

FINAL

The annual meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Friday, December 7, 2018, 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. Mr. Kaslow welcomed the members, alternates and guests who were present.

APPROVAL OF NOVEMBER 2, 2018 MINUTES

Mr. Kaslow referred the Committee to the preliminary minutes of the November 2, 2018 meeting, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the November 2, 2018 meeting were unanimously approved as circulated.

CONSENT AGENDA

Mr. Kaslow referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was unanimously approved without comment.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO) highlighted two recent audits of the ISO that had been successfully completed. The first, an audit by KPMG of the ISO's Market Administration and Settlement System during the October 1, 2017 to September 30, 2018 period (SOC 1 Audit), had resulted in an unqualified opinion (the best possible outcome, confirming that the controls were described in a fair and accurate manner and operate effectively). The second, a NERC/NPCC audit, looking back at an over three and one-half year

period, on the ISO's compliance with the Critical Infrastructure Protection Reliability Standards (CIP), had similarly resulted in a clean report. As to the CIP audit, Mr. van Welie noted that the region's cyber security investments over the previous three to four years, including increased staffing, strengthening internal ISO capabilities and expertise, and capital infrastructure investments to enhance the security of the entire platform, were being validated. He acknowledged the need for additional efforts, but was pleased with the successful audit, particularly in light of the amount of change to the markets and the market systems over that period of time, and the culture of compliance it demonstrated.

Mr. van Welie then referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the November 2 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. He reported that November was the coldest November in the past 12-14 years, with an average temperature of 40° Fahrenheit. In addition to colder temperatures, gas prices averaged about \$6.35/MMBtu, which was the highest for the region over the past 7-8 years. As a result, LMPs for the month also were very high. Noting that the report reflected data through November 28, 2018, he reviewed that: (i) Energy Market value was \$563 million, up \$175 million from October and \$214 million from November 2017; (ii) average natural gas prices were 92% higher than average prices in October; (iii) average Real-Time Hub LMPs (\$55.04/MWh) were 40% higher than October LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load, was 97.5% in November, up from

97.4% in October; and (v) daily Net Commitment Period Compensation (NCPC) for November (based on data through November 27, 2018) totaled \$4.3 million, up \$775,000 from October and down \$2.7 million from November 2017. November 2018 NCPC, which was 0.8% of total Energy Market value, was comprised of (a) \$3.7 million in first contingency payments, up \$1.1 million from October, and (b) \$607,000 in second contingency payments, down \$320,000 from October due largely to planned transmission outages in Maine. He explained the low percentage that NCPC represented in relation to total Energy Market value was due in part to the higher LMPs.

Dr. Chadalavada referred to a chart illustrating Price Responsive Demand (PRD) Energy Market activity since the June 1, 2018 implementation of the full integration of demand response resources into the markets. He noted a September drop off in Day-Ahead activity, consistent with price levels not requiring PRD dispatch during that month, but Day-Ahead levels in October and November returning to or exceeding the levels seen in July and August.

He reviewed the timelines and preparations underway for FCA13, to be held beginning on February 4, 2019. He said that, presuming the Competitive Auctions with Sponsored Policy Resource (CASPR) conforming changes pending before the FERC were accepted as requested, the ISO planned to administer the substitution auction immediately following the primary auction. Recognizing this new auction, he reported that there would be a full review of resources on January 23, 2019, a mock auction on January 28, and input file creation on January 31. Continuing, he noted that the FERC approved the termination of the Clear River Unit 1 Capacity Supply Obligation so that Unit would be removed from FCA13 and future auctions. He said that, going into FCA13, the Renewable Technology Resource (RTR) election cap was 481 MW. The ISO had to that point qualified 336 MW of RTR capacity for FCA13, leaving 145 MW for future auctions.

