

FINAL

A meeting of the NEPOOL Participants Committee was held via teleconference beginning at 10:00 a.m. on Friday, March 3, 2017, 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 who participated in the teleconference meeting.

Mr. Thomas Kaslow, Chair, presided and Mr. David Doot, Secretary, recorded.

APPROVAL OF FEBRUARY 3, 2017 MEETING MINUTES

Mr. Kaslow referred the Committee to the preliminary minutes for the February 3, 2017 meeting as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the February 3 meeting were unanimously approved without change.

CONSENT AGENDA

There was no Consent Agenda for this 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 February 3 meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

Mr. van Welie next reported that the FERC was arranging a technical conference on the issues currently under discussion concerning the tensions between public policies of the states and the organized markets. Notice of, and details concerning, that conference had not yet been announced.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), reviewed highlights from the March 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 February 22, 2017, he reported for February that: (i) Energy Market value was \$266 million, down \$190 million from January 2017 and down \$59 million from February 2016; (ii) average natural gas prices were 19% lower than January 2017 average prices; (iii) average Real-Time Hub LMPs (\$31.92/MWh) were 12.9% lower than January 2017 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 96.7% in February, down from 98.3% in January; (v) daily Net Commitment Period Compensation (NCPC) for February totaled \$6.7 million, up \$2.2 million from January 2017 and up \$3.9 million from February 2016; (vi) first contingency payments, totaling \$3 million, were \$525,000 lower than January's; (vii) second contingency payments totaled \$3 million, up \$2.1 million from January, almost all of which occurred in the Northeast Massachusetts and Boston Load Zone (NEMA); (viii) voltage support payments totaled \$660,000, up \$620,000 from January's; and (ix) NCPC payments were 2.5% of the total Energy Market value.

He reported that the March 1 implementation of sub-hourly settlement, fast-start pricing, and the Dispatchable Asset Related Demand (DARD) pump parameter enhancements had been relatively smooth to date. He explained that, following implementation, approximately 15-20 users who typically connect to eMarket continually had experienced browser-related connectivity problems for a couple hours. The ISO was able to identify the issue and help those users revise their browser setting and re-establish a connection to the upgraded eMarket system. Offer submission and the Day-Ahead Energy Market itself were not impacted by those issues. He said that the first run of statements reflecting sub-hourly settlements was scheduled to take place that

evening. He noted that, looking back over the last 10 years, the March 1 implementation of the projects was the second largest change in terms of scope and budget and third largest in terms of implementation, with the largest being the 2007-2008 changes to the Ancillary Services Market and the other comparable project being the 2014 implementation of hourly offers.

Dr. Chadalavada committed to have a report reflecting final February Winter Reliability Program data distributed when it became available. With respect to January, he addressed the January 10 Demand Response (DR) event needed to satisfy the morning pick-up ramp when loads came in higher than expected and there were several failed starts and unit reductions.

Turning to FCA12, Dr. Chadalavada reported that ISO had notified existing resources of their qualification values. He reminded Market Participants that they needed to submit Retirement De-List Bids and Permanent De-List Bids on or before March 24 and that the Show of Interest window would be open April 14-28.

In response to questions concerning uplift incurred in NEMA, Dr. Chadalavada explained that loads were at the 17,000-18,000 MWh level at the time of generator outages in Southeast Massachusetts (SEMA). He referenced in response to questions on trends in winter monthly recorded Net Energy for Load (NEL) and weather-normalized NEL, that low levels were the result of warmer weather and energy efficiency. He was asked about price fluctuations on March 2, when prices were very low (negative for several hours) and cleared energy was very low relative to forecast following the evening ramp (by more than 1,000 MWhs). He explained that winds, and correspondingly wind-generation, were very high for part of the day but dropped very low when wind speeds got too high. He was not certain about the reason for the cleared energy under-forecast and committed to report back more broadly on load forecasting in April.

FINANCIAL ASSURANCE POLICY – FCM CAPACITY CHARGE CALCULATION

Mr. Kenneth Dell Orto, Budget & Finance Subcommittee Chair, summarized for the Committee the materials posted in advance of the meeting concerning changes to the financial assurance calculations for the Forward Capacity Market (FCM) under the ISO Financial Assurance Policy (FAP). He explained how the changes would provide more rational determinations as to financial assurance for capacity obligations beginning with the eighth Capacity Commitment Period (CCP), avoiding the unintended overcapitalization that occurred with implementation of the seventh CCP.

He reported that the Budget & Finance Subcommittee discussed the proposed changes at its January 26 and February 10 teleconferences, and no objections were raised. He said that, since the February 10 teleconference, the ISO made clarifying revisions to the changes to the FAP and ISO Tariff, which he flagged for the members.

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

RESOLVED, that the Participants Committee supports the changes to the ISO Financial Assurance Policy and the ISO Transmission, Markets and Services Tariff relating to the financial assurance requirements for the Forward Capacity Market, 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.

A member thanked the ISO for addressing the problems experienced by load serving entities with excessive capacity-related financial assurance requirements. The ISO reported that they planned to file the changes quickly and to request an effective date of June 1, 2017, the date that the eighth CCP would begin.

LITIGATION REPORT

Mr. Doot referred the Committee to the March 1 Litigation Report that had been circulated and posted in advance of the meeting. Mr. Doot highlighted the report by the settlement judge in the Peak Energy Rent (PER) complaint proceeding (EL16-120) initiated by the New England Power Generators Association (NEPGA), including next procedural steps.

