



David T. Doot
Secretary

December 22, 2020

VIA ELECTRONIC MAIL

TO: PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES

RE: Initial Notice of January 7, 2021 NEPOOL Participants Committee Teleconference Meeting

Pursuant to Section 6.6 of the Second Restated New England Power Pool Agreement, initial notice is hereby given that the January meeting of the Participants Committee will be held **via teleconference on Thursday, January 7, 2021, at 10:00 a.m.** for the purposes set forth on the attached agenda and posted with the meeting materials at nepool.com/meetings/. The dial-in number, to be used only by those who otherwise attend NEPOOL meetings, is **866-803-2146; Passcode: 7169224.**

For your information, the January 7 meeting will be recorded. NEPOOL meetings, while not public, are open to all NEPOOL Participants, their authorized representatives and, except as otherwise limited for discussions in executive session, consumer advocates that are not members, federal and state officials and guests whose attendance has been cleared with the Committee Chair. All those in attendance or participating in the meeting are required to identify themselves and their affiliation during the meeting. Official records and minutes of meetings are posted publicly. No statements made in NEPOOL meetings are to be quoted or published publicly.

We wish you all happy and peaceful Holidays and hope all of you are staying safe and healthy.

Respectfully yours,

/s/
David T. Doot, Secretary

INITIAL AGENDA

1. To approve the draft minutes of the November 5, 2020 and December 3, 2020 Participants Committee meetings. Copies of those draft minutes are included with this initial notice and posted with the meeting materials. Please provide us with any comments on these draft minutes no later than noon on Wednesday, December 30, 2020.
2. To adopt and approve all actions recommended by the Reliability Committee set forth on the Consent Agenda included with this initial notice and posted with the meeting materials. In accordance with the Participants Committee Bylaws, if you wish to remove either of the recommended actions from the Consent Agenda, you must so indicate by notifying the Secretary on or before next Wednesday, December 30, 2020.
3. To receive an ISO Chief Executive Officer report.
4. To receive an ISO Chief Operating Officer report.
5. To discuss the JNC process for the ISO New England Board nomination process for the 2021 slate.
6. To receive a report on current contested matters before the FERC and the Federal Courts. The litigation report will be circulated and posted in advance of the meeting.
7. To receive reports from Committees, Subcommittees and other working groups:
 - Markets Committee
 - Reliability Committee
 - Transmission Committee
 - Budget & Finance Subcommittee
 - Others
8. To receive an update on the “Pathways to the Future Grid” process, including contemplated next steps. A copy of Dr. Frank Felder’s report on various issues and tradeoffs associated with identified potential pathways/alternative market frameworks will be circulated and posted in advance of the meeting.
9. Administrative matters.
10. To transact such other business as may properly come before the meeting.

PRELIMINARY

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held via teleconference, at 10:00 a.m. on Thursday, November 5, 2020. A quorum determined in accordance with the Second Restated NEPOOL Agreement was present and acting throughout the meeting. Attachment 1 identifies the members, alternates and temporary alternates who participated in the teleconference meeting.

Ms. Nancy Chafetz, Chair, presided and Mr. David Doot, Secretary, recorded.

APPROVAL OF OCTOBER 1, 2020 MEETING MINUTES

Ms. Chafetz referred the Committee to the preliminary minutes of the October 1, 2020 meeting, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the October 1, 2020 meeting were unanimously approved as circulated, with an abstention by Mr. Michael Kuser's alternate, Mr. Jason York, noted.

CONSENT AGENDA

Ms. Chafetz referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. She noted that, because the first item on the Consent Agenda (changes to Market Rule 1 that would sunset the Forward Reserve Market (FRM)) had been contingent on the FERC's acceptance of the Energy Security Initiative (ESI) proposal, and the FERC had the week before rejected the ESI proposal, the ISO had agreed that the Participants Committee should forego a vote on the proposal to sunset the FRM. She indicated that, absent objection, the FRM sunset would be removed from the Consent Agenda. There were no objections. Then, following motion duly made and seconded, the Consent Agenda was approved with opposition noted by CSC and LIPA, and abstentions noted by Calpine and Mr. Kuser's alternate. The representatives for CSC and LIPA noted that their opposition related to Consent

Agenda Items 3 and 4 (HQICC Values and ICR and Related Values for the 2021-22 3rd Annual Reconfiguration Auction (ARA), 2022-23 2nd ARA, and 2023-24 1st ARA) because of their previously conveyed positions that those values do not properly account for the reliability benefits and capacity import capability of the Cross-Sound Cable. The Calpine representative explained that the Calpine abstention was related to the HQICC values which did not require imports to be backed by non-recallable capacity committed to the region in order to be counted as capacity.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), referred the Committee to his November report, which had been circulated and posted in advance of the meeting. He noted that the data in the report was through October 28. The report highlighted: (i) Energy Market value for October 2020 was \$193 million, down \$14 million from September 2020 and down \$9 million from October 2019; (ii) October 2020 average natural gas prices were 5.5 percent higher than September average prices; (iii) the average Real-Time Hub Locational Marginal Prices (LMPs) for October (\$25.06/MWh) were 26 percent higher than September averages; (iv) average October 2020 natural gas prices and Real-Time Hub LMPs over the period were down 8 percent and up 23 percent, respectively, from October 2019; (v) the average Day-Ahead cleared physical energy during peak hours as percent of forecasted load was 100.7 percent during October (up from 99.3 percent during September), with the minimum value for the month (95.6 percent) on October 8; and (vi) the Daily Net Commitment Period Compensation (NCPC) payments for October totaled \$2.5 million, which was up \$100,000 from September 2020 and down \$200,000 from October 2019. October NCPC, which was 1.3 percent of total Energy Market value, was comprised of (a) \$1.9 million in first contingency payments (up \$300,000 from September); (b) \$546,000 in second contingency payments (up \$226,000 from September);

(c) \$43,000 in voltage payments (down \$457,000 from September); and (d) \$41,000 in distribution payments (up \$35,000 from September).

Dr. Chadalavada noted that the November 19 Planning Advisory Committee (PAC) meeting would include discussion of capacity zone development and transmission planning for the clean energy transition. He also reported that, at the October 21 PAC meeting, the ISO had begun the Order 1000/Boston 2028 Request for Proposal lessons-learned process related to competitive transmission solutions, and expected that the lessons-learned process would continue through the end of 2020 and into 2021.

Looking ahead, Dr. Chadalavada reported that the lowest 50/50 and 90/10 Fall Operable Capacity Margins were projected for week beginning November 14, 2020; the lowest 50/50 and 90/10 Winter Operable Capacity Margins, 2,574 MW and 1,232 MW, respectively, were projected for week beginning January 2, 2021. The 50/50 and 90/10 winter peak demand forecasts were projected to be approximately 1.5% and 1.7% lower, respectively, than 2019. Dr. Chadalavada concluded his report by noting that preparations for Winter 2020-21 were well underway.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), referred the Committee to a presentation shared with members during the meeting entitled “Overview of Strategic Planning” (that presentation was posted following the meeting). He explained that the presentation summarized the strategic planning process that the ISO Board had undertaken previously. He noted that process was more extensive in 2019 and flagged that the output of those discussions, which had taken place last fall, had been reflected in prior presentations he had given to the Participants Committee. In particular, he said that the Board strategic planning had informed his presentation earlier in the year on potential future pathways and the work plan that had been

reviewed with the Committee at the October meeting. Following a brief summary of the business planning approach followed each year, he referred the Committee to the ISO's mission and vision statement. He reminded the Committee that the ISO mission was set forth in the Tariff and outlined the ISO's responsibilities to operate the system, conduct long-term planning, and administer the wholesale markets. He said the Board adopted last fall the following Vision Statement: "To harness the power of competition and advanced technologies to reliably plan and operate the grid as the region transitions to clean energy." He explained that the Vision Statement then informed five Strategic Goals that he read to the Committee. Elaborating on the first of those five goals, Responsive Market Designs, he explained that the ISO did not consider itself to have the authority, given its mission, to define decarbonization objectives for the region. Rather, the ISO looked to the states individually and collectively to define their policy objectives. The strategic goal identified by the ISO was to adjust the market design in order to accommodate those objectives. He saw the ongoing future pathways discussion in the region as advancing this goal. He emphasized the importance the ISO placed on ensuring that the market attracted and retained enough balancing resources to maintain reliability.

He went on to explain the remaining four Strategic Goals, including the following:

- Progress and innovation, with specific reference to improving grid modeling, incenting appropriate enhancements to the transmission infrastructure, and enhancing the information services from the ISO.
- Operational excellence.
- Stakeholder engagement, with emphasis on understanding and responding to the needs and desires of the FERC, the states and the NEPOOL members and nurturing positive relationships with all those entities.
- Attract, develop and retain talent for its workforce.

The Committee then discussed the Vision and Strategic Goals, providing reaction and seeking clarification. Mr. van Welie was questioned on whether the first ISO goal was better characterized as working to align the markets with state objectives rather than to accommodate those objectives. He explained that accommodation better reflected the role the ISO could play within its mission. He also explained in response to questions the ISO's recognition that efforts to respond the state's desire for longer term system planning were necessarily constrained by the existing Tariff, which provided for planning on a ten-year horizon. He noted the ISO's willingness to work on economic studies, particularly in an effort to identify transmission needed to support increased renewables on the grid. He opined that Order 1000 public policy planning does not adapt well to this goal and leaves unresolved important cost-allocation questions. He acknowledged in response to a comment that decisions based on planning need to reflect the recognition of increasing potential inaccuracies of assumptions and projections the further out in planning one looks. Acknowledging the certainty that there will be ever-growing reliance on intermittent, renewable resources, he re-emphasized the importance to the ISO of ensuring that the markets preserve and attract balancing resources that are essential to maintaining reliability.

He noted that the ISO had previously expected to spend considerable time in 2021 defining details and implementing ESI. With the FERC's rejection of ESI, the ISO would be adjusting its 2021 work plan.

Many commenters expressed appreciation for the ISO laying out its Vision and Strategic Goals and support for both. Those commenters included representatives of the MA DPU and of NESCOE, referencing a productive discussion that had occurred the prior day with state representatives and expressing appreciation for the ISO's efforts and engagement.

