



NEW ENGLAND POWER POOL

David T. Doot
Secretary

September 28, 2017

VIA ELECTRONIC MAIL

TO: MEMBERS AND ALTERNATES OF THE NEPOOL PARTICIPANTS COMMITTEE

RE: Initial Notice of October 13, 2017 NEPOOL Participants Committee Meeting

Pursuant to Section 6.6 of the Second Restated New England Power Pool Agreement, initial notice is hereby given that a meeting of the NEPOOL Participants Committee will be held on **Friday, October 13, 2017 at 10:00 a.m. at The Seaport Hotel, One Seaport Lane, Boston, MA.** The Participants Committee meeting will be held in the Plaza Ballroom for the purposes set forth on the attached agenda and posted with the meeting materials. For your information, this meeting is recorded, as are all the NEPOOL Participants Committee meetings.

We have guaranteed a block of rooms at the Seaport Hotel for the October 13 meeting. If you need an overnight at the “NEPOOL rate” of \$299.00 per night, please contact Cindy Jacobs (ckjacobs@daypitney.com; 860-275-0246) and she will add you to the rooming list.

Please also note two items requiring your attention at this time:

- **NOVEMBER 3 SECTOR AND NPC MEETINGS** – The next Sector meetings with the Board are scheduled for November 3, and ISO has requested that proposed agendas and supporting materials for those meetings be provided to them on or before **Tuesday, October 17**. You all are requested also to provide proposed agendas and supporting materials then for your Sector meetings with State officials and FERC representatives. Those Sector meetings, followed by the November Participants Committee meeting, will take place at the Hilton Boston Logan Airport Hotel, Boston, MA. The reserved block of rooms are available at the NEPOOL rate of \$269.00 per night on a first-come, first-served basis **UNTIL October 13**. If you want to stay at the Hilton in connection with those meetings, please contact the Hilton directly (617-568-6700) and reference the “NEPOOL Participants Committee” block of rooms.
- **NEPOOL 2018 OFFICERS** – It’s already time to start thinking about your officers for next year. Each Sector needs to identify for us no later than **Friday, October 27, 2017** the voting member chosen by that Sector to serve as its Participants Committee Officer in 2018. Please review the memorandum concerning the selection process for next year’s Participants Committee Officers that is included with this notice.

Respectfully yours,

/s/

David T. Doot, Secretary

INITIAL AGENDA

1. To approve the preliminary minutes of the Participants Committee meeting held on September 15. The draft preliminary minutes of that meeting are included with this initial notice. **Please provide us with any comments on this draft no later than 12:00 p.m. on Thursday, October 5, 2017.**
2. To adopt and approve all actions recommended by the Technical Committees set forth on the Consent Agenda included with this initial notice. **In accordance with the Participants Committee Bylaws, if you wish to remove any recommended action from the Consent Agenda, you must notify the Secretary on or before the close of business next Thursday, October 5, 2017.**
3. To receive an ISO Chief Executive Officer Report.
4. To receive an ISO Chief Operating Officer Report.
5. To consider, and take action, as appropriate, on the following proposed budgets:
 - a. 2018 ISO-NE Operating and Capital Budgets; and
 - b. 2018 NESCOE Budget.

Background materials and draft resolutions will be included and posted with the supplemental notice.

6. To consider and take action, as appropriate, on Hydro-Quebec Interconnection Capability Credit (HQICC) values for the 2021/2022 Capacity Commitment Period (FCA12). Background materials and a draft resolution will be included and posted with the supplemental notice.
7. To consider and take action, as appropriate, on values for the New England Installed Capacity Requirement (ICR), Net ICR, Southeast New England Local Sourcing Requirement (LSR), Northern New England Maximum Capacity Limit (MCL) and System-Wide Capacity Demand Curves based on the Marginal Reliability Impact (MRI) methodology for the 2021/2022 Capacity Commitment Period (FCA12). Background materials and a draft resolution will be included and posted with the supplemental notice.
8. To receive a report on current matters relating to regional wholesale power and transmission arrangements that are pending before the regulators and the courts. The litigation report will be posted in advance of the meeting.
9. To receive reports from Committees, Subcommittees and other working groups:
 - GIS Operating Committee
 - Markets Committee
 - Reliability Committee
 - Transmission Committee
 - Budget & Finance Subcommittee
 - Others
10. Administrative matters.
11. To transact such other business as may properly come before the meeting.

PRELIMINARY

A meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Friday, September 15, 2017, at the Seaport Hotel, Boston, MA, 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 attended the meeting.

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

APPROVAL OF JUNE 27-29, 2017 MEETING MINUTES

Ms. Chafetz referred the Committee to the preliminary minutes of the June 27-29, 2017 meeting, as circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the June 27-29 meeting were unanimously approved, without abstention or change.

CONSENT AGENDA

Ms. Chafetz referred the Committee to the Consent Agenda that was circulated in advance of the meeting with Consent Agenda Item 4 removed (Revisions to PP 4 Attachment A). Following motion duly made and seconded, the Consent Agenda with Agenda Item 4 removed, was approved unanimously, with an abstention noted by CSC on Consent Agenda Items 1 (Revisions to Appendix F to Market Rule 1), 3 (Revisions to PP 9), and 10 (Revisions to Tariff Section I.5).

Following approval of the Consent Agenda, Ms. Chafetz suggested that two items later on the agenda be taken out of order, before the reports and the other key item of discussion.

