



NEW ENGLAND POWER POOL

2012 Annual Report

Bridging Today's Challenges

***WHEREAS,** the Parties desire Participant Processes that reflect self-governance, encourage full and timely participation by all stakeholders, coordinate and clarify input to ISO, clarify and refine ISO positions as appropriate to account for input, and facilitate the formation of consensus positions that have both practical and legal significance.*

Participants Agreement

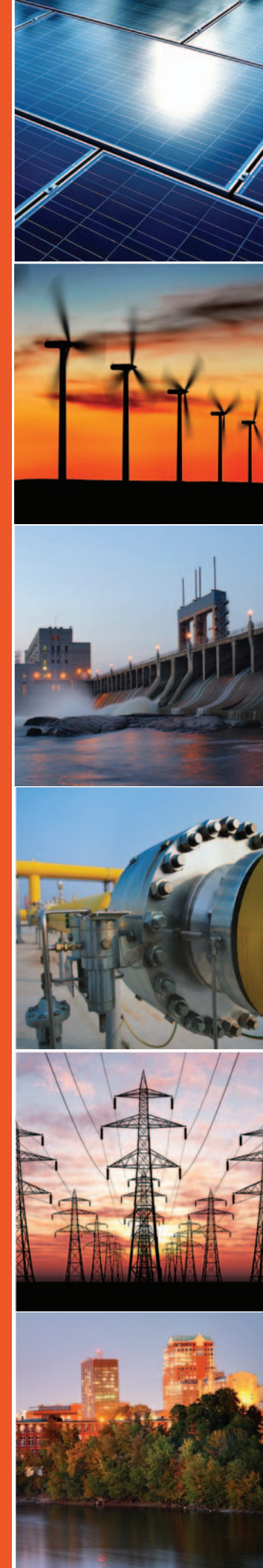


Table of Contents

Chairman’s Message	5
2012 NEPOOL Officers.....	6
Today’s Challenges	8
Committee Reports	13
Legal Proceedings & Appeals	23
FERC Proceedings	24
Operative Documents.....	27
NEPOOL Participants	28
NEPOOL Counsel & Administrative Team	30



Chairman's Message

NEPOOL is the keystone of the New England stakeholder process. Through NEPOOL, all of New England's stakeholders come together with ISO New England (ISO) to identify problems and improvements, to explore solutions, and ultimately to build and communicate consensus, whenever possible. NEPOOL is the central supporting element of the stakeholder process, and it provides the support and stability for bridging change.

Viewed another way, NEPOOL is the keystone to the well-traveled stakeholder bridge from diversity of interests on one side, to consensus and agreement, on the other side. As does the keystone of a stone-arch bridge, NEPOOL holds together the other stones of that bridge, which for New England is over 400 stones strong. Those stones come from different quarries and are of vastly different sizes and types of rock. But together they have created an enduring structure that serves a common purpose and is stronger and more purposeful than any of the stones individually.

The keystone and bridge analogy may not be perfect, but it is especially apt for 2012. New England's stakeholder bridge does not ensure passage to consensus. Rather, it provides some means for that passage.

For example, the bridge this year was heavily traveled with Forward Capacity Market (FCM) ideas and proposals. When stakeholders discovered in December 2011 that they would not successfully cross from the many different viewpoints to agreement on FCM redesign, they worked to repackage the cargo and try again by the summer of 2012. NEPOOL remained the keystone keeping the stones together, but the bridge to consensus has yet to be crossed for a comprehensive FCM redesign proposal.

On many other issues, there can be no doubt that the stakeholder bridge served its intended purpose. Aside from FCM, there were more than 30 packages that successfully arrived at consensus and were presented to the FERC for approval, including coordinated transaction scheduling, changes to automated mitigation, demand resource and generator audits, partial non-price retirement requests, the reliability review of rejected de-list bids, black start amendments, revisions to Financial Assurance Policy's capitalization and financial statement requirements and suspension provisions, and refinements to the notice and cure periods associated with bilateral transactions in the Day-Ahead Energy Market. And even during the many FCM discussions this year, the bridge kept the stakeholders exploring ideas and gaining much through that exploration. Those discussions provide future promise that new ideas will be tested again as stakeholders continue the journey with the ISO and state regulators to define a better FCM.

The bridge remains a critical connection, and NEPOOL remains the keystone to ensure support and stability as we all travel together and span the distance from disparate and diverse ideas to consensus. This past year has been highlighted by the long journeys of FCM and Order 1000, and the early stages of exploring the challenges and opportunities related to increased natural gas use in New England. As we continue our travels to arrive at a common ground for the numerous challenges New England faces, I am proud to have had the opportunity to serve as NEPOOL's Chairman and remain dedicated to maintaining NEPOOL as a strong and resilient keystone to our future.



Calvin A. Bowie

Calvin Bowie
Chairman, NEPOOL Participants Committee

NEPOOL ELECTED OFFICERS

Participants Committee

Calvin A. Bowie

(Transmission)

Cal Bowie is the Transmission Sector representative and was the 2012 Chairman of the Participants Committee. He is a veteran of over 40 years of service in the electric utility industry, with extensive experience in NEPOOL dating back to 1984 when he attended his first Generation Task Force meeting. He has a utility background in distribution engineering, system planning, commercial and industrial account management, and wholesale marketing. He was active in NEPOOL governance reform and membership, chairing the Membership Subcommittee for a number of years. Cal has been Northeast Utilities' member on the Reliability and Transmission Committees and held the position of Vice-Chair of the Transmission Committee from 2007 to 2009. He currently serves as Northeast Utilities' member on the Markets Committee.



Brian E. Forshaw

(Publicly Owned Entity)

Brian Forshaw is the Publicly Owned Entity Sector representative and served as the Chairman of the Participants Committee for 2010 and 2011. He is Director of Power Supply for the Connecticut Municipal Electric Energy Cooperative (CMEEC), where he has worked for over 30 years. CMEEC is a Connecticut joint-action power supply agency organized to secure reliable and low-cost power supplies for municipal electric utilities. Additional responsibilities at CMEEC include long-term resource planning, strategic planning, resource procurement and contract negotiations.



August Fromuth

(End User)

Gus Fromuth is the End User Sector representative. He is Managing Director of Freedom Energy Logistics, LLC, a firm that specializes in supporting direct participation of end users in NEPOOL and the New England Markets. Freedom Energy also provides customers with high-end energy management services in order to obtain electric power at wholesale prices. Along with colleagues, Gus pioneered the concept of direct end user access, successfully working through the NEPOOL stakeholder process to design and refine the ground rules for direct market participation by end users. Gus is also an executive of, and principal stockholder in, Halifax American Energy Company and Power New England, retail energy providers that are licensed in the New England states as resellers of grid electricity directly to end users.



Peter D. Fuller

(Generation)

Pete Fuller is the Generation Sector representative and served as the Chairman of the Participants Committee for 2006 and 2007. He is Director, Regulatory & Market Affairs for NRG Energy, Inc. In this position, he is responsible for NRG's state and federal regulatory and policy activities in New England. Pete has more than 11 years of representative participation in NEPOOL and had previously served as the Co-Chair of the Installed Capacity Requirements Working Group. Pete is NRG's member on each of the Principal Committees. He is also a former Chairman of the New England Power Generators Association.



Joel S. Gordon

(Supplier)

Joel Gordon is the Supplier Sector representative. He is Director, Market Policy for PSEG Power Connecticut, LLC, and serves as the representative for the PSEG companies within the NEPOOL stakeholder process. He has held similar positions over the past 10 years with other NEPOOL Market Participants, including NRG and PG&E National Energy Group. Joel is currently the Chairman of the Budget & Finance Subcommittee and holds the record for the most consecutive Participants Committee meetings with Budget & Finance Subcommittee items.



Douglas Hurley

(Alternative Resources)

Doug Hurley represents the Alternative Resources (AR) Sector. He is an Associate with Synapse Energy Economics, where he represents the interests of consumer advocate, environmental, and renewable resource clients at numerous NEPOOL and PJM stakeholder meetings. He was the lead client representative for three members of the AR Sector in the FCM settlement conferences that, with help from other parties, successfully included demand response and energy efficiency in the FCM design. Doug has been the AR Sector's Participants Committee Vice-Chair since mid-2009.





TODAY'S CHALLENGES

Introduction

NEPOOL Market Participants, the ISO, and the New England states through the New England States Committee on Electricity (NESCOE) and the New England Conference of Public Utilities Commissioners (NECPUC), are actively engaged in robust strategic discussions regarding the future direction of the wholesale electricity markets in New England. Focusing on five key strategic risks as identified by the ISO: (1) alignment of markets with planning; (2) increased reliance on natural gas; (3) fixed capacity; (4) potential retirement of generators; and (5) resource performance and flexibility, and integration of a greater level of variable resources - these discussions are playing out through the ISO whitepapers, working groups, and Technical and Participants Committees' deliberations.

In 2012, with these strategic considerations in mind, NEPOOL Participants tackled challenges posed by: (1) FERC FCM redesign orders directing significant changes to the design of the Forward Capacity Market; (2) a FERC order setting out requirements for regional transmission planning and cost allocation (Order 1000); and (3) the growing dependence in New England on natural gas to generate electricity for the region.

As discussed on the following pages, while mutual solutions to these challenges remain, much work was accomplished in 2012. NEPOOL provides an effective process for addressing these challenges, combining education and dialogue as a means for its members to exchange, and to seek to coalesce around, common ideas and approaches.

With respect to FCM, although agreement on FCM redesign was not achieved, ideas that could produce a future FCM framework have been, and continue to be, actively considered within the NEPOOL stakeholder process.

Regarding Order 1000, consistent with NEPOOL's ongoing development and support of competitive wholesale markets, NEPOOL supported an alternative for Order 1000 compliance, different in a minor but important respect from that proposed by the ISO and Participating Transmission Owners (PTOs), that provides greater opportunity for competition to complete certain transmission upgrades. NEPOOL's alternative proposal was the direct result of a comprehensive and open stakeholder process.

