



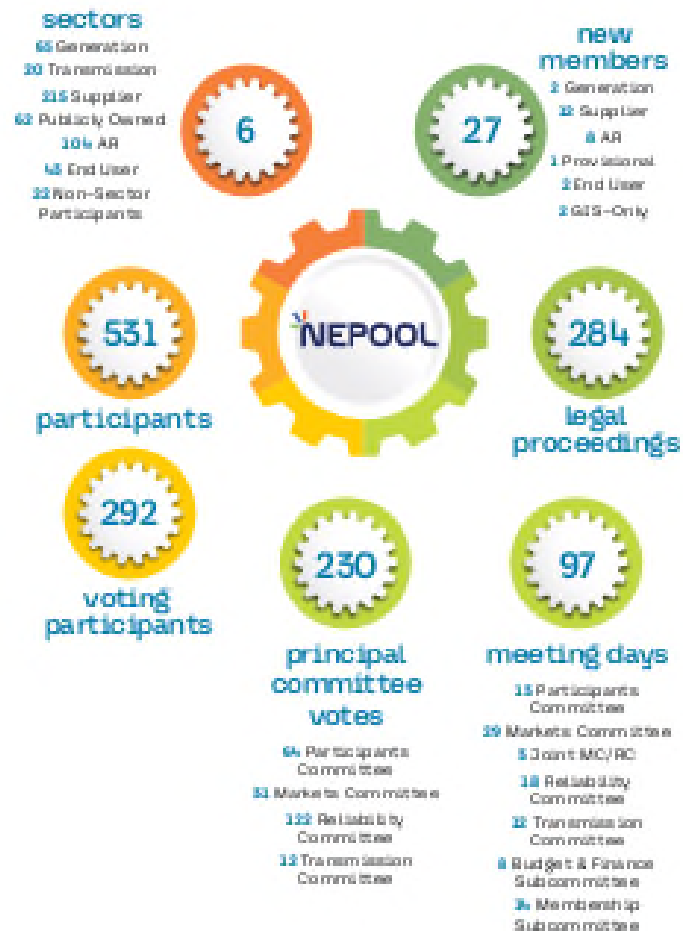
# **New Member Orientation**

**December 7, 2023**

**Patrick M. Gerity**

860-275-0533; [pmgerity@daypitney.com](mailto:pmgerity@daypitney.com)

# Overview



# Overview

- Welcome & Introductions
- NEPOOL History & Background
- Relationships
- Participant Processes
  - Principal Committees
  - Committee Process
- NEPOOL Counsel
- Budget Review
- Financial Assurance & Billing Policies