Following discussion of the ISO's Vision and Strategic Goals, Mr. Van Welie discussed the FERC's order rejecting ESI. He explained that the ISO remains interested in making the

ancillary services improvements identified in ESI but wanted first to ensure full appreciation for and understanding of the FERC's reaction to that proposal. He noted that the order was unclear on whether compliance obligations remained under the FERC's July 2018 order requiring market changes to achieve fuel security. He explained that the ISO planned to pause in its efforts relating to ESI until it received more clarity from the FERC, which he expected would take at least six months. He said the ISO would consider separately adopting components of ESI, but not without first seeking further input from the FERC. He said the ISO would seek in the near term to confirm with the FERC that there was no longer *ex parte* limitations barring the ability of the ISO, the states and the Market Participants to discuss with FERC staff and Commissioners the issues that the region sought to address with ESI. He noted also that FERC guidance and priorities may be very different if there was a change in administration, which the ISO must consider in deciding how best to proceed. Concluding, he expressed the ISO's intent promptly to request clarification from the FERC on these points.

In response to questions from members, the ISO General Counsel elaborated on the uncertainty over whether *ex parte* rules still apply, referencing the unlikelihood that the FERC on rehearing would change its unanimous conclusion to reject ESI. For that reason, the ISO was not intending to seek rehearing and hoped others also would forego seeking rehearing and potentially extending *ex parte* while any rehearing request is pending. She explained that the earliest that the FERC might be approached outside of the planned request for clarification would be December 1, following expiration of the time for seeking rehearing. She also reminded members that rehearing requests remain pending on the underlying July 2018 order that prompted the ESI filing, which could also impact whether the FERC would still consider substantive discussions of market improvements to address fuel security to be prohibited *ex parte* discussions.

Numerous Market Participants urged the ISO to consider proceeding at least with implementation of a Day-Ahead reserve market, separate from the other advancements sought by ESI. The ISO responded that it intended first to seek the opportunity to interact informally with the FERC. If *ex parte* limitations persisted, the ISO indicated that it would also consider alternative means to provide and receive informal input from the FERC without violating those limitations.

“KNOW YOUR CUSTOMER” FAP CHANGES

Ms. Michelle Gardner, Budget & Finance Subcommittee (B&F) Chair, referred the Committee to the materials circulated and posted in advance of the meeting related to proposed changes to “Know Your Customer” disclosures required in the ISO New England Financial Assurance Policy (FAP). She explained that the changes were proposed by the ISO as part of an industry-wide review of RTO disclosure requirements and were intended to improve the level of disclosure that Market Participants and applicants to become Market Participants would be required to make. She summarized the process undertaken by B&F to review the changes and reported that, at its October 5, 2020 meeting, there were no objections or comments on the version of the Know Your Customer FAP changes discussed.

Without discussion, the following motion was then duly made, seconded and unanimously approved, with an abstention noted by Mr. Kuser’s alternate:

RESOLVED, that the Participants Committee supports the Know Your Customer revisions to the ISO New England Financial Assurance Policy, as proposed by the ISO and as circulated to this Committee with the October 29, 2020 supplemental notice, together with such non-substantive changes as may be approved by the Chair of the Budget and Finance Subcommittee.

ISO-NE'S PROPOSED METHODOLOGY TO RECALCULATE THE DYNAMIC DE-LIST BID THRESHOLD (DDBT)

Ms. Chafetz began this item by referring the Committee to the materials circulated in advance of the meeting regarding Tariff revisions to reflect a new method to calculate the DDBT in the Forward Capacity Market (FCM), as proposed by the ISO (the ISO's DDBT Proposal). She then invited Ms. Mariah Winkler, the Chair of the Markets Committee, to summarize that Committee's deliberations on this item. Ms. Winkler did so, noting the four motions to amend the ISO's DDBT Proposal that had been voted at the Markets Committee, none of which passed. She reported on the specific voting results, noting that the Markets Committee motion to recommend Participants Committee support for the ISO's DDBT Proposal failed with a 44.53% Vote in favor.

Following this introduction, Ms. Chafetz explained that the ISO's DDBT Proposal would be the starting point for Committee deliberations. The following main motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the revisions to Market Rule 1 to modify the Dynamic De-List Bid Threshold (DDBT) in the Forward Capacity Market, as proposed by ISO-NE and circulated to this Committee in advance of this meeting, together with any changes agreed to by the Participants Committee at this meeting and such non-substantive changes as may be approved by the Chair and Vice-Chair of the Markets Committee.

Calpine/NESCOE/Dynegy (Vistra) Amendment

Ms. Chafetz reported that, since the Markets Committee's actions, the proponents of many of the numerous amendments offered at the Markets Committee (representatives from Calpine, NESCOE, and Dynegy (Vistra)) had worked together to produce a single, consolidated amendment for Participants Committee consideration. She invited the proponents to present their consolidated amendment. They did so, referring to a presentation they had prepared and

had been circulated to the Committee in advance of the meeting. As summarized in that presentation, they described their concerns with the ISO's DDBT Proposal, explaining how their joint amendment would address those concerns, offering a comparison for FCAs 9-14 of the ISO's DDBT against the DDBT that would have resulted were the joint amendment in place, and reviewing proposed Tariff language with the Committee.

A motion was then made and duly seconded to amend the main motion, consistent with these proponents' presentation, so as to lower the ISO DDBT upper bound to 75% of Net Cost of New Entry (Net CONE) and to set the DDBT at the ISO's estimated clearing price plus a margin adder calculated using 75% of Net CONE, as reflected in the materials circulated in advance of, and as just presented at, the meeting (the Calpine/NESCOE/Dynegy (Vistra) Amendment).

Following discussion, the Calpine/NESCOE/Dynegy (Vistra) Amendment was voted and passed unanimously, with abstentions noted by Acadia, BP, CLF, CSC, DTE, LIPA, Mercuria, NRDC, and Mr. Kuser's alternate.

Vote on the Amended Main Motion

The amended main motion was then discussed, considered, voted and passed, with all members in support except for the following: opposition by NRG and abstentions by Acadia, BP, CLF, CSC, DTE, LIPA, Mercuria, NRDC, Sunrun, and Mr. Kuser's alternate.

Vote on the ISO's Unamended DDBT Proposal

At the request of the ISO, the Committee then considered and did not approve the unamended DDBT Proposal. The vote on the ISO's Unamended DDBT Proposal failed to pass with none in favor and abstentions noted by BP, CSC, DTE, LIPA, Mercuria, the AR Sector Small Renewable Generation Group Seat, and Mr. Kuser's alternate.

LITIGATION REPORT

Mr. Doot referred the Committee to the November 4 Litigation Report that had been circulated and posted in advance of the meeting. He then highlighted the following items:

(1) **ESI** – As noted earlier in the meeting, the FERC had rejected as unjust and unreasonable both the ISO and NEPOOL ESI proposals. The ISO was expected to request clarification that, absent a request for rehearing of the ESI order, the ISO and others were able to engage in communications with the FERC and FERC staff about the ESI market design, reserve market design, the option construct, and the voluntary nature of the markets, without violating *ex parte* restrictions.

(2) **Carbon Pricing in RTO/ISO Markets** – On October 15, the FERC had issued a Notice of Proposed Policy Statement to clarify the FERC’s jurisdiction over RTO/ISO market rules that incorporate a state-determined carbon price and to encourage RTO/ISO efforts to explore and consider the benefits of potential section 205 filings to establish such rules. Comments on the proposed policy statement had to be submitted on or before November 16, with reply comments due on or before December 1.

(3) **Gross Load Forecast Reconstitution Revisions** – On October 30, the FERC issued an order accepting changes to improve the methodology used by the ISO to reconstitute Passive Demand Resources in the long-term gross load forecast.

(4) **Federal Court Appeals** – In addition to noting the challenge by LS Power to the FERC’s orders addressing the ISO’s implementation of the Order 1000 exemptions for immediate-need reliability projects filed in mid-October, Mr. Doot encouraged members to review the increasing list of activities and matters on appeal to the federal courts. The extent of those matters had increased noticeably since the DC Circuit’s *Allegheny* decision effectively tightened the timeframes for FERC action on requests for rehearing.

COMMITTEE REPORTS

Markets Committee (MC). Mr. Bill Fowler, MC Vice-Chair, reported that the MC was scheduled to meet the following Monday and Tuesday, November 9-10, with key items to include a vote on updated Net CONE and ORTP values.

Joint MC/RC (Future Grid - Reliability Study). Mr. Fowler also reported that next joint meeting of the MC and RC was scheduled for November 12, where the Committees would work to achieve consensus on major study areas for analysis and a way to structure modelling for a phased study approach.

Transmission Committee (TC). Mr. José Rotger, TC Vice-Chair, reported that the November 24 TC meeting had been cancelled. The next TC meeting was scheduled for December 10.

B&F Subcommittee. Ms. Gardner noted that the next meeting of the Subcommittee was scheduled for November 20, with key items to include a review and recommendation regarding the 2021 NEPOOL Budget and an update on proposed trading Financial Assurance changes.

Joint Nominating Committee (JNC). Ms. Chafetz reported that work on the 2021 slate of ISO Board candidates would begin in November. The terms of three members would expire in October 2021, and expectations were that there would be at least two vacancies to fill (to replace the ISO Board members whose third consecutive terms were coming to an end).

ADMINISTRATIVE MATTERS

Ms. Heather Hunt, NESCOE Executive Director, thanked Mr. van Welie and the ISO for their efforts on the Vision Statement. She noted that meetings had been held between the States and the ISO the day before, and had been reported to be productive and well-received.

Addressing the NESCOE Vision Statement, she clarified that the Vision Statement and related efforts were not intended to substitute for, or to interfere with, the future pathways discussions underway in the NEPOOL stakeholder process; rather, they were intended to facilitate and complement that process.

Mr. Doot reminded the Committee that the balloting process for the next Participants Committee Chair was underway and encouraged all members to vote before balloting concluded. He stated that the 2020 Annual Meeting of the Participants Committee would be held December 3, and reminded members that if a Participant wished to change its Sector membership, it needed to provide written notice to do so prior to the start of that meeting. He noted that each of the Sectors was scheduled to meet with the Board the next day, and referred members to the schedule for those meetings posted with the meeting materials. The schedule for meetings between the Sectors and State Officials was being finalized, with materials for those meetings to be submitted a week ahead of time. Finally, Mr. Doot announced that Ms. Kathryn Dube had come on board as the new NEPOOL Administrator. He reported that Ms. Dube came to the position with more than 16 years' association management experience, including in her current and continuing role as Executive Director of the Connecticut Power & Energy Society. He asked members to be on the look-out for e-mail distributions that would soon follow under her name.