Finally, collaborative efforts are well under way with the states, the natural gas industry, the electric power industry, and the ISO to address challenges resulting from New England's growing reliance on gas-fired generation.

Key Documents:

ISO: Strategic Planning Roadmap (March 23, 2012)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/strategic_plan_initiative_roadmap_march_2012.pdf

ISO Discussion Paper: Aligning Markets and Planning (June 13, 2012)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/mra_discussion_paper_06132012_vtransmit.pdf

ISO White Paper: Alignment of Markets and Planning (October 27, 2011)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/alignment_of_markets_and_planning_white_paper.pdf

Forward Capacity Market Design

For over a decade, NEPOOL, the ISO, state regulators, and others have worked diligently to develop and implement improvements to the capacity market in New England. The formation of the FCM occurred in 2006 to settle more than a year's worth of heavily contested litigation. Since then, stakeholders have sought to work together to improve the FCM design in order to maximize market competition while ensuring that the region procures the level of resources needed for the reliable operation of the grid.

The efforts in 2012 on FCM redesign had their beginnings with a 2010 filing that resulted in a FERC order in April 2011 (FERC Docket No. ER10-787). In that order, the FERC directed the implementation of major changes to FCM, including implementing an offer floor mitigation construct (MOPR), modeling of additional zones, reducing to \$1.00/kW-mo the minimum bid that would be accepted to delist an existing unit, and eliminating the price floor. While the ISO, NEPOOL, and other regional stakeholders worked throughout 2011 to address the FERC's requirements, substantial differences among the parties remained at the end of 2011.

Reflecting a commitment to resolve those differences, the ISO and NEPOOL agreed upon and submitted in January 2012 a joint filing to provide the region additional time to propose refinements to New England's capacity market in response to the directives and requirements of prior FERC FCM orders. To accomplish this task, NEPOOL formed the FCM Working Group and embarked on cooperative efforts seeking a broader, longer-term FCM framework.

While the FCM Working Group focused its initial efforts during three early meetings on long-term improvements and were making progress to that end in early 2012, at the end of March, the FERC issued another FCM order, this one directing the ISO to file rules by December 3, 2012, fulfilling the FERC's directives in time for implementation by the eighth Forward Capacity Auction (FCA8). Following that order, attention of the FCM Working Group quickly shifted from exploring a long-term FCM redesign framework to working toward reaching agreement on shorter-term alternatives to satisfy the FERC.

Following the FERC's March 2012 order, the FCM Working Group redoubled its efforts and spent the following five months with an additional seven Working Group meetings and countless informal discussions exploring numerous proposals at a conceptual and framework level for implementation for FCA8. The parties worked to identify a package of broadly supported changes that were

responsive to the FERC's requirements for FCA8. They explored the possible implementation of a demand curve, and identified various alternatives for recognizing the expansion in New England of renewable resources and the continued opportunities for members to satisfy their capacity obligations through self-supply.

In the end, despite extraordinary efforts to forge a compromise, NEPOOL was unable to reach consensus on an alternative FCM framework. To be responsive to the FERC's directives, the ISO revived an earlier proposal that garnered virtually no support in 2011 and undertook to update that proposal with Market Rule changes and updates for consideration within the NEPOOL process. As with the efforts to reach consensus on a framework document, the ISO's efforts to achieve consensus on changes for FCA8 were also unsuccessful. The ISO is in the process of completing an FCM filing by the December 2012 deadline in response to the FERC's directives.

While the comprehensive FCM redesign discussions to date have not yielded a consensus package of changes, they markedly increased the level of understanding among Market Participants, with state regulators, and with the ISO. As noted by the Participants Committee Chairman in his message, NEPOOL's intensive and open stakeholder process remains the keystone to further discussion and potential consensus on how New England's capacity market will continue to be refined, encouraging healthy debate, and fostering the discussion and development of new or refined concepts and approaches.

Key Documents:

ISO White Paper: Using the Forward Capacity Market to Meet Strategic Challenges (May 11, 2012)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/fcm_whitepaper_final_may_11_2012.pdf

ISO White Paper: FCM Performance Incentives (October 22, 2012)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/fcm_performance_white_paper.pdf

FERC Order on FCM Tariff Revisions (Issued March 30, 2012)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12932487>

FERC Order on Paper Hearing and Order on Rehearing (Issued April 13, 2011)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12619222>

ISO and NEPOOL Filing: FCM redesign near-term changes, ER12-953 (Jan. 31, 2012)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12880298>

ISO filing: Revised FCM proposal, ER10-787 (July 1, 2010)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12378593>

ISO and NEPOOL filing: FCM redesign changes, ER10-787 (February 22, 2010)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12271862>

NEPOOL TODAY'S CHALLENGES

Order 1000 Transmission Development

A major activity for NEPOOL during 2012 has been its work on New England's response to Order 1000, especially focusing on two key aspects of the order. Those two aspects are: (1) the process for addressing Public Policy Requirements in the Regional System Plan (RSP); and (2) whether and how to open up regional transmission development to competitive processes.

Order 1000 was issued in July 2011 and set forth the requirements for public utility transmission providers to have in their tariffs comprehensive provisions for regional and interregional transmission planning and cost allocation. By August 2011, NEPOOL had established a process open to all interested stakeholders to provide input on Order 1000 compliance. That wide-open, NEPOOL-led process continued until early in 2012, when the Order 1000 discussions became more formalized within the NEPOOL Transmission Committee. During 2012, until the NEPOOL vote at the Transmission Committee in late September, the Transmission Committee met 10 times to discuss and develop Order 1000 compliance proposals. In addition to committee members, those meetings were well attended by representatives of the PTOs, the ISO, the New England states, independent transmission developers, and FERC Staff.

From the outset of the Order 1000 compliance efforts, it was clear that much of New England's RSP process was compliant without major changes. Public Policy Requirements transmission planning, however, stood out as a potentially significant new addition. It was also clear that the development of this new piece should be led by the New England states through NESCOE. NESCOE did lead that effort and, although there were some differing views about the framework for Public Policy Requirements transmission planning, a consensus was developed through deliberations of the NEPOOL Transmission Committee. That consensus proposal would allow for the states to identify Public Policy Requirements that drive transmission needs, the ISO to conduct the needs analysis, the states to request a competitive solicitation for transmission solutions to the identified needs, and for transmission to be built in response to such needs. The other major potential change to the current New England RSP and cost allocation rules to come out of the Order

1000 compliance effort is the opening up of reliability and market efficiency transmission development to competitive processes. Orders 1000 and 1000-A make clear that exclusive rights to build and own transmission that receives cost allocation as part of the regional transmission plan must be eliminated. In New England that exclusive right is held by the PTOs and is protected under a FERC-approved contract with a *Mobile-Sierra* clause, which means the right cannot be involuntarily eliminated unless the FERC first finds that its retention would be contrary to the public interest. Through the NEPOOL committee deliberations the issue of whether reliability/market efficiency transmission development should be open to competition among qualified developers was fully vetted and an alternative proposal to the current rules was created and supported by NEPOOL.

As we went through the initial Order 1000 compliance effort in New England, several groups that exist outside of NEPOOL—the PTOs, the ISO, the states—developed their positions, but in the end all of those positions had to work their way back through the central discussion forum—and across the bridge—that is the NEPOOL committee process. In that process, broad agreement was achieved on Public Policy Requirements transmission planning, and clear alternatives were formed for how reliability and market efficiency transmission should be developed, built, and owned in the future. In October, NEPOOL approved a proposal similar in many ways to the proposal that ISO and the Transmission Owners filed, but with certain key differences relating primarily to the competitive development of transmission upgrades to satisfy reliability or improve market efficiency.

Key Documents:

FERC Order 1000-A (Issued May 17, 2012)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12986936>

FERC Order 1000 (Issued July 17, 2011)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12750900>

ISO and PTO AC Compliance Filings, ER13-193 and ER13-196 (October 25, 2012)
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13095847> and
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13095893>

NEPOOL Filing: NEPOOL Proposal, ER13-193 and ER13-196 (November 16, 2012)
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13110777>

Increased Reliance on Gas

One major issue that engaged NEPOOL in 2012 was the challenges presented to the region's bulk power system by its increased reliance on natural gas-fired capacity. These challenges are growing in scope and urgency in New England, driven in large part by sustained low natural gas commodity prices and the expectation of future retirements of older generating units that are not gas-fired, such as oil and coal generating units. The ISO has expressed a growing concern that greater reliance on gas-fired units will strain the system's ability to effectively serve load demands as capacity constraints of interstate pipelines that serve New England occur, especially during cold weather conditions and other times of high gas demand or system stress from pipeline outages.

Attention to this issue was magnified in early 2012 when the FERC opened a new proceeding titled Coordination Between Natural Gas and Electric Markets (FERC Docket No. AD12-12). Recognizing the trend of natural gas becoming the fuel of choice for new electric generation, FERC solicited comments from both the natural gas and electric industries to address various issues and challenges that it associated with this increasing reliance. More than 80 entities submitted comments to the FERC, including many from New England. In July, the FERC responded by announcing a series of regional technical conferences to be held throughout the country over the summer.

One of those FERC technical conferences occurred in Boston on August 20, 2012, where industry and regulator representatives discussed with FERC Staff and two FERC Commissioners the challenges facing New England. Among the issues discussed were the challenges associated with information sharing between the gas and electric industries, the misalignment of the gas scheduling

rules and electric scheduling rules, and reliability concerns arising from generators that have not always had gas to operate their unit when the ISO calls on them.

On November 15, 2012, the FERC provided further guidance and direction to encourage greater coordination between the industries, acknowledging New England's formation of a Gas-Electric Focus Group to help in this regard. That Focus Group is chaired by three representatives, one each from state regulators and the gas and electric industries. The purpose of the Gas-Electric Focus Group is to bring the states and the two industries together to discuss the challenges resulting from the region's increasing reliance on gas-fired generation, and any responses to those challenges. Established as a joint NEPOOL/Northeast Gas Association working group, the Gas-Electric Focus Group began meeting late in 2012, and plans to continue to do so through the middle of 2013. The identified outcome of these collaborative efforts is a planned report that will: (1) assemble relevant information pertaining to the expanded use of natural gas for electric generation; (2) identify problems or challenges associated with that increased reliance; and (3) propose solutions to address any identified problems. The anticipated release date for the report is the summer of 2013.

