

## **FINAL**

The annual meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Friday, December 8, 2017, at the Colonnade Hotel, Boston, Massachusetts, 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. Thomas Kaslow, Chair, presided and Mr. David Doot, Secretary, recorded.

### **EXECUTIVE SESSION: SECTOR FEEDBACK ON ISO NEW ENGLAND BOARD MEMBER SELECTION PROCESS**

The Committee began the meeting in Executive Session to afford Participants an opportunity to provide feedback on the incumbent ISO-NE directors eligible for re-election to the ISO Board of Directors when their terms expire in 2018. Committee members provided their views on those current Board members. Mr. Doot explained that the Participants Committee representatives of the Joint Nominating Committee (JNC) would share feedback that members provided in Executive Session or outside of the meeting with the JNC as appropriate for consideration in recommending a future slate for consideration by the Participants Committee.

### **GENERAL SESSION**

The Committee came out of Executive Session at 10:20 a.m. and was joined by ISO representatives and guests. Mr. Kaslow welcomed the members, alternates and guests who were present, including the ISO Board members Ray Hill and Phil Shapiro and New England State Officials.

### **APPROVAL OF CORRECTIONS TO OCTOBER 13, 2017 MEETING MINUTES AND PRELIMINARY NOVEMBER 3, 2017 MINUTES**

Mr. Doot referred the Committee to corrections to the minutes of the October 13, 2017 meeting and to the preliminary minutes of the November 3, 2017 meeting, as circulated in

advance of the meeting. He explained that the October 13 minutes previously voted on incorrectly reported that the vote on the Installed Capacity Requirement (ICR) and related values for the 2021-22 (FCA12) Capacity Commitment Period, which was greater than 60% but not 66.67%, failed. He referred the Committee to NEPOOL Counsel's memorandum explaining the correction to the reporting to reflect that the motion passed with a 60.63% vote in favor.

Following motion duly made and seconded, the corresponding corrections to the minutes of the October 13 meeting, as well as the preliminary minutes of the November 3 meeting, were unanimously approved.

### **CONSENT AGENDA**

Mr. Kaslow 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 unanimously approved without comment.

### **ELECTION OF 2018 PARTICIPANTS COMMITTEE OFFICERS**

Mr. Doot referred the Committee to the proposed slate of 2018 NEPOOL Participants Committee Officers circulated and posted in advance of the meeting, explaining that the vote was to ratify the vote taken by secret ballot the month before 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 2018 to the offices of Chair or 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 2018 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	Douglas Hurley
Vice-Chair	Frederick R. Plett
Secretary	David T. Doot
Assistant Secretary	Paul N. Belval

### **2017 NEPOOL ANNUAL REPORT**

Mr. Doot referred the Committee to the 2017 NEPOOL Annual Report, “Seeking Solutions. Working Together”, that was circulated and posted on the NEPOOL website before the meeting. He noted the active involvement of the Chairman in preparing the Report. He thanked Participant contributors, who had provided information and materials for the Report. He also acknowledged with appreciation the hard work of the Day Pitney team, led by Editor-in-Chief Harold Blinderman with critical support from Pat Gerity and Cindy Jacobs, for their efforts designing, assembling and finalizing the Report with the Chairman’s guidance.

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

### **REMARKS BY FERC COMMISSIONER NEIL CHATTERJEE**

Mr. Kaslow welcomed FERC Commissioner Neil Chatterjee and introduced him to the Committee. He also welcomed Commissioner Chatterjee’s Legal Advisor, Ms. Mindi Sauter,

and his Strategic Advisor & Communications Director, Ms. Lindsee Gentry, who had both accompanied the Commissioner to New England.

Commissioner Chatterjee expressed appreciation for the chance to meet and speak with New England stakeholders and said he looked forward to collaborating with New England on the challenging issues facing the industry. He reported that, with the swearing in of Chairman McIntyre the day before, he was beginning his first full day as Commissioner since he began his service on the Commission as the Chairman in August. He said that, since stepping on to the Commission, with the help of a highly dedicated staff, the Commission had successfully worked through a substantial backlog of cases that had accumulated during the time in 2017 without a quorum. He explained that would not have been possible without the planning and work of Commissioners LaFleur and Honorable during that quorum-less time.

He then discussed the Commission's significant effort on the Grid Resiliency Pricing Rule proposed by the Secretary of the Department of Energy (DOE NOPR). He reported on Chairman McIntyre's request to the DOE for a 30-day extension to the December 11 deadline for FERC action on the proposed rule in order to allow the newest Commissioners to consider and engage fully in deliberations. [Secretary's Note: That request was granted by the DOE Secretary later that day, with January 10, 2018 established as the new deadline for FERC action on the DOE NOPR.]

Commissioner Chatterjee then discussed the following key priorities he hoped to work on during his tenure on the Commission:

1. Impact of state policies on wholesale markets. He explained that, but for the DOE NOPR, this would have been his highest priority in the fall.
2. Cyber security. He stressed the importance of staying ahead of potential cyber-security threats to the generation, transmission and distribution of energy. He said this was a growing issue as technological innovation transformed the industry. He identified NERC standards as a floor and not the ceiling for actions to take to maximize protections.

3. Transmission policy. He expressed his view that there was an essential need to build out the nation's energy infrastructure. That need required a transmission policy, with appropriate incentives, that would encourage new transmission while protecting consumers.
4. Support for new technologies. Commissioner Chatterjee offered his view that new technology was driving the industry and regulation needed to keep up. He referenced the FERC's efforts in the energy storage rulemaking (RM16-23), opining that it would benefit both resilience and reliability.
5. Enhancing FERC internal processes. He wanted the FERC to also focus inward and explore ways to improve the stakeholder and pre-filing processes and FERC's own structure.

Commissioner Chatterjee described the new Commission, expressing appreciation and enthusiasm for the mix of perspectives and experiences that each of the Commissioners bring to the agency, and optimism for what the Commission could achieve going forward. Noting that the FERC's responsibilities were inherently technical and not political, he did not foresee a dramatic shift in direction with the new Commission. He referenced his experiences working with the legislative branch, expressing his preference that policy issues and direction be provided by the legislature for many of the complex challenges facing the industry.