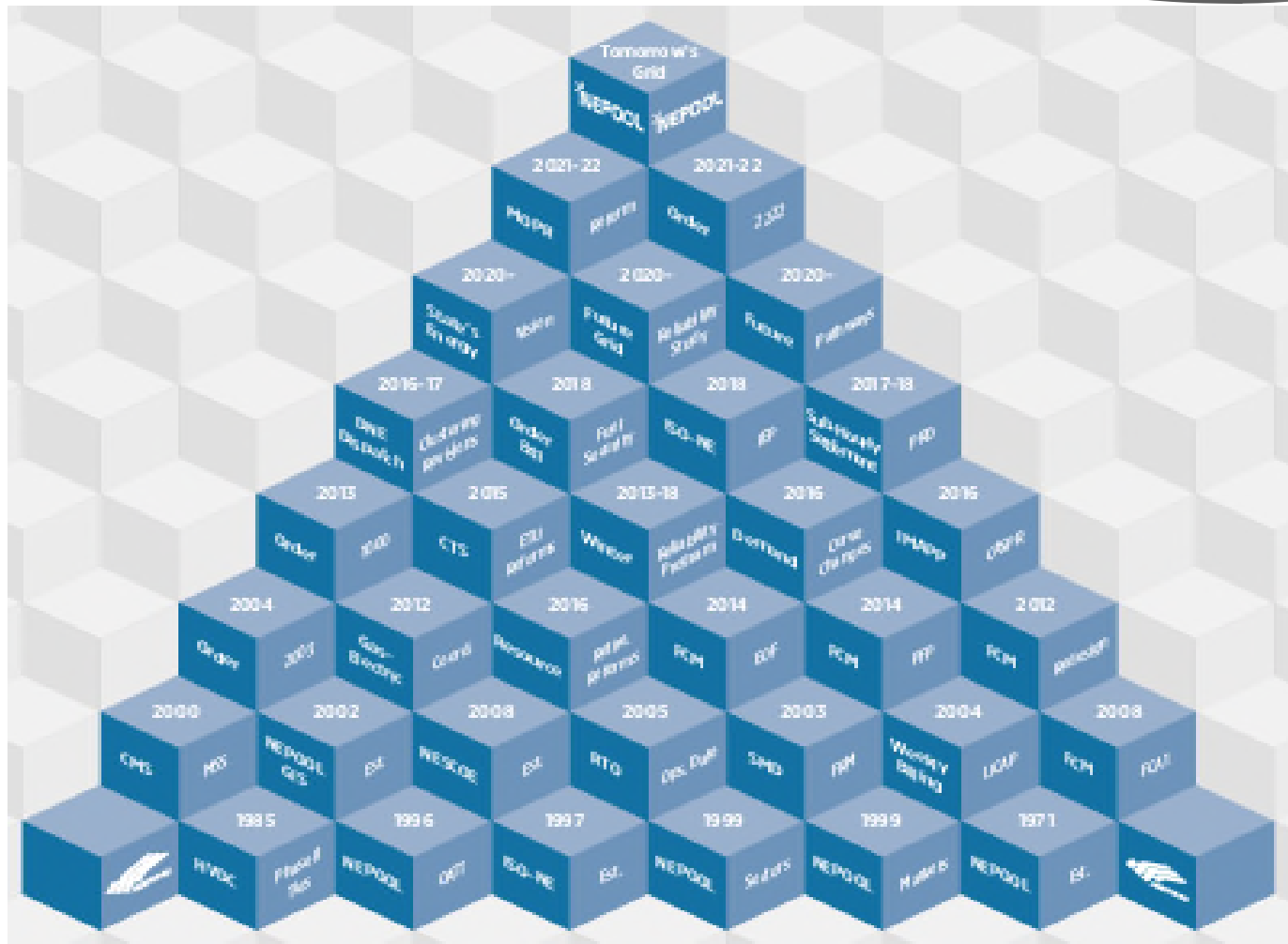
# NEPOOL History and Background

- Established in 1971 as a voluntary association of market participants
- Benefits:
  - Regional economic dispatch
  - Coordinated reliability
  - Lowered installed reserve requirements



# NEPOOL History (cont.)

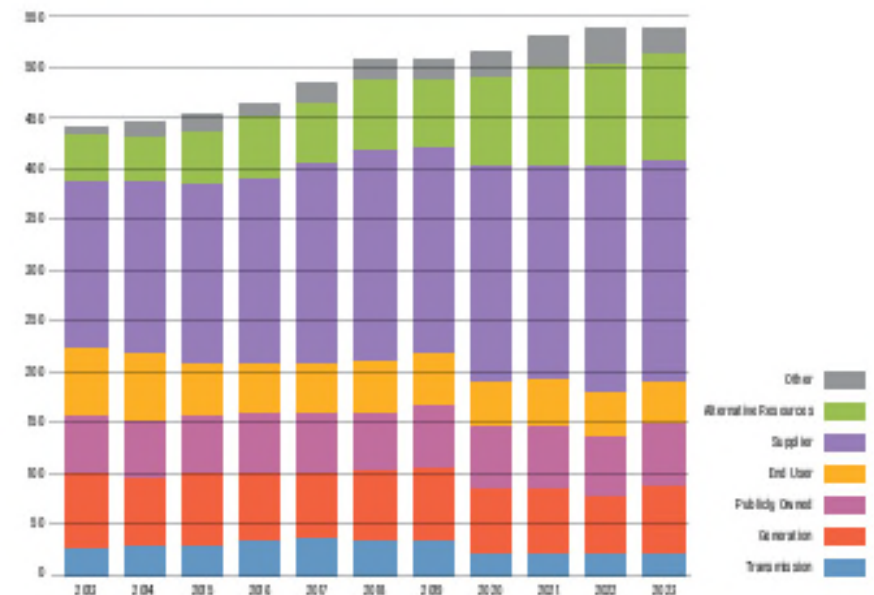
## Building for the Future



# Current Membership

- More than 530 members:
  - ▶ Generating Companies
  - ▶ Transmission and Distribution Companies
  - ▶ Publicly Owned Entities
  - ▶ Suppliers and Power Marketers
  - ▶ Financial Marketers
  - ▶ Demand Response Providers
  - ▶ Developers
  - ▶ Market Participant End Users
  - ▶ Governance Only End Users
  - ▶ End User Organizations
  - ▶ Associate Non-Voting Participants

nePOOL membership 2013-2023



# NEPOOL's Six Sectors

## Generation

**16 voting; 67 represented**

- Own generation facilities within the New England (NE) Control Area
- Own proposed generation within the NE Control Area that has I.3.9 approval or environmental air or siting permit (issued or applied for)
- Own generation accepted in FCM Auction
- Includes: QFs, Cogens, EWGs, IPPs