Key Documents:

ISO White Paper: Addressing Gas Dependence (July 30, 2012)
http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/natural-gas-white-paper-draft-july-2012.pdf

FERC Order directing further conferences and reports, AD12-12 (November 15, 2012)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13111094>

FERC Notice requesting comments, AD12-12 (February 15, 2012)
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12893828>

NEPOOL STAKEHOLDER PROCESS



Participants Committee

As the principal governing body of NEPOOL, the Participants Committee constitutes a critical component in the bridge to change and consensus, considering and acting on all matters affecting the region's wholesale electric power arrangements, either directly or by delegation. Every NEPOOL Participant is entitled to have a member on this committee. Pursuant to the stakeholder processes outlined in the Participants Agreement, Participants Committee authority includes votes on ISO and Participant proposals to adopt or change the ISO Tariff, including changes to the Market Rules, the OATT and general tariff provisions, Financial Assurance and Billing Policies, and the Information Policy. The committee also acts on recommendations for Installed Capacity Requirements and related values, Operating Procedures, Manuals, cardinal changes to GIS Rules, and other system rules and procedures. It reviews and votes on the annual budgets of the ISO, NESCOE, and NEPOOL, and votes on whether to endorse candidates recommended for the ISO Board of Directors. In all, the Participants Committee voted on nearly 140 resolutions during 2012.

To carry out its responsibilities in 2012, the Participants Committee met for 17 days. Those meetings included a three-day Summer Meeting in June in Rhode Island (Newport) and regularly-scheduled monthly meetings, most often held in Massachusetts (Boston, Cambridge, and Framingham), with one in New Hampshire (Manchester). There were three special Participants Committee meetings in 2012, two held solely via teleconference and one that was held in-person in Rockport, Maine (at the conclusion of the Summer Meeting for the Reliability and Transmission Committees) that included a majority of members participating by teleconference. At all meetings, teleconference participation by members is an option.

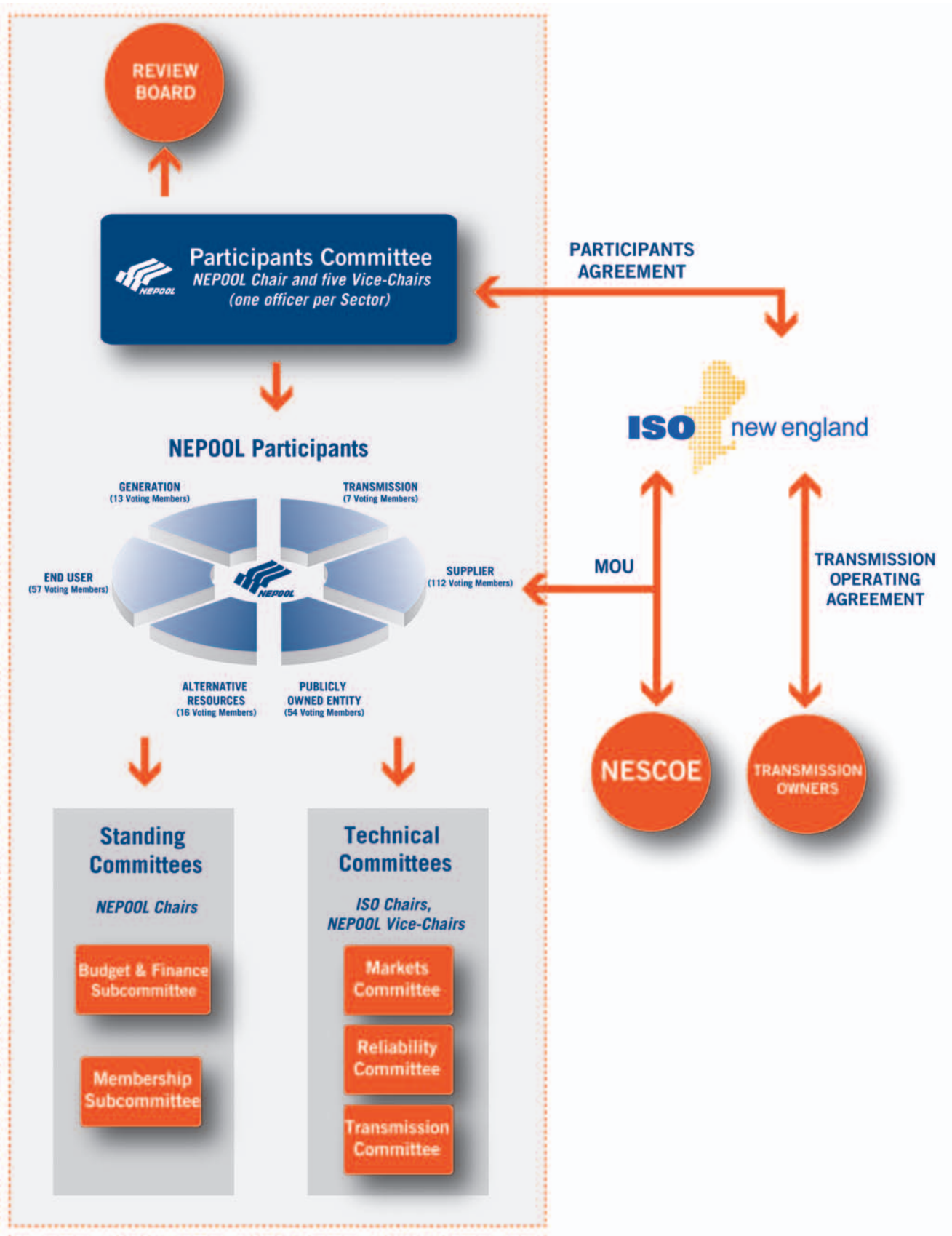
The Participants Committee actively works to provide a bridge among all interested stakeholders and regulators on emerging issues facing the region. At its Summer

Meeting, the Participants Committee connected industry stakeholders and state regulators in discussions on the ISO's "Roadmap for New England" and, together with representatives of the natural gas industry, in exploring emerging gas-electric coordination issues. The Participants Committee also provided a bridge to enforcement and compliance issues, bringing together the Deputy Director of the FERC's Office of Enforcement and the ISO's Director of Reliability & Operations Compliance for a joint report on enforcement and compliance matters.

The Participants Committee remained a key link for recurring interaction with state regulators, policy makers and their staffs. Commissioners and staff members from New England's state commissions routinely attended and participated actively in Participants Committee meetings, as did representatives of the FERC, Northeast Power Coordinating Council (NPCC), NECPUC, and NESCOE.

The Participants Committee is also a keystone in the relationship between the ISO and the Participants. The Participants Committee meets biannually with the ISO Board. In 2012, individual Sectors each met with members of the ISO Board to discuss matters of specific interest to their Sectors in connection with both the Summer and November meetings.

The Participants Committee provides support and stability for the passage to change, representing the NEPOOL Participants in proceedings before federal and state regulators. In 2012, the Participants Committee participated in, or actively monitored, more than 180 legal proceedings involving New England matters, including FERC litigation over the future of the FCM and FERC proceedings addressing transmission planning, the interrelationship between natural gas and electric markets, credit reforms, market refinements, and the treatment of Participant and ISO information. Those proceedings are identified on pages 23 to 25 of this Annual Report.





Markets Committee (continued)

Throughout the year, much of the committee's efforts also focused on various aspects of FCM. The committee considered and recommended FCM changes and enhancements with respect to the following:

- Demand Resource auditing;
- Demand Resource performance incentive allocation;
- Clarification of the FCM Net Regional Clearing Price calculation;
- Expanded opportunities for supplemental capacity resource to satisfy capacity needs;
- Opportunities for FCM Resources to submit partial Non-Price Retirement Requests;
- Modified cure period prior to terminating a resource's Capacity Supply Obligation (CSO);
- Enhancements to the CSO bilateral rules, the annual reconfiguration auction schedule, and the Real-Time Emergency Generation (RTEG) reconfiguration auction rules; and
- Greater flexibility for bidders to withdraw or to modify Static De-List Bids following qualification determination notifications.

The Markets Committee considered but did not support FCM revisions to reduce the detailed information about new, qualified capacity and de-list bids made public prior to each Forward Capacity Auction. The committee also considered but did not support additional FCM revisions to a package of major Market Rule changes to the FCM redesign, which are discussed on page 9 of this Annual Report.

In a number of other areas, the Markets Committee recommended changes: (1) implementing Financial Transmission Rights (FTR) Enhancements; (2) eliminating Internal Bilateral Transactions (IBTs) for the Regulation Market; (3) allowing information sharing with other market monitors investigating market-related issues; (4) modifying the Day-Ahead IBT Trading Deadline; (5) responding to FERC Order 760 by permitting ongoing

electronic delivery of market data; (6) changing the FRM threshold price to use a daily fuel-price index; (7) responding to FERC Order 745 by clarifying how Participants can aggregate the performances of multiple end-use customers; (8) changing RTEG Demand Reduction Values baselines and baselines adjustments and metering requirements; (9) supporting central counterparty changes in response to FERC Order 741; (10) implementing voluntary Real-Time dispatch rules for wind resources; (11) addressing the need for weekly posturing rules filed by the ISO as a result of concerns over limited LNG supply; and (12) cleaning up the Market Rules and Manuals to eliminate obsolete provisions and to consolidate defined terms with multiple definitions.

The Meter Reader and Demand Resources Working Groups, which both were formed by, and report to, the Markets Committee, were also busy in 2012.

The Meter Reader Working Group reviewed and provided input on a new set of values for capacity tags, the ISO's sub-hourly metering initiative, new asset registration process and future automation, current timeline for load ownership and load asset termination following a customer suspension, and recommendation for changes to that timeline.

