



memo

**To:** NEPOOL Participants Committee

**From:** Alan McBride, Executive Director, Transmission Services & Resource Qualification

**Date:** April 30, 2024

**Subject:** Participants Committee Updates Regarding ISO New England's Order No. 2023-A Compliance Proposal

Since September of 2023, the ISO has been presenting and discussing its proposed approach to comply with the Federal Energy Regulatory Commission's (FERC) Order No. 2023. New England's Order No. 2023 compliance comprises a significant package of reforms that incorporates key aspects of our regional interconnection approach, as well as multiple Stakeholder-suggested enhancements. On March 7, 2024, the NEPOOL Participants Committee voted to support the ISO's proposed compliance with Order No. 2023. On March 21, 2024, FERC issued Order No. 2023-A, an "Order Addressing Arguments Raised on Rehearing, Setting Aside Prior Order, In Part, and Granting Clarification" of Order No. 2023. As a result of Order No. 2023-A, the ISO has revised its current compliance proposal in order to address further incremental reforms within FERC's required compliance deadline.

The ISO presented the proposed compliance with Order No. 2023-A at the April 25 Transmission Committee (TC) meeting. The TC members supported the proposal after the ISO agreed to two changes during the meeting, which are included in the ISO's proposal for the Participants Committee vote on May 2. First, Interconnection Customers (IC) can replace a previously provided Commercial Readiness Deposit with a surety bond, any time after such form is deemed acceptable by the System Operator. As noted at the TC, the ISO will accept surety bonds as soon as it has developed the appropriate processes to manage these instruments. Second, in the event that an IC fails to complete all of the Interconnection Request requirements before the close of the Cluster Request Window, the IC will only forfeit \$5,000 of the application fee to System Operator. Any unspent portion of the application fee, along with the study deposit and Commercial Readiness Deposit, shall be returned to IC.

The ISO appreciates the stakeholders' engagement and all of the input provided on our proposal to comply with Order No. 2023 and Order No. 2023-A. We are pleased that we have been able to work through so many issues with our Participants and other stakeholders. Together with this memo, the materials for the Participants Committee meeting will include the Tariff revisions reflecting the incremental changes made at the April TC meeting. We are looking forward to presenting the New England proposal to FERC and implementing these important reforms.