## Transmission

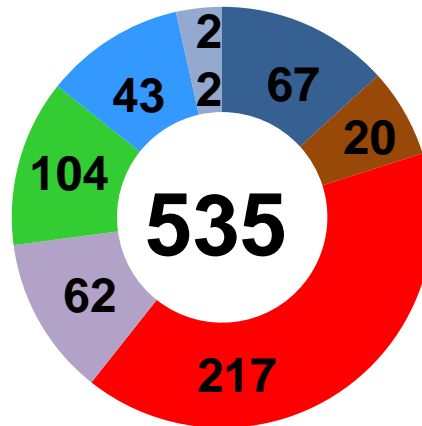
**6 voting; 20 represented**

- Own Local Network and PTF
- Own PTF of at least \$30 million and provide open access pursuant to a FERC-filed OATT
- May not be a Publicly Owned Entity

## Publicly Owned Entity

**59 voting; 62 represented**

- Municipality, agency thereof, or NE public corporation that owns electric generation, transmission or distribution facilities
- Mandatory Sector membership
- Includes: electric coops, POE organizations



## Alternative Resources

**30 voting; 104 represented**

- Renewable Generation, Distributed Generation, Load Response
- 75% of Energy resources owned/controlled within NE Control Area are Alternative Resources; or
- 50 MW of AR in NE Control Area; or
- \$30 million capital investment in its AR in the NE Control Area

## Supplier

**135 Voting; 217 represented**

- Engaged or authorized to engage in, power marketing, power brokering or load aggregation within the NE Control Area
- Engaged solely in the distribution of electricity in the NE Control Area (on & before Dec 31, 1998)
- Includes: Brokers, Traders (physical/financial), Load Aggregators, Distribution-only companies

## End User

**36 voting; 43 represented**

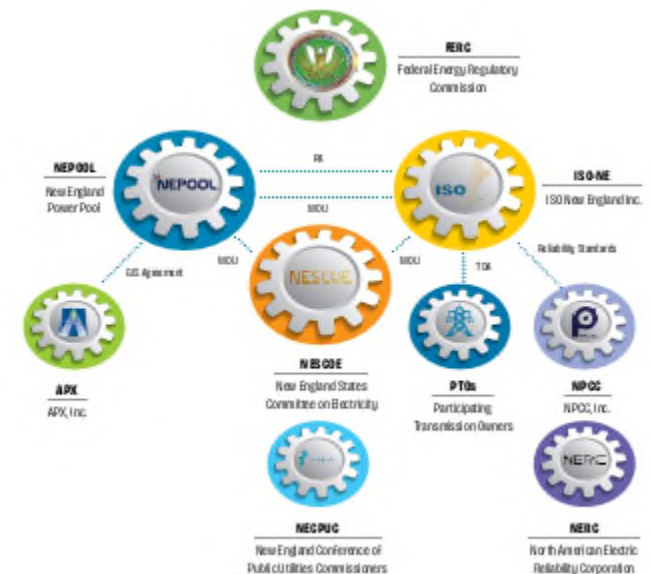
- Consumers in the NE Control Area that generate or purchase electricity primarily for their own consumption
- Non-profit groups representing such consumers, including NE municipalities or other gov'tl agencies not meeting the definition of POE
- Includes: Governance Only End Users and Market Participant End Users



# NEPOOL Stakeholder Process



- NEPOOL is the stakeholder voting organization to advise on all matters relating to the competitive wholesale market rules and transmission tariff design
- Designed to maximize consensus among stakeholders
- Where consensus not possible, unresolved issues more clearly articulated, defined and limited





# Relationships

- ISO New England Inc. (ISO-NE)
- Participating Transmission Owners (PTOs)
- Interconnection Rights Holders (IRH)
- New England States Committee on Electricity (NESCOE)
- New England Conference of Public Utilities Commissioners (NECPUC)
- RTO Governing Documents
- Regional Objectives
- NEPOOL Goals



# Relationships – ISO New England Inc.

- Independent System Operator for New England
- Formed in 1997 as private, non-profit corporation;
- Independent Board of Directors
- New England's Regional Transmission Organization (RTO)



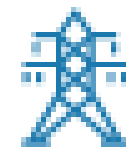
# Relationships – ISO-NE (cont.)

