

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, September 2, 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. Sebastian Lombardi, Assistant Secretary, recorded.

APPROVAL OF JULY 21 AND AUGUST 5, 2021 MEETING MINUTES

Mr. Cavanaugh referred the Committee to the preliminary minutes of the July 21, 2021 morning meeting and the August 5, 2021 meeting, 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 recorded.

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 an abstention on behalf of Mr. Kuser's alternate recorded.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), referred the Committee to the summaries of the ISO Board and Board Committee meetings that had occurred since the

August 5, 2021 Participants Committee meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on the summaries.

In response to a more general question regarding the timeline and efforts for incorporating Effective Load Carrying Capability (ELCC) into the region's arrangements, Mr. van Welie noted that incorporating ELCC was a top priority for the ISO. He explained that, from the preliminary work plan and thinking under way, the project may be multi-stage and multi-year, particularly given resource complications and energy constraints. He expressed an initial preference for implementing a marginal, rather than an average, ELCC approach. He indicated the ISO had a goal of implementing ELCC beginning in FCA18 for certain resources identified to have the largest impact, which he explained were those whose capacity ratings were determined to be the most overstated in the qualification process. A member suggested that the ISO consider a more holistic approach that would allow for other market enhancements to be applied more broadly to the capacity accreditation process.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), began by referring the Committee to his September report, which had been circulated and posted in advance of the meeting. Dr. Chadalavada noted that the data in the report was through August 25, 2021, unless otherwise noted. The report highlighted: (i) Energy Market value for August 2021 was \$534 million, up \$71 million from the updated July 2021 value of \$463 million and up \$229 million from August 2020; (ii) August 2021 average natural gas prices were 22% higher than July 2021 average prices; (iii) average Real-Time Hub Locational Marginal Prices (LMPs) for August (\$48.83/MWh) were 37% higher than July averages; (iv) average August 2021 natural gas prices and Real-Time Hub LMPs over the period were up 161% and 105%, respectively, from August

2020 average prices; (v) average Day-Ahead cleared physical energy during peak hours as percent of forecasted load was 100.4% during August (down from 100.6% in July), with the minimum value for the month (95.9%) on August 6; and (vi) Daily Net Commitment Period Compensation (NCPC) payments for August totaled \$2.3 million, which was down \$0.5 million from July 2021 and down \$1.1 million from August 2020. August NCPC payments, which were 0.4% of total Energy Market value, were comprised of: (a) \$1.9 million in first contingency payments (down \$0.3 million from July); (b) \$35,000 in second contingency, and (c) \$355,000 in distribution payments.

Regarding transmission outages, Dr. Chadalavada noted the planned outage of line 354 from Northfield to Ludlow, which would be out of service through September 8 and again from September 25 to October 24, and would limit imports from New York (NY) to 700 MW and exports to NY to 1,200 MW. He also noted a second construction-related structure outage, which would be on lines 312/393 from October 14 to October 24 and again from November 29 to mid-December, limiting transfers with NY in both directions to 700 MW.

Dr. Chadalavada reported that registration was open for the Regional System Plan Public Meeting to be held virtually on October 6.

Dr. Chadalavada then referenced the impacts on the bulk power system of tropical storm Henri, which were minimal in comparison to those expected had it been a hurricane with landfall in Connecticut. He said that the system performed well, with only two 115 kV lines impacted (both restored that same day) and approximately 125,000 customer outages (most occurring in Rhode Island, where Henri landed). He compared those limited impacts to those experienced the year before in connection with Hurricane Isaias and those being experienced in Louisiana with Hurricane Ida.

In response to questions about the impacts of the storm, Dr. Chadalavada noted that nuclear units were not postured during the storm. The shutdown procedures for those units, given projected wind speeds and storm surge levels, made them unavailable for posturing. The units were not needed in any case because the generation cleared in the Day-Ahead Energy Market was more than sufficient to meet the low load levels experienced.

Dr. Chadalavada then contrasted the experience during Henri with conditions experienced on August 25 and 26. During that latter two-day period, load was in the 23,000-24,000 MW range, just above projections. Dr. Chadalavada highlighted for the Committee that despite higher LMPs and tight operating conditions during those days, no scarcity conditions occurred and there was no need for supplemental commitments. When prompted, he said that Day-Ahead prices for reserve products would likely have mitigated load sensitivity issues during this period. He confirmed that pay-for-performance conditions were not triggered during this period, and the region had not been close to violating any of its reserve requirements.