The Demand Resources Working Group held 9 meetings in 2012 and provided input on the Demand Resource Auditing changes, a new asset auditing proposal, and a proposal to establish a communication protocol during the region's transition to more expansive use of PRD in the operation of the grid. This Working Group also conducted numerous technical and training sessions relating to the use of PRD in the region, North American Energy Standards Board updates, energy efficiency issues, critical path schedule monitoring and commercial status, the results of the sixth Forward Capacity Auction (FCA6) for demand resources, critical path schedule monitoring and commercial status, dynamic net benefits test, asset registration scenarios, customer baselines, performance, and lessons learned.

Markets Committee



Allison H. DiGrande
Chair
ISO-Appointed



Thomas W. Kaslow
(Supplier)
Vice-Chair
Participant-Elected

numerous changes to the Market Rules and Manuals. As in past years, this committee was very active in 2012, holding 15 meetings through November, for a total of 25 days of meetings, with at least 2 more days of meetings planned for the remainder of 2012.

Early in 2012, the Markets Committee considered a set of conforming changes to FCM intended to achieve consistency with the new price-responsive demand (PRD) transition period and full integration rules, filed by the ISO in 2011 to comply with FERC Order 745 on Demand Response compensation. In the spring, in response to the FERC's Final Rule on frequency regulation compensation (Order 755), the Markets Committee recommended for Participants Committee approval ISO-proposed Market Rule revisions to implement the Regulation Market design. Most recently, the Markets Committee considered a series of proposed changes intended to address increased reliance on natural gas-fueled generation and to improve gas-electric coordination in New England, including the following: timeline adjustments for clearing the Day-Ahead Market and Reserve Adequacy Assessment; changes to the Information Policy to allow for communication of additional information between ISO and gas pipeline operators; modifications to generation resource auditing requirements and procedures; and revisions to the Forward Reserve Market (FRM) rules to increase the amount of Ten-Minute Non-Spinning Reserve in the FRM.

The NEPOOL Markets Committee is one of the standing Technical Committees under the NEPOOL arrangements. It is chaired by a representative of the ISO, and the members elect a Vice-Chair. In 2012, the ISO Chair was Ms. Allison DiGrande, and members elected Mr. Thomas Kaslow to serve his third-term as Vice-Chair.

As the NEPOOL committee charged with advising the ISO and the Participants Committee on the design and operation of the region's wholesale electric markets, the Markets Committee worked hard in 2012 considering and recommending to the Participants Committee

Reliability Committee

With the many proposed improvements and upgrades to the region's transmission facilities, the NEPOOL Reliability Committee was busy in 2012 considering and recommending to the ISO and the Participants Committee numerous changes to the system and rules and standards needed for system operations. Under New England's arrangements, no material changes are permitted to the bulk power system without first notifying the ISO and waiting for confirmation that the proposed changes will not significantly affect the reliability or operations of the bulk power system. Those changes are all considered and voted on by the Reliability Committee. The Reliability Committee also reviews and provides advisory input on all proposed substantive changes to Operating Procedures, Transmission Cost Allocation applications, and Installed Capacity Requirements (ICRs). Carrying out these activities consumed much of the Reliability Committee's time in 2012. The Reliability Committee had a particular

focus on revising Operating and Planning Procedures for Black Start Service, generator performance audits, and the FCM overlapping impact test.

To accomplish these and other responsibilities of the Reliability Committee, the committee held 12 meetings in 2012 and received input from a variety of task forces and subcommittees such as the Voltage Task Force, the Stability Task Force, the Transmission Task Force, and the Power Supply Planning Committee. The Reliability Committee provided NEPOOL advisory input to the ISO and recommendations to the Participants Committee on numerous proposed plan applications and proposed delists of capacity resources, as well as recommendations on revisions to Operating and Planning Procedures, ICRs, and over \$160 million worth of Transmission Cost Allocation applications.



William S. Fowler
(Supplier/Generation)
Vice-Chair
Participant-Elected
Reliability Committee



Donald L. Gates
Chair
ISO-Appointed
Reliability Committee
Transmission Committee



José A. Rotger
(Supplier)
Vice-Chair
Participant-Elected
Transmission Committee

Transmission Committee

The NEPOOL Transmission Committee held 14 meetings and provided advisory input to the ISO and recommendations to the Participants Committee on the following efforts in 2012:

- Compliance with Order 1000 (see discussion on p. 10);
- Tariff amendments to effectuate the central counterparty approach to the ISO's role in transactions; and
- Numerous clean-up changes to the Tariff regarding definitions, obsolete provisions, and generator interconnection rules.



Eastern Interconnection Planning Collaborative (EIPC)

EIPC is a national initiative funded by the Department of Energy (DOE) to conduct scenario planning for the bulk power system on an Eastern Interconnection-wide basis (covering 39 states and part of Canada, and involving 26 planning authorities, including all the ISOs in the Eastern Interconnection). The EIPC is in Phase 2 of a two-year mission to develop three transmission build-out scenarios covering a range of futures, and to provide rough transmission and production cost estimates associated with those scenarios.

When the EIPC was formed in 2010, NEPOOL was quick to recognize the potential significance of the EIPC effort for New England, with the possibility of substantial transmission expansion and cost allocated to New England. For that reason, NEPOOL resolved early to be part of this process and committed resources early on in the EIPC process to do so. When the EIPC process began in the spring of 2010, NEPOOL worked to ensure that the EIPC process did not impede New England from developing transmission infrastructure to meet its renewable/clean energy needs in a way best tailored for New England. NEPOOL also worked to ensure that the studies included a broad range of scenarios to provide useful information for multiple transmission expansion alternatives. With NEPOOL's active involvement, these objectives were achieved in Phase 1 of the project. In late September 2011, the Stakeholder Steering Committee of EIPC agreed on three build-out scenarios for advanced study in 2012: (1) a "Nationally Implemented Federal Carbon Constraint with Increased Energy Efficiency/Demand Response Scenario"; (2) a

"Regionally Implemented National RPS Scenario"; and (3) a "Business As Usual Scenario". The scenarios are consistent with NEPOOL's objectives and provide for a complete range of large to small transmission upgrades, with implementation planned at both the national and regional levels.

The EIPC effort in 2012 was focused on finalizing the transmission and production cost estimates for the build-out scenarios, and finishing the Phase 2 Report. The rough, initial transmission cost estimates have ranged from a low of approximately \$12 billion to a high of over \$115 billion for the transmission expansion required to implement the scenarios. The DOE-funded effort will cease at the end of 2012 with a final report to be issued early in 2013. The EIPC effort will not result in any specific transmission projects being built on an interconnection-wide basis. Gratifyingly for New England, nor will that effort result in any involuntary cost allocation.

On balance, the EIPC process has provided useful information and analysis for system planning in the Eastern Interconnection and has paved the way for better coordination of interregional transmission planning among planning authorities, transmission owners, and market participants in the Eastern Interconnection. Through NEPOOL's involvement, the EIPC is producing informative and helpful studies that retain flexibility for the Northeast to achieve its regional planning objectives and that provide useful information for analyzing numerous transmission alternatives for the region. The EIPC efforts have met NEPOOL's goals for the region.

Membership Subcommittee



Michael J. Lynch
(Publicly Owned Entity)
Chair

Activity at the Membership Subcommittee remained steady in 2012, with the Subcommittee considering nearly 40 applications for membership in, and 33 terminations of membership from, NEPOOL. With a number of applications conditionally approved in 2011 and completed in 2012, there was a modest year-end net gain of 10 Participant members over 2011 numbers.

To consider applications to join or terminate NEPOOL membership, the Membership Subcommittee, chaired by Mr. Michael J. Lynch, met once a month. The Subcommittee has the delegated authority from the Participants Committee to approve applications for membership in, and to approve terminations of membership from, NEPOOL.

Of the new members, more than half became members of the Supplier Sector. Eight of the remaining new members applied to join the AR Sector, with four each joining the Generation and End User Sectors. Most of the terminations in 2012 were by Participants whose activities were consolidated under Related Persons that continue to be NEPOOL members. 14 terminations were reported to be the result of a cessation of business activities.

Review Board and Review Board Liaison Committee

The Review Board is an independent board tasked with considering any appeals by NEPOOL members of NEPOOL's actions or failures to act. The Board is required to act on appeals within 35 business days.

In 2012, the following members served on the Board:

- William Museler (Chair)
- Jacob Feinstein
- Jon (Jack) Lotis

The Review Board Liaison Committee, chaired by Mr. Stacy Dimou, met with the Review Board twice in 2012. Those meetings were to discuss administrative issues associated with the Board functions and to apprise the Review Board generally of NEPOOL matters, in support of the Board's efforts to remain prepared to act expeditiously on matters that might come before it.



