

FINAL

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held via teleconference beginning at 10:00 a.m. on Thursday, May 6, 2021. 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.

Mr. David Cavanaugh, Chair, presided and Mr. David Doot, Secretary, recorded.

APPROVAL OF MARCH 24 AND APRIL 1, 2021 MEETING MINUTES

Mr. Cavanaugh referred the Committee to the preliminary minutes of the March 24 and April 1, 2021 meetings, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of those meetings were unanimously approved as circulated, with an abstention by Mr. Michael Kuser's alternate noted.

CONSENT AGENDA

Mr. Cavanaugh referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was unanimously approved as circulated, with abstentions on behalf of Calpine, Jericho Power and Mr. Kuser recorded. The Calpine and Jericho Power representatives stated that they abstained because they did not agree with changes voted under Consent Agenda Item #1 (Adjusting Actions Taken During Operating Reserve Deficiencies and Minimum Generation Emergencies for CTS (Coordinated Transaction Scheduling) Transactions).

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), began by explaining that the ISO expected that a number of factors would require the ISO to seek a larger budget increase for the 2022 budget than the budget increases for the past five to six years. He reported that he expected that the current budget would be maintained throughout 2021, but that budget increases were needed for 2022 and beyond in order to allow the ISO to carry out its anticipated work plan. He identified the following areas that he said would require additional resources through increased head counts, consultant-based professional fees and increased capital budgets for upgraded information technology (IT) systems, including the base energy market system (EMS) and market platforms: (i) markets development; (ii) systems planning; (iii) IT; (iv) cybersecurity; and (v) modeling efforts. These additional resources would be reflected in the proposed 2022 budget which would be shared with stakeholders beginning in June.

In response to a question, he reported that hiring was planned both to fill current vacancies and to expand staff to support a greater workload. He noted that the challenges with hiring skilled workers had been amplified by the Biden Administration's initiatives, with salaries increasing in response to a supply/demand mismatch. He explained that the ISO had worked to find efficiencies within job functions, but the need, nonetheless, remained both to scale up and to fill open positions in order to appropriately plan for upcoming work. He deferred responding to a question on whether the costs for the project to eliminate the minimum offer price rule in New England (MOPR) were to be included in 2021 or 2022 until the plan for such action was better defined. He did confirm, however, that the ISO planned to file in the first quarter of 2022 a proposal that would include the elimination of the MOPR.

ISO COO REPORT

Dr. Chadalavada, ISO Chief Operating Officer (COO), referred the Committee to his May report, which had been circulated and posted in advance of the meeting. He noted that the data in the report was through April 28, 2021, unless otherwise noted. The report highlighted: (i) Energy Market value for April 2021 was \$229 million, down \$144 million from the updated March 2021 value of \$372 million and up \$69 million from April 2020; (ii) April 2021 average natural gas prices were 31% lower than March average prices; (iii) average Real-Time Hub Locational Marginal Prices (LMPs) for April (\$26.19/MWh) were 22% lower than March averages; (iv) average April 2021 natural gas prices and Real-Time Hub LMPs over the period were up 43% and 45%, respectively, from April 2020 average prices; (v) average Day-Ahead cleared physical energy during peak hours as percent of forecasted load was 99.8% during April (up from 98.9% in March), with the minimum value for the month (94.6%) on April 4; and (vi) Daily Net Commitment Period Compensation (NCPC) payments for April totaled \$2.6 million, which was up \$0.4 million from March 2021 and up \$0.5 million from April 2020. April NCPC payments, which were 1.1% of total Energy Market value, were comprised of: (a) \$2.6 million in first contingency payments (up \$0.5 million from March); (b) zero in second contingency and voltage payments, and (c) \$11,000 in distribution payments.

Regarding transmission outages, Dr. Chadalavada reminded the Committee of a planned outage from May 3 through May 29 on Line 373 (Deerfield-Scobie) for the replacement of certain structures, which could result in second contingency payments for the month.

Turning to system operations, Dr. Chadalavada noted a growing trend with midday loads being below overnight loads, which the ISO anticipated would happen in about 20 days during the next month. That trend was consistent with the growth of behind-the-meter (BTM) and

distributed resources and was driving the ISO's need for more granular weather data. To that end, the ISO was looking to expand, from eight to 22, the number of weather stations around New England. The ISO was also constructing a scope of work designed to increase the collection of BTM data and production forecasts from third-party vendors.

Dr. Chadalavada then reminded Participants of the October 6, 2021 public meeting to discuss the 2021 Regional System Plan. He noted the ISO's expectation of a response from the FERC regarding CONE, Net CONE and the Performance Payment Rate (PPR) by May 28, and a FERC order on Offer Review Trigger Prices (ORTP) values by June 8. Additionally, he noted feedback from the Order 1000 lessons learned feedback solicitations would be discussed at the July Transmission Committee meeting.