REVISIONS TO PLANNING PROCEDURE (PP) 4-1

Ms. Chafetz first referred the Committee to revisions to Planning Procedure 4-1 that was recommended by the Reliability Committee at its August 24 meeting. Following motion duly made and seconded, the Committee considered and unanimously approved the following motion:

RESOLVED, that the Participants Committee supports the PP 4-1 Revisions, as recommended by the Reliability Committee at its August 24, 2017 meeting and as reflected in the revised materials posted on the Reliability Committee's webpage, together with such further non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

REVISIONS TO PP-4 ATTACHMENT A

Ms. Chafetz then recognized Mariah Winkler, Reliability Committee Chair, to present the proposed revisions to Attachment A of PP-4. Ms. Winkler referred the Committee to materials circulated in advance of the meeting concerning the proposed revisions, which she explained were intended to provide guidance on transmission cost allocation for multi-part transmission projects. She reported that the Reliability Committee recommended Participants Committee support for the revisions at its August 24 meeting.

Ms. Chafetz noted that the Reliability Committee's recommendation was pulled from the Consent Agenda at the request of Connecticut Municipal Electric Energy Cooperative (CMEEC) and she recognized the CMEEC representative to present CMEEC's concerns. That representative referred the Committee to the memorandum circulated in advance of the meeting, explaining that CMEEC's concerns with the proposed changes stemmed from the ISO's recent application of a loss of load qualification criterion for inclusion of certain Pool Transmission Facility (PTF) project for regional cost recovery. He explained ISO's interpretation of the Planning Procedure had resulted in certain transmission upgrades not being qualified as PTF and accordingly being denied regional cost recovery. He stated that the ISO's new qualification guidelines would preclude PTF infrastructure project from qualifying for regional cost recovery

unless they addressed a Regional System Plan (RSP)-identified need defined by loss of at least 100 MW in a first contingency (N-1) event or more than 300 MW if there were a second contingency event (N-1-1). He stated that this “100/300” criterion was materially impacting cost recovery and had been identified unilaterally by ISO in planning guidelines without formal review or endorsement by NEPOOL. He said that the criterion’s application systematically disqualified upgrades by small electric systems from regional cost recovery. He argued on behalf of CMEEC that this approach discriminated between similarly-situated facilities on systems of large versus small transmission providers and significantly impacted rates, terms and conditions of service. For those reasons, he said that CMEEC would oppose the PP-4 Attachment A changes and sought a broader and more informed discussion among stakeholders regarding this “100/300” criterion for PTF cost recovery.

The following motion was then duly made, seconded and voted:

RESOLVED, that the Participants Committee supports the PP-4 Attachment A Revisions, as recommended by the Reliability Committee at its August 24, 2017 meeting and as reflected in the materials distributed to the Participants Committee for its September 15, 2017 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 66.67% Vote was required for NEPOOL to approve the proposed Revisions and the motion failed with a 59.99% Vote in favor (Generation Sector – 17.12%; Transmission Sector – 17.12%; Supplier Sector – 17.12%; Alternative Resources Sector – 6.49%; Publicly Owned Entity Sector – 0%; and End User Sector – 2.14%). (See Vote 1 on Attachment 2).

ISO CEO REPORT

Mr. Gordon van Welie, ISO CEO, referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the Participants Committee’s summer meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries. Providing introductory context for the ISO Work

Plan and Budget discussions to follow, he observed the rapid and accelerating pace of change and noted the confluence of forces driving those changes. He noted historically low wholesale power prices experienced over the past two years, highlighting August's relatively low loads and prices. He referenced the states' actions to contract for additional renewable energy, which was impacting the markets, and causing market participants to reassess the economic viability of their New England assets. He noted the commitment of the new FERC Commissioners and nominees to evaluating whether the wholesale markets are properly functioning. Taken together, those circumstances required the region to be prepared to react quickly, and to re-evaluate and re-arrange regional priorities when and as appropriate.

Mr. van Welie reported that the Board had recently approved the slate of candidates endorsed by the Participants Committee at its summer meeting, with Mr. Brook Colangelo filling the seat vacated by Mr. Paul Levy's completion of his final Board term. He said the ISO would circulate the 2017/18 Board Committee assignments, noting that the Committee Chairs did not change but there had been changes to some of the Committee assignments/membership. In response to a member's question, he noted that there was no new information to report concerning Mr. Colangelo's employment.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), reviewed highlights from the September COO report, which was circulated in advance of the meeting and posted on the NEPOOL and ISO websites. Focusing on highlights, he reported for August that: (i) Energy Market value was \$318 million, down \$45 million from July 2017 and down \$191 million from August 2016; (ii) average natural gas prices were 5.3% lower than July 2017 average prices; (iii) average Real-Time Hub LMPs (\$23.77/MWh) were 11% lower than July 2017 LMPs; (iv) average daily (peak hour) Day-Ahead cleared physical Energy, as a percent of forecasted load,

was 99.4% in August, unchanged from July 2017; (v) daily Net Commitment Period Compensation (NCPC) for August totaled \$1.2 million, unchanged from July 2017 and down \$5.3 million of NCPC experienced in August 2016; (vi) first contingency payments, totaling \$1.1 million, were unchanged from July; (vii) second contingency payments totaled \$26,000, up \$13,000 from July; (viii) voltage support payments totaled zero; and (ix) NCPC payments were 0.4% of the total Energy Market value.

Dr. Chadalavada highlighted the very mild temperatures during summer 2017, with the hottest days in mid-May, technically not even included in the summer period. He reported August saw historically low loads across the system. He also noted that average Day-Ahead cleared physical energy as a percentage of forecasted load during peak hours, at 99.4% during July and August, had improved over percentages from late Spring. While identifying the specific factor(s) influencing the percentages remained elusive, Dr. Chadalavada opined that challenges with photovoltaic (PV) forecasting and other system interferences were among the influencing factors.