Turning to the 2018/2019 Winter Outlook, Dr. Chadalavada reported that high level projections by the National Oceanic and Atmospheric Administration (NOAA) called for a warmer than average winter, particularly in December and January. He noted, though, that the same could be said and was true for the past winter's averages, in spite of the December 25 to January 8 Arctic outbreak, subsequently off-set by the unseasonably warm February that followed. While the 2018/19 projected averages may turn out to be accurate, Dr. Chadalavada emphasized that the ISO had to be prepared for potential extremes (like those experienced during the last winter period). Thus, following its protocol, the ISO had conducted training sessions with Participants, generation, demand, pipelines, and other New England infrastructure facilities. He said the region was prepared for winter 2018/19, with no major outages to report and with all the baseload units previously out for maintenance back in service. He reported a 50/50 load forecast of 20,357 MW and a 90/10 load forecast 21,057 MW, which were consistent with the ISO's past experiences.

Dr. Chadalavada then highlighted two changes to Operating Procedure No. 21 (OP-21) (Energy Inventory Accounting and Actions During an Energy Emergency) made since winter 2017/18: (1) the publication every Monday of a 21-day Energy Emergency forecast and report of the ISO's best projection for load, temperature, and energy availability; and (2) provisions for the issuance of Energy Alert and Energy Emergency declarations, which would be published externally on the ISO's website and the "ISO to GO" mobile application. During periods of Energy Alert or Energy Emergency, ISO forecasts would be published daily.

Concluding his presentation, he referred to the slides that depicted New England fuel oil storage capability versus inventory (as of November 26) compared to past winters, and that showed potential oil depletion relative to those inventories. He told members that the ISO intended to be more circumspect in posturing units with the expectation that such posturing

would be much less necessary given pay-for-performance (PFP), pricing changes for Market Participants opportunity cost recovery, and the additional information to the market under the modified OP-21. He noted that the ISO would, of course, intervene in the market should it conclude that the market was not responding sufficiently to avoid emergency measures to maintain reliability.

In response to questions on this last topic, Dr. Chadalavada emphasized that, under OP-21, Market Participants would have more notice of potential stresses on the system. He expected that market signals through PFP, and the opportunity cost project that became effective on December 1, would result in both limited fuel being held for times of greatest need, and the time and opportunities for the Market Participants to enhance their fuel availability when future system stresses were projected. He also agreed with the observation that current inventories reflected essentially that smaller fuel tanks needed for many of the dual-fuel units were all full, but that the larger fuel tanks used by a limited number of the older units had reduced inventories.

In response to questions as to the reliability of the NOAA forecast for the upcoming winter, Dr. Chadalavada said that the ISO had added to its staff a meteorologist experienced with weather forecasting and use of the various models and charts. The ISO weather forecast was a composite of multiple inputs and was derived with the help of experts based on the ISO's observations of historical data. He explained that, while NOAA produced reliable, longer-term trend lines, the 21-day forecasts were based much more on current information.

Mr. van Welie added that the ISO also, in response to suggestions from Massachusetts Governor Baker, met with Dr. Judah Cohen, a Massachusetts Institute of Technology (MIT) climatologist, who was known to accurately predict cold weather events based on close tracking of snowpack in Siberia, which impacts the atmosphere through release of cold air from the north. He explained that the conventional weather forecasting paradigm focused much more on the El

Niño effect, which carries warmer air off the southern part of the continent. Mr. van Welie reported that energy traders were buying Dr. Cohen's data, and the ISO continued to study and monitor this evolving forecast tool.

In response to questions, Dr. Chadalavada acknowledged that the ISO would be monitoring closely the effects of the new market changes to permit recovery of opportunity costs. The ISO would follow up on unexpected results and summarize the experiences overall in a report at the end of the winter.

Focusing on natural gas supply, a member noted that liquefied natural gas (LNG) storage was down from past years. Further, he noted that prices during the very cold weather in November properly reflected that gas consumers, including generators, were relying on pipeline gas. Natural gas prices reflected that increase in demand with rising prices. The gas supply system supported the demand. Dr. Chadalavada agreed that LNG, as the marginal fuel on the system, was called on much less frequently. He noted that there had been no material change in LNG inventory over Thanksgiving, which was the coldest in 100 years.

2018 NEPOOL ANNUAL REPORT

Mr. Kaslow referred the Committee to the 2018 NEPOOL Annual Report, "For New England, By New England", distributed at the meeting and posted on the NEPOOL website. He encouraged the Committee to review the Report, which provided a reminder of NEPOOL activities, level of effort and future challenges. He thanked all who had contributed to the Report.