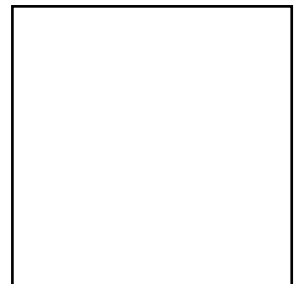
William Museler
Chair
Review Board



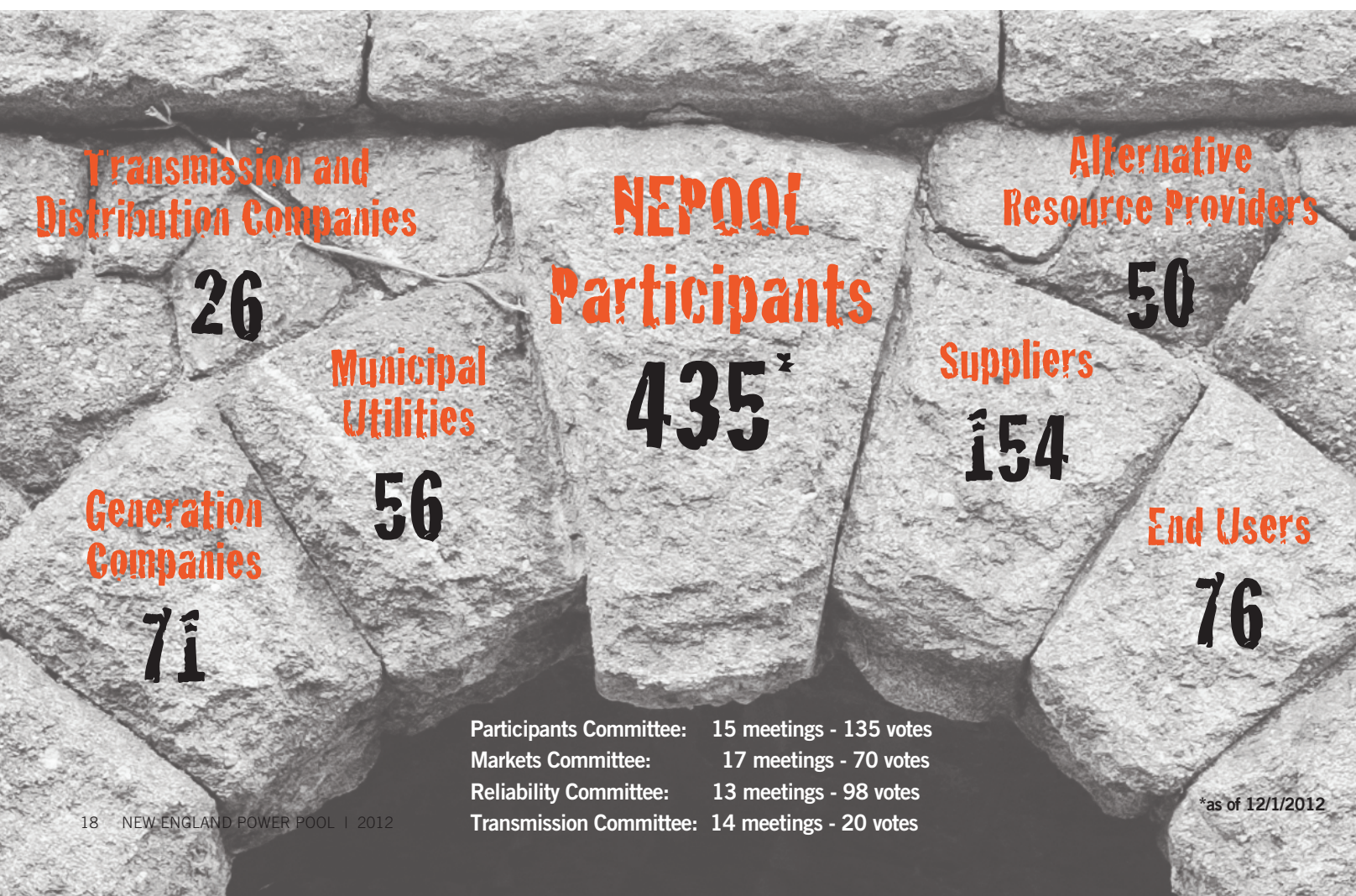
Jacob Feinstein
Review Board



Jon (Jack) Lotis
Review Board



Stacy Dimou
(Transmission)
Chair
Review Board
Liaison Committee



GIS Working Group

The NEPOOL Generation Information System (GIS) creates and manages electronic certificates representing the fuel source, emissions, and other attributes of all the power settled in the ISO's market settlement system, as well as attributes for certain behind-the-meter generators and conservation resources that are not settled in the ISO System and certain renewable generators that import power into New England. These certificates form the basis for retail bill disclosures, renewable and alternative energy portfolio standard compliance, environmental trading, and investment incentives in the New England states. The GIS is owned by NEPOOL and is operated and administered by APX, Inc. The GIS Operating Rules Working Group, which reports to the Markets Committee, addresses changes to the GIS, including the Operating Rules governing the GIS.

In 2012, the GIS Operating Rules Working Group met five times and worked through changes to the GIS Operating Rules that achieved the following: (1) added a data field to GIS Certificates denoting Connecticut Low Emissions Renewable Energy Credit (LREC) qualification; (2) developed an alternative metering standard for generators that are not registered in the ISO's Market Settlement System (non-MSS generators); (3) introduced automatic banking of all Certificates eligible to satisfy renewable and alternative portfolio standards and other Certificates representing renewable generation; and (4) introduced Certificates representing thermal energy produced by renewable resources that are eligible for the New Hampshire Renewable Portfolio Standard. The NEPOOL Markets Committee approved two of those four changes: the addition of the data field denoting LREC qualification and the alternative metering standard for non-MSS generators.

Additionally, representatives of NEPOOL met this year with officials from the Philippines Electricity Market Corporation, the operator of wholesale energy markets in the Philippines, to describe the GIS to that company as it begins work on its own renewable energy tracking system. Further, at the request of the Working Group, NEPOOL Counsel participates in periodic meetings with representatives of the other renewable energy credit tracking systems in the United States to explore best practices and common issues facing those systems.

The GIS now has 724 active accounts, with 168 of those accounts added in 2012. In addition, 2,795 approved generators have registered in the GIS, with 1,755 new generators joining in 2012. The GIS created and managed 123,917,697 Certificates from the third quarter of 2011 through the second quarter of 2012. Looking solely at the first and second quarters of 2012, the GIS created and managed more than 9,285,868 Renewable Certificates.





Budget & Finance Subcommittee



Joel S. Gordon
(Supplier)
Chair

The Budget & Finance Subcommittee and a new Dodd-Frank Working Group formed by the Subcommittee spent much of their time in 2012 working with the ISO on two related issues: (1) implementing the provisions of FERC Order 741 providing for the ISO to become the “central counterparty” on most transactions in the New England Markets; and (2) reviewing and responding to the proposed order of the U.S. Commodity Futures Trading Commission (CFTC) exempting transactions in the New England markets from CFTC regulation under the Dodd-Frank Act. The Subcommittee met 13 times in 2012.

The Subcommittee took the lead for NEPOOL in reviewing the changes to the Financial Assurance Policy, the Billing Policy, Market Rule 1, and the ISO Tariff, to implement the central counterparty provisions of FERC Order 741. Under those changes, which become effective on January 1, 2013, the ISO will act as the counterparty for all transactions that clear through the Day-Ahead and Real-Time Markets, as well as regional network transmission service, and certain bilateral wholesale power transactions that clear through the ISO Settlement Systems. These provisions were the sole remaining item

from the 2011 implementation of the requirements of FERC Order 741.

The Dodd-Frank Working Group consulted with the ISO on the joint filing made with the CFTC by the independent system operators and regional transmission organizations around the country for an exemption from the Dodd-Frank Act for certain transactions involving energy, capacity, FTRs, and a supplemental exemption request made only by the ISO with respect to certain bilateral transactions. The CFTC issued a draft of a proposed exemption in August, and the Working Group filed comments with the CFTC pointing out areas where the exemption could be strengthened. That exemption has not yet become final. The CFTC has not yet issued a draft order on the ISO’s supplemental exemption request.

The Subcommittee also considered and recommended changes to the Financial Assurance Policy related to the submission of financial statements and the mechanics of Market Participant suspensions, and it reviewed the ISO’s financing plans for the back-up Control Center being built in Connecticut. Finally, the Subcommittee is beginning to consider a proposal for third-party clearing of FTR transactions.

The Budget & Finance Subcommittee has recommended the following NEPOOL budget for 2013 (with 2012 budget forecast figures included for comparison):

Expressed in Thousands of Dollars	2013 PROPOSED BUDGET	2012 APPROVED BUDGET	2012 CURRENT FORECAST
Operating Expenses	\$6,007	\$5,847	\$6,167
Revenue	(\$3,240)	(\$3,390)	(\$3,260)
Net Participant Expenses	\$2,767	\$2,457	\$2,907

Legal Proceedings & Appeals

The bridge to consensus and change almost always leads to the FERC, which must accept or approve any changes to the New England market arrangements. In 2012, there were more than 180 active FERC proceedings involving regional New England matters, marked by a continuing focus on the refinement and administration of New England’s Forward Capacity Market, responses to FERC policy directives and reporting requirements, coordinated transaction scheduling, posturing rules, the reliability review of rejected de-list bids, budget and rate-related proceedings, the treatment of confidential information, and other market issues and improvements.

2012’s legal proceedings highlight that, with NEPOOL and the NEPOOL stakeholder process as the keystone, the bridge for today’s challenges is the most direct, defined, and steadfast, and the level of contested regulatory involvement reduced, when changes to the implementing Market Rule or other Tariff changes enjoy the joint support of NEPOOL and the ISO and, where applicable, transmission owners, and others with affected filing rights. Even where the overall direction is unclear and must be ultimately determined by the FERC, the systematic, purposeful, and collaborative connections brought out by the regimen of the Participant Processes inform and make more efficient the FERC’s task. The FERC continued to insist that its

action on matters be funneled through and informed by the Participant Processes.

Of the over 180 active legal proceedings in 2012:

98 were resolved entirely within the Participant Processes

27 were contested but resolved through paper hearings

3 were resolved through or are in ongoing hearings or settlement proceedings

12 were proceedings initiated by periodic reporting requirements

6 were FERC enforcement proceedings

8 were natural gas-related proceedings

21 were administrative and rulemaking proceedings

NEPOOL Counsel summarizes for members each month the legal proceedings relating to New England matters and developments in those proceedings for the prior month. A full listing of the legal proceedings that were active in 2012 is included on pages 24 to 25 of this Annual Report.