POTENTIAL FUTURE MARKET FRAMEWORKS IN LIGHT OF EXPECTED CHANGES TO NEW ENGLAND'S GRID

After a brief recess, the meeting resumed via WebEx. Ms. Chafetz introduced this portion of the meeting by identifying the two topics to be covered: (1) Dr. Frank Felder's

preliminary observations and discussion on the tradeoffs of two potential pathways explored at the last meeting (Energy Only Market (EOM) and Alternative Resource Adequacy Constructs (ARAC)); and (2) Dr. Frank Wolak’s overview of a new potential pathway – “Energy-Contracting Resource Adequacy” construct.

Future Pathways - Round 2 Preliminary Observations: Focus on EOM and ARAC

Ms. Chafetz then introduced Dr. Frank Felder, who had presented at two prior meetings and who proceeded at this meeting to summarize and review slides, which had been circulated and posted in advance of the meeting, that reflected his preliminary observations on EOM and ARAC.

With respect to an EOM framework, he discussed the impacts and applicability of the Minimum Offer Price Rule (MOPR), the need for additional clarity regarding the definition, services and reliability requirements of balancing resources, whether an EOM would provide sufficient flexibility and ramping services, and how features of an EOM could be combined with carbon pricing, FCM and its variations (e.g., FCEM and ICCM), and ARACs. Discussing ARACs, he noted that a variety of ARACs could be structured to avoid the MOPR double payment issue, but they do so by reducing the roles of a centralized regional capacity market linked to energy and ancillary services markets. He opined that ARACs would likely require additional mechanisms for balancing resources. After reviewing the high level tradeoffs of EOM and ARACs, Dr. Felder described a newly identified ARAC he referred to as the “FCM-Balancing Resources (FCM-BR)” pathway, which was offered for consideration by a Publicly Owned Entity Sector member representative. Dr. Felder then offered an additional potential framework he termed “Net FCM” and reviewed suggested mechanics and advantages of such an ARAC.

During his presentation, members interjected with their observations and asked questions. One member explained how the treatment of reserves could impact the implementation and impact of an EOM pathway. Other members explored the impacts on, and applicability of, MOPR with these constructs, and they discussed their views on some of the practical and legal challenges that would require further exploration.

Dr. Felder expressed appreciation for the observations and suggestions. He concluded his presentation by again encouraging Participants to provide written feedback and comments on his presentations to date, asking that any such feedback be sent to Mr. Sebastian Lombardi, NEPOOL Counsel (slombardi@daypitney.com). He noted that he was planning for a final presentation at the December 3 Participants Committee meeting, and hoped to issue a final report, for Participant comment, by the end of the year.

A Standardized Energy Contracting Approach to Long-Term Resource Adequacy with Significant Intermittent Renewables

Ms. Chafetz then introduced Dr. Frank Wolak, Director, Program on Energy and Sustainable Development, Stanford University, who discussed the need for a long-term resource adequacy mechanism, at least in the absence of a willingness by regulators to commit to use the real-time price of energy to clear the market under all possible system conditions and subject customers to the full expected cost of a failure to procure adequate supply. In his presentation he walked those present through a power point presentation that had been circulated and posted with the meeting materials.

After providing some context and background, in part based on experiences in California and Canada, as to the shortcomings of capacity payments as a mechanism to achieve long-term resource adequacy in regions with significant intermittent generation resources, Dr. Wolak proceeded to describe an Energy-Contracting Resource Adequacy framework. He explained

that, under this construct as he envisioned it, consumers would be provided with, and required to pay for, what they want -- system demand for electricity that will be met under all possible future scenarios. All entities that serve retail load would be subject to mandated standardized forward contract holdings for pre-specified fractions of system demand at various time horizons to delivery. The contracts would be shaped to actual hourly system demand within the delivery period (which could be multi-year, single year, quarterly or monthly) and total energy under the standardized contracts would be shaped to reflect realized patterns of system demand. Energy delivery on initial multi-year contracts would begin far enough in advance of the execution of the standard contract to allow new sources of supply to compete to provide that energy.

Dr. Wolak described benefits of the construct to include: a focus on securing adequate energy to serve demand in markets with significant amounts of renewable resources; the ability to employ a simple auction mechanism (e.g., a declining clock auction) to procure energy; the ability of state regulators to impose the contracting mandates they desired; a level playing field for demand-side and supply-side solutions; the creation of operating reserve supplies that could also sell ancillary services; and the incentives for suppliers to meet system demand for energy and ancillary services in a way they identify as least cost. He explained that a forward procurement process could be used to address any concern that sufficient capacity to meet ancillary services requirements might not be constructed. He also explained how bilateral contracts could be used to hedge wholesale price and quantity risk, and how this proposed construct would allow for cross-hedging between dispatchable resources and intermittent resources in order to ensure that demand is met under all possible future system conditions. He described how new entrants could compete, possible approaches to manage local long-term resource adequacy, and the timing required to transition to this construct.

Dr. Wolak then summarized the mechanics and results of an experimental energy trading game with which he had been involved that ultimately provided a comparison of capacity-based versus energy contracting-based long-term resource adequacy mechanisms. Comparing the outcomes of a series of these games, he reported that average wholesale revenues per MWh from the capacity payment mechanism were close to double that for the energy contracting approach. He reported also that the average cost to serve demand was slightly lower for the energy contracting approach.

Dr. Wolak concluded his presentation by stating that the energy contracting approach could be particularly attractive in regions where there were currently or were proposed to be significant renewable capacity resources. Such regions confront a potential reliability challenge with the availability of energy when needed (and not satisfied because of the intermittency of otherwise adequate capacity). He said that the forward contracting approach provides a very strong financial incentive for the market (both for supply and load) to ensure that system demand is met every hour of the day at the lowest possible cost.

There being no further business, the meeting adjourned at 3:05 p.m.

Respectfully submitted,

David Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN NOVEMBER 5, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Able Grid Infrastructure Holdings, LLC	Provisional Group			Abby Krich
Acadia Center	End User	Deborah Donovan		Phelps Turner
Advanced Energy Economy	Fuels Industry Participant	Caitlin Marquis		
American Petroleum Institute	Fuels Industry Participant	Paul Powers		
AR Small Load Response (LR) Group Member	AR-LR	Doug Hurley	Brad Swalwell	
AR Small Renewable Generation (RG) Group Member	AR-RG	Erik Abend		
Ashburnham Municipal Light Plant	Publicly Owned Entity		Brian Thomson	
Associated Industries of Massachusetts (AIM)	End User			Roger Borghesani
AVANGRID: CMP/UI	Transmission		Alan Trotta	
Avangrid Renewables	Transmission	Kevin Kilgallen		
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh		
Borrego Solar Systems Inc.	AR-DG	Liz Delaney		
Boylston Municipal Light Department	Publicly Owned Entity		Brian Thomson	
BP Energy Company	Supplier			José Rotger
Braintree Electric Light Department	Publicly Owned Entity			Dave Cavanaugh
Brookfield Renewable Trading and Marketing	Supplier	Aleks Mitreski		
Calpine Energy Services, LP	Supplier	Brett Kruse		Bill Fowler
Castleton Commodities Merchant Trading	Supplier			Bob Stein
Central Rivers Power	AR-RG		Dan Allegretti	
Chester Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
CLEARresult Consulting, Inc.	AR-DG	Tamera Oldfield		
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw		
Connecticut Office of Consumer Counsel	End User		Dave Thompson	
Conservation Law Foundation (CLF)	End User	Phelps Turner		
Consolidated Edison Energy, Inc.	Supplier	Norman Mah		
CPV Towantic, LLC	Generation	Joel Gordon		
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Direct Energy Business, LLC	Supplier	Nancy Chafetz		
Dominion Energy Generation Marketing, Inc.	Generation		Weezie Nuara	
DTE Energy Trading, Inc.	Supplier			José Rotger
Dynergy Marketing and Trade, LLC	Supplier	Andy Weinstein	Arnie Quinn	Bill Fowler
Emera Energy Services	Supplier			Bill Fowler
Enel X North America, Inc.	AR-LR	Michael Macrae		
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Environmental Defense Fund	End User	Jollette Westbrook		
Eversource Energy	Transmission	James Daly	Dave Burnham	Vandan Divatia
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	José Rotger	Jeff Iafrati	
Generation Group Member	Generation	Dennis Duffy	Abby Krich	Alex. Worsley
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Great River Hydro	AR-RG			Bill Fowler
Groton Electric Light Department	Publicly Owned Entity		Brian Thomson	
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN NOVEMBER 5, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
H.Q. Energy Services (U.S.) Inc. (HQUS)	Supplier		Bob Stein	
Harvard Dedicated Energy Limited	End User		Joyceline Chow	
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Holyoke Gas & Electric Department	Publicly Owned Entity		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
Industrial Energy Consumer Group	End User	Alan Topalian		
Ipswich Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Jericho Power LLC (Jericho)	AR-RG	Mark Spencer		
KCE CT 1, LLC	Provisional Group	Rachel Goldwasser		
Littleton (MA) Electric Light and Water Department	Publicly Owned Entity		Dave Cavanaugh	
Littleton (NH) Water & Light Department	Publicly Owned Entity		Craig Kieny	
Long Island Power Authority (LIPA)	Supplier		Bill Killgoar	
Maine Power	Supplier	Jeff Jones		
Maine Public Advocate's Office	End User			Erin Camp
Maine Skiing, Inc.	End User	Alan Topalian		
Mansfield Municipal Electric Department	Publicly Owned Entity		Brian Thomson	
Maple Energy LLC	AR-LR		Luke Fishback	Doug Hurley
Marble River, LLC	Supplier		John Brodbeck	
Marblehead Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Mass. Attorney General's Office (MA AG)	End User	Tina Belew	Ben Griffiths	
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity	Brian Thomson		
Mercuria Energy America, LLC	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Michael Kuser	End User		Jason York	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh	
National Grid	Transmission	Tim Brennan	Tim Martin	
Natural Resources Defense Council (NRDC)	End User	Bruce Ho		
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative	Publicly Owned Entity	Steve Kaminski		Brian. Forshaw; Dave Cavanaugh; Brian Thomson
New Hampshire Office of Consumer Advocate (NHOCA)	End User		Erin Camp	
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
NRG Power Marketing LLC	Generation		Pete Fuller	
Pascoag Utility District	Publicly Owned Entity		Dave Cavanaugh	
Paxton Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Peabody Municipal Light Department	Publicly Owned Entity		Brian Thomson	
PowerOptions, Inc.	End User			Erin Camp
Princeton Municipal Light Department	Publicly Owned Entity		Brian Thomson	
PSEG Energy Resources & Trade LLC	Supplier		Eric Stallings	
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Russell Municipal Light Dept.	Publicly Owned Entity		Brian Thomson	
Shrewsbury Electric & Cable Operations	Publicly Owned Entity		Brian Thomson	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN NOVEMBER 5, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
South Hadley Electric Light Department	Publicly Owned Entity		Brian Thomson	
Sterling Municipal Electric Light Department	Publicly Owned Entity		Brian Thomson	
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Sunrun Inc.	AR-DG			Pete Fuller
Taunton Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
The Energy Consortium	End User	Roger Borghesani		
Vermont Electric Cooperative	Publicly Owned Entity	Craig Kiemy		
Vermont Electric Power Co. (VELCO)	Transmission	Frank Ettori		
Vermont Energy Investment Corp (VEIC)	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw
Versant Power	Transmission	Lisa Martin		
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Vitol Inc.	Supplier	Joe Wadsworth		
Wakefield Municipal Gas & Light Department	Publicly Owned Entity		Brian Thomson	
Wallingford DPU Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
West Boylston Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Wheelabrator North Andover Inc.	AR-RG		Bill Fowler	

PRELIMINARY

Pursuant to notice duly given, the annual meeting of the NEPOOL Participants Committee was held via teleconference, beginning in executive session at 9:30 a.m. on Thursday, December 3, 2020.