ELECTION OF 2019 PARTICIPANTS COMMITTEE OFFICERS

Mr. Kaslow referred the Committee to the proposed slate of 2019 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:

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 2019 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 2019 to the offices set forth opposite their names to serve until their successors are elected and qualified:

Chair	Nancy P. Chafetz
Vice-Chair	Calvin A. Bowie
Vice-Chair	David A. Cavanaugh
Vice-Chair	Elizabeth A. Delaney
Vice-Chair	Douglas Hurley
Vice-Chair	Thomas W. Kaslow
Secretary	David T. Doot
Assistant Secretary	Sebastian M. Lombardi

ESTIMATED BUDGET FOR 2019 NEPOOL EXPENSES

Mr. Kenneth Dell Orto, Budget & Finance Subcommittee (Subcommittee) Chairman, referred the Committee to the materials posted in advance of the meeting concerning the

estimated budget for 2019 Participant Expenses (a copy of which is included as Attachment 2 to these minutes). He reported that, consistent with past practice, the Subcommittee worked with NEPOOL Counsel, the ISO and NEPOOL's Independent Financial Advisor to develop the 2019 Budget. He said that the Subcommittee reviewed together and discussed the proposed 2019 Budget and recommended its adoption without objection.

The following motion was duly made, seconded and approved unanimously, with an abstention noted by CLF:

RESOLVED, that the Participants Committee adopts the estimated budget for NEPOOL expenses for 2019 as presented at this meeting.

REVISIONS TO OP-24 AND OP-3, OP-5, AND OP-19 CONFORMING CHANGES

Mr. Robert Stein, Reliability Committee Vice-Chair, referred the Committee to the materials circulated and posted in advance of the meeting related to a new Operating Procedure No. 24 (including Appendices A, B and D) (OP-24) and related revisions to OP-3, OP-5, and OP19 (together, the OP-24 & Related Revisions). He described the new OP-24 and provided background of the Reliability Committee's consideration of the OP-24 & Related Revisions.

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports the OP-24 & Related Revisions, as recommended by ISO-NE, and as reflected in the materials distributed to the Participants Committee for its December 7, 2018 meeting, together with such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

A Dominion representative referred the Committee to a memorandum circulated and posted with the meeting materials and introduced a Dominion-proposed motion to amend OP-24 that would have the ISO model the information it needs based on information provided by the generators, rather than have all of the generators do and provide their own modeling of their

resources. The motion to amend the main motion was duly made and seconded (Dominion Amendment).

The Committee then discussed the main motion and the Dominion Amendment. Members supporting the Dominion Amendment explained that they shared Dominion's concerns about ISO-directed costs without any corresponding cost-recovery mechanism. A number of resource owners expressed concern that the expected implementation schedule was too expedited. They noted that the ISO was suggesting changes not required by NERC or NPCC, not required anywhere else in the country, and that would impose substantial additional costs on generators. They explained there were only a limited number of consulting firms that could model the information sought by the ISO and the generators themselves did not have internal expertise either to model or even to critically assess the acceptability of the consultants' work. They expressed concern that the combination of a limited number of experienced consultants and high demand among affected generators for those consultants would materially increase the costs to satisfy the new obligations being proposed by OP-24. Those members expressed a preference, as reflected in Dominion's materials, for a Tariff-based cost-recovery mechanism for separate reliability costs, or in this case, to have the ISO develop the models at its cost with inputs on relay manufacturing and settings provided by the generators.

Responding to the Dominion Amendment, the ISO explained that, given the complexity of the system, responsibility for the proper input of resource-specific information must lie with the resource owners. Dr. Chadalavada explained that errors in data or modeling can compromise the operations of a resource, and the resource owner should know better than anyone its own resource and the proper modeling of that resource for system operations. He said that the ISO must rely on the resource owners to ensure proper modeling of their own resources. He added that the ISO was interested in ensuring opportunity for full cost recovery of operation costs but

whether and how to do that in all circumstances was a much more involved and lengthy discussion. The ISO would engage in that discussion for major impact items such as major new costs for CIP compliance.