Appeals

U.S. Court of Appeals for the D.C. Circuit (unless otherwise noted)

Docket	Appellant(s)	Underlying Proceeding (FERC Dockets Appealed)
10-1103	PSEG	FCA1 Results (ER08-633)
10-1395; 09-1231	Massachusetts Public Systems	SEMA Cost Allocation (MPS LSCPR Complaint) (ER08-48)
11-1422	NEPGA	FCM Settlement Appeal Remand and Remand Rehearing Orders (ER03-563-066 -067)
11-1486 (consol.)	EPSA, EEI et al.	Orders 745/745-A (RM10-17)
12-1060 (consol.)	NEPGA, NSTAR, MMWEC/NHEC, VT DPS/PSB, NRG	FCM Redesign (ER10-787 et al.)
12-1144	Brookfield	Capacity Import Complaint Proceedings (EL09-48 et al.)
12-1232 (consol.)	PSEG et al.	Orders 1000/1000-A (RM10-23)
12-1306	EPSA and NEPGA	New England’s Order 745 Compliance Filing (ER11-4336)
12-707 (2nd Circuit)	Vermont Parties (AG, PSB, Gov.)	Vermont Yankee Complaint (D. Vt. 1:11-cv-00099)

Market Rule Changes, Waiver Requests

ER10-787 et al.	FCM Redesign Revisions
ER11-2580	Tie Benefits Calculation Methodology
ER11-4336	Order 745 (DR Comp.) Compliance Filing
ER12-213	Multi Region NCPC Cost Allocation
ER12-505	Regulation Pilot Program Re-Opener
ER12-609	Load Reconstitution Methodology
ER12-859	Notice of Effective Date: DARD Revisions
ER12-941	Seneca Energy Waiver Request (FCA7 SOI Submission Deadline)
ER12-947	FCM Conforming Changes for PRD Transition Period
ER12-953	FCM Redesign Changes: Near-Term Compromise
ER12-1154	FCM De-List Bid Rule Revisions
ER12-1155	Coordinated Transaction Scheduling
ER12-1234	Capacity Transfer Rights Revisions
ER12-1242	Automated Mitigation Technical Changes
ER12-1314	Increased RCPF for System-wide TMOR
ER12-1325	Net Regional Clearing Price Clarification
ER12-1382	Supplemental Availability Bilaterals FCM Participation Revisions
ER12-1389	DR Audit Revisions
ER12-1392	DR Performance Incentives
ER12-1455	IMM-Proposed Changes to Publication of FCA Information
ER12-1550	PRD Transition Period Clarifications
ER12-1627	FCM Conforming Changes for PRD Full Integration
ER12-1643	Order 755 Compliance Filing
ER12-1809	Posturing Rules Changes
ER12-2112	Deferral of PER Mechanism Discussion
ER12-2122/2195	FTR Annual & Monthly Auction Changes
ER12-2228	Order 760 Compliance Filing
ER12-2393	Partial Non-Price Retirement Requests
ER12-2485	Daily FRM Threshold Price Calculation
ER12-2625	FCM Resource Termination Revisions
ER12-2690	Wind Resource Dispatch Rules
ER12-2697	Various FCM Rule Revisions
ER13-262	Elimination of Regulation IBTs
ER13-323	Generator Audit Revisions
RM10-17	Order 745 Compliance Filing (Dynamic Net Benefits Test)

FCM CSO Terminations

ER12-429	United Illuminating
ER12-800	Rhode Island Engine Genco
ER12-1256	Conn. Municipal Electric Energy Coop.
ER12-1257	Longfellow Wind
ER12-1333	Highland Wind
ER12-1334	Ansonia Generation
ER12-2186	Cambridge Energy Alliance
ER12-2187	Ameresco DR
ER12-2188	Ampersand Energy Partners
ER12-2189	Commonwealth of Massachusetts
ER12-2190	Connecticut Light & Power
ER12-2191	Constellation NewEnergy
ER12-2198	Conservation Services Group
ER12-2213	Vermont Public Power Supply Authority
ER13-317	Holyoke Gas & Electric Department

Forward Capacity Auction Filings

ER08-633	FCA1 Results Remand Proceeding
ER11-3891	FCA5 Results Filing

ER12-757	FCA6 Qualification Informational Filing
ER12-1678	FCA6 Results Filing
ER13-335	FCA7 Qualification Informational Filing

Information Policy Filings

ER06-332	State Certification Update (MA DPU)
ER12-860	Transmission De-Rate Info Changes
ER13-356	Pipeline Information-Sharing Changes

OATT Amendments

ER11-2216	Capability Resource Ratings
ER12-229	VAR Service (Schedule 2) Revisions
ER12-481	Modified Phase I/II HVDC-TF Facilities Amendments
ER12-729	Blackstart (Schedule 16) Amendments
ER12-991	ISO Revisions to Reliability Review of Rejected De-List Bids (Attach. K & MR1)
ER12-1847	LGIP/SGIP Revisions
ER12-1914	NPC-Supported Revisions to Reliability Review of Rejected De-List Bids
ER12-2041	Defined Terms Revisions
ER13-31	Excepted Transaction Updates
ER13-193/196	Order 1000 Compliance Filing

ISO-NE eTariff

ER12-819	Corrections to eTariff Section I.1.2
ER12-962	Correction to eTariff Metadata
ER12-1465	Correction to eTariff Section III.12.2
ER12-1996	Corrections to eTariff Section III.13.1, MR1 Appendix A, Info Policy, FAP

Financial Assurance/Billing Policy Amendments

ER11-3953	Credit Reform (Order 741) Compliance Filing
ER12-1074	Revisions to Capitalization & Financial Statement Requirements; Suspension Provisions
ER12-1101	Removal of DRP-Only Customer References
ER12-1651	Order 741 Compliance Filing (Central Counterparty Proposal)
ER12-2575	IBT Notice and Limited Cure Period

ICRs, HQICCs and Related Values

ER12-496	2012/2013 ARA3 and 2013/2014 ARA2
ER12-756	2015/2016 Power Year
ER13-334	2016/2017 Power Year

Rate Filings

ER09-1532 et al.	2012/2013 Power Year Trans. Rates
ER12-1973	NESCOE 2013-2017 Budget Framework
ER13-185	2013 Administrative Costs Budget
ER13-192	2013 Capital Budget
ER13-293	2013 NESCOE Budget
ES12-41	Replacement of Revolving and Payment Default Shortfall Fund Credit Lines
ES12-47	Issuance of \$40 Million of Securities for New Back-Up Control Center
ES12-48	Issuance of \$11 Million of Securities for Capital Expenditures

Complaints

EL11-66	Base ROE Complaint
---------	--------------------

Membership Filings

ER12-725	January 2012 Membership Filing
ER12-951	February 2012 Membership Filing
ER12-1184	March 2012 Membership Filing
ER12-1404	April 2012 Membership Filing
ER12-1659	May 2012 Membership Filing
ER12-1908	June 2012 Membership Filing
ER12-2169	July 2012 Membership Filing
ER12-2375	August 2012 Membership Filing
ER12-2567	September 2012 Membership Filing
ER12-2705	October 2012 Membership Filing
ER13-[]	December 2012 Membership Filing

Schedule 21 Updates

ER09-934	BHE: Formula Rate Update
ER09-938	CMP Annual Informational Filing
ER09-1243	NSTAR Annual Informational Filing
ER09-1498	FGE: Annual Informational Filing
ER11-4021 et al.	NU: Glenbrook Cables Project Allocation
ER11-4330	VEC: Order 729 and Attachment C Changes
ER12-65	NU: Granite Reliable Waiver Request
ER12-491	BHE: Amended Milford LSA
ER12-639	UI: Clarification to Billing Procedures
ER12-700	CVPS: Non-Conforming LSA
ER12-901	NEP: Mansfield LSA
ER12-1289	UI: LCSA PSEG New Haven
ER12-1309	NEP: Templeton LSA
ER12-1407	NU: LCRA PSEG New Haven
ER12-1453	FGE: Updated Depreciation Rates
ER12-1606	NEP: Mansfield LSA
ER12-2304	GMP: CVPS Merger Revisions

Regional Reports

ER03-345	Load Resp. Quarterly Status Reports
ER06-613	Reserve Market Semi-Annual Reports
ER07-476	LFTR Implementation: Quarterly Status Reports
ER08-54	Non-Generating Resource Regulation Market Participation Quarterly Reports
ER12-1067	Capital Projects Report - 2011 Q4
ER12-1795	Capital Projects Report - 2012 Q1
ER12-2441	Capital Projects Report - 2012 Q2
ER13-192	Capital Projects Report - 2012 Q3
ZZ11-4	Quarterly Markets Reports
ZZ12-4	2011 Annual Markets Reports
	ISO-NE 2011 FERC Form 714

FERC Enforcement Actions

IN12-3	Holyoke Gas & Electric Department
IN12-7	Constellation Energy Commodities Group
IN12-10	Lincoln Paper & Tissue Show Cause Order
IN12-11	Rumford Paper Show Cause Order
IN12-12	CES Show Cause Order
IN12-13	Silkman Show Cause Order
IN12-16	Oct 2011 Northeast Snowstorm Transmission Facility Outages Report

Natural Gas Proceedings

AD12-12	Natural Gas/Electric Markets Coordination
CP08-36	Order Vacating Junction Natural Gas Storage Project Certificate
CP10-480	Second Circuit Order Upholding FERC-Granted CPCN to Central NY Oil for Construction of Shale Gas Pipeline

CP11-72	Sabine Pass – Liquefaction and Export of Domestically Produced Natural Gas
IN12-1; IN12-5	Shipper-Must-Have-Title and Buy/Sell Prohibition Enforcement Actions
RM11-15	Order 894: Bidding by Affiliates in Open Seasons for Pipeline Capacity
RP11-2569	Texas Gas – Enhanced Nomination Service
RP12-461	Texas Gas – Inclusion of No-Notice Natural Gas Service in Tariff
RP12-520	Gulf Crossing – Establishing Enhanced Firm Transportation Service

Administrative Proceedings

AD12-1	Technical Conf.: Reliability
AD12-5	High Voltage Grid Voltage Coordination
AD12-6	FERC Plan for Analysis of Existing Rules
AD12-9	Capacity Allocation on New Trans. Projects
AD12-10	Technical Conf: Reactive Power Resources
AD12-13	Technical Conf: Geomagnetic Disturbances to the Bulk-Power System
AD12-14 et al.	NOI: Open Access and Priority Rights on Interconnection Facilities
AD12-17 et al.	Request to Update SGIP for Solar Generation