Focusing on the 2016 Economic Study, he reported Phase I discussion of PAC comments was scheduled for September 28, with Phase II analysis of regulation, ramping, and reserves scheduled for completion by year end. He reported the RSP 17 meeting was held on September 14 in Boston and expressed appreciation to Ms. Anne George and her team for the well-received and well-attended meeting.

Dr. Chadalavada then reviewed FCA12 highlights. He reported that Qualification Notification Determinations for new capacity resources would be disseminated on September 29, and the qualification informational filing would be filed with the FERC on November 7. He also reported that development of the ICR and related values for FCA12 was nearly complete and

would also be filed with the FERC on November 7. He noted that the Renewable Technology Resource election cap was approximately 514 MW.

He concluded his presentation reviewing charts summarizing the August 21 Solar Eclipse, which began in New England at 1:25 p.m., with maximum darkness at 2:44 p.m. (causing PV output to drop from 1,400 MW to 400 MW), and ended at 3:58 p.m. He reviewed a comparison of the system load and reconstituted system load during the eclipse, reflecting a load drop of approximately 300 MW. In response to a question, he indicated that the source of the PV data used in the report was preliminarily from ISO resources, but he was still expecting to receive 5-minute data from an ISO vendor. A member expressed appreciation to the ISO for all the data on the eclipse, highlighting the detailed article in the ISO Newswire. He asked whether there was a way to correlate the PV output data with the actual system load data to see if there was a big gap between the two that might indicate that there were other PV systems not captured in the data set. Dr. Chadalavada answered that it would be possible to correlate system to actual load, but a request to correlate system to forecast load would take additional time and could be included in his next report. He also committed to review the Day-Ahead forecast and the Day-Ahead load that cleared on August 20 leading up to the August 21 eclipse, and report on that the following month.

2018 WORK PLAN UPDATE

Dr. Chadalavada referred the Committee to the draft 2018 Work Plan circulated and posted with the meeting materials in advance of the meeting. He highlighted and provided updates regarding the following primary efforts in the Work Plan:

- Competitive Auctions with Subsidized Policy Resources (CASPR) - the ISO expected to file CASPR Tariff changes by the end of 2017 in order to allow for FCA13 implementation.
- Operational Fuel Security Study
 - ◆ Discussions of study planned from Q4 2017 through Q1 2018.

- ◆ A stakeholder process would be initiated in Q2 2018 to assess whether further operational or market design measures will be needed to address the region's fuel security risk.
- ◆ 5 variables of study:
 1. Retirements
 2. Renewables
 3. Dual-Fuel Capability
 4. LNG Injection
 5. Imports from neighboring areas
- Improvements to Day-Ahead Co-Optimization functions
 - ◆ Assess improvements to better procure and price reserve products.
 - ◆ The ISO intended to hold technical sessions explaining why improvements may be warranted.
 - ◆ Simultaneous design/implementation of Multi-Period Ramping and Day-Ahead Co-Optimization might not be possible – the ISO planned to discuss with stakeholders which project to advance.
- Assessment of Delayed Commercial Operation of New Resources
 - ◆ The ISO was reviewing the rules addressing treatment of new capacity resources that do not achieve their planned commercial operation date.
- Cyber Security
 - ◆ NERC/NPCC Audit of ISO-NE Critical Infrastructure Protection (CIP) Version 5 Reliability Standards compliance.
 - ◆ Implement various related infrastructure improvements.
 - ◆ Establish and staff an “operations group” to enhance monitoring.
- Operational Load Forecast: PV Integration
 - ◆ Incorporate into the Day-Ahead and Seven-Day Load Forecasts the effects of behind-the-meter PV (BTM PV) generation on net system load.
 - ◆ Q4 2018 targeted completed date.
- Stakeholder and Regulatory Review of Installed Capacity Requirements (ICR)/Local Sourcing Requirements (LSR)
 - ◆ Discussions underway with stakeholders on improvement to methodology of modeling BTM PV in the ICR calculations.

In follow up to members' questions on the Operational Fuel Security Study, Dr.

Chadalavada explained that the 2024/25 study period was being modeled using the weather pattern from December 1, 2014 to February 28, 2015, during which the region experienced the

coldest heating degree days across the longest period of time. Concerning the probabilities of the reoccurrence of a cold winter such as 2014/15, Dr. Chadalavada stated that, over the prior 40 years, such cold weather had been experienced five or six times, so it was reasonable to use that weather pattern for modeling purposes. Ms. Allison DiGrande stated that the meeting schedule for the study would be based on the discussion at the October 24 Reliability Committee meeting, and then a series of meetings would be held at the Reliability Committee, with some time in between to allow for feedback and for ISO to come back with additional information.

In response to a questions regarding the projected timing of implementation of a co-optimized Day-Ahead Energy Market, Dr. Chadalavada estimated implementation, following design and FERC filing and approvals, at early 2020/21. Mr. Mark Karl stated that, although both the IMM and EMM had recommended the elimination of Forward Reserve Market (FRM), the ISO recognized the existing FRM revenue stream and planned to eliminate the FRM only upon coincident implementation of a new co-optimized Day-Ahead Energy Market. Dr. Chadalavada committed to pin down an implementation date as soon reasonably possible.

A member stated the current FRM was not working and expressed disappointment that there was no mitigation in place as the prices had drastically declined, with the most recent auction clearing less than the lowest price since 2012. He stated that, to the extent there would continue to be an FRM, mitigation was desperately needed. When asked, the member state that he had provided this feedback to the IMM and EMM and Dr. Chadalavada committed to do the same.

