market value.

Responding to a question about the reason for lower energy market value at a time when gas prices were higher, Dr. Chadalavada explained that the result was attributable to lower loads than in past periods. Referring to updated numbers, he reported the Energy Market value through November 28 was $229 million, compared to the reported $157 million through November 21. He stated that 2016 was trending to be the lowest cost Energy Market in the last decade.

Transitioning to discussion of the Winter Reliability Program, he reported that December 1 marked the official measurement of inventory levels that could potentially be compensated under the 2016/17 Winter Reliability Program. He committed to report the following month, with the benefit of final data, the beginning inventories for Winter 2016/17. He reported that, as of November 29, all six of the identified dual-fuel units under the dual-fuel commissioning component of the Winter Reliability Program had been commissioned. There were approximately 1,775 MW from dual-fueled units that could be counted on to maintain winter reliability. He reported that through November 21 the aggregate NCPC costs for commissioning the dual-fuel units was $1.54 million, and not likely to change materially. He reported that the ISO was forecasting a 50/50 winter peak demand of 21,340 MW, which would be approximately 1,092 MW above calculated requirements, and a 90/10 winter peak demand of 22,028 MW, which would be only 1 MW above the calculated requirement, using the Capacity Supply Obligation (CSO) only. He explained that, based on past experience, available capacity might prove to be larger in light of the fact that resources' EcoMax offers typically exceed CSO values.

Turning to the Greater Boston 2016/17 transmission outages, Dr. Chadalavada reported that through November 28 uplift for NEMA/Boston was $11.8 million, with $9.2 million of that to be reallocated to the NEMA Network Load. He said that the new 345 kV Tewksbury Substation would be in service as of December 2. Looking ahead to Spring 2017, he reported there would be more work associated with Greater Boston transmission projects at both the 115 kV and 230 kV levels and he believed the uplift would be comparable to that experienced in October and November. He reported that a 345 kV cable that feeds Boston had failed and needed immediate repair, but he did not anticipate that repair would require substantial out-of-merit commitments.

In response to a question concerning the need for out-of-merit commitments to support reliability in Greater Boston, Dr. Chadalavada referenced the start-up of the Footprint unit that would certainly reduce the potential need for out-of-merit commitments, but that alone did not obviate the need for such commitments. The extent and nature of any out-of-merit commitments to support local reliability would depend on the pattern and location of outages and load within NEMA/Boston.

2016 NEPOOL ANNUAL REPORT

Mr. Doot referred the Committee to the 2016 NEPOOL Annual Report, "Working Together to Solve New England's Energy Puzzle", 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. Mr. Gordon echoed his appreciation to the Participants and to Day Pitney for their efforts on the Annual Report.

Mr. Doot welcomed and encouraged stakeholder feedback on the Report.

ELECTION OF 2017 PARTICIPANTS COMMITTEE OFFICERS

Mr. Doot referred the Committee to the proposed slate of 2017 NEPOOL Participants Committee Officers circulated and posted in advance of the meeting, explaining that the vote was to ratify the prior votes taken by secret ballot and to elect the Secretary and Assistant Secretary for the following year.

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

> 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 Participants Committee; and
>
> WHEREAS, pursuant to those procedures the individuals identified in the following resolution were nominated and elected for 2017 to the offices of Chair and Vice-Chair, as set forth opposite their names; and
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> WHEREAS Section 7.1 of the Second Restated NEPOOL Agreement provides that officers be elected at the annual meeting of the Participants Committee.
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> 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 2017 to the offices set forth opposite their names to serve until their successors are elected and qualified:

Chair	Thomas W. Kaslow
Vice-Chair	Calvin A. Bowie
Vice-Chair	Nancy P. Chafetz
Vice-Chair	Brian E. Forshaw
Vice-Chair	John J. Keene Jr.
Vice-Chair	Frederick R. Plett
Secretary	David T. Doot
Assistant Secretary	Paul N. Belval

