

FINAL

A meeting of the NEPOOL Participants Committee was held via teleconference beginning at 10:00 a.m. on Friday, May 5, 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.

Ms. Nancy Chafetz, Acting Chair, presided and Mr. David Doot, Secretary, recorded.

APPROVAL OF APRIL 7, 2017 MEETING MINUTES

Ms. Chafetz referred the Committee to the preliminary minutes of the April 7, 2017 meeting, as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the April 7 meeting were unanimously approved, without abstention or change.

CONSENT AGENDA

Ms. Chafetz 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, without abstention or discussion.

ISO CEO REPORT

In the absence of Mr. Gordon van Welie, ISO CEO, Mr. Raymond Hepper, ISO General Counsel, referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the April 7 meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

ISO COO REPORT

Before turning to Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO) for his April report, Ms. Chafetz reported that, with the cancellation of the June 2 Participants

Committee meeting and no meeting in July, Dr. Chadalavada had been requested and had agreed to provide COO Reports in early June and July covering, in each case, the full prior month. Dr. Chadalavada then reviewed highlights from the May COO report, which was circulated in advance of the meeting and posted on the NEPOOL and ISO websites. He explained that the report reflected data through April 26. Focusing on highlights, he reported for April that: (i) Energy Market value was \$246 million, down \$160 million from March 2017 and down \$27 million from April 2016; (ii) average natural gas prices were 28% lower than March 2017 average prices; (iii) average Real-Time Hub LMPs (\$31.42/MWh) were 9.7% lower than March 2017 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 97.2% in April, up from 96.5% in March; (v) daily Net Commitment Period Compensation (NCPC) for April totaled \$2.4 million, down from the \$3.1 million of NCPC experienced in March 2017 and \$1.5 million lower than NCPC in April 2016; (vi) first contingency payments, totaling \$2.1 million, were \$1.7 million lower than March's; (vii) there were no second contingency payments, as compared to \$760,000 in March; (viii) voltage support payments totaled \$306,000, down \$681,000 from March's; and (ix) NCPC payments were 1% of the total Energy Market value.

Noting that the percentage of Day-Ahead cleared physical Energy during peak hours had increased in April, Dr. Chadalavada observed that this increase ended the trend of declining percentages reported over the prior three to four months. He indicated that the ISO would continue to track and study those results.

Dr. Chadalavada reported that the final total program costs for the 2016/17 Winter Reliability Program were \$30.7 million -- \$30.3 million for oil, \$277,000 for liquefied natural gas (LNG), and \$126,000 for Demand Response (DR) (including energy payments for dispatch on January 10). He explained final program costs reflected performance-based adjustments of

\$674,000 for oil and \$13,000 for LNG. He referred the Committee to the billing/payment schedule posted on the ISO's website for more information.

Focusing on the upcoming FCA12, Dr. Chadalavada noted that the Show of Interest window closed on April 28, Static De-List Bids for existing resources were due on June 5, and New Resource Qualification Packages were due on June 19.

Responding to a question concerning the announcement by the new NEMA/Boston generation unit that it would not achieve commercial operation prior to the June 1 start of the 2017/18 Capacity Commitment Period, Dr. Chadalavada stated that there was nothing new to report and that, while the ISO was not contemplating any Market Rule changes to address that specific situation, it was continuously assessing the efficiency of the FCM market, taking into consideration costs, benefits and practicalities. He committed in response to another question to address differences between the FCM data in the COO Report and the ISO website's monthly Capacity Supply Obligation (CSO) report, which he suggested were likely timing differences. He also agreed in response to comments to include in later reports further updates reflecting resource terminations. He took under advisement a request for further granularity in the information about new resources after consideration of Information Policy and Tariff requirements.

LITIGATION REPORT

Mr. Doot referred the Committee to the May 3 Litigation Report that had been circulated and posted in advance of the meeting. He highlighted federal court and FERC developments on pending Return on Equity (ROE) issues and noted that information about those issues had been and would continue to be discussed at the Transmission Committee. He reported on the FERC May 1-2 IMAPP Technical Conference and referred the Committee to the summary provided by NEPOOL Counsel, which had been circulated with the Litigation Report in advance of the

meeting. In summarizing the report, he highlighted the clear and consistent message from the States that they were fully engaged in the process for exploring changes that would accommodate or achieve public policy directives from state legislatures, but regulators would continue to comply with their mandates and execute state statutory requirements. Further, the States told the FERC that they were uniformly opposed to carbon pricing as a potential way to achieve public policy goals, and New Hampshire Commissioner Scott was very clear that the Regional Green House Gas Initiative (RGGI) would not be a sufficient vehicle to achieve the desired objectives.

