

## **FINAL**

A meeting of the NEPOOL Participants Committee was held via teleconference beginning at 10:00 a.m. on Friday, January 5, 2018, 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 DECEMBER 8, 2017 MEETING MINUTES**

Mr. Kaslow referred the Committee to the preliminary minutes for the December 8, 2017 meeting as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the December 8 meeting were unanimously approved without change.

### **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 discussion or comment.

### **ISO CEO REPORT**

In advance of the CEO Report, Mr. Kaslow, on behalf of NEPOOL, expressed appreciation to Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), and Ms. Anne George, ISO Vice President, External Affairs and Corporate Communications, for their responsiveness to requests for more current updates to Market Participants during times when there is active media coverage of market issues and operations, such as during severe weather conditions experienced during the week before the meeting. He explained that numerous Participants had raised concerns that they were learning of market information first through the

press rather than from the ISO. The ISO committed to work to minimize the risk of that occurring.

Mr. van Welie then referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the December 8 meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

### **ISO COO UPDATE ON COLD WEATHER CONDITIONS**

In advance of receiving information from the ISO's Chief Operating Officer (COO), Mr. Kaslow reported that the monthly operations report would not be available until the following week. He explained that the report would be circulated electronically and members would be invited to submit questions electronically to which the ISO would respond, and provide a consolidated set of questions and responses, as appropriate. Dr. Vamsi Chadalavada, COO, then conveyed his expectation that the January COO report, covering data for December 2017 and the first several days of January 2018, would be issued on Friday, January 12. He reported that the ISO was receiving numerous inquiries from Market Participants across several Sectors that fit into four broad categories:

1. Questions about the level of the ISO's concerns with respect to reliability;
2. Requests for information that could be shared by the ISO regarding emission limits that could impact winter operations;
3. Requests for information that could be shared concerning supplemental commitments and/or posturing; and
4. The status of oil inventories.

Responding at highest level to these questions, Dr. Chadalavada reported that the ISO's level of concern had gradually escalated as the region experienced extended cold weather, followed by a major storm, and a return to bitter cold temperatures. Barring any unexpected developments, the ISO expected to be able to meet all energy and load requirements through the following weekend, but cautioned that the region was poorly positioned to deal with any major contingencies. Further, while there was, in aggregate, sufficient fuel oil from a system

perspective, the oil inventory was not necessarily located where it could be best utilized and was in any event being depleted quickly. He said replenishment was expected to occur but may not happen quickly enough to keep pace with depletion during the extreme weather. He referred to a January 1 exhibit posted on the ISO website reflecting that oil inventories taper off fairly dramatically on Day 4 during periods of extended cold weather. He noted that the pipeline gas used by generation was as low as he had seen for several years. The ISO would seek additional information from asset owners to assess the certainty of whether and the extent to which they would be available for gas generation if needed. He committed the ISO to provide a brief update to NEPOOL the following day following additional operations assessments. He said the ISO expected a little relief early the next week, with some opportunity to run more gas-fired generation on the system and thereby allowing opportunities for oil inventory replenishment.

Regarding emission limits, Dr. Chadalavada reported that a few of the oil-fired units reached out to the ISO to express some concern that federal or state emission limits could restrict future operations. The ISO was working with those individual units to understand the implications for their availability and output and where it was able, to optimize the use of those units in maintaining reliability for the region.

Turning to out-of-merit commitments, he explained that, through the cold spell so far, the ISO had not needed to make any material supplemental commitments, but was likely to do so during the weekend to ensure appropriate geographic distribution of operating resources given available oil inventories.

On oil inventories, he noted that a recent chart showed more than 2.5 million barrels of oil in the system, but explained that much of that inventory was contained in large tanks at a few sites. The ISO's concerns focused more on the oil units being relied on that had smaller tanks.

In response to questions on oil inventory replenishment, Dr. Chadalavada explained that replenishment was challenging because of heavy usage of No. 2 fuel oil for both residential and dual-fuel generator usage, with trucks and drivers in high demand in New England and throughout the Northeast. He said barges were being loaded with No. 6 fuel oil for the region but weather was limiting the barges' ability to move to their destinations. He reported that the ISO's oil depletion chart, which the ISO planned to continue updating periodically, reflected that all units capable of operating at their Eco Max had been called when in-merit, with as much 4,500-5,500 MW of capacity available around the clock.