Ms. Nancy Chafetz, Chair, presided and Mr. David Doot, Secretary, recorded.

EXECUTIVE SESSION

The Committee began the meeting in executive session to afford Participants an opportunity to provide confidential feedback to the Participant members of the Joint Nominating Committee (JNC) on the one incumbent ISO Board Director whose term was scheduled to expire in 2021 and who had not yet served three full terms. Committee members provided that feedback. Prior to concluding the executive session, Mr. Doot explained that the Participant representatives on the JNC would consider the feedback received, along with any other feedback members might wish to separately share with those representatives, in the JNC deliberations over a recommended slate of three candidates for consideration by the Participants Committee in 2021.

GENERAL SESSION

Following a short recess, the NEPOOL Participants Committee reconvened, beginning at 10:00 a.m. A quorum determined in accordance with the Second Restated NEPOOL Agreement was present and acting throughout the meeting. Attachment 1 identifies the members, alternates and temporary alternates who participated in the teleconference meeting.

Ms. Chafetz began the general session by providing an update on the JNC process, which for the 2021 class year, was scheduled to begin later in the month. She noted expectations that there would be at least two vacancies to fill, given that Ms. Kathleen Abernathy and Mr. Phil

Shapiro would be completing their third consecutive three-year terms, requiring them, absent an unexpected term limit waiver, to step off the ISO Board in 2021. Referring to recent discussions on potential changes to the selection process for new Board members, she noted that the NEPOOL representatives on the JNC planned to explore with the full JNC refinements to the selection process, and time would be set aside at a future meeting to continue those discussions with the benefit of preliminary feedback from the ISO Board and the new JNC.

CONSENT AGENDA

Ms. Chafetz referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was approved with opposition noted by Jericho Power and abstentions noted by Avangrid and the representative for Mr. Kuser. The Jericho Power and Avangrid representatives stated that their votes were each attributable to Consent Agenda Item 1 (Modifications to the Qualification of Energy Efficiency in the Forward Capacity Market). The Jericho Power representative explained that, while Jericho Power supported the proposed changes, it objected to the ISO's plan to delay the changes until early 2022, which would retain for another year a flaw in the Market Rules. The Avangrid representative explained that he had abstained due to United Illuminating's concerns with the materially increased administrative requirements to implement the proposal.

REVISIONS TO APPENDIX K TO OP-23 AND REVISIONS TO OP-24

Ms. Chafetz referred the Committee to revisions to Appendix K to Operating Procedure (OP) 23 (Response Rate Auditing Calculation) (OP-23) and to OP-24 (Protection Outages, Settings and Coordination), including changes to each of its Appendices (OP-24), each as unanimously recommended by the Reliability Committee (RC) at its November 18, 2020

meeting and described in materials circulated in advance of the Participants Committee meeting. She said that the revisions to OP-23 and OP-24 would have been on the Consent Agenda but for the timing of the RC's consideration and vote.

The following motions were duly made, seconded and unanimously approved in a single vote without comment, with an abstention by Mr. Kuser's representative noted:

RESOLVED, that the Participants Committee supports the revisions to Appendix K to OP-23, as recommended by the Reliability Committee at its November 18, 2020 meeting, together with such other non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

RESOLVED, that the Participants Committee supports the revisions to OP-24 (including changes to each of Appendices A, B, C, and D to OP-24), as recommended by the Reliability Committee at its November 18, 2020 meeting, together with such other non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

ISO CEO REPORT

Mr. van Welie referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the November 5 Participants Committee meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), reviewed highlights from the December COO report, which had been circulated and posted in advance of the meeting on the NEPOOL and ISO websites. He noted that the data in the report was through November 23. The report highlighted: (i) Energy Market value for November 2020 was \$197 million, down \$42 million from October 2020 and down \$134 million from November 2019; (ii) August 2020 average natural gas prices were 4.7 percent higher than October average prices; (iii) the average

Real-Time Hub Locational Marginal Prices (LMPs) for November (\$27.10/MWh) were 0.8 percent higher than October averages; (iv) average November 2020 natural gas prices and Real-Time Hub LMPs over the period were down 39 percent and 21 percent, respectively, from November 2019; (v) the average Day-Ahead cleared physical energy during peak hours as percent of forecasted load was 99.6 percent during November (down from 100.8 percent during October), with the minimum value for the month (95.3 percent) on November 14; and (vi) the Daily Net Commitment Period Compensation (NCPC) payments for November (data through November 22) totaled \$1.6 million, which was down \$1.2 million from October 2020 and down \$2.1 million from November 2019. November NCPC, which was 0.8 percent of total Energy Market value, was comprised of (a) \$1.4 million in first contingency payments (down \$800,000 from October); (b) \$233,000 in second contingency payments (down \$313,000 from October); and (c) \$9,000 in distribution payments (down \$33,000 from October).

Dr. Chadalavada remarked that November had been relatively quiet, with peak load at 17,100 MW and temperatures across the region three degrees above normal. He highlighted continuing low levels of NCPC payments, stating that total annual payments for 2020, projected to be approximately \$22 million, would be the lowest over the past 12 years. During that time, annual NCPC payments had averaged between \$80 to \$100 million, with their highpoint at \$160 million to \$180 million in 2013 and 2014.

Dr. Chadalavada reported that there would be a three-day transmission outage, from December 8 through December 10, on the Long Mountain to Cricket Valley 398 line, reducing transfers from New York to New England. Reductions in import and export capacity of 600 MW were expected with the total resulting anticipated import and export capacities of 800 MW and 400 MW, respectively.

Dr. Chadalavada then turned to load forecast expectations for winter 2020/21, indicating that the ISO would continue to monitor closely for any shifts between residential and commercial consumption. School and college closings could result in changes to consumption patterns, but were not expected to be as great as the changes experienced over the summer. Daily forecast volatility remained possible, but the ISO would continue to monitor and tune the forecast model as needed, reflecting continuing discussions with industry experts regarding and incorporating emerging technologies/trends and methods. The ISO would also closely monitor residential gas demand, particularly during prolonged cold periods, for its overall impact on the electric system.

Concluding his report, Dr. Chadalavada noted that the process for the development of the 2021 load forecast had begun, with discussions at the Load Forecast Committee, Energy Efficiency Forecast Working Group and Distributed Generation Forecast Working Group. Moody's macroeconomic forecast would be presented at the Planning Advisory Committee on December 16, followed by discussions in March and April about the preliminary 10-year forecast, which would then be finalized and published in the ISO's 2021 Forecast Report of Capacity, Energy, Loads, and Transmission (CELT Report).

In response to questions, Dr. Chadalavada confirmed that the transmission line outages discussed during the November report had resulted two day of second contingency commitments, with payments of about \$50,000 - \$60,000, and a few days commitments in the east load zones. Addressing questions concerning the accuracy of the ISO's load forecasting, he explained that additional time was needed to identify the reasons for recent under forecasts relative to the back cast models being used by the ISO for weekly COVID-19 impact reports, and cautioned that, after several months of consistent forecasts, the region was likely entering a new period of uncertainty. Dr. Chadalavada indicated that the ISO still planned, but had not yet

completed, the process to analyze and better understand changing consumption patterns as a result of the pandemic.

2020 NEPOOL ANNUAL REPORT

Ms. Chafetz referred the Committee to the 2020 NEPOOL Annual Report, “Moving Forward, Together”, which was circulated to the Committee electronically and posted on the NEPOOL website. Ms. Chafetz thanked the Day Pitney team, and Messrs. Harold Blinderman and Pat Gerity particularly, for their efforts to assemble and complete the Annual Report. Ms. Chafetz highlighted the new NEPOOL logo, the refresh of the NEPOOL website, the inclusion of WebEx photos throughout the Report, and the last page which highlighted some of the things members miss most about in-person meetings. Mr. Doot noted that the Annual Report demonstrated that NEPOOL had achieved much in 2020 and could expect continued challenges in 2021. He encouraged Participant feedback on the format and substance of the Annual Report. Messrs. Blinderman and Gerity thanked Ms. Chafetz as the Report’s editor-in-chief, the officers for their input, and members for all their contributions to the report. Printed copies would be made available upon request.

ELECTION OF 2021 PARTICIPANTS COMMITTEE OFFICERS

Ms. Chafetz referred the Committee to the proposed slate of 2021 NEPOOL Participants Committee Officers circulated and posted in advance of the meeting.

The following motion was duly made, seconded and unanimously approved, with an abstention noted by Mr. Kuser’s representative:

WHEREAS, Section 4.6 of the Participants Committee Bylaws sets forth procedures for the nomination and election of a Chair and Vice-Chairs of the Participants Committee; and

WHEREAS, pursuant to those procedures the individuals identified in the following resolution were nominated and elected for 2021 to the offices of Chair and Vice-Chair, as set forth opposite their names; and

WHEREAS Section 7.1 of the Second Restated NEPOOL Agreement provides that officers be elected at the annual meeting of the Participants Committee.