When asked about the timing for the Master/Local Control Center Procedure No. 2 (MLCC/2) declaration (which gives the ISO the permission to recall outages) made in anticipation of Henri, he explained the need for time to provide generation and transmission resources a reasonable opportunity to come back into service when needed should their outage be recalled. A member suggested that a revision to the procedure be considered to adjust the timing involved, allowing resources with shorter recall times to come back online closer to when needed.

More broadly, Dr. Chadalavada indicated that, in light of the events experienced over the prior year, particularly those in Texas and Louisiana, further discussion on preparation, recovery

and the analysis of stress testing of markets would take place in connection with the planned discussion of the 2022 regional work plan at the October 7 Participants Committee meeting.

2022 ISO AND NESCOE BUDGETS

Mr. Robert Ludlow, ISO Vice President and Chief Financial & Compliance Officer, referred the Committee to the materials circulated and posted in advance of the meeting related to the proposed 2022 ISO Operating and Capital Budgets. He indicated that the materials remained largely consistent with the more detailed presentation materials that were discussed with stakeholders and State officials in June. Mr. Ludlow highlighted that the key drivers of the 2022 budget increase included: (i) funding for an increase in the number of employees (particularly in the areas of markets development, system planning, modeling and information technology (IT)); (ii) contingency funding to allow for increased flexibility for additional studies or analyses as needed; and (iii) capital costs associated with establishing a new platform as part of the region's transition to a cleaner grid.

Summarizing the process for budget review and approval, Mr. Ludlow said that the budgets had been reviewed with the Budget and Finance Subcommittee and State officials in August. Any additional comments from State officials on the budgets were due in approximately one week. The ISO would respond to any such comments and questions by late September. The ISO Board would review the budgets and all feedback received and the Participants Committee would be asked to vote on the final 2022 Budgets at its October 7 meeting. A FERC filing would then be made in mid-October.

In response to questions, Mr. Ludlow clarified how and in what areas the additional staff positions would be phased in. He also provided additional insight into how capital budgets were expected to be impacted over the subsequent five years, with Dr. Chadalavada reminding

members of the market system platform replacement planned to take place during that timeframe. Mr. Ludlow noted that forecasts of the impact of depreciation costs in were included with the detailed presentation materials for the June Summer Meeting.

Turning to the 2022 NESCOE Budget, Mr. Cavanaugh referred the Committee to the NESCOE Budget materials posted in advance of the meeting. He noted that Ms. Heather Hunt, NESCOE Executive Director, was available for questions or comments. There were no questions or comments. He asked that members reach out to Ms. Hunt directly prior to the October 7 vote if any questions or comments arose.

REQUEST BY STORED SOLAR FOR WAIVER OF GIS OPERATING RULES AND GIS AGREEMENT

Mr. Paul Belval, NEPOOL Counsel, referred the Committee to the memorandum circulated and posted in advance of the meeting related to a request by Stored Solar J&WE, LLC (Stored Solar) for waiver of the Generation Information System (GIS) Operating Rules and GIS Agreement with APX Inc. to address a reporting error which occurred in the months of February and March 2021. Mr. Belval provided a summary of the request, noting that Stored Solar incorrectly entered the production by fuel type for each month, such that the biomass output was entered as natural gas output, and the natural gas output was entered as biomass output. He then provided an overview of the applicable GIS Operating Rules and the options for proceeding. Following Participant comments and a process overview by Mr. Sebastian Lombardi, the Committee agreed without opposition to defer further consideration of the matter to the October 7 meeting, to allow for additional review and consideration of the waiver request.

LITIGATION REPORT

Mr. Lombardi referred the Committee to the August 31 Litigation Report that had been circulated and posted the day before the meeting. He highlighted the following:

- (i) The first of two FERC technical conferences to discuss potential energy and ancillary services market reforms to be held on September 14;
- (ii) The August 20th deficiency letter issued by the FERC in connection with the joint filing by Participating Transmission Owners Administrative Committee (PTO AC) and the ISO of tariff revisions addressing the treatment of certain behind-the-meter generation. The deficiency letter directed additional information be filed by September 20, and the filing would re-set the FERC's 60-day deadline to act on the proposed tariff revisions; and
- (iii) The first meeting of the recently established Joint Federal-State Task Force on Electric Transmission had been scheduled for November 10, 2021 in connection with NARUC's annual meeting. The Task Force comprised all of the FERC Commissioners and 10 state commissioners, including New England State Commissioners Riley Allen (VT PUC) and Matt Nelson (Chair, MA DPU).

COMMITTEE REPORTS

Markets Committee (MC). Mr. William Fowler, the MC Vice-Chair, reported that the next MC meeting would be held September 13-14. An additional MC meeting would also be held on September 29.