Commissioner Chatterjee concluded his remarks by observing the time of tremendous opportunity for the industry, driven by technological innovation, evolving economics and changing energy markets. He expressed a desire to work with stakeholders to address the complicated issues facing the industry in a technically sound and legally defensible way, in order to provide needed regulatory clarity and certainty.

Commissioner Chatterjee agreed in response to a question/comment that the Commission must consider the impact on consumers in all actions it takes to address cyber security threats and other reliability matters. He applauded the diligence and thoroughness of the FERC's professional staff in producing technically and legally sound results. He emphasized the importance of stakeholder input and engagement to his decision making, and noted the importance and encouraged use of the FERC's pre-filing process. He hoped while at the

Commission the FERC would be viewed as a quieter agency doing the “boring good”, conducting sound processes in reaching its decisions and better explaining in its actions and decisions the policies and reasoning supporting those actions/decisions.

In response to a request for further guidance on how NEPOOL might position itself for priorities in 2018, Commissioner Chatterjee said that, in addition to his priorities, which he hoped the full Commission would embrace, there was also much-needed reform of the Public Utility Regulatory Policies Act (PURPA), clarity on return on equity issues, and further direction to the industry from the Commission’s enforcement program. He encouraged stakeholders to remain vigilant in communicating and continuing dialogue with the Commission.

## **ISO CEO REPORT**

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), reflected on the many challenges to the New England power system and noted that the wholesale markets would continue to evolve in response to many forces being applied by changing state and federal policies, and by the evolution of the technologies for producing and storing electricity. He referred to the ISO’s Competitive Auctions with Sponsored Policy Resources (CASPR) Proposal as another step in that evolution. He expressed appreciation for all the hard work that went into developing the CASPR Proposal, all the way back to the Integrating Markets and Public Policy (IMAPP) process started in the Spring of 2016. He acknowledged that the Proposal necessarily chooses from among a number of design objectives that were fundamentally in tension. He explained that the ISO would be monitoring the effectiveness of this design along with the rest of the wholesale markets and would make adjustments going forward as needed and appropriate. He expressed his expectation that 2018 would be a challenging year and the issues would be more complex going forward.

He referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the November 3 Participants Committee 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 29, 2017, he reported for November that: (i) Energy Market value was \$336 million, up \$34 million from October 2017 and \$83 million from November 2016; (ii) average natural gas prices were 23% higher than average prices in October 2017; (iii) average Real-Time Hub LMPs (\$33.27/MWh) were 4.9% higher than October 2017 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 98.5% in November, down from 99.4% in October 2017; and (v) daily Net Commitment Period Compensation (NCPC) for November (based on data through November 29, 2017) totaled \$7 million, up \$3.2 million from October and down \$8 million from November 2016. The November 2017 NCPC, which was 2.1% of total Energy Market value, was comprised of (a) \$2.8 million in first contingency payments, which were down \$0.6 million from October, and (b) \$4.2 million in second contingency payments, which were up \$3.9 million from October.

Continuing to focus on the NCPC, Dr. Chadalavada explained that almost all of the second contingency payments were in Northeast Massachusetts and Boston (NEMA), and mostly attributed to the outage reported on in his November report. He said that the line that was out was then back in-service and no further uplift associated with that outage was expected. He reported the Tewksbury Line would be in-service hopefully before the end of 2017, which would

help with reliability in NEMA and reduce the need for must-run generation. With the activation of that line, he said that the load level above which Participants could expect must-run generation, absent extraordinary conditions, was approximately 20,000 MW. Thus, he was anticipating fairly minimal uplift in NEMA during routine operations in winter 2017/18. In response to questions, he explained that November uplift was caused mostly by limited import capability, with that capability expanding once the Tewksbury Line was in service, which was expected to occur on December 20. He said also that some of the NEMA uplift would be reallocated to Regional Network Load.

Dr. Chadalavada reported that the certification of the transmission topology for FCA13 was nearly complete and would be presented at the January Reliability Committee meeting. Turning to an update on the Winter Reliability Program (Program), he reported that, as of December 1, 86 units had submitted to participate with a total of 3.868 million barrels of oil. Of that oil inventory, 2.867 million barrels would be eligible for compensation under the Program, which reflected a maximum oil program cost exposure of \$29.62 million (@\$10.33/barrel). He said there was no participation in the liquefied natural gas program and there were three assets proving 7.5 MW of interruptible capability in the demand response program, which represented a maximum cost exposure of \$23,200.

He concluded his report referring to the GRIDEX IV exercise, which occurred on November 15 and 16. He explained that drill was a North American-wide electric grid simulation for reliability coordinators, balancing authorities, transmission owners and operators, government entities and industry to respond to a hypothetical physical, cyber and operational attack on the North American power grid. The simulation was designed to test reactions to low probability, high impact events, including dozens of physical attacks, including two major attacks on the first day simulating the loss of over 6,500 MW of generation, and numerous other

simulated physical and cyber attacks on transmission elements. He said that next steps included the following:

- All participants (including those in New England) were reviewing lessons learned
- New England lead planners would meet December 15 at ISO New England to review lessons learned and draft an “After Action Report”, which he committed to share with the Reliability Committee once finalized, as the ISO did following the GRIDEX III exercise
- NERC was expected to release an “After Action Report” in spring 2018
- Corrective actions and lessons learned would be addressed in accordance with individual company processes.

### **ESTIMATED BUDGET FOR 2018 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 2018 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 2018 Budget. He said that the Subcommittee reviewed together and discussed the proposed 2018 Budget and recommended its adoption without objection.

Following motion duly made and seconded, the Committee considered and approved unanimously the following motion without discussion:

RESOLVED, that the Participants Committee adopts the estimated budget for NEPOOL expenses for 2018 as presented at this meeting.