Rulemaking Proceedings

RM05-5	NOPR: Incorporation of WEQ DR and Energy Efficiency M&V Standards
RM10-11	Order 764: Variable Energy Resources
RM10-12	Order 768: Electricity Market Transparency
RM10-13	Order 741: Credit Reform
RM10-17	Order 745, 745-A: Demand Response Compensation in ISO/RTO Energy Markets
RM10-23	Order 1000: Transmission Planning and Cost Allocation
RM11-7 et al.	Order 755, 755-A: Frequency Regulation Compensation
RM11-14	NOI: Analysis of Horizontal Market Power under the FPA
RM11-17	Order 760: eDelivery of RTO/ISO Market Data to FERC
RM11-24 et al.	NOPR: 3rd-Party Provision of Ancillary Services; New Electric Storage Technology Accounting and Financial Reporting
RM11-26	Policy Statement: Promoting Transmission Investment Through Pricing Reform
RM12-2	Order 769: Filing of Privileged Materials and Answers to Motions
RM12-3	Order 770: EQR Filing Process Revisions

Others

EL10-52	Central Transmission v. PJM: Merchant Transmission Cost Recovery
EL11-49	NE Link TSA Declaratory Order
EL12-12	Allco Renewable Energy v. NGRID - PURPA Complaint
EL12-16	Riggs v. RI PUC PURPA Complaint
EL12-83	CARE v. MA DPU PURPA Complaint
EL12-100	Riggs v. RI PUC Deepwater Wind PURPA Complaint
EL12-106	Foley v. UI: Rate Base Complaint
ER11-1844	MISO Methodology to Involuntarily Allocate Costs to Entities Outside Its Control Area
	CFTC Exemption Request

*As of December 1, 2012



NEPOOL

Operative Documents

Second Restated NEPOOL Agreement (2d RNA)

http://www.iso-ne.com/regulatory/restatd_nepool_agree/index.html

Participants Agreement (PA)

http://www.iso-ne.com/regulatory/part_agree/index.html

Market Participant Service Agreement (MPSA)

http://www.iso-ne.com/regulatory/tariff/attach_a/index.html

ISO Tariff (Tariff)

<http://www.iso-ne.com/regulatory/tariff/index.html>

Manuals

http://www.iso-ne.com/rules_proceeds/ison_mnls/index.html

Operating Procedures (OPs)

http://www.iso-ne.com/rules_proceeds/operating/ison/index.html

Planning Procedures (PPs)

http://www.iso-ne.com/rules_proceeds/ison_plan/index.html

Transmission Operating Agreement (TOA)

<http://www.iso-ne.com/regulatory/toa/index.html>

Phase I/II HVDC Transmission Operating Agreement (HVDC TOA)

http://www.iso-ne.com/regulatory/toa_1-27-2012.pdf

Phase I/II HVDC -TF Transmission Service Administration Agreement (TSAA)

http://www.iso-ne.com/regulatory/toa_1-27-2012.pdf

Asset Owners Agreement (AOA)

http://www.iso-ne.com/regulatory/co_agree/index.html

Highgate Interconnection Operators Agreement

http://www.iso-ne.com/regulatory/co_agree/index.html

New Brunswick Coordination Agreement

http://www.iso-ne.com/regulatory/tariff/attach_f/index.html

NYISO Coordination Agreement

http://www.iso-ne.com/regulatory/tariff/attach_f/index.html

Interregional Coordination and Seams Issue Resolution Agreement

http://www.iso-ne.com/regulatory/ferc/filings/2004/jun/rt04-2-002_6-22-04_90day_rto_compliance.pdf

GIS Operating Rules

<http://www.nepoolgis.com/>

Review Board Rules of Procedure and Code of Conduct and Ethics Policy

http://www.iso-ne.com/committees/comm_wkgrps/prtcpnts_comm/rvwbrd/prps/index.html

Memorandum of Understanding Among ISO, NEPOOL, and NESCOE

http://www.iso-ne.com/regulatory/part_agree/index.html

Interconnection Operators Agreement (IOA)

http://www.iso-ne.com/regulatory/co_agree/index.html

NEPOOL Participants*

511 Plaza, LP	Calpine Energy Services, LP
511 Plaza Energy, LLC	Cambridge Energy Alliance, Inc.
A123 Systems, Inc.	Canadian Wood Products – Montreal, Inc.
Acushnet Company	Cape Light Compact
Advanced Power Services (NA)	Cape Wind Associates, LLC
AEP Energy, Inc.	Cargill Power Markets, LLC
Aequitas Energy, Inc.	Central Maine Power Company
Algonquin Energy Services Inc.	Centre Lane Trading Limited
Ambit Northeast LLC	CHI Power Marketing, Inc.
Ameresco CT LLC	Chicopee Mun. Lighting Plant
Ameresco DR, LLC	Choice Energy LLC
American PowerNet Management, LP	Cianbro Companies
Ampersand Energy Partners	Cianbro Energy, LLC
Ansonia Generation, LLC	CinCap V, LLC
Anthony, Christopher M.	Citigroup Energy Inc.
Ashburnham Mun. Light Plant	Clearview Electric Inc.
Associated Industries of Mass.	Commonwealth of Mass. (Div. of Capital Asset Management)
Athens Energy LLC	Competitive Energy Services
Backyard Farms, LLC	Competitive Power Ventures
Backyard Farms Energy, LLC	Converge, Inc.
Bangor Hydro-Electric Company	Concord Municipal Light Plant
Barclays Bank PLC	Concord Steam Corporation
BBPC LLC d/b/a Great Eastern Energy	Connecticut Central Energy, LLC
Beacon Power, LLC	Connecticut Gas & Electric, Inc.
Bear Swamp Power Company	Connecticut Jet Power LLC
Belmont Mun. Light Department	Connecticut Light and Power Co.
Berkshire Power Company, LLC	Connecticut Municipal Electric Energy Cooperative
Berlin Station, LLC	Connecticut Resources Recovery Authority
BG Energy Merchants, LLC	Connecticut Transmission Mun. Electric Energy Cooperative
Black Bear HVGW, LLC	Conservation Law Foundation
Black Bear Hydro Partners, LLC	Conservation Services Group
Blackstone Hydro, Inc.	Consolidated Edison Co. of NY
Blue Pilot Energy, LLC	Consolidated Edison Development, Inc.
Blue Sky East, LLC	Consolidated Edison Energy
BNP Paribas Energy TradingGP	Consolidated Edison Solutions
Boylston Mun. Light Department	Constellation Energy Commodities Group, Inc.
BP Energy Company	Constellation Energy Power Choice, Inc.
Braintree Electric Light Dept.	Constellation NewEnergy, Inc.
Bridgeport Fuel Cell Park, LLC	Corinth Energy LLC
Bridgewater Power Company	Corinth Wood Pellets, LLC
Brookfield Energy Marketing Inc.	Covanta Energy Marketing, LLC
Brookfield Energy Marketing LP	
Brookfield Renewable Energy Marketing US LLC	
Burlington Electric Department	
C.N. Brown Electricity, LLC	

Covanta Haverhill Associates
Covanta Maine LLC
Covanta Projects of Wallingford
CP Energy Marketing (US) Inc.
CPV Towantic, LLC
Cross-Sound Cable Company
Danvers Electric Division
Darby Energy, LLLP
Dartmouth Power Associates
DB Energy Trading, LLC
DC Energy, LLC
Demansys Energy, LLC
Devon Power LLC
Devonshire Energy LLC
DFC ERG CT, LLC
DFC-ERG Milford, LLC
Direct Energy Business, LLC
Discount Power, Inc.
Dominion Energy Marketing, Inc.
Dominion Nuclear Connecticut
Dominion Retail, Inc.
DownEast Power Company, LLC
DR Power, LLC
Dragon Energy LLC
Dragon Products Company LLC
DTE Energy Trading, Inc.
Duke Energy Comm. Enterprises
Dynegy Marketing and Trade
East Avenue Energy LLC
Easy Energy of Massachusetts
EDF Trading North America
Edison Mission Marketing & Trading, Inc.
eKapital Investments LLC
Electricity Maine, LLC
Electricity N.H., LLC d/b/a E.N.H. Power
Elektrisola, Inc.
Emera Energy Services Subsidiary No. 1 LLC
Emera Energy Services Subsidiary No. 2 LLC
Emera Energy Services Subsidiary No. 3 LLC
Emera Energy Services Subsidiary No. 4 LLC
Emera Energy Services Subsidiary No. 5 LLC
EMI Power Systems, LLC

Energy America, LLC
Energy Curtailment Specialists
Energy Management, Inc.
Energy New England LLC
Energy Federation Inc.
Energy Plus Holdings LLC
EnergyConnect, Inc.
EnerNOC, Inc.
Entergy Nuclear Power Marketing LLC
EnvaPower, Inc.
Environment Northeast
EP Energy Massachusetts, LLC
EP Newington Energy, LLC
EquiPower Resources Management, LLC
ESI Northeast Energy GP, Inc.
ETC Endure Energy, LLC
Evergreen Wind Power III, LLC
Evergreen Wind Power V, LLC
Exelon New England Holdings
Fairchild Energy, LLC
Fairpoint Energy, LLC
First Point Power, LLC
First Wind Energy Marketing
FirstLight Hydro Generating Co.
FirstLight Power Resources Management, LLC
Fitchburg Gas & Elec. Light Co.
Food City, Inc.
Footprint Power LLC
FPL Energy Maine Hydro, LLC
FPL Energy Mason, LLC
FPL Energy Wyman, LLC
FPL Energy Wyman IV, LLC
Freedom Logistics, LLC
Freepoint Commodities, LLC
Gallop Power Greenville, LLC
Galt Power Inc.
Garland Manufacturing Co.
Garland Power Company
Gas Recovery Systems, LLC
GenConn Energy LLC
GenOn Canal, LLC
GenOn Energy Management
GenOn Kendall, LLC
Georgetown Mun. Light Dept.
Glacial Energy of New England