Dr. Chadalavada concluded his presentation reporting on efforts regarding ISO load forecasting and the ICR/LSR values. Experiencing unsatisfactory results with its load forecasting, the ISO was initiating a project to decouple the load forecast and the PV forecast into two different screens and net them out separately. He reported the ISO would provide an

update on the project as it continued towards completion (targeted for Q4 2018). Concerning the ICR/ LSR values for FCA12, he reported the ISO would be filing the values in their current form and that it was currently reviewing an hourly profile methodology that would better reflect the amount of load reduction during peak demand hours that impact system reliability. He shared ISO hopes to initiate a process in 2018 to look at ICR beyond FCA12, noting that the process would determine the timing of change and implementation.

Dr. Chadalavada responded to a question concerning load forecasting accuracy and whether the load forecasting mechanism and its learning software was working well for all aspects and just could not learn about PV, stating that the learning is only a factor if the data and the history have some predictability to it over a period of time. He stated with the fast pace of PV, the sophistication hasn't recognized the new sets of variables associated with the accelerated basis of implementation. A member commented that he was pleased to see discussion of the costs that market participants were incurring to meet Interconnection Reliability Operating Limits (IROLs) under the CIP Standards.

2018 ISO AND NESCOE BUDGETS

Mr. Ken Dell Orto, Budget & Finance Subcommittee Chair, referred the Committee to the materials circulated in advance of the meeting related to the proposed 2018 ISO Capital and Operating Budgets and the 2018 NESCOE Budget. He reported that preliminary ISO Budgets had been reviewed and vetted at the NECPUC Symposium, the NEPOOL Summer Meeting, the Subcommittee's August 11 meeting, and separately with New England state agencies (State Agencies). Over the course of that review, Participants had not identified any particular concerns or objections. Similarly, the 2018 NESCOE Budget had been presented to Participants at the Subcommittee's August 11 meeting without objection or concern. He explained that the

Budgets were being presented at this meeting to further understanding of the Budgets and help prepare for votes on the Budgets at the October Participants Committee meeting.

Mr. Robert Ludlow, ISO Vice President and Chief Financial & Compliance Officer, then continued the summary of the 2018 Budget review process. He reported that, pursuant to the process agreed to in settlement, State Agencies had submitted questions on the proposed ISO Budgets on August 22, and the ISO had responded on August 28. Those questions and answers had been included with the materials for the meeting. The ISO Board reviewed at its September 14 meeting the Budgets and State Agencies' comments received September 6 (also included with the meeting materials). ISO responses to State Agencies' comments and proposed adjustments would be provided on or about September 20. The ISO Board, with the benefit of NEPOOL's October vote and all of the other input received, would then consider and vote on the 2018 ISO Budgets after the October Participants Committee meeting, with a Tariff filing on or about October 17 to support the ISO's request for the Budgets to be effective as of January 1, 2018.

Mr. Ludlow identified the following four areas addressed by the State Agencies' September 6 comments: (1) acknowledgment of the need for the ISO to add resources in the area of cyber security; (2) potential adjustments to the ISO's average vacancy rate used in establishing the 2018 Operating Budget; (3) Capital Budget funding and spending levels; and (4) a willingness to work together with the ISO to identify activities or other provisions that might be changed or removed from the Work Plan and the Budgets to reduce overall costs. With respect to the vacancy rate, he stated that the ISO, while it believed that the 3% vacancy rate assumption was a reasonable number for budgeting purposes, would in response to State Agencies' input, adjust that assumption upwards to 3.4%, thereby reducing the operating budget by approximately \$400,000 - \$500,000. That adjustment would limit the ISO's ability to use

outside consultants should it be unable to fill the vacant positions, but was unlikely to prevent the ISO from meeting all of the objectives in the Work Plan.

He highlighted key aspects of the proposed 2018 Operating Budget as outlined in the presentation circulated and posted for the meeting, including: cyber security cost increases; compensation/medical and defined contribution pension plan increases; results of priorities and Work Plan discussions with stakeholders, including the implementation of Price Responsive Demand, wholesale market design changes including CASPR and potential solutions to mitigate fuel security; ongoing support/inflationary increases including computer services and system support; and efficiencies and reductions (e.g., one-time studies, reallocation of employees, non-recurring costs).

In response to a comment on ISO cyber security resources and staffing, Mr. Ludlow stated that the reallocation and rededication of resources to new initiatives, particularly due to technology and process improvements, should not impact the ISO's ability to complete its projects. Mr. van Welie added that the ISO Board had been focused on cyber security, and cyber issues more generally, for at least the last three years. The Board monitored the issues through review of the ISO's internal audit function's assessment of ISO cyber control and reliability standard compliance, as well as through annual deep-dives on cyber issues (one of which had happened just a few days before this meeting).

Turning to the 2018 NESCOE Budget, Ms. Chafetz referred the Committee to the NESCOE materials posted in advance of the meeting. Ms. Heather Hunt, NESCOE Executive Director, reported that, since the Budget & Finance Subcommittee had reviewed the 2018 budget, the FERC had approved NESCOE's most recent 5-year pro forma budget (under which 2018 was Year 1). She encouraged anyone with questions or comments to contact her.

Ms. Chafetz reiterated that the 2018 budgets would be voted at the October 13 Participants Committee meeting. She urged members with questions or concerns on the ISO Budgets to raise them directly with Messrs. Dell Orto and/or Ludlow in advance of those votes.

AMENDED AND RESTATED GIS ADMINISTRATION AGREEMENT AND RELATED GIS OPERATING RULE CHANGE

At the request of Ms. Chafetz, Mr. David Cavanaugh, NEPOOL Generation Information System (GIS) Agreement Working Group Chairman, summarized the materials circulated in advance of the meeting concerning the Amended and Restated GIS Administration Agreement Between NEPOOL and APX Inc. (APX) and an amendment to GIS Operating Rule 1.3 relating to GIS enhancements. He noted that some of those materials were confidential and were circulated solely to members and alternates, and that if members wished to discuss those confidential materials, the Committee would need to go into Executive Session. He reported that the Amended and Restated Agreement would restate the 2001 GIS agreement with APX, and was the product of over 12 months of work by the NEPOOL GIS Agreement Working Group and 10 months of negotiation with APX. He explained that the Amended and Restated Agreement would reduce costs for NEPOOL and enhance GIS functionality. He added that, while the total costs to be assessed NEPOOL by APX are projected to decrease, the proposed Agreement would not change to the current formula for allocating those GIS costs.