- Has separate FERC-approved tariffs, financing and budget
- Dispatches system to ensure short-term reliability
- Develops and files changes to its Tariff, including the ISO-NE Market Rules (subject to the provisions of the Participants Agreement)
- Develops and publishes Regional System Plan
- NERC Reliability Coordinator



# Relationships – PTOs

- Act collectively through PTOs Administrative Committee (PTO AC)
- PTO AC meets periodically to:
  - Consider recommendations to ISO-NE regarding ISO-NE actions, policies and rules affecting the PTOs' Transmission Facilities
  - Consider and vote upon proposed amendments to the TOA
  - Consult with ISO-NE as provided under TOA; and
  - Consider any other matters relating to the administration of the TOA by the PTOs



Participating  
Transmission Owners

# Relationships – IRH

- IRH are the public utilities and non-jurisdictional utilities that have the contractual obligation to pay for the United States portion of the 2,000 MW (nominal) high voltage direct current transmission facilities interconnecting the transmission systems operated by ISO-NE and Hydro-Québec TransÉnergie (Phase I/II HVDCTF)
- IRH have the exclusive rights to the transmission capacity of the Phase I/II HVDCTF (Use Rights)
- Use Rights over the Phase I/II HVDC-TF are governed by the agreement among the IRH – the Restated Use Agreement (RUA)
- The RUA provides for collective decision-making through the IRH Management Committee, which has the authority to administer and enforce the RUA and to represent the IRH in regulatory proceedings related to the RUA

# Relationships – NESCOE



New England States Committee on Electricity

- Regional State Committee for New England
- Established in order to provide more formal, organized, and well-informed participation by the New England States on matters relating to 2 areas:
  - Resource adequacy; and
  - System planning and expansion
- Funded by charges to Network Load assessed to Participants under ISO Tariff Section IV.A, Schedule 5
  - [www.nescoe.org](http://www.nescoe.org)

# Relationships – NECPUC



*New England Conference of Public Utilities Commissioners*  
**necpuc**

- Comprised of all 6 New England States' public utility regulatory commissioners
- Addresses electricity, gas, telecommunications and water industries issues (no independent regulatory authority)
- Funded by the New England States
- Presidency rotates on annual basis among 6 states
- NECPUC reps participate in NEPOOL meetings



# Relationships – RTO Governing Documents

- Second Restated NEPOOL Agreement
  - Among NEPOOL members
- Participants Agreement
  - Between NEPOOL and ISO-NE
- NESCOE MOU
  - Among NEPOOL, ISO-NE, and NESCOE
- Transmission Operating Agreements (TOAs)
  - Between ISO-NE and Transmission Owners



# Relationships – RTO Governing Documents (cont.)

- MPSA / ISO-NE Tariff
  - Between ISO-NE and Individual Members
- Supporting Documents
  - Manuals, Operating Procedures, Planning Procedures, Business Procedures, etc.
- Coordination Agreements
  - Inter-Control Area Agreements
- Committee Bylaws



# Relationships – Regional Objectives

- Create and sustain open, non-discriminatory and competitive wholesale electricity marketplace
- Provide market rules which allow voluntary participation at fair compensation, subject to regulation
- Provide access to competitive markets within New England and to neighboring regions
- Provide for an equitable allocation of costs, benefits and responsibilities among Market Participants
- Allow informed participation and encourage ongoing market improvements
- Assure bulk power supply system conforms to proper reliability standards



# Relationships – NEPOOL Goals

- Ensure Participants opportunities for meaningful input into regional decision making
- Provide forums designed to maximize consensus among all stakeholders
- Communicate and advocate for NEPOOL-supported issues
- Clearly articulate, define and limit unresolved issues
- Monitor and enforce Participants' rights under RTO arrangements



# Relationships – Feedback Loop

- Through NEPOOL, informed and quality feedback is provided, at all levels, between and among Participants, state regulators and representatives, the ISO, and the FERC. Informal feedback, which is a combination of education on and definition of positions, helps to identify areas of consensus and resolve a great many issues, while narrowing and clarifying areas where consensus is not achieved through the give and take of the NEPOOL process. Formally, NEPOOL's feedback then culminates in votes of the Principal Committees.