Members asked whether the ISO might entertain a middle ground where generators certify the data being provided for modeling by a single engineering firm retained by the ISO. Dr. Chadalavada was not prepared to answer that question and, following further discussion, suggested that the Committee defer this matter for further discussion ahead of final NEPOOL action on the ISO's proposal. He reinforced his views that resource owners needed to maintain responsibility for ensuring accurate modeling of their resources and was uncertain whether there might be a more efficient means to achieve the desired goals, given the apparent small number of qualified consultants and the need for about 100 resources to prepare and provide the required models. With respect to cost recovery issues, some members expressed the view that the OP-24-related costs would be operating costs that properly should be reflected in competitive bids and recovered through the markets and not through separate assessments.

Mr. Kaslow asked the Committee whether there was any opposition to delaying consideration of the OP-24 & Related Revisions for a month. There was no objection although there was some concern as to how best to address required notifications under the procedure in the interim. The ISO indicated it could accept a one-month delay. Mr. Doot clarified for the Committee that, absent objection, the motion and motion to amend would be treated as being withdrawn in their entirety, to be re-introduced, if and as appropriate, at the January or a later Participants Committee meeting. There was no opposition to this process.

LITIGATION REPORT

Mr. Doot referred the Committee to the December 5 Litigation Report circulated and posted in advance of the meeting. He reported that the FERC issued on December 3 its order on

the ISO's Chapter 2 fuel security retention proposal, granting everything requested by the ISO. Responding to questions relating to reporting obligations required by the order, Mr. Doot explained that the order had confusing directives in that regard but the ISO had committed to provide full reports following each winter period, beginning in 2019 for the 2018/19 winter period. He stated that motions for clarification or requests for rehearing of the order must be filed on or before January 2. He reported Congress had approved the day before the nomination of new FERC Commissioner Bernard L. McNamee, which would restore the Commission to full strength, but with the former Chairman's health issues continuing to impede his full participation as a Commissioner.

In response to questions on the timing and content of the ISO's winter reporting relative to subsequent forward capacity auctions, Mr. Doot explained that, with the report to be completed after the winter period, the report was unlikely to be available before retirement bids for the next auction would be due. Dr. Chadalavada explained that the ISO would follow the new planning procedure approved for Chapter 2 that included a process and timeline for assessing retirement bids and how they may be impacted by the Operational Fuel-Security Analysis (OFSA). He also said that the ISO was committed to provide a separate report to FERC that would review both fuel security-related issues as well as information about operations over the 2018/19 winter. He expected that, as in the past, the latter report would be submitted to the FERC in March. Stakeholder review of that information would occur at the Reliability Committee in roughly the same time period.

The ISO was asked whether any lessons learned from winter operations might alter assumptions about the level of imports that can be relied upon for security analyses. Dr. Chadalavada responded that the ISO planned to issue monthly reports, but its final report providing aggregate data for Winter 2018/19 and with the benefit of an lessons learned was

unlikely to be completed before Participants would be required to decide on and submit their retirement offers. He agreed that if imports were higher than expected, the ISO would certainly factor that experience into its consideration of any revised OFSA for FCA14.

COMMITTEE REPORTS

Mr. William Fowler reported that the Markets Committee was scheduled to meet on December 11-12 in Westborough. The first day would address fuel security Chapter 3, the long-term program; and the second day would be dedicated to fuel security Chapter 2B and what to do in FCA14 and FCA15 in the near-term. He referred the Committee to the memorandum from the External (EMM) and Internal Market Monitors (IMM), circulated with the additional materials in advance of the meeting, addressing questions raised during the Summer Meeting about the different findings of the IMM and EMM in their assessment of market power in the New England Markets. He noted the transmittal of these materials to the Participants Committee incorrectly stated that the information would be discussed at the December 11-12 Markets Committee meeting. Instead, he asked if there were questions or concerns to contact the EMM/IMM directly. He asked any members that might want to discuss the EMM/IMM memorandum at the Markets Committee to let either he or Alex Kuznecow know so they could consider scheduling discussion for a future Markets Committee meeting.