He went on to explain that the supporting change to GIS Operating Rule 1.3 addresses how GIS enhancements will be managed through the NEPOOL process. Rather than having APX perform minor changes as part of the volumetric charges in GIS and then separately charging NEPOOL for “Cardinal” changes, the Amended and Restated Agreement would only result in additional APX charges for development work that exceeded 200 hours in a year. The proposed changes to the GIS Operating Rule would delegate to the Markets Committee the authority to approve any change to the GIS required by a change in law, a change in the ISO

Tariff or Market Rules, or any other change requiring less than 50 hours or \$30,000 of incremental costs to NEPOOL. Any other changes would require Participants Committee approval.

The following motions were then duly made, seconded, and unanimously approved, following comments of support from a number of members and an indication that at least one member intended to raise cost allocation for discussion at a later date:

RESOLVED, that the Participants Committee approves the Amended and Restated Generation Information System (GIS) Administration Agreement with APX, Inc., as circulated to the Committee and discussed at this meeting, together with any non-substantive changes as the Chairman of the GIS Agreement Working Group may approve.

RESOLVED, that the Participants Committee approves the changes to GIS Operating Rule 1.3, as circulated to the Committee and discussed at this meeting, together with any non-substantive changes as the Chairman of the GIS Agreement Working Group may approve.

LITIGATION REPORT

Mr. Doot referred the Committee to the September 7 Litigation Report that had been circulated and posted in advance of the meeting. He noted that an updated Legislative Summary reflecting activity completed since its circulation at the summer meeting had also been posted. He reported that a FERC quorum had finally been restored, and the pace of orders being issued had picked up accordingly, as had filings that were likely to be contested, including New England filings whose submission had been deferred so that any contested issues could be addressed by the FERC.

Mr. Doot highlighted a recent trend of FERC rejecting filings with which they were not in complete agreement or lacked sufficient support in their view. He opined that this reflects a departure from the past and was apparently driven in part by the DC Circuit Court of Appeals decision that overturned FERC orders in a PJM MOPR proceeding. He explained that the DC Circuit in that appeal held that the FERC exceeded its authority in establishing changes in

compliance that materially altered a broadly supported compromise proposal that had been filed for approval. Based on feedback from Washington, he expected FERC would be rejecting filings in the future that, in the past, they would have more likely approved with conditions and modifications. The upshot of these developments for New England, he opined, was minimally the need for more time and effort ahead of filings to explain and justify those filings, and perhaps the rejection of more filings in response to objections, with a resulting delay in the effective dates of the entire change and not just those portions of the change that were contested.

Mr. Raymond Hepper, ISO General Counsel, concurred that the DC Circuit Court decision (on which both PJM and FERC had sought rehearing) had changed things, and unless modified or overturned, was likely to diminish the flexibility the FERC would exercise in accepting filings going forward. He was less persuaded, however, that the impact of the FERC's revised approach would materially impact New England's filings, as our filings reflect the full vetting under the NEPOOL process which narrows and focuses issues, with a potentially more thorough explanation by the ISO and NEPOOL of the changes based on that stakeholder process.

The Calpine member reported on Calpine's appeal to the Massachusetts State Court of the Massachusetts Department of Environmental Protection (MassDEP) Green House Gas (GHG) regulations. He explained that the final MassDEP regulations would require 21 Massachusetts power plants to be subject to an annually declining hard cap on carbon dioxide emissions, with emission allowances reflecting those caps being managed in an auction process. He said that, given the market-wide impacts, Calpine opposed the auction mechanism and appealed that aspect of the proposed regulations. He encouraged Participants to pay attention to this matter, reporting that there was still some opportunity to influence the final auction design by participating in the stakeholder process to be held by the MassDEP. He explained that Calpine planned to advocate in that stakeholder process for a transition period that would allow

those impacted to manage the risk and uncertainty and to align the MassDEP program with forward-looking FCM obligations.

COMMITTEE REPORTS

Markets Committee. Mr. William Fowler reported that the next Markets Committee meeting was scheduled for October 3-4 at the DoubleTree Westborough Hotel, with key items including: (1) changes to the Market Monitor's Dynamic De-List Threshold; (2) the ISO's new proposal for Annual Reconfiguration Transactions eliminating Capacity Supply Obligation Bilaterals; (4) Exelon's proposal on re-powering; and (4) work on CASPR. He reported an additional meeting to discuss CASPR was scheduled for October 25 in Milford, MA. He encouraged Participants to submit to Ms. Erin Wasik-Gutierrez, Markets Committee Secretary, by September 25, any proposed amendments/alternatives to the CASPR proposal being advanced by the ISO.

Reliability Committee. Mr. Robert Stein reported that the Reliability Committee was scheduled to meet on September 19 at the DoubleTree Westborough Hotel to consider ICR-related issues. An additional Reliability Committee meeting had been scheduled for October 24 in Westborough to discuss fuel security.

Transmission Committee. Mr. José Rotger reported that there was no reason for a Transmission Committee meeting in the near term so the meeting scheduled for September 26 had been cancelled. He noted his expectation that Transmission Committee-related matters would pick up as the FERC addresses pending proposed rulemakings and with advancement of the current active settlement and contested proceedings on transmission issues. He reported that the October 24 meeting had been changed to a teleconference meeting to accommodate the previously reported Reliability Committee meeting on fuel security.