Ms. Heather Hunt, NESCOE Executive Director, highlighted the initial written statements submitted by the New England States and NESCOE prior to the technical conference. She emphasized the point from each panel on which a New England State representative participated that there was uniform opposition to a FERC-jurisdictional carbon price as a means to execute state laws. She reinforced the binding nature of the States' statutory requirements.

GIS AGREEMENT WORKING GROUP STATUS REPORT

Mr. David Cavanaugh referred the Committee to the memorandum circulated and posted in advance of the meeting regarding Generation Information System (GIS) Agreement Working Group efforts to identify future GIS administrative arrangements. Summarizing his earlier report to the Participants Committee at the April 7, 2017 Participants Committee meeting, Mr. Cavanaugh reminded the Committee that the Working Group had decided to move forward by amending, extending and restating the agreement with the current GIS administrator, APX, Inc. (APX), for a three-year term (from January 1, 2018 through December 31, 2020), with a preliminary agreement in principle that reduced aggregate costs paid for GIS services and enhanced functionality. In light of members' questions concerning the proposed modified fee structure described at the April 7 Participants Committee meeting, a follow-up call specifically to

discuss that topic was held by the Working Group on April 27, 2017, with invitation issued to all Participants. Mr. Cavanaugh then referred the Committee to the memorandum circulated in advance of the meeting that summarized that teleconference meeting and reported that a follow up discussion was scheduled for May 11. He urged all those interested in this topic to participate.

Mr. Paul Belval, NEPOOL Counsel, then identified the following work plan:

- Jun. 27 – an update (including a report on the May 11 teleconference) to be provided to the Participants Committee.
- Sep. 8 – Participants Committee consideration and vote on a new GIS Agreement.
- Oct. 1 – Deadline for Participants Committee approval of new GIS Agreement.
- Dec. 31 – Expiration of current agreement.

COMMITTEE REPORTS

Joint Nominating Committee. Mr. Joel Gordon reported that the Joint Nominating Committee (JNC) had been meeting since June 2016 and had identified a unanimously recommended slate of candidates for the ISO Board of Directors for the 2017-2020 “class year”. He said that the slate would be presented to the Participants Committee for vote at the Summer Meeting, and, if endorsed, would then be sent to the ISO Board for its formal vote. Until the slate was fully acted upon, the identity of the nominees needs to be maintained in confidence. Mr. Doot indicated that Participants Committee members and alternates would receive a confidential package in advance of the Summer Meeting with information on the slate and a written ballot for the vote. Participants would be asked to submit their completed ballots either electronically or in-person at that meeting.

Markets Committee. Mr. William Fowler reported that the next Markets Committee meeting was scheduled for May 10 at the Doubletree in Westborough, MA, with one key topic being Price Responsive Demand (PRD) changes. He noted there were additional proposed

changes to the rules since their last review in April. He encouraged those interested to review the ISO's summary of those changes.

IMAPP. Mr. Fowler reported that the next IMAPP meeting was scheduled for May 17 at the Doubletree Hotel in Westborough. The ISO would review, and Participants would have an opportunity to ask questions on, the ISO's Competitive Auctions with Subsidized Policy Resources (CASPR) proposal. He advised that there was also a new, long-term Participant proposal to consider. He previewed his plan to seek member input on proposed next steps following the May 17 IMAPP meeting and asked that members provide their thoughts on that issue to him or Mr. Sebastian Lombardi, NEPOOL Counsel.

Reliability Committee. Mr. Robert Stein reported that the Reliability Committee was scheduled to meet on May 23 at the Doubletree Hotel in Westborough. The Reliability Committee would (i) review changes to the Planning Procedures and the I.3.9 review process to incorporate the Order 1000 requirements, (ii) consider the elimination of the Stability and Transmission Task Forces in favor of study groups (for subsequent consideration by the Participants Committee at its September 8 meeting), and (iii) review an initial Greater Boston Upgrades cost presentation on the TOs' request for recovery of approximately \$300 million for the additions to the System.

Transmission Committee. Mr. José Rotger reported that the Transmission Committee was scheduled to meet on May 16 via teleconference, with the agenda including ISO-proposed revisions to the Tariff definition of *Force Majeure* and potentially to consider and vote on the PRD-related provisions to the Tariff sections under its purview.