### **FTR BOPP FINANCIAL ASSURANCE POLICY CHANGES**

Mr. Dell Orto referred the Committee to the materials posted in advance of the meeting concerning changes to the ISO Financial Assurance Policy (FAP) relating to 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 that it planned to implement after it put in place an arrangement with a third-party exchange to clear all FTR transactions. With a third-party exchange arrangement still hindered by regulatory hurdles, the ISO decided to administer BoPP auctions in the interim. To do so, the ISO worked with the Subcommittee to develop a methodology for incorporating the BoPP auctions into the FTR financial assurance requirements under the FAP. Those changes were supported by the Participants Committee at its December 3, 2016 meeting and filed with the FERC on April 20, 2017 in Docket ER17-1441. Because of concerns with the potential for over-collateralization, which was raised by DC Energy, the ISO withdrew that FERC filing for further stakeholder discussion. The Subcommittee subsequently discussed the proposed changes to the FAP and a number of changes, as outlined in the materials circulated, were proposed to the changes that were presented and supported by the Participants Committee last December.

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports the changes to the ISO FAP 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 ISO Chief Financial Officer and the Budget & Finance Subcommittee Chairman may approve.

Mr. Bruce Bleiweis of DC Energy reviewed a motion to amend the main motion, as circulated and posted with the meeting materials in advance of the meeting, to modify the standard deviation approach proposed as part of the FAP changes with a percentile approach (95% for long-term auctions) and to include a minimum collateral floor that scales with the size of the portfolio (5¢/MWh on a month-class portfolio basis). That motion to amend was duly made, seconded and discussed with the Committee. The motion to amend was then voted by a show of hands and was determined to have failed.

The main motion was then voted and passed with opposition by: DC Energy, Direct Energy, NextEra, NRG, Shell, and Texas Retail; and abstentions by: BP, Calpine, CLF, CPV,

Dominion, DTE, Emera Energy, Entergy, Galt, IECG, Maine Skiing, ME OPA, Mercuria, NH OCA, PSEG, and the AR Sector Small Renewable Generation Group Seat.

### **OP-22 REVISIONS (ADDITIONAL PMU INSTALLATIONS FOR RELIABILITY)**

Ms. Mariah Winkler, Reliability Committee Chair, referred the Committee to materials circulated in advance of the meeting concerning revisions to Operating Procedure No. 22 (Disturbance Monitoring Requirements) (OP-22 Revisions). The OP-22 Revisions introduced rules for installing new phasor measurement units (PMU) to improve system reliability. She reported that the Reliability Committee considered the OP-22 Revisions over the course of three meetings and recommended Participants Committee support for the OP-22 Revisions at its November 15 meeting.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the OP-22 Revisions, as recommended by the Reliability Committee at its November 15, 2017 meeting and as reflected in the materials distributed to the Participants Committee for its December 8, 2017 meeting, together with such non-substantive changes as may be agreed to by the Chair and Vice-Chair of the Reliability Committee.

An Avangrid representative stated that, while Avangrid would support the OP-22 Revisions, he noted a perceived lack of clarity with respect to the allocation of costs for PMU installations and requested that the ISO address those concerns at an upcoming meeting of the Reliability Committee.

The Committee considered and unanimously approved the motion to support the OP-22 Revisions, with abstentions noted by CLF, MA AG and National Grid.

### **CASPR PROPOSAL**

Mr. Alex Kuznecow, Markets Committee Chair, referred the Committee to materials circulated in advance of the meeting concerning revisions to the Forward Capacity Market (FCM)

rules proposed by the ISO to implement its CASPR Proposal. He referred to NEPOOL Counsel's memorandum that provided background on the ISO's proposed package of Tariff revisions and information about NEPOOL Technical Committee deliberations on the CASPR subject, including consideration of amendments to the ISO's Proposal. He explained that, reflecting stakeholder input received through NEPOOL's IMAPP process, the CASPR Proposal was designed conceptually to accommodate, over time, the entry in the FCM of resources developed in response to sponsored public policy actions/initiatives, while preserving competitively-based capacity prices for non-sponsored resources. Under the ISO's proposed CASPR design, the ISO would conduct the Forward Capacity Auction (FCA) in two stages. In the first stage (or the primary FCA), existing and new capacity resources would clear based generally on all current FCM rules, including rules designed to mitigate the offers of capacity seeking to offer below competitive levels, including from state-sponsored resources. In the second stage (the Substitution Auction or SA), existing resources that cleared in the primary FCA would be able to transfer their capacity obligations to new Sponsored Policy Resources that did not clear, with the existing resource agreeing to retire early in exchange for a "severance" payment.

Mr. Kuznecow reported that the NEPOOL Markets Committee, following several months of discussion, took a series of votes at its November 8-9, 2017 meeting on the ISO's earlier CASPR proposal and suggested amendments to it. He summarized the nine amendments to the ISO's proposal that were considered by the Markets Committee, only one of which passed (the NESCOE Proposal). Continuing, he explained that the once-amended main motion did not receive sufficient support needed for a Markets Committee recommendation. The Markets Committee also voted on the ISO's unamended CASPR Proposal, which failed with a 27.59% Vote in favor.

Since that meeting, the ISO further considered stakeholder input and sought Participants Committee consideration and vote on an updated proposal as reflected in the ISO's November 30,

2017 memorandum to NEPOOL circulated to members and posted with the materials for the meeting. He summarized that the November 30 proposal modified the ISO's earlier proposal so as to include the following two stakeholder amendments that were previously considered by the Markets Committee: (1) the FirstLight amendment to limit Substitution Auction capacity transfers between zones (FirstLight Amendment #1); and (2) the Natural Resources Defense Council/Conservation Law Foundation amendment to modify the ISO's earlier proposed definition of a "Sponsored Policy Resource" (NRDC/CLF Amendment).

In addition, Mr. Kuznecow reported that the Reliability Committee and Transmission Committee each separately considered and recommended Participants Committee support for minor conforming revisions to the Definitions section of the Tariff (Section I.2.2.) for the term "Forward Capacity Auction". Mr. Doot explained that the proposed revision to the Tariff Definitions section was also included in the comprehensive set of Market Rule revisions considered by the Markets Committee and that approval of the ISO's CASPR Proposal (as modified on November 30) would require a 60% NEPOOL Vote by the Participants Committee to pass.

***Main Motion – Modified ISO CASPR Proposal***

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports the revisions to Tariff Section I.2.2. and Section III of Market Rule 1 relating to the CASPR subject, as proposed by ISO New England in the package circulated to this Committee with the December 1, 2017 supplemental notice, together with such non-substantive changes as may be approved by the Chair and Vice-Chair of the Markets Committee.