Budget & Finance Subcommittee. Mr. Dell Orto reported that, with the Budget & Finance Subcommittee having effectively completed its review and consideration of the ISO and NESCOE budgets, the next Subcommittee meeting was scheduled for October 11. The planned agenda for that meeting is to continue discussion of the ISO's proposed revisions to the Financial Assurance methodology for FTR market Balance of Planning Period Auctions and to review additional Financial Assurance-related changes addressing the ISO's proposal on annual reconfiguration auctions.

OTHER BUSINESS

Mr. Doot reported that the Participants Committee meetings were scheduled for the Seaport Hotel on October 13, the Hilton Boston Logan Airport Hotel on November 3 (including Sector Breakout meetings with the ISO Board and State officials), and the Colonnade Hotel on December 8 (2017 Annual Meeting).

There being no further business, the meeting adjourned just before noon.

Respectfully submitted,

David T. Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
SEPTEMBER 15, 2017 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
American PowerNet Management	Supplier			Mary Smith
Ashburnham Municipal Light Plant	Publicly Owned		Brian Thomson	
Associated Industries of Massachusetts	End User			Roger Borghesani
AVANGRID (CMP/UI)	Transmission			Alan Trotta (tel)
Belmont Municipal Light Department	Publicly Owned		Tim Hebert (tel)	
Boylston Municipal Light Department	Publicly Owned		Brian Thomson	
BP Energy Company	Supplier			Nancy Chafetz
Calpine Energy Services, LP	Supplier	John Flumerfelt	Brett Kruse	Bill Fowler
Chester Municipal Light Department	Publicly Owned		Tim Hebert (tel)	
Chicopee Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Citigroup Energy Inc.	Supplier	Barry Trayers (tel)		
CLEAResult Consulting, Inc.	AR	Doug Hurley (tel)		
Concord Municipal Light Plant	Publicly Owned		Tim Hebert (tel)	
Connecticut Municipal Electric Energy Coop. (CMEEC)	Publicly Owned	Brian Forshaw (tel)		
Conn. Office of Consumer Counsel	End User			Dave Thompson
Consolidated Edison Energy, Inc.	Supplier	Jeff Dannels		
CPV Towantic, LLC	Generation	Dan Pierpont		
Cross-Sound Cable	Supplier		Jose Rotger	
Danvers Electric Division	Publicly Owned		Tim Hebert (tel)	
Direct Energy Business, LLC	Supplier			Nancy Chafetz
Dominion Energy Marketing, Inc.	Generation	Michael Purdie		
DTE Energy Trading, Inc.	Supplier			Nancy Chafetz
Dynegy Marketing and Trade, LLC	Supplier			Bill Fowler
Emera Maine/Emera Energy Services	Transmission		Sandi Hennequin	
EnerNOC, Inc.	AR	Sarah Griffiths		Doug Hurley (tel)
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	Vandan Divatia
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
Galt Power, Inc.	Supplier	Nancy Chafetz		
Generation Group Member	Generation		Abby Krich (tel)	Bob Stein
Georgetown Municipal Light Department	Publicly Owned		Tim Hebert (tel)	
Groton Electric Light Department	Publicly Owned		Brian Thomson	
Groveland Electric Light Department	Publicly Owned		Tim Hebert (tel)	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault	Bob Stein	Abby Krich (tel)
Harvard Dedicated Energy Limited	End User	Mary Smith		Roger Borghesani Paul Peterson Doug Hurley (tel)
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned		Tim Hebert (tel)	
Holden Municipal Light Department	Publicly Owned		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Ipswich Municipal Light Department	Publicly Owned		Brian Thomson	
Littleton (MA) Electric Light and Water Department	Publicly Owned		Tim Hebert (tel)	
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kieny (tel)	
Long Island Lighting Company (LIPA)	Supplier		Bill Killgoar	
Macquarie Energy, LLC	Supplier			Nancy Chafetz
Mansfield Municipal Electric Department	Publicly Owned		Brian Thomson	
Marblehead Municipal Light Department	Publicly Owned		Brian Thomson	
Marble River, LLC	Supplier		John Brodbeck	
Massachusetts Attorney General's Office (MA AG)	End User	Fred Plett		