Granite Reliable Power, LLC
Granite Ridge Energy, LLC
Granite State Electric Company
Great Bay Energy IV LLC
Great Bay Power Marketing, Inc.
Green Berkshires, Inc.
Green Mountain Energy Co.
Green Mountain Power
Groton Electric Light Department
Groveland Electric Light Dept.
Gulf Oil Limited Partnership
H.Q. Energy Services (U.S.) Inc.
Hammond Belgrade Energy LLC
Hammond Lumber Company
Hampshire Council of Governments
Hannaford Bros. Co.
Hannaford Energy, LLC
Hardwood Energy LLC
Hardwood Products Company
Harvard Dedicated Energy Limited
Hess Corporation
Hexis Energy Trading, LLC
High Liner Foods (USA) Inc.
Hingham Mun. Lighting Plant
Holden Mun. Light Department
Holyoke Gas & Electric Dept.
HOP Energy, LLC
Hudson Energy Services, LLC
Hudson Light and Power Dept.
Hull Municipal Lighting Plant
Iberdrola Renewables, LLC
Indeck Energy-Alexandria, LLC
Independence Energy Group
Industrial Energy Consumer Grp.
Industrial Power Services Corp.
Integrays Energy Services, Inc.
IPR-GDF SUEZ Energy Marketing North America, Inc.
Ipswich Mun. Light Department
Iron Energy LLC
J. Aron & Company
J.F. Gray & Associates, LLC
J.P. Morgan Ventures Energy Corporation
Just Energy (U.S.) Corp.
Kennebec River Energy, LLC

Kimberly-Clark Corporation
Kleen Energy Systems, LLC
LaBree's, Inc.
LaBree's Energy, LLC
Lavalley Energy LLC
Liberty Power Delaware LLC
Liberty Power Holdings, LLC
Lincoln Paper and Tissue, Inc.
Linde Energy Services, Inc.
Littleton (MA) Electric Light Dept.
Littleton (NH) Water & Light Dept
Long Island Lighting Company d/b/a LIPA
Longfellow Wind, LLC
Louis Dreyfus Energy Services
Macquarie Energy, LLC
Madison Electric Works
MAG Energy Solutions, Inc.
Maine Public Advocate Office
Maine Public Service Company
Maine Skiing, Inc.
Maine Woods Pellet Company
Manchester Methane, LLC
Mansfield Mun. Electric Dept.
Marble River, LLC
Marblehead Mun. Light Dept.
Marden's, Inc.
Massachusetts, Office of the Attorney General
Massachusetts Bay Transportation Authority
Massachusetts Development Finance Agency
Massachusetts Electric Co.
Massachusetts Gas and Electric
Massachusetts Municipal Wholesale Electric Company
Massachusetts Port Authority
MATEP LLC
Merchants Plaza, LLC
Merchants Plaza Energy, LLC
Mercuria Energy America, Inc.
Merrill Lynch Commodities, Inc.
Merrimac Mun. Light Department
Messalonskee Stream Hydro
Middleborough Gas & Electric Department
Middleton Mun. Electric Dept.
Middletown Power LLC

Millennium Power Partners, LP
Miller Hydro Group, Inc.
Mint Energy, LLC
MoArk, LLC
Montville Power LLC
Morgan Stanley Capital Group
Narragansett Electric Company
NEPM II, LLC
New Brunswick Power Generation Corporation
New England Building Materials
New England Confectionery Co.
New England Independent Transmission Company, LLC
New England Power Company
New England Wire Technologies Corporation
New Hampshire Electric Cooperative, Inc.
New Hampshire Industries, Inc.
New Hampshire Office of Consumer Advocate
New Hampshire Transmission
New York State Electric & Gas
NextEra Energy Maine, Inc.
NextEra Energy Power Marketing
NextEra Energy Resources, LLC
NextEra Energy Seabrook LLC
Noble Americas Energy Solutions
Noble Americas Gas & Power
Noble Environmental Power
North America Power Partners
North American Power and Gas
North Attleborough Electric Dept.
Northern States Power Co.
Norwalk Power LLC
Norwood Municipal Light Dept.
NRG Power Marketing, LLC
NSTAR Electric Company
Number Nine Wind Farm LLC
Nxegen, LLC
NYSEG Solutions, Inc.
OBE Electric, LLC
Ontario Power Generation Energy Trading, Inc.
Ontario Power Generation Inc.
Open Book Energy, LLC
Order of St. Benedict of NH, d/b/a St. Anselm College

PalletOne Energy LLC
PalletOne of Maine
Palmco Power CT, LLC
Palmco Power MA, LLC
Parkview Adventist Med. Center
Parkview AMC Energy, LLC
Pascoag Utility District
Patriot Partnership LLC
Pawtucket Power Holding Co.
Paxton Municipal Light Dept.
Peabody Municipal Light Plant
People's Power and Gas LLC
Pepco Energy Services, Inc.
Perigee Energy, LLC
Plainfield Renewable Energy
Plymouth Rock Energy, LLC
PNE Energy Supply LLC
Power Bidding Strategies, LLC
Powerex Corp.
PowerOptions, Inc.
PPL EnergyPlus Co.
Praxair, Inc.
Princeton Municipal Light Dept.
PSEG Energy Resources & Trade
PSEG New Haven LLC
Public Power, LLC
Public Service Company of New Hampshire
Putnam Hydropower, Inc.
Rainbow Energy Marketing Corporation
RBC Energy Services LP
Reading Municipal Light Plant
Record Hill Wind LLC
ReEnergy Sterling CT LP
ReEnergy Stratton Energy LLC
Reliable Power, LLC
Reliant Energy Northeast LLC
REP Energy LLC
Repsol Energy North America
ResCom Energy LLC
Rhode Island Engine Genco
RLtec US Inc.
Rocky Gorge Corporation
Rowley Municipal Light Plant
Royal Bank of Canada
Rumford Paper Company

Russell Municipal Light Dept.
Saracen Energy East LLC
Saracen Power LLC
Select Energy Inc.
Seneca Energy II, LLC
Shell Energy North America
Shipyard Brewing Co., LLC
Shipyard Energy LLC
Shrewsbury's Elec. Light Dept.
SIG Energy, LLLP
SJH Energy LLC
Solios Power, LLC
Somerset Power LLC
South Hadley Elect. Light Dept.
South Jersey Energy Company
South Jersey Energy ISO1, LLC
South Jersey Energy ISO2, LLC
South Jersey Energy Solutions
Spark Energy, LP
Springfield Power LLC
Spruce Mountain Wind, LLC
St. Joseph Health Services of Rhode Island
Starion Energy, Inc.
StatArb Investment, LLC
State of Connecticut, Office of Consumer Counsel
Sterling Mun. Elec. Light Dept.
Stetson Wind II, LLC
Stowe Electric Department
Summit Hydropower, Inc.
Swift River Trading Company
Tangent Energy Solutions, Inc.
Taunton Municipal Lighting Plant
TCPL Power Ltd.
Templeton Mun. Lighting Plant
Tenaska Power Services Co.
Texas Retail Energy, LLC
The Energy Consortium
The Energy Council of RI
Topsham Hydro Partners LP
Town of New Shoreham, RI
TransAlta Energy Marketing U.S.
TransCanada Energy Ltd.
TransCanada Power Marketing
TrueLight Commodities, LLC
Turner Energy LLC
Twin Cities Power, LLC

Twin Eagle Resource Management, LLC
Union Atlantic Electricity
Union Leader Corporation
Union of Concerned Scientists
United Illuminating Company
Unitil Energy Systems, Inc.
UNITIL Power Corp.
Univ. of Mass. at Amherst
Univ. of Rhode Island
Univ. System of New Hampshire
Utility Services, Inc.
VCharge Inc.
Verde Energy USA, Inc.
Vermont Electric Cooperative
Vermont Electric Power Co.
Vermont Energy Investment Corporation
Vermont Marble Company
Vermont Public Power Supply Authority
Vermont Transco LLC
Vermont Wind
Verso Maine Energy, LLC
Viridian Energy, Inc.
Viridity Energy, Inc.
Vitol Inc.
Wakefield Municipal Gas and Light Department
Waterbury Generation LLC
Waterside Power, LLC
Wellesley Municipal Light Plant
West Boylston Municipal Lighting Plant
West Oaks Energy NY/NE, LP
The Westerly Hospital
Westerly Hospital Energy Co.
Western Mass. Electric Co.
Westfield Gas & Electric Light Department
Wheelabrator Bridgeport, LP
Wheelabrator Claremont Co.
Wheelabrator North Andover
WM Renewable Energy, LLC
Wolfeboro Mun. Electric Dept.
XOOM Energy LLC
Z-TECH, LLC

*As of December 1, 2012

NEPOOL Counsel & Administrative Team



David Doot
(860) 275-0102 or (202) 218-3903
dtdoot@daypitney.com



Paul Belval
(860) 275-0381
pnbelval@daypitney.com



Harold Blinderman
(860) 275-0357
hmblinderman@daypitney.com



Joe Fagan
(202) 218-3901
jfagan@daypitney.com



Pat Gerity
(860) 275-0533
pmgerity@daypitney.com



Eric Runge
(617) 345-4735
ekrunge@daypitney.com



Florence "Flossie" Davis
(860) 275-0360
fkdavis@daypitney.com



Jennifer Galiette
(860) 275-0338
jgaliette@daypitney.com



Andrew Bobenski
(617) 345-4619
abobenski@daypitney.com



Sebastian Lombardi
(860) 275-0663
slombardi@daypitney.com



Lori Hazzard
Administrative Assistant
(860) 275-0601
lhazzard@daypitney.com



Cynthia "Cindy" Jacobs
NEPOOL Administrator
(860) 275-0246
ckjacobs@daypitney.com



Ray Tuohey
Legal Assistant
(860) 275-0109
rvtuohey@daypitney.com

***WHEREAS**, the Parties desire to establish a collaborative process for receiving input from and responding to the concerns of, among others, Governance Participants and government officials on issues affecting System reliability, markets or transmission.*

Participants Agreement



NEPOOL

NEW ENGLAND POWER POOL