COMMITTEE REPORTS

Transmission Committee. Mr. José Rotger reported that the Transmission Committee was scheduled to meet on March 28 to discuss and vote on NEPOOL's comments on the FERC's interconnection NOPR, which would be presented for consideration at the April Participants Committee meeting.

Markets Committee. Mr. William Fowler reported that the next Markets Committee meeting was scheduled for March 7 as a one-day meeting to be held in Milford, MA.

Reliability Committee. Mr. Robert Stein reported that the next three meetings of the Reliability Committee would cover changes to the Tariff and Market Rules to implement Price Responsive Demand. He said that notices had been sent recently to the Markets and Reliability Committees for the March 21 meeting agenda.

Membership Subcommittee. Mr. Kaslow reported that he had appointed Mr. Stacy Dimou to succeed Mr. Michael Lynch, who had recently retired, as chair of the Membership Subcommittee.

OTHER BUSINESS

Mr. Doot reported that the next Participants Committee meeting was scheduled for April 7, 2017 at the Colonnade Hotel in Boston, MA. Dr. Chadalavada indicated that he would provide an update to the 2017 Work Plan at that meeting. Mr. Kaslow indicated that, in light of

the lack of FERC quorum and the continued light agenda items from the Technical Committees, the May meeting may be held via teleconference rather than in person.

There being no further business, the meeting adjourned at 10:45 a.m.

Respectfully submitted,

David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
MARCH 3, 2017 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
American PowerNet Management	Supplier			Mary Smith
Ashburnham Municipal Light Plant	Publicly Owned			Brian Thomson
AVANGRID (CMP/UI)	Transmission			Paul Dumais
Boylston Municipal Light Department	Publicly Owned			Brian Thomson
BP Energy Company	Supplier			Nancy Chafetz
Calpine Energy Services, LP	Supplier		Brett Kruse	Bill Fowler
Chicopee Municipal Lighting Plant	Publicly Owned			Brian Thomson
Citigroup Energy Inc.	Supplier	Barry Trayers		
CLEAResult Consulting, Inc.	AR	Doug Hurley		
Competitive Energy Services, LLC	Supplier			Glenn Poole
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw		
Conservation Law Foundation	End User	Jerry Elmer		
Consolidated Edison Energy, Inc.	Supplier	Jeff Dannels		
Cross-Sound Cable	Supplier		Jose Rotger	
DC Energy, LLC	Supplier	Bruce Bleiweis		
Direct Energy Business, LLC	Supplier			Nancy Chafetz
Dominion Energy Marketing, Inc.	Generation	Jim Davis		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dynergy Marketing and Trade, LLC	Supplier			William Fowler
Emera Maine/Emera Energy Services	Transmission		Sandi Hennequin	
Entergy Nuclear Power Marketing, LLC	Generation	Ken Dell Orto		Bill Fowler
EnerNOC, Inc.	AR	Sarah Griffiths		Doug Hurley
Essential Power, LLC	Generation		Bill Fowler	
Eversource Energy	Transmission	James Daly	Cal Bowie	
Exelon Generation Company	Supplier		Bill Fowler	
FirstLight Power Resources Management, LLC	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	Nancy Chafetz		
Generation Group Member	Generation		Abby Krich	Bob Stein
Groton Electric Light Department	Publicly Owned			Brian Thomson
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault	Bob Stein	Abby Krich
Harvard Dedicated Energy Limited	End User	Mary Smith		Doug Hurley
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Holden Municipal Light 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
Long Island Lighting Company (LIPA)	Supplier		Bill Killgoar	
Maine Skiing, Inc.	End User	Donald Sipe		
Mansfield Municipal Electric Department	Publicly Owned			Brian Thomson
Marblehead Municipal Light Department	Publicly Owned			Brian Thomson
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett	Christina Belew	
Mass. Municipal Wholesale Electric Company (MMWEC)	Publicly Owned			Brian Thomson
Mercuria Energy America, Inc.	Supplier			Nancy Chafetz
Middleborough Gas and Electric Department	Publicly Owned			Brian Thomson
National Grid	Transmission	Tim Brennan	Tim Martin	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned	Steve Kaminski		Brian Forshaw
NRG Power Marketing LLC	Generation	Dave Cavanaugh		
Paxton Municipal Light Department	Publicly Owned			Brian Thomson
Peabody Municipal Light Plant	Publicly Owned			Brian Thomson
Princeton Municipal Light Department	Publicly Owned			Brian Thomson
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		

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PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Reading Municipal Light Department	Publicly Owned			Brian Forshaw
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 Member	AR	Doug Hurley		
Small Renewable Generation Group	AR	Erik Abend		
South Hadley Electric Light Department	Publicly Owned			Brian Thomson
Sterling Municipal Electric Light Department	Publicly Owned			Brian Thomson
SunEdison companies	AR			Bob Stein, Abby Krich
Templeton Municipal Lighting Plant	Publicly Owned			Brian Thomson
The Energy Consortium	End User		Mary Smith	
Vermont Electric Power Company	Transmission	Frank Ettori		
Vermont Energy Investment Corporation	AR		Doug Hurley	
Verso Maine Energy LLC	Generation	Glenn Poole		
Vitol Inc.	Supplier	Joe Wadsworth		
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		