Mr. Doot reviewed that, consistent with past practice, if sponsors of amendments previously rejected by a Technical Committee decided not to advance those amendments for vote by the Participants Committee but later advocated in support of them at FERC, neither NEPOOL

nor the ISO would raise procedural concerns at the FERC based on the failure to submit the amendments for a Participants Committee vote.

The intent of the NRDC/CLF amendment incorporated into the ISO CASPR Proposal was clarified in response to questions by NESCOE's representative. That intent was to limit the scope of supply eligibility in the Substitution Auction only to those resources that would appropriately be considered renewable resources or clean energy resources pursuant to a statute or regulation in a New England state in place by January 1, 2018 that provides out-of-market revenue to such a renewable or clean energy resource. The ISO explained that, to qualify as a Sponsored Policy Resource, the resource would be required to submit during the Show-of-Interest period as part of its new capacity qualification package documentation, demonstrating that the resource satisfies the criteria specified in the Tariff definition. Based on that information, the ISO would also evaluate whether a resource receives sponsored out-of-market revenues for purposes of estimating a resource's Offer Review Trigger Price for the relevant FCA. Continuing, the ISO clarified that the definition was intended to limit resources eligible for the Substitution Auction only to those MW of renewable and/or clean energy procured in the particular New England state pursuant to statutes and regulations in effect for that state as of January 1, 2018. If states later seek to procure clean or renewable energy pursuant to changes in its statutes or regulations that occur after January 1, 2018, the ISO would work with the state(s) and stakeholders to consider subsequent changes to the definition of Sponsored Policy Resource to accommodate such policy change(s).

Stakeholders sought further clarification about the ISO's intent for identifying Sponsored Policy Resources. The ISO explained in response to a specific example that a resource providing energy in a state that does not currently have statutes or regulations on its books on January 1 for the sponsored procurement of large-scale hydro would not qualify as a Sponsored Policy Resource in that state. If the state changes its law so that such procurement would be permissible effective

January 2, 2018, it still would not qualify as a Sponsored Policy Resource unless or until the Tariff definition was adjusted. Any such Tariff change, if voluntary, would need to be made under Section 205 of the Federal Power Act, preceded by full review and consideration through the complete stakeholder process. The ISO also noted that, if there was disagreement on whether a Tariff change was warranted, a party could file a Section 206 complaint at the FERC to have changes ordered to the Tariff.

In response to this discussion, some representatives expressed concern with the possibility of a broader definition for Sponsored Policy Resources in the future, arguing for certainty in the definition in order to assess risk and exposure. The ISO responded that NEPOOL and the ISO had a history of working through a similar issue with Standard Market Design, and the result was agreement on the treatment for renewable resources that was still part of the Tariff rules. While there was a clear ISO desire to have a definition that would work no matter how technology might evolve, the ISO recognized the difficulty predicting what the future may hold and decided in its proposal to include a definition of Sponsored Policy Resource that would apply to those resources that were already specifically contemplated. The ISO would remain open to adjusting based on new information and circumstances but decided it preferable to limit the scope of supply eligibility in the Substitution Auction to current knowledge and circumstances. The ISO also clarified in response to another question that the modified language of Sponsored Policy Resource included in ISO's final CASPR Proposal would exclude fossil fuel resources.

A member requested that the ISO accelerate to earlier in the year its commitment to consider mitigation rules for demand bids in the Substitution Auction (referred to in materials as Calpine Amendment #1) in order to ensure implementation in time for FCA14. ISO responded that it intended to have such mitigation rules in place for FCA14 and would time its efforts to help ensure that outcome.

### ***Public Power Amendment***

A Public Power representative referred the Committee to a proposed motion to amend the CASPR Proposal (referred to in the Committee materials as the Public Power Amendment) and supporting materials that had been circulated and posted with the meeting materials. He summarized those materials, explaining that the Public Power Amendment would amend the proposed definition of “Sponsored Policy Resource” to restore it to the definition previously advocated by ISO at the November 8 Markets Committee meeting, before its November 30, 2017 changes. He explained that Public Power was very concerned with all of the late changes the ISO had made to its earlier CASPR Proposal, but some in the Publicly Owned Entity Sector were willing to support that Proposal if the definition of Sponsored Policy Resource was amended as requested.

A motion to amend the main motion was then duly made and seconded to change the definition of Sponsored Policy Resource to read as follows:

**Sponsored Policy Resource** is a New Capacity Resource that is either: (i) developed pursuant to a requirement of a New England state’s law, or at the direction of a New England state electric utility regulatory authority or energy department, or meets the eligibility requirements of a New England States’ renewable portfolio standard or similar standard, or alternatively; (ii) designated as a Self-Supplied FCA Resource by a municipal utility (acting individually, or jointly with other municipal utilities, including through a joint action agency) or by a cooperatively owned electric utility.

In discussing the motion to amend and responding to questions, the Public Power representative explained that those he represented were not satisfied with assurance that the ISO would remain open to modifying the definition in the future to accommodate changes in circumstances because such a commitment provided no assurance of whether or when any definitional change would be made. Some representatives spoke in opposition to the motion to amend, arguing that a broader definition might reduce the opportunity for the states to bring into the FCM sponsored resources that were acquired for consumers in their state pursuant to the requirements of state law and/or regulation. Continuing, they argued that resources such as storage

facilities could and should be covered under the competitive wholesale markets, and expanding the definition of Sponsored Policy Resource to provide special treatment for such resources would undermine competitive and efficient market operation.

Following discussion, the Committee then considered and failed to approve by a show of hands vote the Public Power Amendment.

***Unamended Main Motion***

Returning to discussion of the unamended main motion, the NESCOE representative asked the ISO to explain the impact of limiting inter-zonal capacity transfers in the Substitution Auction on the ability to meet its design objective #2, which was to accommodate the entry of Sponsored Policy Resources into the FCM over time. In response, an ISO representative explained that the ISO worked hard to balance design objectives that were in tension with each other. He explained that the ISO did think design objective #2 could be achieved over time, and agreeing to limit inter-zonal transfers would advance design objectives #1 and #3, which were to ensure competitively-based capacity market prices and to make sure that consumers in one state would not pay for the policies of another state.