NOW, THEREFORE, IT IS

RESOLVED, that the Participants Committee hereby adopts and ratifies the results of the election held in accordance with Section 4.6 of the Bylaws and elects the following individuals for 2021 to the offices set forth opposite their names to serve until their successors are elected and qualified:

Chair	David A. Cavanaugh
Vice-Chair	Christina H. Belew
Vice-Chair	Nancy P. Chafetz
Vice-Chair	Francis J. Etori, Jr.
Vice-Chair	Michelle C. Gardner
Vice-Chair	Douglas Hurley
Secretary	David T. Doot
Assistant Secretary	Sebastian M. Lombardi

ESTIMATED BUDGET FOR 2021 NEPOOL EXPENSES

Mr. Thomas Kaslow, Budget & Finance Subcommittee (Subcommittee) Chair, referred the Committee to the materials posted in advance of the meeting concerning the estimated budget for 2021 Participant Expenses (a copy of which is included as Attachment 3 to these minutes). He noted that the 2021 budget assumed virtual meetings through May 2021 and in-person meetings thereafter. He indicated the Subcommittee reviewed and discussed the proposed 2021 Budget and recommended its adoption without objection.

The following motion was duly made, seconded and approved unanimously, with an abstention noted by Mr. Kuser's representative.

RESOLVED, that the Participants Committee adopts the estimated budget for NEPOOL expenses for 2021 as presented at this meeting.

UPDATED (AS OF FCA16) FCM VALUES/PARAMETERS

Ms. Chafetz referred the Committee to the materials and draft resolution, circulated and posted in advance of the meeting, concerning proposed Tariff revisions to update the Cost of

New Entry (CONE), Net CONE, and Payment Performance Rate (PPR) values, as well as the Offer Review Trigger Prices (ORTPs) to be used in the Forward Capacity Market (FCM). Ms. Mariah Winkler, Markets Committee Chair, then summarized the Market Rule changes and provided the procedural background for the Markets Committee's consideration of the changes. Following that summary, she explained that the ISO had revised certain FCM values after Markets Committee voting to correct an error in the dispatch model for the simple cycle technology and that this correction was applied both to the ISO-proposed FCM values and the relevant FCM values recommended by the Markets Committee. Ms. Chafetz proposed that, absent any objection, Participants Committee action on this matter would include the corrected values. There were no objections. The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Market Rule 1 as recommended by the Markets Committee and as circulated to this Committee in advance of this meeting, together with the revised FCM parameter values to correct an error in the dispatch model used for calculating those values also as circulated to this Committee in advance of this meeting, and such non-substantive changes as may be approved by the Chair and Vice-Chair of the Markets Committee.

Mr. Sebastian Lombardi, NEPOOL Counsel, noted that, for amendments that had been offered during Markets Committee consideration of these changes and had failed to gain the requisite support for inclusion in the changes recommended for Participants Committee support, neither NEPOOL nor the ISO would raise procedural objections at the FERC based on the failure to submit the amendment for a Participants Committee vote. This understanding would only apply if the party raising its concerns does not ask the FERC to order changes that had not otherwise been previously vetted and voted in the Participant Processes.

Jericho Power/NEPGA Amendment

Ms. Chafetz then invited a Jericho Power representative (on behalf of NEPGA) to describe its amendment to the main motion (Jericho Power/NEPGA Amendment). He summarized the materials circulated in advance of the meeting, explaining that the Jericho Power/NEPGA Amendment would account for the impact the Net CONE unit has on the Locational Forward Reserve Market (LFRM) clearing price by including the Net CONE unit in the LFRM supply stack at its opportunity costs (which would result in an increase to the Net CONE value). He argued that the exclusion of the Net CONE unit from the supply stack would overstate the LFRM revenue potential with a resulting understatement of Net CONE.

A number of members, primarily with supply resources in the region, expressed support for the Jericho Power/NEPGA Amendment and opposition to the ISO's proposal. Some opined that it would be inconsistent to presume a Net CONE reference unit on the system without also accounting for associated LFRM revenue opportunities for that unit, some citing how the Internal Market Monitor (IMM) accounts for resources when it sets unit-specific New Resource Offer Review Prices.

Responding, Mr. Mark Karl, ISO Vice President of Market Development & Settlements, recounted the reasons why the ISO did not support the amendment, describing how the ISO accounted for resources in the LFRM supply stack when updating Net CONE.

Another supporter of the Jericho Power/NEPGA Amendment argued that the Tariff required Net CONE updates does not support the ISO's incorporation of long-term equilibrium conditions in the calculation. Mr. Karl replied that the challenge to the ISO's application of the words "expected first year" was a new argument now being raised, and that the ISO had calculated Net CONE under long-term equilibrium conditions in the past. The supporter of the amendment disagreed and cited examples that, in his view, demonstrated that the ISO had

changed its methodology for calculating Net CONE without first making the changes to the Tariff.

The Committee then considered and did not approve the Jericho Power/NEPGA motion to amend the main motion. That motion, which required a 60% Vote in favor to be approved by the Committee, failed to pass with a 32.97% Vote in favor (Generation Sector – 12.50%; Transmission Sector – 0%; Supplier Sector – 12.82%; AR Sector – 7.57%; Publicly Owned Entity Sector – 0%; End User Sector – 0%; and Provisional Members – 0.08%). (*See* Vote 1 on Attachment 2).

ORTP Treatment for Co-Located Assets Amendment

Next, a group of AR Sector and End User Sector members (representing Borrego Solar, ENEL X, ENGIE, and UCS on behalf of RENEW Northeast) proposed a second amendment to the main motion, which was duly made and seconded, to clarify how ORTPs should be assigned to co-located assets. Specifically, for co-located assets that register as a single FCM resource, the amendment would clarify that the IMM would assign an ORTP equal to the weighted average of the ORTPs applicable to the asset(s) comprising the resource, as prescribed in the Tariff. For co-located assets that register as separate FCM resources, the IMM would assign each FCM resource its own ORTP as applicable solely to the technology of the asset(s) underlying the resource. A spokesperson for the amendment walked the Committee through a presentation summarizing the background to and specifics of the amendment that had been circulated to the Committee in advance of the meeting and posted with the meeting materials.

In response, Mr. Jeffrey McDonald, ISO Vice President of Market Monitoring (IMM), offered his comments. First, he explained that his ability to respond fully was a challenge because the amendment had not been presented to the Markets Committee for feedback. He had concluded based on his review to date that the proposed amendment could undermine the

purpose of the ORTPs. Accordingly, the IMM did not support the amendment and disagreed that any ambiguity existed in the Tariff.

The co-sponsors challenged the IMM. On process, they explained that the issues related to the amendment were raised prior to the November Markets Committee and then again at the November Markets Committee, and that there had been separate outreach directly to the IMM since the Markets Committee's consideration. They also expressed concern that the IMM took the position that the Tariff was unambiguous but was not able to explain how, without the proposed amendments, ORTPs would be determined for offers from co-located resources. They, along with other representatives of alternative resources, urged approval of the amendment.

NESCOE's representative explained that NESCOE had not taken a position on this amendment, but encouraged the ISO and the IMM to continue consideration of this issue and other ORTP-related issues, regardless of the vote outcome at this meeting.

Questioning the need for the amendment at all, another member expressed concern with restricting the IMM from looking specifically at offers from co-located resources to decide factually whether mitigation of such offers was needed.

Following further discussion, the Committee then considered and did not approve the amendment. The motion, which required a 60% Vote to pass, failed with a 59.76% Vote in favor (Generation Sector – 8.33%; Transmission Sector – 0%; Supplier Sector – 5.55%; AR Sector – 12.37%; Publicly Owned Entity Sector – 16.67%; End User Sector – 16.67%); and Provisional Members - 0.08%. (*See Vote 2 on Attachment 2*).

Vote on the Main Motion

Discussion continued on the unamended main motion. A Participant asked whether the ISO would consider updating the Net CONE value should there be a change in circumstances (e.g. elimination of the LFRM). Responding, Mr. Karl stated that the ISO would make changes,

if and as necessary, were there a material change in circumstances. The NEPGA representative expressed various concerns with aspects of the main motion and agreement with the IMM's opinion on the various amendments that comprised the main motion. The NESCOE representative expressed NESCOE's support for both the ISO's proposal, as well as for the main motion, though NESCOE did not take a position on each and every input assumption on the ORTPs on which the ISO's proposal and the main motion differ. Members of the Publicly Owned Entity Sector and the End User Sector expressed support for the main motion and stated that the CONE and Net CONE values were reasonable.

Offering final comments on behalf of the ISO, Mr. Karl stated that the ISO opposed the main motion for the reasons set forth in the ISO's memorandum circulated in advance of the meeting. Specifically, he expressed concern with the offshore wind ORTP calculation and noted that ORTPs are not meant to preclude resources from entering the market. Rather, ORTPs are thresholds for review that allow resources to justify offers below the relevant ORTP. The ISO representative pointed to the Killingly project as an example. Mr. McDonald reiterated his disagreement, described more fully in the IMM's memo to the Markets Committee on how capital costs would be calculated under the proposal for an offshore wind project, which he believed would, in part, produce an artificially low offshore wind ORTP.

The Committee then considered and approved the main motion with a 71.84% Vote in favor (Generation Sector – 4.17%; Transmission Sector – 16.67%; Supplier Sector – 5.12%; AR Sector – 12.37%; Publicly Owned Entity Sector – 16.67%; End User Sector – 16.67%; and Provisional Members - 0.17%). (*See* Vote 3 on Attachment 2).

Vote on the ISO's Unamended Proposal

The ISO sought a vote on its proposal without any of the Participant-proposed amendments (but with the revised FCM parameter values to correct the error in the dispatch

model used for calculating those values), and a motion was duly made and seconded to approve the ISO's unamended proposal.

Various members expressed their views on the ISO's proposal, some abstaining even though they concluded that the value of energy and cost of contracts were nearer to the ORTP analysis supporting the main motion rather than to the ISO's analysis. The ISO was urged to continue assessing and refining its ORTP calculations based on updated information and more current experiences. Generator representatives, while expressing appreciation for the efforts of the ISO and stakeholders during the long and difficult discussions on these issues, expressed disappointment that the ISO failed to support their proposed amendments at the Markets Committee, which it argued were supported by consultant analysis and their own experiences.

Without further discussion, the motion to support the ISO's unamended proposal was voted and failed to pass with an 18.33% Vote in favor (Generation Sector – 0%; Transmission Sector – 0%; Supplier Sector – 1.66%; AR Sector – 0%; Publicly Owned Entity Sector – 16.67%; End User Sector – 0%; and Provisional Members – 0%). (*See* Vote 4 on Attachment 2).