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
SEPTEMBER 15, 2017 MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Massachusetts Development Finance Agency	Publicly Owned		Tim Hebert (tel)	
Mass. Municipal Wholesale Electric Company (MMWEC)	Publicly Owned	Brian Thomson		
Mercuria Energy America, Inc.	Supplier			Nancy Chafetz
Merrimac Municipal Light Department	Publicly Owned		Tim Hebert (tel)	
Middleborough Gas and Electric Department	Publicly Owned		Brian Thomson	
Middleton Municipal Electric Department	Publicly Owned		Tim Hebert (tel)	
National Grid	Transmission		Tim Martin	
Natural Resources Defense Council	End User	Bruce Ho		
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative (NHEC)	Publicly Owned	Steve Kaminski		Brian Forshaw (tel)
New Hampshire Office of Consumer Advocate	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
NRG Power Marketing LLC	Generation	Dave Cavanaugh	Pete Fuller	
Pascoag Utility District	Publicly Owned		Tim Hebert (tel)	
Paxton Municipal Light Department	Publicly Owned		Brian Thomson	
Peabody Municipal Light Plant	Publicly Owned		Brian Thomson	
PowerOptions, Inc.	End User	Cindy Arcate (tel)		
Princeton Municipal Light Department	Publicly Owned		Brian Thomson	
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		
Reading Municipal Light Department	Publicly Owned			Brian Forshaw (tel)
Repsol Energy North America Company	Gas Industry Part.		Nancy Chafetz	
Rowley Municipal Lighting Plant	Publicly Owned		Tim Hebert (tel)	
Russell Municipal Light Department	Publicly Owned		Brian Thomson	
Shipyards Brewing LLC	End User		Stacy Dimou (tel)	
Shrewsbury Electric & Cable Operations	Publicly Owned		Brian Thomson	
Small Load Response Group Member	AR	Doug Hurley (tel)	Brad Swalwell (tel)	
Small Renewable Generation Group Member	AR	Erik Abend (tel)		
South Hadley Electric Light Department	Publicly Owned		Brian Thomson	
SRECTrade, Inc.	GIS-Only Participant	Steve Eisenberg (tel)		
Sterling Municipal Electric Light Department	Publicly Owned		Brian Thomson	
Stowe Electric Department	Publicly Owned		Tim Hebert (tel)	
Taunton Municipal Lighting Plant	Publicly Owned		Tim Hebert (tel)	
Templeton Municipal Lighting Plant	Publicly Owned		Brian Thomson	
TerraForm (Stetson Holdings et al.)	AR	John Keene		Bob Stein Abby Krich (tel)
The Energy Consortium	End User	Roger Borghesani	Mary Smith	Paul Peterson, Fred Plett Doug Hurley (tel)
Utility Services Inc.	End User			Paul Peterson
Vermont Electric Cooperative	Publicly Owned	Craig Kienny (tel)		
Vermont Electric Power Company	Transmission	Frank Etori		
Vermont Energy Investment Corporation	AR		Doug Hurley (tel)	
Vermont Public Power Supply Authority	Publicly Owned			Brian Forshaw (tel)
Vitol Inc.	Supplier	Joe Wadsworth (tel)		
Wakefield Municipal Gas and Light Department	Publicly Owned		Brian Thomson	
Wallingford DPU Electric Division	Publicly Owned		Tim Hebert (tel)	
Wellesley Municipal Light Plant	Publicly Owned		Tim Hebert (tel)	
West Boylston Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Westfield Gas & Electric Department	Publicly Owned		Tim Hebert (tel)	
Wheelabrator North Andover Inc.	AR	Bill Fowler		

**NEPOOL PARTICIPANTS COMMITTEE
VOTE TAKEN AT
SEPTEMBER 15, 2017 MEETING**

TOTAL

Sector/Group	Vote
GENERATION	17.12
TRANSMISSION	17.12
SUPPLIER	17.12
ALTERNATIVE RESOURCES	6.49
PUBLICLY OWNED ENTITY	0.00
END USER	2.14
% IN FAVOR	59.99

GENERATION SECTOR

Participant Name	Vote
CPV Towantic, LLC	F
Dominion Energy Generation Marketing	F
ENGIE Energy Marketing NA, Inc.	F
Entergy Nuclear Power Marketing	F
Generation Group Member	F
Nautilus Power, LLC	F
NextEra Energy Resources, LLC	F
NRG Power Marketing, LLC	A
IN FAVOR (F)	7
OPPOSED (O)	0
TOTAL VOTES	7
ABSTENTIONS (A)	1

TRANSMISSION SECTOR

Participant Name	Vote
AVANGRID (CMP/UI)	F
Emera	F
Eversource Energy	F
National Grid	F
Vermont Electric Power Co.	F
IN FAVOR (F)	5
OPPOSED	0
TOTAL VOTES	5
ABSTENTIONS (A)	0

ALTERNATIVE RESOURCES SECTOR

Participant Name	Vote
Renewable Generation Sub-Sector	
Wheelabrator North Andover Inc.	F
Small RG Group Member	A
Distributed Generation Sub-Sector	
CLEAResult Consulting, Inc.	A
Load Response Sub-Sector	
EnerNOC, Inc.	F
VT Energy Investment Corp.	O
Small LR Group Member	A
IN FAVOR (F)	2
OPPOSED (O)	1
TOTAL VOTES	3
ABSTENTIONS (A)	3

SUPPLIER SECTOR

Participant Name	Vote
American PowerNet Management	F
BP Energy Company	F
Brookfield Energy Marketing Inc.	F
Calpine Energy Services	F
Citigroup Energy Inc.	F
Consolidated Edison Energy, Inc.	F
Cross-Sound Cable Company	F
Direct Energy Business, LLC	F
DTE Energy Trading, Inc.	F
Dynegy Marketing and Trade, LLC	F
Exelon Generation Company	F
Galt Power, Inc.	F
H.Q. Energy Services (U.S.) Inc.	F
Long Island Power Authority (LIPA)	F
Macquarie Energy, Inc.	F
Marble River, LLC	A
Mercuria Energy America, Inc.	F
PSEG Energy Resources & Trade	F
Vitol Inc.	F
IN FAVOR (F)	18
OPPOSED	0
TOTAL VOTES	18
ABSTENTIONS (A)	1

**NEPOOL PARTICIPANTS COMMITTEE
VOTE TAKEN AT
SEPTEMBER 15, 2017 MEETING**

END USER SECTOR

Participant Name	Vote
Associated Industries of MA	O
Conn. Office of Consumer Counsel	O
Environmental Defense Fund	A
Harvard Dedicated Energy Limited	O
High Liner Foods (USA) Inc.	A
Mass. Attorney General's Office	F
Natural Resources Defense Council	A
NH Office of Consumer Advocate	O
PowerOptions, Inc.	A
Shipyard Brewing Co., LLC	O
The Energy Consortium	O
Union of Concerned Scientists	O
IN FAVOR (F)	1
OPPOSED	7
TOTAL VOTES	8
ABSTENTIONS (A)	4