Following the election, Mr**.** Gordon congratulated the new officers. He noted that Tom Kaslow was not only his friend and mentor, but had a long and rich history with NEPOOL, having made substantial contributions to getting NEPOOL to where it was at that point. Mr. Gordon went on to express appreciation to his fellow officers and to the Committee and the stakeholders for the privilege to serve as the Chair and for their contributions to, and participation in, NEPOOL over his three-year tenure. He acknowledged with gratitude the active participation and engagement of the New England state regulators and policymakers in the NEPOOL process and the active support of NESCOE and NECPUC in working with NEPOOL to address the challenging issues facing the industry. Mr. Gordon expressed his pride in the strengthening of NEPOOL's relationship and working partnership with ISO New England over the past several years and thanked ISO leadership for their part in that process. He also expressed appreciation to the team at Day Pitney for their service to NEPOOL.

Mr. Kaslow expressed his appreciation to the Participants Committee for the honor and opportunity to serve as the 2017 NEPOOL Chair. He noted that Mr. Gordon, with his remarkable commitment and leadership for the past three years, was leaving very large shoes to fill.

ESTIMATED BUDGET FOR 2017 NEPOOL EXPENSES

Mr. Kenneth Dell Orto, Chair of the Budget & Finance Subcommittee (Subcommittee), referred the Committee to the materials posted in advance of the meeting concerning the estimated budget for 2017 Participant Expenses **(**a copy of which is included as Attachment 2 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 2017 Budget. He said that, at its November 22 teleconference, the Subcommittee discussed the proposed 2017 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 2017 as presented at this meeting.

FTR BALANCE OF PLANNING PERIOD AUCTION FINANCIAL ASSURANCE REQUIREMENTS

Mr. Dell Orto referred the Committee to the materials posted in advance of the meeting concerning changes to the ISO Financial Assurance Policy (FAP) to implement requirements in connection with Financial Transmission Rights (FTR) Balance of Planning Period (BoPP) auctions. He reminded the Committee that, in a 2011 FERC filing, the ISO identified BoPP auctions as a key improvement to the FTR markets and planned to implement those BoPP auctions once it had implemented an arrangement with an exchange to clear all FTR transactions. He reported that, due to several regulatory hurdles, the ISO could not predict when or even if that clearing approach would work, and had decided to move forward with the BoPP auctions in the interim. The ISO worked with the Subcommittee to develop a methodology for incorporating the BoPP auctions into the FTR financial assurance requirements under the FAP. At its October 7 and November 22 teleconferences, the Subcommittee discussed the proposed changes to the FAP and recommended without objection that the Participants Committee support those changes

The following motion was then duly made and seconded:

> RESOLVED, that the Participants Committee supports the changes to the ISO Financial Assurance Policy relating to the financial assurance requirements for FTR BoPP auctions, as circulated to the Committee and discussed at this meeting, together with such further non-substantive changes as the Chief Financial Officer of ISO New England and the Chairman of the Budget & Finance Subcommittee may approve.

In response to a question concerning the implementation timeframe for the proposed changes, Mr. Robert Henry reported that the ISO planned to complete this project by the third quarter (Q3) of 2017. He noted this timeframe had been identified in the BoPP description of the proposed ISO 2017 Operating and Capital Budget presentation at the August 12, 2016 Budget & Finance Subcommittee meeting. He stated that, outside of the Financial Assurance effort in the ISO's redesign of the methodology, the ISO would seek Markets Committee input during the first quarter (Q1) of 2017 on conforming Tariff/Market Rule changes associated with BoPP implementation, and the ISO would provide updates on the BoPP implementation process at subsequent Subcommittee meetings.

The Committee then voted and unanimously approved the proposed FAP changes.