Budget & Finance Subcommittee. In Mr. Dell Orto's absence, Mr. Patrick Gerity, NEPOOL Counsel, reported that the Budget & Finance Subcommittee (Subcommittee) was scheduled to meet on May 12 to consider quarterly reviews of the ISO and NEPOOL budgets,

including review of the ISO's Capital Funding Tariff filing, to review and provide input on NESCOE's third five-year *pro forma* budget, which was expected to be voted at the Participants Committee Summer Meeting, and to review changes related to the implementation of PRD and pay-for-performance changes. The Subcommittee would also receive a report on capacity charge rate changes, recently accepted by the FERC, as those changes related to FCA8.

OTHER BUSINESS

Mr. Doot reported that the next Participants Committee meeting would be the Summer Meeting scheduled for June 27-29, 2017, at the Chatham Bars Inn in Chatham, MA. He reminded Participants that, in addition to making their reservations early at Chatham Bars, they should register for the meeting via the NEPOOL website in order to ensure accurate counts for meeting arrangements. He reported additional information regarding the Summer Meeting would be circulated in the next few weeks and asked that Participants pay attention to future notices of the Summer Meeting. He highlighted that the Sector meetings were scheduled for the third day of the Summer Meeting, Thursday, June 29, and members should work with their Vice-Chairs to organize how best to use that dedicated time with the ISO Board members, State Officials and FERC representatives.

Mr. Gerity reported that both sets of changes to the Restated NEPOOL Agreement and the Participants Agreement that were discussed at the April Participants Committee meeting had passed in balloting and would be filed with the FERC. The first ballots for the clean-up changes to the NEPOOL and Participants Agreements were unanimously approved. The second ballot, regarding the proposal to treat Small Standard Offer Suppliers as Provisional Members (131st Agreement) passed with a 67.4% Vote, with support in all six Sectors, although sufficient opposition across the Sectors made the vote as close as it was.

Ms. Rachel Goldwasser, NECPUC Executive Director, reported on the NECPUC Symposium, scheduled for June 4-7 at the Mount Washington Hotel in Bretton Woods, New Hampshire. She reviewed some of the highlights from the agenda and encouraged attendance. She explained that Symposium-related information was available on the NECPUC website.

There being no further business, the meeting adjourned at 11:25 a.m.

Respectfully submitted,

David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
MAY 5, 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 Forshaw |
| Associated Industries of Massachusetts | End User | | | Roger Borghesani |
| AVANGRID (CMP/UI) | Transmission | | | Paul Dumais |
| Belmont Municipal Light Department | Publicly Owned | | Tim Hebert | |
| Block Island Power Company | Supplier | Tim Hebert | | |
| Boylston Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| BP Energy Company | Supplier | | | Nancy Chafetz |
| Calpine Energy Services, LP | Supplier | | Brett Kruse | Bill Fowler |
| Chester Municipal Light Department | Publicly Owned | | Tim Hebert | |
| Chicopee Municipal Lighting Plant | Publicly Owned | | | Brian Forshaw |
| CLEAResult Consulting, Inc. | AR | Doug Hurley | | |
| Concord Municipal Light Plant | Publicly Owned | | Tim Hebert | |
| Connecticut Municipal Electric Energy Coop. | Publicly Owned | Brian Forshaw | | |
| Consolidated Edison Energy, Inc. | Supplier | Jeff Dannels | | |
| Cross-Sound Cable | Supplier | | Jose Rotger | |
| Danvers Electric Division | Publicly Owned | | Tim Hebert | |
| Direct Energy Business, LLC | Supplier | | | Nancy Chafetz |
| Dominion Energy Marketing, Inc. | Generation | Jim Davis | | |
| DTE Energy Trading, Inc. | Supplier | | | Nancy Chafetz |
| Dyegy Marketing and Trade, LLC | Supplier | | | Bill Fowler |
| Emera Maine/Emera Energy Services | Transmission | | | Lisa Martin |
| Entergy Nuclear Power Marketing, LLC | Generation | | | Bill Fowler |
| EnerNOC, Inc. | AR | Sarah Griffiths | | Doug Hurley |
| Essential Power, LLC | Generation | | Bill Fowler | |
| Eversource Energy | Transmission | | Cal Bowie | |
| Exelon Generation Company | Supplier | Steve Kirk | Bill Fowler | |
| Galt Power, Inc. | Supplier | Nancy Chafetz | | |
| Generation Group Member | Generation | | Abby Krich | Bob Stein |
| Georgetown Municipal Light Department | Publicly Owned | | Tim Hebert | |
| Groton Electric Light Department | Publicly Owned | | | Brian Forshaw |
| Groveland Electric Light Department | Publicly Owned | | Tim Hebert | |
| H.Q. Energy Services (U.S.) Inc. | Supplier | Louis Guilbault | Bob Stein | Abby Krich |
| Harvard Dedicated Energy Limited | End User | Mary Smith | | Roger Borghesani Paul Peterson Doug Hurley |
| High Liner Foods (USA) Incorporated | End User | | William P. Short III | |
| Hingham Municipal Lighting Plant | Publicly Owned | | Tim Hebert | |
| Holden Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Hull Municipal Lighting Plant | Publicly Owned | | | Brian Forshaw |
| Industrial Energy Consumer Group | End User | Donald Sipe | | |
| Ipswich Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Littleton (MA) Electric Light and Water Department | Publicly Owned | | Tim Hebert | |
| Littleton (NH) Water & Light Department | Publicly Owned | | Craig Kieny | |
| Long Island Lighting Company (LIPA) | Supplier | | Bill Killgoar | |
| Maine Skiing, Inc. | End User | Donald Sipe | | |
| Mansfield Municipal Electric Department | Publicly Owned | | | Brian Forshaw |
| Marblehead Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Marble River, LLC | Supplier | | John Brodbeck | |
| Massachusetts Attorney General's Office (MA AG) | End User | Fred Plett | | |
| Massachusetts Development Finance Agency | Publicly Owned | | Tim Hebert | |
| Mass. Municipal Wholesale Electric Company (MMWEC) | Publicly Owned | | | Brian Forshaw |