The ISO was asked what its plans were more broadly given discussions in the IMAPP process for more holistic, “achieve”-style proposals to better integrate policy objectives into the wholesale market. The ISO responded that it intended to hold off for now while waiting on the FERC’s response to the ISO’s CASPR Proposal.

The NESCOE representative read a statement on behalf of the six New England states reflecting their concerns described below. [*Secretary’s note: the statement as read has been provided to NEPOOL and is posted with the meeting materials.*] In general the statement reviewed the history of the effort from NESCOE’s perspective, expressed disappointment that there was not a consensus proposal, and expressed appreciation for the efforts of NEPOOL

members and ISO technical staff. NESCOE explained it was disheartened by the ISO's late changes to its proposal, which it viewed as being issued with little notice or explanation, particularly in light of the states' uniform opposition on a stand-alone basis to the amendments accepted in the CASPR Proposal. They were unhappy with that late break in process and explained that effort would be required to restore trust and the willingness of states to work within the stakeholder process. With that background, the NESCOE representative reported that three of the six states continued to support the CASPR Proposal primarily because it could accommodate renewable resources that currently did not qualify for exemption from the Minimum Offer Price Rule under the Renewable Technology Resource (RTR) exemption and/or is not harmful to their consumers. Three states reportedly opposed the ISO's CASPR Proposal primarily because it eliminated the RTR exemption after FCA15 without a backstop and it reduced liquidity in the Substitution Auction by accepting the limits in inter-zonal substitution. In short, those states were not persuaded that CASPR improved on the status quo. The conclusion of the statement reflected a criticism of the ISO's decision to deviate from its commitment to resource neutrality.

The Chairman followed these comments by thanking the State Officials and NESCOE staff for working hard to try to reach broad consensus on CASPR. He also thanked ISO staff who he remarked were fully engaged and very instrumental in facilitating more productive discussions with the states throughout the CASPR process. Many others in comments expressed appreciation for the process and the diligent efforts to find consensus.

Among those indicating their opposition to the CASPR Proposal, the NRG representative advocated again in support of its proposed two-tier pricing construct as a better and more equitable way to approach this problem. NRG, while appreciative of the work of ISO staff and other stakeholders and supportive of the central design elements of CASPR, opposed

the CASPR Proposal for other reasons, including that it (i) continued the RTR exemption, (ii) suggested the possibility of future mitigation, unnecessary in NRG's view, that would make participation on the demand side more difficult, (iii) failed to address the adverse impact that Sponsored Policy Resources would have in the capacity markets in subsequent capacity auctions and on other markets, and (iv) included the possibility that the definition of Sponsored Policy Resource might be regularly or routinely updated based on ever-evolving state-sponsored activity.

Also in opposition for Connecticut, a Connecticut representative expressed substantial concern that the CASPR Proposal would be filed without definitively allowing Connecticut to qualify large-scale hydro in the Substitution Auction that it may decide to procure through existing or future state law or regulations.

Among other concerns reported to be driving opposition, an End User representative suggested the vote be delayed until Congress finalized tax legislation then under development, which was viewed as having the possibility to impact substantially the industry generally and renewables in particular. A public power representative expressed concern that the Proposal would not support the addition of smaller resources in the market that would not otherwise be economic to be built as merchant facilities. A number of members indicated their opposition was based in part on the future elimination of the RTR exemption and the failure of the Proposal to include a back-stop mechanism, which some viewed as important to assuring a future acceptable outcome. A representative of members of the AR Sector explained their opposition was based on their view that the Proposal would not provide the type of investor certainty that was needed to support the addition of clean energy to the system. Concern was also expressed that the Substitution Auction would be potentially illiquid because of the adoption of limits on inter-zonal transfers.

Those who supported the Proposal also explained the reasons for their support. In general, they viewed the CASPR Proposal as an improvement over status quo and correctly tailored narrowly to address particular concerns in the markets that were arising or threatened from the future addition of substantial state-sponsored resources to the grid. The Proposal was described by one supporter as a reasonable attempt to preserve competitive markets that, in the end, might not survive continued interference. The Proposal was also characterized as a sound means to mitigate harm that would occur if markets did not accommodate state efforts to expand renewable resources on the grid. Many argued that further work would likely be needed, which could be accomplished with the benefit of evolving facts. Another representative explained that the CASPR Proposal struck a reasonable balance in accommodating states' initiatives while minimizing the impact on the markets. Many expressed support for how the Proposal sought to support reasonable price formation in FCM and for the late changes that addressed concerns they had with a very broad definition of Sponsored Policy Resources.

Numerous members, referencing many of the same points raised both by those supporting and opposing the CASPR Proposal, explained that they would abstain rather than vote in favor or against the Proposal. They generally saw the Proposal as improving status quo but were disappointed that it did not make specific additional changes that they sought.

On behalf of the ISO, Dr. Chadalavada offered final comments for the ISO. He expressed appreciation for the feedback. He stated that the ISO always seeks to act in good faith and takes seriously its responsibilities to ensure that the markets work, both in the present and in the future, and to ensure that, to the extent improvements are warranted, the ISO worked to make those improvements. He emphasized that, as demonstrated by the FCM, the Energy markets and the Ancillary Services markets, the ISO would take the necessary time to put markets in place, continuously assess market performance, and based on experiences and lessons learned,

seek to make improvements when and as appropriate. Thus, for the ISO, the CASPR Proposal would be the beginning of a process, and the ISO would continue to evaluate the competing objectives and whether it had achieved the best balance among those objectives. He stated that, with CASPR, the ISO favored price formation as the best means for the market to address a very uncertain future. He assured members and the states that the ISO would make adjustments if results showed the CASPR Proposal failed to accommodate the state policies. His expressed hope was that necessary improvements over time would be much more limited and capable of being identified and implemented quickly. He committed the ISO to reach out individually to those concerned with the process that resulted in the CASPR Proposal, as the ISO highly valued the importance of strong, positive relationships with stakeholders and the states, which he viewed as critical to working through the many challenges the region faces. He committed that the ISO would monitor the effectiveness of this market structure, and encouraged anyone with concerns about the ISO's decisions reflected in its CASPR Proposal to contact the ISO for explanation. He acknowledged that some of the late decisions illustrated the ISO's internal struggles related to the competing objectives inherent in the CASPR Proposal.