Mr. Stein reported that the Reliability Committee was scheduled to meet on December 18 in Westborough. One of the agenda items would be the ISO analysis of the fuel security need for Mystic Units 8 & 9 using the new Planning Procedure No. 10 (PP-10) assumptions.

Mr. José Rotger reported that the Transmission Committee meeting scheduled for December 13 had been cancelled. The next meeting was scheduled for January 23, 2019.

OTHER BUSINESS

Mr. Kaslow reported that the January 4, 2019 Participants Committee meeting would be a teleconference meeting, noting that, before the deferral of action on the OP-24 Related Revisions, it appeared as if the January agenda would consist of consideration of a Consent Agenda and the usual monthly reports.

In final comments, Mr. Kaslow thanked NEPOOL members for their support during his tenure as Chair.

There being no further business, the meeting adjourned at 11:30 a.m.

Respectfully submitted,

David Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
DECEMBER 7, 2018 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Anbaric Development Partners LLC	Provisional Group	Steve Conant		
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	Brian Forshaw
AVANGRID: CMP/UI	Transmission		Alan Trotta (tel)	
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	Brian Forshaw
BP Energy Company	Supplier			Nancy Chafetz
Braintree Electric Light Department	Publicly Owned			Dave Cavanaugh
Brookfield Energy Marketing	Supplier	Aleks Mitreski		
Chester Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned		Brian Thomson	Brian Forshaw
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.	Publicly Owned	Brian Forshaw		
Conservation Law Foundation (CLF)	End User	David Ismay		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels (tel)		
CPV Towantic, LLC	Generation	Daniel Pierpont (tel)		Michael Purdie
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned		Dave Cavanaugh	
Direct Energy Business, LLC	Supplier	Ron Carrier		Nancy Chafetz
Dominion Energy Generation Marketing, Inc.	Generation	Michael Purdie		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dyegy Marketing and Trade, LLC	Supplier			Bill Fowler
Emera Energy Services Subsidiaries (Emera Energy)	Transmission	Sandi Hennequin		Bill Fowler
Enel X North America, Inc.	AR-LR		Herb Healy	
Enerwise Global Technologies (d/b/a CPower Corp)	AR-LR		Herb Healy	
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	Cal Bowie	Vandan Divatia
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
FirstLight Power Resources Management	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	Nancy Chafetz		
Generation Group Member	Generation	Dennis Duffy	Abby Krich	Bob Stein, Ron Coutu
Georgetown Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Great River Hydro, LLC	AR-RG			Bill Fowler
Groton Electric Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
Groveland Electric Light Department	Publicly Owned		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault (tel)	Bob Stein	Abby Krich, Ron Coutu
Harvard Dedicated Energy Limited	End User		Michael Macrae	Paul Peterson
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	Brian Forshaw
Holyoke Gas & Electric Department	Publicly Owned		Brian Thomson	Brian Forshaw
Hull Municipal Lighting Plant	Publicly Owned		Brian Thomson	Brian Forshaw
Industrial Energy Consumer Group (IECG)	End User	Kevin Penders		
Ipswich Municipal Light Department	Publicly Owned		Brian Thomson	Brian Forshaw