Responding to members' questions and comments, Dr. Chadalavada agreed to investigate and report back on the plans and potential to gather better data concerning solar photovoltaic (PV) production directly from the electric distribution companies (EDCs) rather than indirectly from a third-party vendor. He agreed with the observation of a member that having a month with no second contingency payments may be unprecedented.

ISO'S 2021 ANNUAL WORK PLAN UPDATES

Dr. Chadalavada then referred the Committee to the updated 2021 Annual Work Plan (Plan), which had been circulated and posted in advance of the meeting. He began summarizing the updates to the Plan by noting the additions to the Plan since its presentation in October, including: (i) a project to address the elimination of MOPR; (ii) the 2050 Transmission Study request from the New England states; (iii) assessments of Resource Capacity Contributions to Resource Adequacy/Electric Load Carrying Capability (ELCC); (iv) assessments related to

operational impacts of extreme weather events; and (v) FERC Order 2222 compliance. He confirmed updates would be provided as work progresses.

He summarized the plans to work on the Future Grid Reliability Study Phase 1 and the Pathways to the Future Grid analysis, both of which the ISO planned to report on in the first quarter (Q1) of 2022.

He explained that work to address the potential elimination of MOPR was a top initiative for the ISO and that the ISO planned to ramp up efforts on that initiative in the second half of 2021. He reminded Committee members that the elimination of MOPR would be discussed at the upcoming, May 25 FERC Technical Conference addressing resource adequacy in New England. He reported on the ISO's target to file a MOPR elimination proposal no later than Q1 2022 (in time for implementation for FCA17 if possible). Responding to posted comments and questions on the MOPR project, Dr. Chadalavada reinforced the ISO's commitment to work closely with NEPOOL stakeholders and state representatives to define New England's proposal. He acknowledged recently announced plans by NYISO and PJM for earlier filings, but explained that each region needed a plan that reflected its own priorities and timing. He highlighted the different juncture each region was at with respect to resource mix, regulatory and stakeholder processes, and the implications for change faced by each region.

In response to questions and comments, Dr. Chadalavada confirmed that the ISO was seeking a proposal that would eliminate MOPR while ensuring that the auction produces competitive prices that would both support new entry and protect against inefficient retirement. He reported that the ISO had engaged Dr. David Patton, Potomac Economics, to propose a framework that would address concerns with MOPR while maintaining competitive pricing, an effort that was expected to take Dr. Patton approximately two to three months to complete.

He agreed, in response to another question, that the ELCC (or Resource Capacity Contributions to Resource Adequacy) methodology was a necessary foundation for markets going forward, but was not all-encompassing. That effort would take time to define and the market would require additional measures to ensure the desired outcome. Specific efforts would kick-off with a June 22 technical information session that would include discussions on possible approaches for scoping an assessment of the relevant issues in New England.

Continuing his review of the updated Annual Work Plan, Dr. Chadalavada noted the transmission planning for the Future Grid studies, including for both the Transmission Planning for the Clean-Energy Transition and the 2050 Transmission Study requested in the New England States' Energy Vision. To support this expanded planning effort, he identified the ISO's plans for developments of an Inverter-Based Resource Integration and Modeling Assessment and a refined Day-Ahead Market Simulator. Moving to resource capacity contributions to resource adequacy (which he explained has been referred to elsewhere as ELCC), he reported that the proposed scope of that component would be reviewed with stakeholders in the second quarter of 2021 and that market design modifications might not happen until 2022. He highlighted FERC Order 2222 as a new major project for 2021 that would allow more integrated participation by distributed energy resources (DERs) in wholesale markets.

Focusing next on efforts to better plan for the operational impacts of extreme weather and contingency events, he described the dual need to quantify such risks, and separately whether and how to protect against such risks. He confirmed, in response to questions received off-line, that the ISO did not intend to extend its inventoried energy program (IEP) beyond the scheduled FCA15 sunset.

He concluded by discussing ISO plans on the next steps relative to the Energy Security Initiative (ESI). He explained that the ISO intended to work on this project in 2021, but other higher priority matters needed to be scoped, so the ISO planned to provide an update later in the year. He did expect that the ISO would have a recommendation for an approach by the end of 2021 or early 2022. Members urged attention also to a construct for the compensation of Day-Ahead Reserves on a similar or even somewhat earlier, but separate, schedule from the broader energy security efforts.