A member urged the ISO to consider soon, given recent experiences, whether and the extent to which it should change the new procedure from the Internal Market Monitor (IMM) that uses a duration curve to set the lost opportunity component adder for units in Massachusetts based on emission constraints. Dr. Chadalavada confirmed that the ISO operations team and the IMM had been in discussions on reliability needs and the IMM was evaluating their procedures to get a better understanding of potential improvements.

A member noted his conclusion that there was adequate gas on the system if needed, but the prices for that gas had exceeded prices for oil. Dr. Chadalavada responded that, if units run out of oil, there would be an opportunity to confirm whether, at an appropriate price, there would be sufficient gas available to maintain reliability. Clarifying his observations regarding the potential operational impacts of emission limits, Dr. Chadalavada stated the ISO was aware of one unit that was close to hitting its federal emissions limit. He said there was concern that other units could hit their limits following extended run-time, but those units were unlikely to hit those limits during the following weekend, and the reliability concerns were cautionary. He explained that the region may have time to prepare for another cold spell during the winter if depleted inventories were replenished. Without time for replenishment, the region would not be in a good

place. He noted also that the owner of the transmission line that tripped going into the recent storm, which in turn had required shutdown of Pilgrim, was working to get the line back in service, but the return of the line, and the Pilgrim unit, was likely to take at least several days.

In response to a question, Dr. Chadalavada reported that the ISO was closely monitoring coastal flooding in New England for impacts on operations, but there had not been thus far any impacts to note. Following up on earlier comments concerning accounting for lost opportunity costs under the new Massachusetts Greenhouse Gas Program given the short notice and method under development for establishing those costs, the ISO confirmed that affected members could certainly discuss those values with the IMM, who would be advised of the concerns.

A member commented that, in recent days, cleared load was consistently lower than actual loads, at times with as much as a several thousand MW difference. Dr. Chadalavada committed to provide data on that point for the next meeting, speculating that some of the anomaly could be explained by the proactive shut down of schools, offices, state buildings and many employers that were not reported until after the ISO's Day-Ahead forecast was published. He noted that some Day-Ahead commitments in excess of Real-Time load were the result of offers and bids Day-Ahead rather than ISO over-commitments.

#### **ISO FINANCIAL ASSURANCE POLICY – MONTHLY CAPACITY CHARGE**

Mr. Kenneth Dell Orto, Chair of the Budget & Finance Subcommittee (Subcommittee), referred the Committee to the materials posted in advance of the meeting concerning changes to the ISO Financial Assurance Policy (FAP) to revise the FCM Delivery Financial Assurance calculation. He explained the changes for the Committee and reported that the Subcommittee reviewed together and discussed the proposed changes at its October 11 and November 28 teleconferences and recommended its adoption without objection.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the changes to the ISO Financial Assurance Policy relating to FCM Delivery Financial Assurance, 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 expressed appreciation to the ISO for the changes, noting that they allow for Participants to better actively manage their financial assurance positions, and in many instances, leading to reduced financial assurance requirements. He added that the benefits of the changes would be more fully realized if Participants were able to more quickly withdraw excess funds from their BlackRock accounts. He encouraged the ISO to continue to work with Participants to explore potential process enhancements or improvements that might support moving excess funds out of Participant BlackRock accounts more quickly than was currently supported. Without further comment or discussion, the Committee then approved the motion unanimously.

#### **LITIGATION REPORT**

Mr. Doot referred the Committee to the January 3 Litigation Report that had been circulated and posted in advance of the meeting. He noted an overall increase in the level of FERC activity. He highlighted a series of new proceedings surrounding Clear River Energy, including a complaint seeking changes to Schedule 11 of the Open Access Transmission Tariff and related Tariff provisions that address cost recovery for operating and maintenance associated with large generator interconnection-related network upgrades. He warned members that there would likely be numerous pleading filed on these topics, all reflecting a request for FERC action in January.

He reminded the Committee that the FERC was expected to issue its order in the proposed Grid Resiliency Pricing Rule proceeding (DOE NOPR) on or before January 11. If and to the extent that order might require a quick response, NEPOOL Counsel would work expeditiously with the ISO to set up an appropriate opportunity for stakeholder input in response.