The Committee considered the main motion, which failed to pass with a 57.75% Vote in favor (Generation Sector – 14.82%; Transmission Sector – 15.18%; Supplier Sector – 14.47%; AR Sector – 10.32%; Publicly Owned Entity Sector – 0%; End User Sector – 2.85%; and Provisional Member Group – 0.11%). (See Vote 1 on Attachment 2).

## **LITIGATION REPORT**

Mr. Doot referred the Committee to the December 6 Litigation Report that had been circulated and posted in advance of the meeting. He noted an overall increase in the level of activity at the FERC. He highlighted a complaint filed by Clear River Energy Center seeking changes to Schedule 11 of the OATT and related Tariff provisions that address cost recovery for

operating and maintenance associated with large generator interconnection-related network upgrades. He also noted the expected activity in the proposed Grid Resiliency Pricing Rule proceeding (DOE NOPR), as described earlier in the meeting.

#### **COMMITTEE REPORTS**

Given the lateness of the hour, there were no committee reports.

#### **OTHER BUSINESS**

Mr. Doot reported that the next Participants Committee meeting, scheduled to take place on January 5, 2018, would be held by teleconference. He noted that, as announced, there would be a membership orientation following the meeting and encouraged members, new and old, interested in additional information and insight on membership and stakeholder process issues, to participate.

Mr. Kaslow wished everyone a happy holiday season.

There being no further business, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

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David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
DECEMBER 8, 2017 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
American PowerNet Management	Supplier			Mary Smith
AR Small Load Response (LR) Group Member	AR-LR	Doug Hurley	Brad Swalwell	
AR Small Renewable Generation (RG) Group Member	AR-RG	Erik Abend (tel)		
Ashburnham Municipal Light Plant	Publicly Owned		Brian Thomson	
Associated Industries of Massachusetts	End User			Roger Borghesani
AVANGRID: CMP/UI	Transmission		Alan Trotta	
AVANGRID: Avangrid Renewables	Transmission	Adam Sokolski (tel)		
Belmont Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Block Island Power Company	Supplier	Dave Cavanaugh		
Boylston Municipal Light Department	Publicly Owned		Brian Thomson	
BP Energy Company	Supplier			Nancy Chafetz
Braintree Electric Light Department	Publicly Owned			Dave Cavanaugh
Brookfield Energy Marketing	Supplier	Aleksandar Mitreski (tel)		Michelle Gardner
Bucksport Generation	Generation			Matt Suhr, Rebecca Hunter
Calpine Energy Services, LP	Supplier	John Flumerfelt	Brett Kruse	Bill Fowler
Chester Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned			
CLEAResult Consulting, Inc.	AR-DG	Doug Hurley		
Competitive Energy Services, LLC	Supplier			Glenn Poole
Concord Municipal Light Plant	Publicly Owned		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop. (CMEEC)	Publicly Owned	Brian Forshaw		
Conn. Office of Consumer Counsel	End User		Joe Rosenthal	Dave Thompson
Conservation Law Foundation (CLF)	End User	David Ismay		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels		
CPV Towantic, LLC	Generation	Dan Pierpont		
Cross-Sound Cable Company (CSC)	Supplier		Jose Rotger	
Danvers Electric Division	Publicly Owned		Dave Cavanaugh	
DC Energy, LLC	Supplier	Bruce Bleiweis		
Direct Energy Business, LLC	Supplier	Ron Carrier		Nancy Chafetz
Dominion Energy Generation Marketing, Inc.	Generation	Michael Purdie		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dynergy Marketing and Trade, LLC	Supplier		Carol Holahan	Bill Fowler
Elektrisola, Inc.	End User		Gus Fromuth	
Emera Maine	Transmission			Calvin Bowie
Emera Energy Services	Transmission	Sandi Hennequin	Mike Cook	Bill Fowler
EnerNOC, Inc.	AR-LR	Sarah Griffiths		Doug Hurley
ENGIE Energy Marketing NA, Inc.	Generation	Joe Dalton		
Entergy Nuclear Power Marketing, LLC	Generation	Ken Dell Orto		Bill Fowler
Environmental Defense Fund	End User	Liz Delaney	N. Jonathan Peress	
Eversource Energy	Transmission	James Daly	Calvin Bowie	Vandan Divatia
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
Fairchild Semiconductor Corporation	End User	Gus Fromuth		
FirstLight Power Resources Management	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	Nancy Chafetz		
Generation Group Member	Generation	Dennis Duffy	Abby Krich	Bob Stein
Georgetown Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Great River Hydro, LLC	AR-RG			Bill Fowler
Groton Electric Light Department	Publicly Owned		Brian Thomson	
Groveland Electric Light Department	Publicly Owned		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault	Bob Stein	Abby Krich