NON-COMMERCIAL CAPACITY FINANCIAL ASSURANCE CHANGES

Mr. Tom Kaslow, Budget & Finance Subcommittee (B&F) Chair, referred the Committee to the materials circulated and posted in advance of the meeting related to changes to the “NCC trading FA” component of the calculation of the Non-Commercial (NCC) financial assurance (FA) amount in the Financial Assurance Policy. He provided a brief history of the provisions being changed and an explanation of the refinements proposed. He summarized the process undertaken by B&F over a series of meetings to review the changes. He reported that, following a number of adjustments by the ISO in response to Participant feedback, there were no objections or concerns raised during B&F’s final discussion, on April 22, 2021, with the changes presented for consideration. Mr. Kaslow thanked the ISO for its efforts and responsiveness to Participant feedback.

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 NCC Trading FA revisions to the ISO New England Financial Assurance Policy, as proposed by the ISO and as circulated to this Committee with the April 29, 2021 supplemental notice, together with such non-substantive changes as may be approved by the Chair of the Budget and Finance Subcommittee.

LITIGATION REPORT

Mr. Doot referred the Committee to the May 4 Litigation Report that had been circulated and posted in advance of the meeting. He highlighted activity in the following proceedings, encouraging those with questions to contact NEPOOL counsel: (i) the May 25 FERC Technical Conference on Resource Adequacy in New England (AD21-10); (ii) the June 1-2 FERC Technical Conference on climate change, extreme weather, and the implications for electric system reliability (AD21-13); and (iii) the FCM parameters proceedings addressing updated CONE, Net Cone and PPR values (ER21-787) and ORTPs (ER21-1637).

COMMITTEE REPORTS

Markets Committee (MC). Mr. William Fowler, the MC Vice-Chair, reported that a one-day meeting would be held on May 11, rather than a two-day meeting.

Transmission Committee (TC). Mr. José Rotger, the TC Vice-Chair, reported that the TC was scheduled to meet on May 27. The agenda would include a review of the ISO's compliance efforts relative to FERC Order 2222.

Reliability Committee (RC). Mr. Robert Stein, the RC Vice-Chair, reported that the RC was scheduled to meet on May 18. Additionally the PAC would meet on May 19 with a report from the joint MC/RC on the future grid. On May 20, the Power Supply Planning Committee (PSPC) would meet for a preliminary look at the FCA16 capacity zones.

Joint Nominating Committee (JNC). Mr. Cavanaugh referred to and summarized the report concerning JNC matters that had been circulated and posted in advance of the meeting. Looking forward, he reported that the JNC would be conducting second round interviews with

five finalists on May 14 and 17. Following those interviews, the JNC planned to recommend a final slate and solicit feedback from stakeholders in May or early June.

ADMINISTRATIVE MATTERS

Mr. Doot reminded members of the Committee's May 13 Future Grid Pathways working session and of its June 3 meeting. He noted that the Participants Committee Summer Meeting would be a single day meeting held on June 24, with Sector meetings with the Board to be held the following Friday and Monday.

There being no further business, the meeting adjourned at 12:23 p.m.

Respectfully submitted,

David Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN MAY 6, 2021 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Acadia Center	End User	Deborah Donovan		
Advanced Energy Economy	Fuels Industry Participant	Caitlin Marquis		
American Petroleum Institute	Fuels Industry Participant	Paul Powers		
AR Large Renewable Generation (RG) Group Member	AR-RG	Alex Worsley		
AR Small Load Response (LR) Group Member	AR-LR	Brad Swalwell		
AR Small RG Group Member	AR-RG	Erik Abend		
Ashburnham Municipal Light Plant	Publicly Owned Entity		Brian Thomson	
AVANGRID: CMP/UI	Transmission		Alan Trotta	
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		
Clearway Power Marketing LLC	Supplier			Pete Fuller
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw		
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	
DTE Energy Trading, Inc.	Supplier			José Rotger
Dynergy Marketing and Trade, LLC	Supplier	Andy Weinstein		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	Jolette Westbrook		
Eversource Energy	Transmission		Dave Burnham	
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
Excelerate Energy LP	Fuels Industry Participant	Gary Ritter		
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	José Rotger		
Generation Group Member	Generation		Abby Krich	
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	
H.Q. Energy Services (U.S.) Inc. (HQUS)	Supplier	Louis Guilbault	Bob Stein	
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned Entity	John Coyle	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		

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PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Ipswich Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Jericho Power LLC (Jericho)	AR-RG	Mark Spencer	Nancy Chafetz	
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 LLC	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 Martin	
Natural Resources Defense Council	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	
Rodan Energy Solutions (USA) Inc.	Provisional	Aaron Breidenbaugh		
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	
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		Mary Smith	
Vermont Electric Cooperative	Publicly Owned Entity	Craig Kieny		
Vermont Electric Power Company (VELCO)	Transmission	Frank Etori		
Vermont Energy Investment Corp (VEIC)	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw

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PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Versant Power	Transmission	Lisa Martin		
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Voltus, Inc.	AR-LR	Nicole Irwin		
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	