PUBLICLY OWNED ENTITY SECTOR

Participant Name	Vote
Ashburnham Municipal Light Plant	O
Belmont Municipal Light Dept.	O
Boylston Municipal 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
Hull Municipal Lighting Plant	O
Ipswich Municipal Light Dept.	O
Littleton (MA) Electric Light Dept.	O
Littleton (NH) Water & Light Dept.	O
Mansfield Municipal Electric Dept.	O
Marblehead Municipal Light Dept.	O
Mass. Development Finance Agc'y	O
Mass. Municipal Wholesale Electric. Co.	O
Merrimac Municipal Light Dept.	O
Middleborough Gas & Elec. Dept.t	O
Middleton Municipal Electric Dept.	O
New Hampshire Electric Coop.	O

PUBLICLY OWNED ENTITY SECTOR cont'd

Participant Name	Vote
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 Lighting 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 Department	O
Taunton Municipal Lighting Plant	O
Templeton Mun. Lighting Plant	O
Vermont Electric Cooperative	O
VT Public Power Supply Authority	O
Wakefield Mun. Gas & Light Dept.	O
Wallingford (CT) Div. Pub. Utils.	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

CONSENT AGENDA

From the notice of actions of the *September 19, 2017 Reliability Committee*¹ meeting, dated September 20, 2017, which has been previously circulated:

1. **Revisions to Appendix I to OP-23 (Reactive Capability Audit Data Recording Form Updates)**

Support revisions to Appendix I (Reactive Capability Audit Data Recording Form) to ISO New England Operating Procedure (OP) No. 23 (Generator Resource Auditing) to provide greater clarity on required information, update form functionality, provide user data validations, and provide an e-mailing feature from the document, as recommended by the Reliability Committee at its September 19, 2017 meeting, with such further non-material changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was approved unanimously.

2. **Revisions to Appendix A to OP-7 (Update References)**

Support revisions to Appendix A (Instructions for Implementation of Manual Load Shedding) to OP-7 (Action in an Emergency), which replace “directed action” and “directive” with “operating instruction,” as recommended by the Reliability Committee at its September 19, 2017 meeting, with such further non-material changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was approved unanimously, with one abstention in the Supplier Sector.

¹ Reliability Committee Notices of Actions are posted on the ISO-NE website at: <http://iso-ne.com/committees/reliability/reliability-committee>.

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates
FROM: Pat Gerity, NEPOOL Counsel
DATE: September 28, 2017
RE: 2018 Participants Committee Officer Elections

In order to ensure that the selection process requirements in the Participants Committee Bylaws for 2018's Participants Committee officers can be timely completed, we need each Sector to indicate, no later than **Friday, October 27, 2017**, who the Sector has selected to serve as its Sector's Participants Committee officer. A description of the qualifications, responsibilities, and expectations of the Sector officers selected has been included with this memorandum. We urge each of you to work within your Sectors to select your Sector's 2018 Participants Committee officer.

By way of reminder, the Bylaws require that one voting member from each Sector be selected by a majority of all the voting members in its Sector (i) to serve as a nominee for Chair of the Participants Committee and (ii) if not elected Chair, to serve as a Committee Vice-Chair. A secret written balloting process will then be conducted to elect the 2018 Chair from among the Participants Committee officers selected by each of the Sectors. To allow time for that balloting process ahead of the December 8 Annual Meeting, as required by the bylaws, we need the officers to be identified by October 27, 2017.

If any Sector needs assistance in conducting the vote for its Sector officer, please let us know (preferably no later than October 20). We would be pleased to help however we can. Also, if you have any questions, please contact me at pmgerity@daypitney.com or (860) 275-0533.

***Participants Committee Sector Officer
Qualifications, Responsibilities, and Expectations***

Qualifications: A Participants Committee Chair or Vice-Chair must be a voting member of the Participants Committee. Per the Participants Committee bylaws, one voting member from each active Sector of the Participants Committee is to be selected to serve as the Vice-Chair of the Sector “by a majority of all the voting members in its Sector.” The Chair is selected from among the nominated Vice-Chairs using the balloting procedures in the bylaws.

Responsibilities and Expectations of Participants Committee Sector Vice-Chairs:

1. Help to build and maintain a collegial and productive working relationship with other Committee officers and members, ISO management, and state officials participating in Committee activities.
2. Communicate routinely and effectively with other members of the Sector:
 - a. To help ensure that members have the information needed to support informed and active Committee participation;
 - b. To ensure that the officer has sufficient information to provide to the other officers, ISO management and staff, and state and federal officials a fair and objective report of Sector members’ positions and sensitivities on regional matters; and
 - c. To report objectively to Sector members information, questions, positions, perspectives, and sensitivities of or from the other Sectors, the ISO, and state officials that are provided to the Officer to be shared with the Sector.
3. Attend and lead or support planning for and participation in Participants Committee meetings, including (a) participation in pre-planning conference calls and in-person meetings to identify and confirm discussion and consent agenda topics and materials, meeting logistics and orderly flow of business at Committee meetings, and (b) serving as Chair if and as needed for a meeting or portions of a meeting at which the Chair is not able to preside.
4. Coordinate and organize Sector members when appropriate, including for meaningful participation by the Sector members in the semi-annual meetings with the ISO Board of Directors, state officials and FERC representatives.
5. Ensure that the Sector is fairly and objectively represented at other committee and working group meetings and meetings among Officers, ISO management and state officials, and that the Officer or representative is reasonably informed as to the perspectives and sensitivities of the Sector members.
6. With the other NPC Officers, review and comment on NEPOOL filing or pleadings, raising awareness of any Sector-specific sensitivities.
7. Serve on the Joint Nominating Committee that recommends to the Participants Committee a slate of candidates for membership on the ISO Board of Directors.

9/28/2017