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
DECEMBER 8, 2017 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
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		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Industrial Energy Consumer Group (IECG)	End User	Donald Sipe		
Invenergy Energy Management LLC	Generation	Maggie Pakula (tel)		
Ipswich Municipal Light Department	Publicly Owned		Brian Thomson	
Jericho Power, LLC	AR-RG			Nancy Chafetz
Littleton (MA) Electric Light and Waster Department	Publicly Owned		Dave Cavanaugh	
Long Island Lighting Company (LIPA)	Supplier		William Killgoar	
Maine Power LLC	Provisional Member	Jeff Jones		
Maine Public Advocate Office (ME OPA)	End User			Paul Peterson
Mansfield Municipal Electric Department	Publicly Owned		Brian Thomson	
Marblehead Municipal Light Department	Publicly Owned		Brian Thomson	
Marble River , LLC	Supplier			Abby Krich
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett	Christina Belew	
Mass Development Finance Agency	Publicly Owned		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Company	Publicly Owned	Brian Thomson		
Mercuria Energy America, Inc.	Supplier			Nancy Chafetz
Merrimac Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Middleborough Gas & Electric Department	Publicly Owned		Brian Thomson	
Middleton Municipal Electric Department	Publicly Owned		Dave Cavanaugh	
National Grid	Transmission	Tim Brennan	Tim Martin	
Natural Resources Defense Council (NRDC)	End User	Bruce Ho		
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned	Steve Kaminski		Brian Forshaw Brian Callnan (tel)
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Michelle Gardner	Chris Sherman	
NRG Power Marketing LLC	Generation		Pete Fuller	
Pascoag Utility District	Publicly Owned		Dave Cavanaugh	
Paxton Municipal Light Department	Publicly Owned		Brian Thomson	
Peabody Municipal Light Department	Publicly Owned		Brian Thomson	
PowerOptions, Inc.	End User	Cindy Arcate		
Princeton Municipal Light Department	Publicly Owned		Brian Thomson	
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		Dave Cavanaugh	
Russell Municipal Light Dept.	Publicly Owned		Brian Thomson	
Saint Anselm College	End User	Gus Fromuth		
Shell Energy North America (US), L.P.	Supplier	Matt Picardi (tel)		
Shipyards Brewing LLC	End User	Gus Fromuth	Stacy Dimou	
Shrewsbury Electric & Cable Operations	Publicly Owned		Brian Thomson	
South Hadley Electric Light Department	Publicly Owned		Brian Thomson	
South Jersey Energy Company	Supplier			Nancy Chafetz
Sterling Municipal Electric Light Department	Publicly Owned		Brian Thomson	
Stored Solar J&WE, LLC	AR			Matt Suhr
Stowe Electric Department	Publicly Owned		Dave Cavanaugh	
Taunton Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
DECEMBER 8, 2017 MEETING**

<b>PARTICIPANT NAME</b>	<b>SECTOR/ GROUP</b>	<b>MEMBER NAME</b>	<b>ALTERNATE NAME</b>	<b>PROXY</b>
Templeton Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Texas Retail, LLC	Supplier	Chris Hendrix		
The Energy Consortium	End User	Roger Borghesani	Mary Smith	Paul Peterson, Fred Plett Doug Hurley
Union of Concerned Scientists	End User		Francis Pullaro	
Utility Services Inc.	End User			Paul Peterson
Vermont Electric Power Company	Transmission			Shana Louiselle (tel)
Vermont Energy Investment Corporation	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned			Brian Forshaw
Verso Energy Services LLC	Generation	Glenn Poole		
Wakefield Municipal Gas & Light Department	Publicly Owned		Brian Thomson	
Wallingford DPU Electric Division	Publicly Owned		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned		Dave Cavanaugh	
West Boylston Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Westfield Gas & Electric Department	Publicly Owned		Dave Cavanaugh	
Wheelabrator North Andover Inc.	AR-RG	Bill Fowler		
Z-TECH, LLC	End User		Gus Fromuth	

**NEPOOL PARTICIPANTS COMMITTEE  
VOTES TAKEN AT  
DECEMBER 8, 2017 MEETING**

**TOTAL**

Sector/Group	Vote 1
GENERATION	14.82
TRANSMISSION	15.18
SUPPLIER	14.47
ALTERNATIVE RESOURCES	10.32
PUBLICLY OWNED ENTITY	0.00
END USER	2.85
PROVISIONAL MEMBERS	0.11
% IN FAVOR	57.75

**GENERATION SECTOR**

Participant Name	Vote 1
Bucksport Generation	F
CPV Towantic, LLC	A
Dominion Energy Gen. Marketing	F
ENGIE Energy Marketing NA, Inc.	F
Entergy Nuclear Power Marketing	F
FirstLight Power Res. Management	F
Generation Group Member	0.67
Invenergy Energy Management LLC	A
Kleen Energy Systems, LLC	F
Nautilus Power, LLC	F
NextEra Energy Resources, LLC	A
NRG Power Marketing, LLC	O
Verso Energy Services LLC	F
IN FAVOR (F)	8.67
OPPOSED (O)	1.33
TOTAL VOTES	10.00
ABSTENTIONS (A)	3

**TRANSMISSION SECTOR**

Participant Name	Vote 1
AVANGRID (CMP/UI)	S
Central Maine Power	F
United Illuminating	O
Avangrid Renewables	O
Emera	S
Emera Maine	F
Emera Energy Services Subs.	F
Eversource Energy	F
National Grid	F
Vermont Electric Power Co.	A
IN FAVOR (F)	3.55
OPPOSED	0.45
TOTAL VOTES	4.00
ABSTENTIONS (A)	1

**ALTERNATIVE RESOURCES SECTOR**

Participant Name	Vote 1
Renewable Generation Sub-Sector	
Great River Hydro, LLC	F
Jericho Power LLC	O
Stored Solar J&WE	F
Wheelabrator North Andover Inc.	F
Small RG Group Member	A
Distributed Generation Sub-Sector	
CLEARResult Consulting, Inc.	O
Load Response Sub-Sector	
EnerNOC, Inc.	F
VT Energy Investment Corp.	A
Small LR Group Member	S
Energy Federation Inc.	A
Tangent Energy Solutions, Inc.	F
IN FAVOR (F)	4.5
OPPOSED (O)	2.0
TOTAL VOTES	6.5
ABSTENTIONS (A)	2.5

**SUPPLIER SECTOR**

Participant Name	Vote 1
American PowerNet Management, LP	A
Block Island Power Company	A
BP Energy Company	F
Brookfield Energy Marketing Inc.	F
Calpine Energy Services	F
Competitive Energy Services, LLC	F
Consolidated Edison Energy, Inc.	A
Cross-Sound Cable Company	A
DC Energy, LLC	--
Direct Energy Business, LLC	F
DTE Energy Trading, Inc.	A
Dynegy Marketing and Trade, LLC	F
Exelon Generation Company	F
Galt Power, Inc.	F
H.Q. Energy Services (U.S.) Inc.	A
Long Island Power Authority (LIPA)	A
Marble River, LLC	O
Mercuria Energy America, Inc.	A
PSEG Energy Resources & Trade	F
Shell Energy North America	F
South Jersey Energy Companies	F
Texas Retail, LLC	O
IN FAVOR (F)	11
OPPOSED	2
TOTAL VOTES	13
ABSTENTIONS (A)	8