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
MAY 5, 2017 TELECONFERENCE MEETING**

| PARTICIPANT NAME | SECTOR/ GROUP | MEMBER NAME | ALTERNATE NAME | PROXY |
|---|--------------------|------------------|----------------|-----------------------|
| Mercuria Energy America, Inc. | Supplier | | | Nancy Chafetz |
| Merrimac Municipal Light Department | Publicly Owned | | Tim Hebert | |
| Middleborough Gas and Electric Department | Publicly Owned | | | Brian Forshaw |
| Middleton Municipal Electric Department | Publicly Owned | | Tim Hebert | |
| National Grid | Transmission | Tim Brennan | Tim Martin | |
| New Hampshire Electric Cooperative (NHEC) | Publicly Owned | Steve Kaminski | | Brian Forshaw |
| New Hampshire Office of Consumer Advocate | End User | Paul Peterson | | |
| NextEra Energy Resources, LLC | Generation | Michelle Gardner | | |
| NRG Power Marketing LLC | Generation | Dave Cavanaugh | | |
| Pascoag Utility District | Publicly Owned | | Tim Hebert | |
| Paxton Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Peabody Municipal Light Plant | Publicly Owned | | | Brian Forshaw |
| Princeton Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| PSEG Energy Resources & Trade LLC | Supplier | Joel Gordon | | |
| Reading Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Repsol Energy North America Company | Gas Industry Part. | | Nancy Chafetz | |
| Rowley Municipal Lighting Plant | Publicly Owned | | Tim Hebert | |
| Russell Municipal Light Department | Publicly Owned | | | Brian Forshaw |
| Shrewsbury Electric & Cable Operations | Publicly Owned | | | Brian Forshaw |
| Small Load Response Group Member | AR | Doug Hurley | Brad Swalwell | |
| Small Renewable Generation Group Member | AR | Erik Abend | | |
| South Hadley Electric Light Department | Publicly Owned | | | Brian Forshaw |
| Sterling Municipal Electric Light Department | Publicly Owned | | | Brian Forshaw |
| Stowe Electric Department | Publicly Owned | | Tim Hebert | |
| SunEdison Companies (Stetson Holdings et al.) | AR | John Keene | | Bob Stein, Abby Krich |
| Taunton Municipal Lighting Plant | Publicly Owned | | Tim Hebert | |
| Templeton Municipal Lighting Plant | Publicly Owned | | | Brian Forshaw |
| The Energy Consortium | End User | Roger Borghesani | Mary Smith | |
| Utility Services Inc. | End User | | | Paul Peterson |
| Vermont Electric Cooperative | Publicly Owned | Craig Kiemy | | |
| Vermont Electric Power Company | Transmission | Frank Etori | | |
| Vermont Energy Investment Corporation | AR | | Doug Hurley | |
| Vitol Inc. | Supplier | Joe Wadsworth | | |
| Wakefield Municipal Gas and Light Department | Publicly Owned | | | Brian Forshaw |
| Wallingford DPU Electric Division | Publicly Owned | | Tim Hebert | |
| Wellesley Municipal Light Plant | Publicly Owned | | Tim Hebert | |
| West Boylston Municipal Lighting Plant | Publicly Owned | | | Brian Forshaw |
| Westfield Gas & Electric Department | Publicly Owned | | Tim Hebert | |
| Wheelabrator North Andover Inc. | AR | Bill Fowler | | |