**COMMITTEE REPORTS**

Mr. Robert Stein reported that the Reliability Committee would consider either in January or February a work plan for reviewing assumptions that support the development of the Installed Capacity Requirement (ICR). He explained that the date for consideration of that work plan was uncertain because of cold weather-related commitments of those developing that plan, but encouraged Participants to check the Reliability Committee agenda to be posted on January 10 which would confirm, if included, consideration in January, or if not included, consideration in February.

Mr. Jose Rotger reported that the January 24 Transmission Committee meeting was changed to a teleconference meeting and the agenda would include an update on the ongoing RNS/LNS formula rate settlement proceeding.

**OTHER BUSINESS**

Mr. Kaslow reported that the February 2 Participants Committee meeting would likely be held by teleconference. The Officers would make a final decision based on how FERC acts on the various pending matters, and he encouraged Participants to pay attention to notices. Mr. Doot urged that any Participant feeling strongly that an in-person meeting should be held should so advise its Sector Vice-Chair in time to inform a final decision.

There being no further business, the meeting adjourned at 11:05 a.m.

Respectfully submitted,

---

David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
JANUARY 5, 2018 TELECONFERENCE 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		
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		
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		
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		Brian Thomson	
Citigroup Energy Inc.	Supplier	Barry Trayers		
CLEARresult 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			Dave Thompson
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			Nancy Chafetz
Dominion Energy Generation Marketing, Inc.	Generation	Michael Purdie		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dynergy Marketing and Trade, LLC	Supplier			Bill Fowler
Elektrisola, Inc.	End User		Gus Fromuth	
Emera Maine	Transmission	Lisa Martin		
Emera Energy Services	Transmission	Sandi Hennequin		Bill Fowler
EnerNOC, Inc.	AR-LR	Sarah Griffiths		
Enerwise Global Technologies Inc. d/b/a CPower Corp.	AR-DR		Herb Healy	
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		
Eversource Energy	Transmission		Cal Bowie	
Exelon Generation Company	Supplier		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		Abby Krich	Bob Stein
Georgetown Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Great River Hydro, LLC	AR-RG			Bill Fowler



**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
JANUARY 5, 2018 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Groton Electric Light Department	Publicly Owned		Brian Thomson	
Groveland Electric Light Department	Publicly Owned		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc.	Supplier		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		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned		Brian Thomson	
Holyoke Gas & Electric Department	Publicly Owned		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Invenergy Energy Management LLC	Generation	Maggie Pakula		
Ipswich Municipal Light Department	Publicly Owned		Brian Thomson	
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		
Mansfield Municipal Electric Department	Publicly Owned		Brian Thomson	
Maple Energy LLC	Provisional Member		Rick Drom	
Marblehead Municipal Light Department	Publicly Owned		Brian Thomson	
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett	Christina Belew	Rebecca Tepper
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 Martin	
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned	Steve Kaminski		Brian Forshaw
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
NRG Power Marketing LLC	Generation	Jen Hsia	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	
Princeton Municipal Light Department	Publicly Owned		Brian Thomson	
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	
Rubicon NYP Corp.	Supplier		Jean-Phillipe Taillon	
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		
Shipyards Brewing LLC	End User	Gus Fromuth		
Shrewsbury Electric & Cable Operations	Publicly Owned		Brian Thomson	
South Hadley Electric Light Department	Publicly Owned		Brian Thomson	
Sterling Municipal Electric Light Department	Publicly Owned		Brian Thomson	
Stowe Electric Department	Publicly Owned		Dave Cavanaugh	
Taunton Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned		Brian Thomson	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN  
JANUARY 5, 2018 TELECONFERENCE MEETING**

<b>PARTICIPANT NAME</b>	<b>SECTOR/ GROUP</b>	<b>MEMBER NAME</b>	<b>ALTERNATE NAME</b>	<b>PROXY</b>
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	Frank Etori		
Vermont Energy Investment Corporation	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned			Brian Forshaw
Verso Energy Services LLC	Generation	Glenn Poole		
Vitol Inc.	Supplier	Joe Wadsworth		
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	