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
DECEMBER 7, 2018 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Jericho Power LLC (Jericho)	AR-RG	Mark Spencer		
Littleton (MA) Electric Light and Waster Department	Publicly Owned		Dave Cavanaugh	
Long Island Lighting Company (LIPA)	Supplier		William Killgoar	
Maine Power LLC	Provisional Group	Jeff Jones (tel)		
Maine Public Advocate Office (ME OPA)	End User	Agnes Gormley		Paul Peterson
Maine Skiing, Inc.	End User	Kevin Penders		
Mansfield Municipal Electric Department	Publicly Owned		Brian Thomson	Brian Forshaw
Marblehead Municipal Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
Mass. Municipal Wholesale Electric Company	Publicly Owned	Brian Thomson		Brian Forshaw
Merrimac Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Middleborough Gas & Electric Department	Publicly Owned		Dave Cavanaugh	
Middleton Municipal Electric Department	Publicly Owned		Dave Cavanaugh	
National Grid	Transmission	Tim Brennan	Tim Martin	
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative	Publicly Owned	Steve Kaminski (tel)		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		Pete Fuller	
Pascoag Utility District	Publicly Owned		Dave Cavanaugh	
Paxton Municipal Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
Peabody Municipal Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
PowerOptions, Inc.	End User	Cindy Arcate		
Princeton Municipal Light Department	Publicly Owned		Brian Thomson	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		Dave Cavanaugh	
Russell Municipal Light Dept.	Publicly Owned		Brian Thomson	Brian Forshaw
Shrewsbury Electric & Cable Operations	Publicly Owned		Brian Thomson	Brian Forshaw
South Hadley Electric Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
Sterling Municipal Electric Light Department	Publicly Owned		Brian Thomson	Brian Forshaw
Stowe Electric Department	Publicly Owned		Dave Cavanaugh	
Taunton Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned		Brian Thomson	Brian Forshaw
The Energy Consortium	End User			Paul Peterson
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 Corp (VEIC)	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	Brian Forshaw
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	Brian Forshaw
Westfield Gas & Electric Department	Publicly Owned		Dave Cavanaugh	
Wheelabrator/Calpine	AR-RG	Brett Kruse	John Flumerfelt	Bill Fowler

**ESTIMATED 2019 NEPOOL BUDGET COMPARED TO
2018 NEPOOL BUDGET AND 2018 PROJECTED ACTUAL EXPENSES**

<u>Line Items</u>	<u>2019 Proposed Budget</u>	<u>2018 Approved Budget</u>	<u>2018 Current Forecast</u>
NEPOOL Counsel Fees (1)	\$ 3,950,000	\$ 3,850,000	\$ 4,400,000 (9)
NEPOOL Counsel Disbursements (1)	\$ 40,000	\$ 40,000	\$ 40,000
Independent Financial Advisor Fees and Disbursements (2)	\$ 40,000	\$ 40,000	\$ 39,500
Committee Meeting Expenses (3)	\$ 675,000	\$ 700,000	\$ 636,000
Generation Information System (4)	\$ 850,000	\$ 800,000	\$ 840,000
Credit Insurance Premium (3)	\$ 720,000	\$ 400,000	\$ 700,000
NEPOOL Audit Management Subcommittee (NAMS) Consultant (5)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
SUBTOTAL EXPENSES	\$6,275,000	\$5,830,000	\$6,655,500
<u>Revenue</u>			
NEPOOL Membership Fees (3) (6)	(\$2,060,000)	(\$1,945,000)	(\$2,181,000)
Generation Information System (4) (7)	(\$ 850,000)	(\$ 800,000)	(\$ 840,000)
Credit Insurance Premium (3) (8)	<u>(\$ 720,000)</u>	<u>(\$ 400,000)</u>	<u>(\$ 700,000)</u>
TOTAL REVENUE	(\$3,630,000)	(\$3,145,000)	(\$3,721,000)
TOTAL NEPOOL EXPENSES	\$2,645,000	\$2,685,000	\$2,934,500

Notes

- (1) 2019 proposed estimate provided by Day Pitney LLP, NEPOOL counsel.
- (2) 2019 proposed estimate provided by Michael M. Mackles, NEPOOL's Independent Financial Advisor.
- (3) 2019 proposed estimate provided by ISO New England Inc. (ISO).
- (4) 2019 proposed estimate provided by APX.
- (5) If NEPOOL determines that an audit should be performed in 2019, funding for that audit will be addressed separately.
- (6) The 2019 proposed estimate is based on the 2018 actual receipts through October 2018, plus a forecast for new members for the remainder of the year. The breakdown for the proposed budget is approximately: 379 members at \$5,000 each, 30 members at \$1,000 each, 16 members at \$500 each, 27 members at \$1,500 each, and 37 members of large end users and MPEU's. This estimate takes into account the terminations throughout the year.
- (7) 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.
- (8) Credit insurance premium is paid by Qualifying Market Participants according to methodology described in Section IX of the ISO Financial Assurance Policy. The 2019 premium is based on 2018 annual policy sales, which are approximately double from 2017 and previous years, resulting in the increased premium for 2019.
- (9) Overages in 2018 are due primarily to unexpected proceedings related to fuel security and membership issues.