**NEPOOL PARTICIPANTS COMMITTEE  
VOTES TAKEN AT  
DECEMBER 8, 2017 MEETING**

ATTACHMENT 2

**PUBLICLY OWNED ENTITY SECTOR**

<b>Participant Name</b>	<b>Vote 1</b>
Ashburnham Municipal Light Plant	O
Belmont Municipal Light Dept.	O
Boylston Municipal Light Dept.	O
Braintree Electric Light Dept.	O
Chester Municipal Light Dept.	O
Chicopee Municipal Lighting Plant	O
Concord Municipal Light Plant	O
Conn. Mun. Electric Energy Coop.	O
Danvers Electric Division	O
Georgetown Municipal Light Dept.	O
Groton Electric Light Dept.	O
Groveland Electric Light Dept.	O
Hingham Municipal Lighting Plant	O
Holden Municipal Light Dept.	O
Holyoke Gas & Electric Dept.	O
Hull Municipal Lighting Plant	O
Ipswich Municipal Light Dept.	O
Littleton (MA) Electric Light Dept.	O
Mansfield Municipal Electric Dept.	O
Marblehead Municipal Light Dept.	O
Mass. Development Finance Agency	O
Mass. Municipal Wholesale Electric Co.	O
Merrimac Municipal Light Dept.	O
Middleborough Gas & Elec. Dept.	O
Middleton Municipal Electric Dept.	O
New Hampshire Electric Coop.	O
Pascoag Utility District	O
Paxton Municipal Light Dept.	O
Peabody Municipal Light Plant	O
Princeton Municipal Light Dept.	O
Reading Municipal Light Dept.	O
Rowley Municipal Light Plant	O
Russell Municipal Light Dept.	O
Shrewsbury's Electric & Cable Ops.	O
South Hadley Electric Light Dept.	O
Sterling Mun. Elec. Light Dept.	O
Stowe (VT) Electric Dept.	O
Taunton Municipal Light Plant	O
Templeton Mun. Lighting Plant	O
VT Public Power Supply Authority	O
Wakefield Mun. Gas & Light Dept.	O
Wallingford, Town of	O
Wellesley Municipal Light Plant	O
West Boylston Municipal Lighting Plant	O
Westfield Gas & Electric Light Dept.	O
IN FAVOR (F)	0
OPPOSED	45
TOTAL VOTES	45
ABSTENTIONS (A)	0

**END USER SECTOR**

<b>Participant Name</b>	<b>Vote 1</b>
Associated Industries of MA	A
Conn. Office of Consumer Counsel	O
Conservation Law Foundation	O
Elektrisola, Inc.	O
Environmental Defense Fund	O
Fairchild Semiconductor Corp.	O
Harvard Dedicated Energy Limited	A
High Liner Foods (USA) Inc.	O
Industrial Energy Consumer Group	F
Maine Public Advocate's Office	O
Maine Skiing, Inc.	F
Mass. Attorney General's Office	O
Natural Resources Defense Council	O
NH Office of Consumer Advocate	O
PowerOptions, Inc.	F
Shipyard Brewing Co., LLC	O
St. Anselm	O
The Energy Consortium	A
Union of Concerned Scientists	O
Utility Services, Inc.	O
Z-TECH, LLC	O
IN FAVOR (F)	3
OPPOSED	15
TOTAL VOTES	18
ABSTENTIONS (A)	3

**PROVISIONAL MEMBERS**

<b>Participant Name</b>	<b>Vote 1</b>
Maine Power LLC	F
IN FAVOR (F)	1
OPPOSED	0
TOTAL VOTES	1
ABSTENTIONS (A)	0

**ESTIMATED 2018 NEPOOL BUDGET COMPARED TO  
2017 NEPOOL BUDGET AND 2017 PROJECTED ACTUAL EXPENSES**

<u>Line Items</u>	<u>2018 Proposed Budget</u>	<u>2017 Approved Budget</u>	<u>2017 Current Forecast</u>
NEPOOL Counsel Fees (1)	\$3,850,000	\$3,850,000	\$3,750,000
NEPOOL Counsel Disbursements (1)	\$ 40,000	\$ 45,000	\$ 30,000
Independent Financial Advisor Fees and Disbursements (2)	\$ 40,000	\$ 40,000	\$ 37,000
Committee Meeting Expenses (3)	\$ 700,000	\$ 675,000	\$ 684,000
Generation Information System (4)	\$ 800,000	\$1,100,000	\$1,034,000
Credit Insurance Premium (3)	\$ 400,000	\$ 350,000	\$ 400,000
NEPOOL Audit Management Subcommittee (“NAMS”) Consultant	\$ 0	\$ 0	\$ 0
<b>SUBTOTAL EXPENSES</b>	<b>\$5,830,000</b>	<b>\$6,060,000</b>	<b>\$5,935,000</b>
 <u>Revenue</u>			
NEPOOL Membership Fees (3) (5)	(\$1,945,000)	(\$1,900,000)	(\$2,016,000)
Generation Information System (4) (6)	(\$ 800,000)	(\$1,100,000)	(\$1,034,000)
Credit Insurance Premium (3) (7)	(\$ 400,000)	(\$ 350,000)	(\$ 400,000)
<b>TOTAL REVENUE</b>	<b>(\$3,145,000)</b>	<b>(\$3,350,000)</b>	<b>(\$3,450,000)</b>
<b>TOTAL NEPOOL EXPENSES</b>	<b>\$2,685,000</b>	<b>\$2,710,000</b>	<b>\$2,485,000</b>

Notes

- (1) 2018 proposed estimate provided by Day Pitney LLP, NEPOOL counsel.
- (2) 2018 proposed estimate provided by Michael M. Mackles, NEPOOL's Independent Financial Advisor.
- (3) 2018 proposed estimate provided by ISO New England Inc. ("ISO").
- (4) 2018 proposed estimate based on estimate provided by APX during contract negotiations using reduced rates under Amended and Restated Generation Information System ("GIS") Administration Agreement.
- (5) The 2018 proposed estimate is based on the 2017 actual receipts through October 2017, plus a forecast for new members for the remainder of the year. The breakdown for the proposed budget is approximately: 365 members at \$5,000 each, 30 members at \$1,000 each, 20 members at \$500 each, 15 members at \$1,500 each and approximately 30 members of large end users and MPEU's. This estimate takes into account the terminations throughout the year.
- (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 NEPOOL 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.