LITIGATION REPORT

Mr. Doot referred the Committee to the December 1 Litigation Report that had been circulated and posted in advance of the meeting. He reported on the continued evolution at the United States Court of Appeals for the Second Circuit (2nd Circuit) of challenges to Connecticut's participation in the tri-state RFP. He reported that briefing deadlines had been accelerated in that appellate matter, with oral arguments on the matter scheduled before a 2nd Circuit panel the following week.

COMMITTEE REPORTS

Markets Committee. Mr. William Fowler reported that the next Markets Committee meeting was scheduled for December 6. He said the agenda included final consideration of Net Cost of New Entry (CONE) and Offer Review Trigger Prices (ORPTs) for FCAs 11-13, voting on Order 825 Compliance changes (aligning regulation market settlement with five-minute energy market settlement), Manual 20 revisions, and an ISO Internal Market Monitoring report on market performance during Q3 2016.

Transmission Committee. Mr. José Rotger reported that the Transmission Committee was scheduled to meet on December 15, with the agenda including further discussions on the ISO's proposal for an interconnection process clustering mechanism and related Tariff language and amendments, for a potential vote at its January 24 meeting and final consideration at the February 3 Participants Committee meeting. He requested that anyone with amendments to the ISO's proposal to submit them soon or at least advise the officers of their intent to submit an amendment for Transmission Committee consideration when it votes in January.

Reliability Committee. Mr. Robert Stein reported that the Reliability Committee was scheduled to meet on December 13 for consideration of the Vermont Greenline Elective Transmission Upgrade Project, the Ocean State Generator Addition and Transmission Project, and the election of the 2017 Reliability Committee Vice-Chair.

Budget & Finance Subcommittee. Mr. Dell Orto reported that the Budget & Finance Subcommittee was scheduled to meet on January 26, 2017 to review FAP and Billing Policy changes, as well as to review NEPOOL Generation Information System (GIS) exemption requests.

GIS Agreement Working Group. Mr. David Cavanaugh reported that the GIS Agreement Working Group sent out letters that week to three parties to see if they were interested in providing GIS administrative services. He stated that, through December, the Working Group would be looking for feedback from the ISO and APX in the same manner with respect to GIS development and administrative services. After the first of the year, the Working Group will consider the feedback received in order to decide whether to recommend proceeding with a formal request for proposals during Q1 2017.

OTHER BUSINESS

Mr. Doot reported that the a membership orientation was scheduled following lunch and encouraged members, new and old, who wanted additional information or insight on membership and stakeholder process issues to participate. He reported that the next Participants Committee meeting was scheduled to take place on January 6, 2017, as an in-person meeting at the Seaport Hotel in Boston, MA.

There being no further business, the meeting adjourned at 12:30 p.m.