LITIGATION REPORT

After a brief recess, the meeting resumed via WebEx. Mr. Doot referred the Committee to the December 2, 2020 Litigation Report that had been circulated and posted in advance of the meeting. He then highlighted the following items:

- (1) ***Order on Requests for Rehearing of CASPR Order*** – The FERC clarified on rehearing why it properly accepted the Competitive Auctions with Sponsored Policy Resources proposal.
- (2) ***ESI Alternatives (ER20-1567)*** – As indicated at the last meeting, the ISO filed for clarification that it may engage in communications with the FERC and FERC staff about the

ESI market design, reserve market design, the option construct, and the voluntary nature of the markets, unfettered by any *ex parte* restrictions.

(3) ***Two New Commissioners*** – The Senate confirmed two new Commissioners, Mark Christie, the former Chair of the Virginia Commission and Allison Clements, a policy consultant for The Energy Foundation. He explained that, once the two were sworn in, FERC would have five sitting Commissioners for the first time in nearly two years (at least until June 2021 when Commissioner Chatterjee’s term ends).

(4) ***FCM Pricing Rules Complaints Remand (EL20-54)*** – The FERC issued an order finding the 7-year price lock to be unjust and unreasonable. The FERC directed the ISO to submit a compliance filing, on or before February 1, 2021, eliminating the price lock and associated zero-price offer rule for new entrants starting in FCA16. The FERC order stated that the “termination of the price lock will not impact price-lock agreements in effect prior to the issuance of the order”.

COMMITTEE REPORTS

Markets Committee (MC). Mr. William Fowler, the MC Vice-Chair, reported that the next meeting of the Markets Committee was scheduled for a one-day, rather than a two-day, meeting on December 8, 2020.

Transmission Committee (TC). Mr. José Rotger, the TC Vice-Chair, reported that the next TC meeting would be held by teleconference on Thursday, December 10 and would include discussion on the PTOs’ proposals to address the reconstitution of behind-the-meter generation in the Regional Network Load calculation.

Reliability Committee (RC). Mr. Robert Stein, the RC Vice-Chair, reported that the next RC meeting would be on December 15. He highlighted an expected presentation on an I.3.9 application for a 200 MW battery installation.

Joint MC/RC (Future Grid - Reliability Study). Mr. Stein also reported that next joint meeting of the MC and RC was scheduled for December 17, when the Committees would continue work on, and would consider input assumptions to be used in, the framework document to be used for all Future Grid scenarios.

Budget & Finance (B&F) Subcommittee. Mr. Kaslow reported that the next B&F meeting was scheduled for January 28, 2021, when he expected discussion on trading Financial Assurance changes to continue. In addition, he highlighted for those interested an e-mail sent to Committee members and alternates providing instructions for accessing a copy of ISO New England's SOC 1 (Service Organization Controls Report) financial report.

ADMINISTRATIVE MATTERS

Mr. Doot reminded the Committee the next Participants Committee meeting was scheduled for January 7, 2021. He urged members to update their calendars with the scheduled 2021 meetings.

Before moving to the final agenda item, Ms. Chafetz noted that the meeting would be her last as Chair. She thanked Committee members for the opportunity to serve as Chair, and also thanked the ISO, NESCOE, NECPUC, NEPOOL officers, and the Day Pitney team for their support. She congratulated Mr. Cavanaugh on his election as Chair for 2021. Mr. Cavanaugh, in turn, expressed his thanks to all members for their support and confidence, and thanked Ms. Chafetz for her leadership. At his request, the Committee showed its appreciation to Ms. Chafetz by a warm round of virtual applause.

PATHWAYS TO THE FUTURE GRID

“Capacity as a Commodity”

Ms. Chafetz then referred the Committee to the materials that were circulated and posted in advance of the meeting and introduced Michael Borgatti, VP, Gabel Associates for a presentation and discussion of an additional potential market framework for New England. Mr. Borgatti began his presentation with an overview of current market challenges, which he indicated were as follows: (1) undifferentiated capacity models do not value different resources' contributions to reliability; (2) consumer choice and willingness to pay were poorly reflected in market prices today; (3) there is no direct pathway to advance public policies within competitive markets; and (4) the markets are relying on mitigation to produce competitive results. Mr. Borgatti noted that FCM may not represent a durable, long-term solution despite historic success at maintaining reliability. Before reviewing the proposed framework, he explained that the Capacity as a Commodity concept could use the same general FCM timeline, parameters and CELT report, but would impose a new forecast capacity obligation on each load serving entity (LSE) in the ISO-NE footprint, a new ISO resource adequacy metric reflecting reliability needs based on resource fuel mix, a new “Market Specifications” describing available products and terms, and a new capacity trading platform with publicly available market data that LSEs would use to help satisfy their obligations.

In response to questions and discussions through the presentation, Mr. Borgatti clarified the contemplated capacity requirement estimates timeline, and further explained that the proposed framework would include two incremental residual reliability auctions (RRAs), which would provide two additional opportunities for buyers and sellers to transact. The ISO would then be the buyer of last resort in the final RRA. He further explained the resource adequacy

metric as a way to define terms of reliability and allow the market to provide opportunity for consumer choice.

Mr. Borgatti clarified that the framework can be flexible on the time line and further indicated that current resources have shifted to shorter timelines and are now able to be built in much shorter timeframes than in the past. This framework includes the pre-auction along with the ISO-NE as the backstop.

Dr. Frank Felder: Standardized Fixed-Price Forward Contract (SFPFC) and Summary Report, Preliminary Observations and Request for Input

Ms. Chafetz then turned to Dr. Frank Felder for his presentation. Dr. Felder, who has been engaged to facilitate NEPOOL discussions of potential future pathways for New England, provided an inventory of all potential pathways shared to date. He then reconfirmed the project goals along with certain functions that are presumed to be retained by the ISO under all of the potential pathways identified to date.

Dr. Felder reviewed his assessment of Dr. Frank Wolak's Standardized Fixed-Price Forward Contract (SFPFC) framework (which had been presented to the Committee on November 5, 2020) and provided the following overview: (1) regulators mandate that LSEs purchase and hold to delivery standardized forward contracts for energy for fractions of their annual energy demand at various horizons; (2) standardized contracts are shaped by hourly demands; (3) clearinghouse manages counterparty risk; and (4) no installed capacity requirement. Dr. Felder shared his preliminary observations that SFPFC does not explicitly address the procurement of clean energy resources to achieve States' energy policy objectives. He further indicated that for SFPFC to be considered a pathway that would help the States achieve certain energy policy goals, it would likely need to be augmented with decarbonization mechanisms. He also noted SFPFC may (or may not) be an improvement over the FCM.

Dr. Felder provided an overview of the final summary report. He indicated the report would include a review of the various pathways along with a summary of each of the pathways with cited references to materials that provide details and articulate the claimed advantages of each. It will also include high-level findings and identify gaps that would likely need to be addressed. He explained that throughout the process, he has sought to evaluate how each of the pathways address two questions: (1) Whether and to what extent does the pathway support the clean energy policies of States? (2) To what extent does the pathway garner efficiency of regional markets?

Dr. Felder then reviewed his general, overall observation that a broad agreement from stakeholders is required in order to move forward. Successful reconciliation is not likely to occur without broad agreement reached among the New England States, NEPOOL stakeholders and ISO-NE. Additionally, the ability to balance resources and services does not always line up with adequacy. Dr. Felder addressed questions about how each of the pathways explored to date may or may not meet all of the requirements necessary and the potential need for a portfolio approach.

Dr. Felder then reviewed his high-level findings. First, net carbon pricing mitigates, but does not necessarily solve the double payment issue. Net carbon pricing would increase the revenues clean energy resources earn in the energy market, but does not specifically help the States tailor the timing and specific type of clean energy resources they desire to meet their individual policy objectives, as it sets prices not quantities. An advantage of the FCEM and ICCM frameworks is that they would procure the least-cost set of clean energy resources, but only if they reflect broad definitions of clean energy resources that allow a regional demand for these resources with regional competition among the resources. Achieving sufficient regional uniformity for demand will likely require the states to relinquish some control in order to garner

the benefits of this model. Ultimately there is a threshold question as to whether the states can achieve agreement set forth in these proposed regional market frameworks.

Dr. Felder also discussed the need for a more precise definition of required balancing services needed to ensure reliability in the future. Without knowing these requirements, it is difficult to analyze each of the potential pathways to ensure the markets will continue to be successful in providing necessary resources to keep the lights on.

Dr. Felder next indicated that additional details are required to fully assess the tradeoffs. The identified pathways are high-level proposals that do not specifically identify how they will work along with transmission. The outcomes of the pathways largely depend on how they interact with transmission, such as offshore wind. The intersection of pathways and transmission policy is critical in achieving the least-cost deployment of generation and transmission resources.

Dr. Felder also noted that several proposed pathways do not define what is actually being delivered and he expressed the need for more thought on this along with cost allocation.

Members responded with questions and observations. One member indicated that there are currently many types of projects that have large amounts of generation but do not have necessary transmission, creating a great disparity between discussion of Frameworks and the ability of those frameworks to support the state's decarbonization efforts. It was also noted that congestion has historically been seen as reliability. Dr. Felder indicated that if modeling was run for the different pathways the results might show how current transmission policies affect each pathway and how changes to transmission policies and the frameworks inter-relate. Another member expressed the need to evaluate each proposal through specific metrics. Dr. Felder hoped his review would provide the necessary clarity in identifying the next steps in the analytical process of meeting the intended goal. It was also suggested that the transmission needs of the region be evaluated before new resources can be intelligently located. Dr. Felder indicated both

location and variability of intermittent resources should be known in order to advance the discussion.

Dr. Felder concluded his presentation by encouraging Participants to provide written feedback and comments. He intended to provide a draft report within the next few weeks. He would then take additional comments and provide his final report by the end of the year.

Mr. Gerity reminded members of the remaining Sector meetings with State Officials scheduled for the following week.

There being no further business, the meeting adjourned at 4:00 p.m.