Reliability Committee (RC). Mr. Robert Stein, the RC Vice-Chair, reported that a joint MC/RC meeting was scheduled for the afternoon of September 17 to consider potential next steps/actions for the joint Committees based on results from the Future Grid Reliability Study that would be provided to stakeholders during a Planning Advisory Committee (PAC) meeting scheduled for the morning of the 17th. The regularly-scheduled September meeting of the RC, to be held September 21, would include a vote on Installed Capability Requirements (ICR) for FCA16.

Transmission Committee (TC). Mr. José Rotger, the TC Vice-Chair, reported that the scheduled September 28 TC meeting would include: (i) a vote on two sets of ISO-proposed changes to Attachment K of the Open Access Transmission Tariff (OATT), one set to expand resources included in the needs assessment and other planning studies and the other set to implement changes to the competitive transmission RFP provisions based on the lessons learned following the recent Boston Transmission RFP process; and (ii) continued discussion on the stakeholder proposal to eliminate from Schedule 11 of the Tariff operating and maintenance (O&M) charges for network upgrades associated with new generation interconnections.

Budget & Finance Subcommittee. Mr. Thomas Kaslow, the B&F Subcommittee Chair, reported that the next meeting was scheduled for October 4.

Membership Subcommittee. Ms. Sarah Bresolin, the Membership Subcommittee Chair, noted that a second meeting to consider potential changes to the characterization of the Fuels Industry Participant membership category (which had expanded to include a few trade association members) was scheduled for September 10. Ms. Bresolin indicated that proposed changes would be posted on the Subcommittee's NEPOOL website page, and would be further discussed at the September 10 meeting.

ADMINISTRATIVE MATTERS

Mr. Cavanaugh noted that the next Pathways Study meeting was scheduled for the afternoon of September 23 and would be held virtually. He reported that plans to begin meeting in person, beginning with the October 7 Participants Committee meeting, were proceeding. He thanked Participants for their responses to the questionnaire that had been circulated a few weeks before. He reported that more than 85% of NPC members and alternates who regularly attend meetings answered the questionnaire, all reporting that they were fully vaccinated, and more than

70% of the respondents indicating they would be comfortable attending in-person NEPOOL meetings in October, subject to various protocols. The information provided was informing efforts among ISO and NEPOOL Committee leadership to establish safety measures and protocols for a return to in-person meetings. Additional information regarding those measures would be shared in mid-September. Those interested in the aggregate questionnaire data were encouraged to contact Mr. Pat Gerity, NEPOOL counsel, directly.

Mr. Cavanaugh noted that the October 7 Participants Committee meeting would include, among other issues, a review of the 2022 work plan and votes on both the ISO and NESCOE 2022 budgets. Looking further ahead, he highlighted that the November Participants Committee meeting would be held on Wednesday, November 3, at the Hilton Boston Logan Airport and would be preceded by Sector meetings with ISO board members.

There being no other business, the meeting adjourned at 12:01 p.m.

Respectfully submitted,

Sebastian Lombardi, Acting Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN
SEPTEMBER 2, 2021 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Actual Energy, Inc.	Supplier		John Driscoll	
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		
Ashburnham Municipal Light Plant	Publicly Owned Entity		Brian Thomson	
Associated Industries of Massachusetts (AIM)	End User			Mary Smith
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		
Connecticut Office of Consumer Counsel (CT OCC)	End User		Dave Thompson	
Conservation Law Foundation (CLF)	End User	Phelps Turner		
Consolidated Edison Energy, Inc.	Supplier	Norman Mah		
CPV Towantic, LLC (CPV)	Generation	Joel Gordon		
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Dominion Energy Generation Marketing	Generation		Weezie Nuara	
DTE Energy Trading, Inc.	Supplier			José Rotger
Dynegy 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	James Daly	Dave Burnham	
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	José Rotger		
Generation Group Member	Generation	Dennis Duffy	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		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	

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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		
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	Drew Landry		
Mansfield Municipal Electric Department	Publicly Owned Entity		Brian Thomson	
Maple Energy LLC	AR-LR			Doug Hurley
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	
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative	Publicly Owned Entity	Steve Kaminski		Brian Forshaw; Dave Cavanaugh; Brian Thomson
New England Power Generators Association (NEPGA)	Fuels Industry Participant	Bruce Anderson	Dan Dolan	
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		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	
Princeton Municipal Light Department	Publicly Owned Entity		Brian Thomson	
PSEG Energy Resources & Trade LLC (PSEG)	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	
Small RG Group Member	AR-RG	Erik Abend		
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	Bob Espindola	Mary Smith	
Vermont Electric Cooperative	Publicly Owned Entity	Craig Kieny		
Vermont Electric Power Company (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		

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PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
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	