Respectfully submitted,

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David T. Doot, Secretary

PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES PARTICIPATING IN DECEMBER 2, 2016 ANNUAL MEETING

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
American PowerNet Management	Supplier			Mary Smith
Anbaric Management LLC	Provisional Group	Steve Conant		
Ashburnham Municipal Light Plant	Publicly Owned			Brian Thomson
AVANGRID (CMP/UI)	Transmission			Alan Trotta (tel)
BP Energy Company (BP)	Supplier			Nancy Chafetz
Braintree Electric Light Department	Publicly Owned	John Coyle		
Brookfield Energy Marketing	Supplier	Aleksandar Mitreski		
Calpine Energy Services, LP	Supplier		Brett Kruse	Bill Fowler
Chicopee Municipal Lighting Plant	Publicly Owned			Brian Thomson
CLEAResult Consulting, Inc.	AR	Doug Hurley (tel)		
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw		
Connecticut Office of Consumer Counsel (CT OCC)	End User			Dave Thompson (tel
Conservation Law Foundation	End User	Jerry Elmer		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels		
CPV Towantic, LLC	Generation	Dan Pierpont (tel)		
Direct Energy Business, LLC	Supplier			Nancy Chafetz
Dominion Energy Marketing, Inc.	Generation	Jim Davis		
DTE Energy Trading, Inc. (DTE)	Supplier			Nancy Chafetz
Dynegy Marketing and Trade, LLC	Supplier			Bill Fowler
Elektrisola, Inc.	End User		Gus Fromuth	
Emera Maine	Transmission		Jose Rotger	Stacy Dimou Sandi Hennequin Andres McCullough
EnerNOC, Inc.	AR		Herb Healy	
Entergy Nuclear Power Marketing, LLC	Generation	Ken Dell Orto		Bill Fowler
Essential Power, LLC	Generation	M.Q. Riding	Bill Fowler	
Eversource Energy	Transmission	James Daly	Cal Bowie	
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
Farhad Aminpour	End User	Farhad Aminpour		
FirstLight Power Resources Management, LLC	Generation	Thomas Kaslow		
Galt Power, Inc.	Supplier	Nancy Chafetz		
Generation Group Member	Generation	Dennis Duffy	Abby Krich	Robert Stein
Groton Electric Light Department	Publicly Owned		Brian Thomson	
H.Q. Energy Services (U.S.) Inc.	Supplier		Robert Stein	Abby Krich
Harvard Dedicated Energy Limited	End User	Mary Smith		Paul Peterson (tel) Doug Hurley (tel)
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned	John Coyle	Tim Hebert	
Holden Municipal Light Department	Publicly Owned			Brian Thomson
Holyoke Gas & Electric Department	Publicly Owned			Brian Thomson
Hull Municipal Lighting Plant	Publicly Owned			Brian Thomson
Industrial Energy Consumer Group	End User	Donald Sipe		
Ipswich Municipal Light Department	Publicly Owned			Brian Thomson
Jeffrey A. Jones, P.E.	End User	Jeff Jones		
Large RG Group Member	AR	Irina Gumennik		
Long Island Lighting Company (LIPA)	Supplier		Bill Killgoar	
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kieny	
Maine Power LLC	End User	Jeff Jones		
Maine Skiing, Inc.	End User	Donald Sipe		
Mansfield Municipal Electric Department	Publicly Owned			Brian Thomson
Marblehead Municipal Light Department	Publicly Owned			Brian Thomson
Marble River, LLC	Supplier	Seth Kaplan		
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett		Rebecca Tepper
Mass. Municipal Wholesale Electric Company (MMWEC)	Publicly Owned			Brian Thomson
Middleborough Gas and Electric Department	Publicly Owned		Michael Lynch	

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PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
DECEMBER 2, 2016 ANNUAL MEETING

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
National Grid	Transmission	Tim Brennan	Timothy Martin	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned			Brian Forshaw
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson (tel)		
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
Noble Americas Gas & Power Corp.	Supplier		Becky Merola	
NRG Power Marketing LLC	Generation	Dave Cavanaugh	Peter Fuller	
Paxton Municipal Light Department	Publicly Owned			Brian Thomson
Peabody Municipal Light Plant	Publicly Owned			Brian Thomson
PowerOptions, Inc.	End User	Cynthia Arcate		Sean Burke
Princeton Municipal Light Department	Publicly Owned			Brian Thomson
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		
Repsol Energy North America Company	Supplier		Nancy Chafetz	
Russell Municipal Light Department	Publicly Owned			Brian Thomson
Shrewsbury Electric & Cable Operations	Publicly Owned			Brian Thomson
Small Load Response Group	AR	Doug Hurley (tel)	Brad Swalwell (tel)	
Small Renewable Generation Group	AR	Erik Abend (tel)		
South Hadley Electric Light Department	Publicly Owned			Brian Thomson
Sterling Municipal Electric Light Department	Publicly Owned			Brian Thomson
Stowe Electric Department	Publicly Owned		Tim Hebert	
SunEdison (First Wind Energy Marketing, Inc.)	AR	John Keene		Abby Krich Bob Stein
Talen Energy Marketing, LLC	Supplier	Tom Hyzinski (tel)		
Taunton Municipal Light Department	Publicly Owned		Tim Hebert	
Templeton Municipal Lighting Plant	Publicly Owned			Brian Thomson
The Energy Consortium	End User		Mary Smith	Paul Peterson (tel) Doug Hurley (tel)
TransCanada Power Marketing Ltd.	Generation	Danial Congel (tel)		
Union of Concerned Scientists	End User	Michael Jacobs	Francis Pullaro	
Utility Services, Inc.	End User			Paul Peterson (tel)
Vermont Electric Cooperative (VEC)	Publicly Owned	Craig Kieny		
Vermont Electric Power Company	Transmission	Frank Ettori		
Vermont Energy Investment Corporation	AR		Doug Hurley (tel)	
Vermont Public Power Supply Authority (VPPSA)	Publicly Owned		Brian Callnan	
Vitol Inc.	Supplier	Joseph Wadsworth (tel)		
Wakefield Municipal Gas and Light Department	Publicly Owned			Brian Thomson
West Boylston Municipal Lighting Plant	Publicly Owned			Brian Thomson
Wheelabrator North Andover Inc.	AR	Bill Fowler	James Ginnetti	

