

Summary of ISO New England Board and Committee Meetings
June 21-23, 2022 Participants Committee Meeting

Since the last update, the Audit and Finance Committee, the Markets Committee, and the Nominating and Governance Committee met on May 19. The Board of Directors met on May 18 and 19. All meetings were held in Boston, Massachusetts. The Markets Committee also met by video conference on May 11 and June 3.

The Audit and Finance Committee reviewed the Company's financial performance against the 2022 budget, and approved the first quarter's unaudited financial statements after management confirmed that all relevant disclosures were included in the financial statements. Next, the Committee discussed the preliminary 2023 operating and capital budgets, and the need for increases (including headcount) in order to address the region's priorities, safeguard against evolving cyber threats, recruit and retain a highly skilled workforce, and manage related capital projects. Next, the Committee discussed management's analysis of the financial impacts of the February 2021 winter storm in the ERCOT markets to assess whether the New England markets were similarly at risk. The Committee noted, based on several stress test scenarios, that the collateral requirements in the Company's Financial Assurance Policy largely protect against substantial defaults in similar situations. The Committee reviewed the annual vendor report, which showed the top fifteen vendors and a comparison to the previous period. Finally, the Committee reviewed a draft of the Company's 2021 tax return on Form 990.

The Markets Committee met on May 11 and reviewed the Internal Market Monitor's draft annual markets report for 2021, and discussed the recommendations that will be contained in the report. At its meeting on May 19, the Committee provided final comments on the Internal Market Monitor's draft annual markets report, and received an overview of the highlights of the External Market Monitor's 2021 annual markets report. Next, the Committee was also provided with a market monitoring review of market performance in winter 2021-2022. The Committee then received an update on the resource capacity accreditation project and the day-ahead ancillary services project. At its meeting on June 3, the Committee discussed winter reliability issues and a range of potential options to mitigate risks to reliability for the 2022-2023 winter. The Committee also reviewed a draft of the External Market Monitor's 2021 annual markets report, discussed the comparison of key market metrics to those of other regional markets, and asked a number of clarifying questions.

The Nominating and Governance Committee discussed the schedule for the orientation of director-elect Melvin Williams, the Joint Nominating Committee process for 2023, and discussed challenges related to the Board age limit. The Committee also discussed assignments to Board committees and succession planning for board leadership positions. The Committee discussed the logistics and agenda for the 2022 open Board meeting, including topics for an outside speaker. In executive session, the Committee reviewed the Board and committees' self-evaluation responses.

The Board of Directors met on May 18 for an in-depth review of the Company's strategic plan. The Board discussed each of the four pillars that are necessary components to ensure a reliable bulk power system, and the organization of the strategic plan around those elements. The Board noted that many aspects of those pillars are out of the ISO's control, particularly as it relates to sufficiency of fuel supply infrastructure and the siting and development of transmission and new supply resources. On May 19, the Board recapped its strategic planning discussions. The Board also considered steps to finalize its response to the New England states' request for governance improvements. Lastly, the Board considered topics for discussion with the NEPOOL sectors in June, and agreed that the sectors should determine the agendas for the meeting.