Respectfully submitted,

David Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN DECEMBER 3, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Able Grid Infrastructure Holdings, LLC	Provisional			Abby Krich
Acadia Center	End User	Deborah Donovan		Francis Pullaro
Advanced Energy Economy	Fuels Industry Part.	Caitlin Marquis		
American Petroleum Institute	Fuels Industry Part.	Paul Powers		
Anbaric Development Partners LLC	End User			Francis Pullaro
AR Large Renewable Generation (RG) Group Member	AR-RG	Alex Worsley		Francis Pullaro
AR Small Load Response (LR) Group Member	AR-LR	Doug Hurley	Brad Swalwell	
AR Small Renewable Generation Group Member	AR-RG	Erik Abend		
American PowerNet Management	Supplier			Joyceline Chow
Ashburnham Municipal Light Plant	Publicly Owned		Brian Thomson	
Associated Industries of Massachusetts	End User			Roger Borghesani
AVANGRID: CMP/UI	Transmission		Alan Trotta	
Belmont Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Block Island Utility District	Publicly Owned	Dave Cavanaugh		
Borrego Solar Systems, Inc.	AR-DG	Liz Delaney		
Boylston Municipal Light Department	Publicly Owned		Brian Thomson	
BP Energy Company	Supplier			José Rotger
Braintree Electric Light Department	Publicly Owned			Dave Cavanaugh
Brookfield Renewable Trading and Marketing	Supplier	Aleks Mitreski		
Calpine Energy Services, LP	Supplier	Brett Kruse		Bill Fowler
Cape Light Compact	End User			Erin Camp
Central Rivers Power	AR-RG		Dan Allegretti	
Chester Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned		Brian Thomson	
CLEARResult Consulting, Inc.	AR-DG	Tamara Oldfield		
Concord Municipal Light Plant	Publicly Owned		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw		
Connecticut Office of Consumer Counsel	End User		Dave Thompson	
Conservation Law Foundation (CLF)	End User	Phelps Turner		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Norman Mah		
CPV Towantic, LLC	Generation	Joel Gordon		
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned		Dave Cavanaugh	
DC Energy, LLC	Supplier	Bruce Bleiweis		
Deepwater Wind Block Island, LLC	Generation			Francis Pullaro
Direct Energy Business, LLC	Supplier	Nancy Chafetz		
Dominion Energy Generation Marketing, Inc.	Generation	Mike Purdie		
DTE Energy Trading, Inc.	Supplier			José Rotger
Dynergy Marketing and Trade, LLC	Supplier	Andy Weinstein		Bill Fowler
Enel X North America, Inc.	AR-LR	Michael Macrae		
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Environmental Defense Fund	End User	Jolette Westbrook		
Eversource Energy	Transmission	James Daly	Dave Burnham	Vandan Divatia
Excelerate Energy LP	Fuels Industry Part.			Gary Ritter
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Freeport Commodities	Supplier			Abby Krich
Galt Power, Inc.	Supplier	José Rotger		
Generation Group Member	Generation	Dennis Duffy	Abby Krich	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN DECEMBER 3, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Georgetown Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Great River Hydro	AR-RG			Bill Fowler
Groton Electric Light Department	Publicly Owned		Brian Thomson	
Groveland Electric Light Department	Publicly Owned		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guibault	Bob Stein	
Harvard Dedicated Energy Limited	End User	Mary Smith	Joyceline Chow	
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned		Brian Thomson	
Holyoke Gas & Electric Department	Publicly Owned		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Industrial Energy Consumer Group (IECG)	End User	Alan Topalian		
Ipswich Municipal Light Department	Publicly Owned		Brian Thomson	
Jericho Power LLC (Jericho)	AR-RG	Mark Spencer	Herb Healy	
KCE CT 1, LLC	Provisional			Pete Fuller
Littleton (MA) Electric Light and Water Department	Publicly Owned		Dave Cavanaugh	
Littleton (NH) Water & Light Department	Publicly Owned	Craig Kiemy		
Long Island Power Authority (LIPA)	Supplier		Bill Killgoar	
Maine Public Advocate's Office	End User	Andrew Landry		Erin Camp
Maine Skiing, Inc.	End User	Alan Topalian		
Mansfield Municipal Electric Department	Publicly Owned		Brian Thomson	
Maple Energy LLC	AR-LR			Doug Hurley
Marble River	Supplier		John Brodbeck	Abby Krich
Marblehead Municipal Light Department	Publicly Owned		Brian Thomson	
Mass. Attorney General's Office (MA AG)	End User	Christina Belew		Rebecca Tepper
Mass. Bay Transportation Authority	Publicly Owned		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Company	Publicly Owned	Brian Thomson		
Mercuria Energy America, Inc.	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Michael Kuser	End User		Jason York	
Middleborough Gas & Electric Department	Publicly Owned		Dave Cavanaugh	
Middleton Municipal Electric Department	Publicly Owned		Dave Cavanaugh	
National Grid	Transmission	Tim Brennan	Tim Martin	
Natural Resources Defense Council	End User	Bruce Ho		
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative	Publicly Owned	Steve Kaminski		Brian Forshaw
New Hampshire Office of Consumer Advocate	End User	Pradip Chhtopadhyay	Erin Camp	
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
North Attleborough Electric Department	Publicly Owned		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Novatus Energy (Blue Sky West, LLC)	AR-RG			Abby Krich
NRG Power Marketing LLC	Generation		Pete Fuller	
Pascoag Utility District	Publicly Owned		Dave Cavanaugh	
Paxton Municipal Light Department	Publicly Owned		Brian Thomson	
Peabody Municipal Light Department	Publicly Owned		Brian Thomson	
PowerOptions, Inc.	End User			Erin Camp
Princeton Municipal Light Department	Publicly Owned		Brian Thomson	
PSEG Energy Resources & Trade LLC	Supplier	Eric Stallings		
Reading Municipal Light Department	Publicly Owned		Dave Cavanaugh	
Rowley Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN DECEMBER 3, 2020 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Russell Municipal Light Dept.	Publicly Owned		Brian Thomson	
Shell Energy North America (US), L.P.	Supplier	Matt Picardi		
Shrewsbury Electric & Cable Operations	Publicly Owned		Brian Thomson	
South Hadley Electric Light Department	Publicly Owned		Brian Thomson	
Sterling Municipal Electric Light Department	Publicly Owned		Brian Thomson	
Stowe Electric Department	Publicly Owned		Dave Cavanaugh	
Sunrun Inc.	AR-DG			Pete Fuller
Taunton Municipal Lighting Plant	Publicly Owned		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned		Brian Thomson	
The Energy Consortium	End User	Roger Borghesani	Mary Smith	
Transource	Provisional			Dylan Drugan
Union of Concerned Scientists	End User		Francis Pullaro	
Vermont Electric Coop.	Publicly Owned	Craig Kieny		
Vermont Electric Power Company	Transmission	Frank Etori		
Vermont Energy Investment Corp (VEIC)	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned			Brian Forshaw
Versant Power	Transmission	Lisa Martin	David Norman	
Verso Energy Services LLC	Generation	Glenn Poole		
Village of Hyde Park (VT) Electric Department	Publicly Owned		Dave Cavanaugh	
Vitol Inc.	Supplier	Joe Wadsworth		
Wakefield Municipal Gas & Light Department	Publicly Owned		Brian Thomson	
Wallingford DPU Electric Division	Publicly Owned		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned		Dave Cavanaugh	
West Boylston Municipal Lighting Plant	Publicly Owned		Brian Thomson	
Westfield Gas & Electric Department	Publicly Owned		Dave Cavanaugh	
Wheelabrator North Andover, Inc.	AR-RG		Bill Fowler	

**VOTES TAKEN AT
DECEMBER 3, 2020 PARTICIPANTS COMMITTEE MEETING**

TOTAL

Sector/Group	Vote 1	Vote 2	Vote 3	Vote 4
GENERATION	12.50	8.33	4.17	0.00
TRANSMISSION	0.00	0.00	16.67	0.00
SUPPLIER	12.82	5.55	5.12	1.66
ALTERNATIVE RESOURCES	7.57	12.37	12.37	0.00
PUBLICLY OWNED ENTITY	0.00	16.67	16.67	16.67
END USER	0.00	16.67	16.67	0.00
PROVISIONAL MEMBERS	0.08	0.17	0.17	0.00
% IN FAVOR	32.97	59.76	71.84	18.33

TRANSMISSION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Avangrid (CMP/UI)	O	A	F	O
Eversource Energy	O	A	F	A
National Grid	O	A	A	A
VELCO	O	A	F	A
Versant Power	O	A	F	O
IN FAVOR (F)	0	0	4	0
OPPOSED	5	0	0	2
TOTAL VOTES	5	0	4	2
ABSTENTIONS (A)	0	5	1	3

GENERATION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
CPV Towantic, LLC	F	O	O	O
Deepwater Wind Block Island	O	F	F	O
Dominion Energy Generation Mktg	F	O	O	O
FirstLight Power Management, LLC	F	O	O	O
Generation Group Member	O	F	F	O
Nautilus Power, LLC	F	O	O	O
NextEra Energy Resources, LLC	F	F	O	O
NRG Power Marketing, LLC	F	F	O	O
IN FAVOR (F)	6	4	2	0
OPPOSED (O)	2	4	6	8
TOTAL VOTES	8	8	8	8
ABSTENTIONS (A)	0	0	0	0

SUPPLIER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
American PowerNet Management, LP	O	F	F	O
BP Energy Company	A	A	A	A
Brookfield Renewable Trading & Mktg	F	--	O	O
Calpine Energy Services, LP	F	O	O	O
Castleton Comm. Merchant Trading	F	O	O	A
Consolidated Edison Energy, Inc.	F	A	A	A
Cross-Sound Cable Company	A	A	A	A
DC Energy, LLC	F	--	--	--
Direct Energy Business, LLC	A	O	O	A
DTE Energy Trading, Inc.	A	A	A	A
Dynegy Marketing and Trade, LLC	F	O	O	O
Emera Energy Companies	F	O	O	O
Exelon Generation Company	F	O	O	O
Freemont Commodities, LLC	O	F	F	O
Galt Power, Inc.	A	A	A	A
H.Q. Energy Services (U.S.) Inc.	F	O	O	F
LIPA	A	A	A	A
Marble River, LLC	O	F	F	O
Mercuria Energy America, Inc	A	A	A	A
PSEG Energy Resources & Trade	F	O	O	O
Shell Energy North America (US) LP	A	F	F	A
Vitol Inc.	A	A	--	--
IN FAVOR (F)	10	4	4	1
OPPOSED	3	8	9	9
TOTAL VOTES	13	12	13	10
ABSTENTIONS (A)	9	8	7	10