ATTACHMENT 2

ESTIMATED 2017 NEPOOL BUDGET COMPARED TO
2016 NEPOOL BUDGET AND 2016 PROJECTED ACTUAL EXPENSES

Line Items	2017 Proposed Budget	2016 Approved Budget	2016 Current Forecast
NEPOOL Counsel Fees (1)	$3,850,000	$3,700,000	$4,000,000
NEPOOL Counsel Disbursements (1)	$ 45,000	$ 55,000	$ 35,000
Independent Financial Advisor Fees and Disbursements (2)	$ 40,000	$ 45,000	$ 38,500
Committee Meeting Expenses (3)	$ 675,000	$ 625,000	$ 660,000
Generation Information System (3)	$1,100,000	$1,095,000	$1,150,000
Credit Insurance Premium (3)	$ 350,000	$ 400,000	$ 300,000
NEPOOL Audit Management Subcommittee (“NAMS”) Consultant (4)	$ 0	$ 64,000	$ 64,000
SUBTOTAL EXPENSES	$6,060,000	$5,984,000	$6,247,500
Revenue			
NEPOOL Membership Fees (3) (5)	($1,900,000)	($1,856,000)	($1,983,000)
Generation Information System (3) (6)	($1,100,000)	($1,095,000)	($1,150,000)
Credit Insurance Premium (3) (7)	($ 350,000)	($ 400,000)	($ 300,000)
TOTAL REVENUE	($3,350,000)	($3,351,000)	($3,433,000)
TOTAL NEPOOL EXPENSES	**$2,710,000**	**$2,633,000**	**$2,814,500**

Notes

(1) 2017 proposed estimate provided by Day Pitney LLP, NEPOOL counsel, presuming continuation of the IMAPP process initiated in 2016.

(2) 2017 proposed estimate provided by Michael M. Mackles, NEPOOL's Independent Financial Advisor.

(3) 2017 proposed estimate provided by the ISO.

(4) The 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 in 2015 and 2016.

(5) The 2017 proposed estimate is based on the 2016 actual receipts through October 2016, plus a forecast (a) for new members, of 5 members at $5,000 each, 1 member at $1,000 each, 1 member at $500 each, and (b) for terminated members, of 5 at $5,000 each, and 2 at $500 each.

(6) GIS costs, other than those associated with accessing the GIS through the application programming interface (API) are paid by "GIS Participants" under Allocation of Costs Related to Generation Information System, which was approved by the Participants Committee on June 21, 2002. GIS costs associated with accessing the GIS through the API are paid by the GIS account holders using that API.

(7) Credit insurance premium is paid by Qualifying Market Participants according to methodology described in Section IX of the ISO Financial Assurance Policy.