ALTERNATIVE RESOURCES SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Renewable Generation Sub-Sector				
Central Rivers Power	F	O	O	O
ENGIE Energy Marketing NA, Inc.	O	F	F	A
Great River Hydro, LLC	F	O	O	O
Jericho Power LLC	F	O	O	O
Novatus Energy	O	F	F	O
Wheelabrator/Macquarie	F	O	O	O
Large RG Group Member	A	F	F	O
Small RG Group Member	A	F	F	O
Distributed Gen. Sub-Sector				
Borrego Solar Systems Inc.	O	F	F	O
CLEAResult Consulting, Inc.	A	F	F	O
Sunrun Inc.	F	F	A	A
Load Response Sub-Sector				
Enel X North America, Inc.	O	F	F	O
Maple Energy	O	F	F	O
Vermont Energy Investment Corp.	O	F	F	O
Small LR Group Member	O	F	F	O
IN FAVOR (F)	5	11	10	0
OPPOSED	7	4	4	13
TOTAL VOTES	12	15	14	13
ABSTENTIONS (A)	3	0	1	2

**VOTES TAKEN AT
DECEMBER 3, 2020 PARTICIPANTS COMMITTEE MEETING**

END USER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Acadia Center	O	F	F	O
Associated Industries of Mass.	O	F	F	O
Conn. Office of Consumer Counsel	O	F	F	O
Conservation Law Foundation	O	F	F	O
Environmental Defense Fund	O	F	F	O
Harvard Dedicated Energy Limited	O	F	F	O
High Liner Foods (USA) Inc.	O	F	F	O
Industrial Energy Consumer Group	O	F	F	O
Michael Kuser	A	A	A	A
Maine Public Advocate Office	O	F	F	O
Maine Skiing, Inc.	O	F	F	O
Mass. Attorney General's Office	O	F	F	O
Natural Resources Defense Council	O	F	F	O
NH Office of Consumer Advocate	O	F	F	O
PowerOptions, Inc.	O	F	F	O
The Energy Consortium	O	F	F	O
IN FAVOR (F)	0	17	17	0
OPPOSED	17	0	0	17
TOTAL VOTES	17	17	17	17
ABSTENTIONS (A)	1	1	1	1

PUBLICLY OWNED ENTITY SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Ashburnham Municipal Light Plant	O	F	F	A
Belmont Municipal Light Dept.	O	F	F	F
Block Island Utility District	O	F	F	F
Boylston Municipal Light Dept.	O	F	F	A
Braintree Electric Light Dept.	O	F	F	F
Chester Municipal Light Dept.	O	F	F	F
Chicopee Municipal Lighting Plant	O	F	F	A
Concord Municipal Light Plant	O	F	F	F
Conn. Mun. Electric Energy Coop.	O	F	F	F
Danvers Electric Division	O	F	F	F
Georgetown Municipal Light Dept.	O	F	F	F
Groton Electric Light Dept.	O	F	F	A
Groveland Electric Light Dept.	O	F	F	F
Hingham Municipal Lighting Plant	O	F	F	F
Holden Municipal Light Dept.	O	F	F	A
Holyoke Gas & Electric Dept.	O	F	F	A
Hull Municipal Lighting Plant	O	F	F	A
Ipswich Municipal Light Dept.	O	F	F	A
Littleton (MA) Electric Light Dept.	O	F	F	F
Littleton (NH) Water & Light Dept.	O	F	F	F
Mansfield Municipal Electric Dept.	O	F	F	A
Marblehead Municipal Light Dept.	O	F	F	A

PUBLICLY OWNED ENTITY SECTOR (cont.)

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Mass. Mun. Wholesale Electric Co.	O	F	F	A
Mass. Bay Transportation Authority	O	F	F	F
Merrimac Municipal Light Dept.	O	F	F	F
Middleborough Gas and Elec. Dept.	O	F	F	F
Middleton Municipal Electric Dept.	O	F	F	F
New Hampshire Electric Cooperative	O	F	F	A
North Attleborough Electric Dept.	O	F	F	F
Norwood Municipal Light Dept.	O	F	F	F
Pascoag Utility District	O	F	F	F
Paxton Municipal Light Dept.	O	F	F	A
Peabody Municipal Light Plant	O	F	F	A
Princeton Municipal Light Dept.	O	F	F	A
Reading Municipal Light Dept.	O	F	F	F
Rowley Municipal Lighting Plant	O	F	F	F
Russell Municipal Light Dept.	O	F	F	A
Shrewsbury's Elec. & Cable Ops.	O	F	F	A
South Hadley Electric Light Dept.	O	F	F	A
Sterling Municipal Electric Light Dept.	O	F	F	A
Stowe (VT) Electric Dept.	O	F	F	F
Taunton Municipal Lighting Plant	O	F	F	F
Templeton Municipal Lighting Plant	O	F	F	A
Vermont Electric Cooperative	O	F	F	F
VT Public Power Supply Authority	O	F	F	F
Village of Hyde Park (VT) Elec. Dept.	O	F	F	F
Wakefield Mun. Gas and Light Dept.	O	F	F	A
Wallingford, Town of	O	F	F	F
Wellesley Municipal Light Plant	O	F	F	F
West Boylston Mun. Lighting Plant	O	F	F	A
Westfield Gas & Electric Light Dept.	O	F	F	F
IN FAVOR (F)	0	51	51	29
OPPOSED	51	0	0	0
TOTAL VOTES	51	51	51	29
ABSTENTIONS (A)	0	0	0	22

PROVISIONAL MEMBERS

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Able Grid Infrastructure Holdings, LLC	O	F	F	O
Anbaric Development Partners, LLC	A	F	F	O
KCE CT 1 & 2	F	A	A	A
IN FAVOR (F)	1	2	2	0
OPPOSED	1	0	0	2
TOTAL VOTES	2	2	2	2
ABSTENTIONS (A)	1	1	1	1

**ESTIMATED 2021 NEPOOL BUDGET COMPARED TO
2020 NEPOOL BUDGET AND 2020 PROJECTED ACTUAL EXPENSES**

<u>Line Items</u>	<u>2020 Approved Budget</u>	<u>2021 Proposed Budget</u>	<u>2020 Current Forecast</u>
NEPOOL Counsel Fees (1)	\$4,100,000	\$4,100,000	\$4,100,000
NEPOOL Counsel Disbursements (1)	\$ 40,000	\$ 20,000	\$ 20,000
Independent Financial Advisor Fees and Disbursements (2)	\$ 45,000	\$ 45,000	\$ 45,000
Committee Meeting Expenses (3)(4)	\$ 725,000	\$ 510,000	\$ 210,000
Generation Information System (5)	\$ 945,000	\$ 1,070,600	\$ 845,000
Credit Insurance Premium (3)	\$ 510,000	\$ 475,000	\$ 434,000
NEPOOL Audit Management Subcommittee (NAMS) Consultant (6)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
SUBTOTAL EXPENSES	\$6,365,000	\$6,220,600	\$5,654,000
<u>Revenue</u>			
NEPOOL Membership Fees (3) (7)	(\$2,070,000)	(\$2,110,000)	(\$2,238,000)
Generation Information System (5) (8)	(\$ 945,000)	(\$1,070,600)	(\$ 845,000)
Credit Insurance Premium (3) (9)	<u>(\$ 510,000)</u>	<u>(\$ 475,000)</u>	<u>(\$ 434,000)</u>
TOTAL REVENUE	(\$3,525,000)	(\$3,655,600)	(\$3,517,000)
TOTAL NEPOOL EXPENSES	\$2,840,000	\$2,565,000	\$2,137,000

Notes

- (1) 2021 proposed estimate provided by Day Pitney LLP, NEPOOL counsel.
- (2) 2021 proposed estimate provided by Michael M. Mackles, NEPOOL's Independent Financial Advisor.
- (3) 2021 proposed estimate provided by ISO New England Inc. (ISO).
- (4) Committee meeting expense for 2020 includes amounts to be paid to consultants for assistance with Future Grid. The 2021 proposed budget assumes no in-person meetings for the first part of 2021.

- (5) Based on new fee arrangement in Extension of and First Amendment to Amended and Restated Generation Information System Administration Agreement, pursuant to which the fixed fee for 2021 is projected to be \$950,000, plus \$120,600 projected expense related to changes associated with Massachusetts Clean Peak Energy Standard, which will be charged in 2021 when changes are completed.
- (6) If NEPOOL determines that an audit should be performed in 2021, funding for that audit will be addressed separately.
- (7) The 2021 proposed estimate is based on the 2020 actual receipts through October 2020, plus a forecast for new members for the remainder of the year. The breakdown for the proposed budget is approximately: 392 members at \$5,000 each, 29 members at \$1,000 each, 16 members at \$500 each, 25 members at \$1,500 each, and 31 members of large end users and MPEU's. This estimate takes into account the terminations throughout the year.
- (8) GIS costs, other than those associated with accessing the GIS through the application programming interface (API) are paid by "GIS Participants" under Allocation of Costs Related to Generation Information System, which was approved by the NEPOOL Participants Committee on June 21, 2002. GIS costs associated with accessing the GIS through the API are paid by the GIS account holders using that API.
- (9) Credit insurance premium is paid by Qualifying Market Participants according to methodology described in Section IX of the ISO Financial Assurance Policy. The 2021 premium is based on 2020 annual policy sales.

CONSENT AGENDA

Reliability Committee (RC)

From the previously-circulated notice of actions of the RC's December 15, 2020 meeting, dated December 15, 2020:¹

1. Retirement of Appendix A to OP-12 and Conforming Revisions to OP-12

Support (i) the retirement of Appendix A (Voltage/Reactive Documents in the ISO New England ODMS) to ISO New England (ISO-NE) Operating Procedure (OP) No. 12 (Voltage and Reactive Control) (OP-12) and (ii) minor grammatical changes and conforming changes reflecting the retirement of Appendix A, all as recommended by the RC at its December 15, 2020 meeting, together with such other non-material changes as the Chair and Vice-Chair of the RC may approve.

The motion to recommend Participants Committee support was approved unanimously.

2. Revisions to Planning Procedures 5-5, 5-1 and 5-0 (Changes to Align PPs with NERC RAS Definition and Reliability Standard PRC-012-2)

Support revisions to ISO-NE Planning Procedure (PP) 5-5 (Requirements and Guidelines for Application of Remedial Action Schemes (RAS) and Automatic Control Schemes), PP 5-1 (Section I.3.9 Applications: Requirements, Procedures, and Forms), and PP 5-0 (Proposed Plan Application Procedure) (together, the PPs), to conform the PPs to NERC's RAS definition and Reliability Standard PRC-012 (Remedial Action Schemes), as recommended by the RC at its December 15, 2020 meeting, together with such other non-material changes as the Chair and Vice-Chair of the RC may approve.

The motion to recommend Participants Committee support was approved unanimously, with two abstentions recorded in the Supplier Sector.

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