# Stakeholder Process – The Committees



- All Participants are eligible and are encouraged to participate on all Committees
- To participate, simply provide the name and contact information of a member and/or alternate for each Committee

\* as of December 1, 2023

# Stakeholder Process – The Committees (cont.)



## Participants Committee (NPC)

- Meetings generally first Thursday of every month
  - New England location; typically in (around) Boston, MA
  - 2024 Summer Meeting – Mount Washington, Bretton Woods, NH (Jun 25-27)
- Periodic interactions / 2 meetings with ISO-NE Board
  - June 2024 – Bretton Woods, NH
  - November 2024 – Boston, MA
- Key governing committee on NEPOOL matters
- At each meeting, receives ISO-NE reports, acts on recommendations from the Technical Committees (Consent Agenda and discussion items), receives Litigation Report, Committee Reports, and addresses any other business



# Stakeholder Process – The Committees

## (cont.)



## Markets Committee (MC)

- Meetings generally second Tuesday and Wednesday (and sometimes Thursday) of every month in central MA
- Primary concern is Market Administration and Market Rule 1 revisions
- Committee that primarily deals with the FCM Market Rules
- Meter Reader, Emerging Technologies, GIS, and Information Policy Working Groups generally report to MC



# Stakeholder Process – The Committees

(cont.)



## Reliability Committee (RC)

- Meetings generally third Tuesday and Wednesday of every month in central MA
- Primary concern is reliable operation of New England Control Area
- Provides input on any plans for additions to, retirements from, or changes to the System, and input on the annual Regional System Plan issued by ISO-NE

# Stakeholder Process – The Committees

(cont.)



## Transmission Committee (TC)

- Meetings generally the third or last Tuesday of every month in central MA
- Primary concern is New England Transmission System
- Provides input on changes to the Transmission provisions of the ISO-NE Tariff



# Stakeholder Process – The Committees

## (cont.)



## Budget & Finance Subcommittee (B&F)

- Responsibilities include review of annual budgets
  - ISO-NE Administrative Cost and Capital Funding Budgets
  - NESCOE Budget
  - NEPOOL Budget
- Monitors progress with respect to annual budgets
- Reviews financial assurance and credit issues
- Works with NEPOOL Independent Financial Advisor
  - Michael Mackles



# Stakeholder Process – The Committees

## (cont.)



### Membership Subcommittee

- Meetings generally second Monday of every month by teleconference
- Authorized by delegation of authority from Participants Committee to approve applications and terminations which will be subject to the Standard Conditions, Waivers and Reminders (SCWRs) established by the Participants Committee

# Stakeholder Process – The Committees (cont.)

- **Other Committees, Working Groups and Task Forces**

- ▶ GIS Operating Rules WG
- ▶ Meter Reader WG
- ▶ Power Supply Planning Committee
- ▶ Information Policy WG
- ▶ Audit Management Subcommittee
- ▶ Emerging Technologies WG
- ▶ Distributed Generation Forecast WG
- ▶ Energy-Efficiency Forecast WG
- ▶ Environmental Planning Committee
- ▶ Load Forecast Committee
- ▶ Planning Advisory Committee
- ▶ Consumer Liaison Group



# Stakeholder Process – Committee Leadership



- NPC Vice-Chairs selected (one per Sector)
- NPC Chair and remaining officers elected by Participants Committee
- Technical Committee Chairs and Secretaries appointed by ISO-NE
- Technical Committee Vice-Chairs elected by Committee
- All other Chairs selected following consultation, as appropriate, among NEPOOL, ISO-NE, and state regulatory representatives



# Stakeholder Process – Committee Leadership 2024



## Participants Committee

- **Chair** Sarah Bresolin (AR)
- **Vice-Chairs** Dave Cavanaugh (Publicly Owned Entity)  
Michelle Gardner (Generation)  
Aleks Mitreski (Supplier)  
Paul Roberti (End User)  
Alan Trotta (Transmission)
- **Secretary** Sebastian Lombardi (Day Pitney)
- **Ass't Sect'y** Pat Gerity (Day Pitney)

# Stakeholder Process – Committee Leadership 2024

## Technical Committee Officers



### Markets

Mariah Winkler, Chair (ISO-NE)

[mwinkler@iso-ne.com](mailto:mwinkler@iso-ne.com); (413) 535-4070

Bill Fowler, Vice-Chair (Supplier)

[wfowler@sigmaconsult.com](mailto:wfowler@sigmaconsult.com); (978) 266-0220



### Reliability

Emily Laine, Chair (ISO-NE)

[ELaine@iso-ne.com](mailto:ELaine@iso-ne.com); (413) 540-4565

Bob Stein, Vice-Chair (Supplier)

[rstein206@aol.com](mailto:rstein206@aol.com); (802) 747-6191



# Stakeholder Process – Committee Leadership 2024

## Technical Committee and Subcommittee Officers

**Transmission** Emily Laine, Chair (ISO-NE)

[ELaine@iso-ne.com](mailto:ELaine@iso-ne.com); (413) 540-4565

Dave Burnham, Vice-Chair (Transmission)

[david.burnham@eversource.com](mailto:david.burnham@eversource.com); (860) 728-4506



**Budget & Finance**

Tom Kaslow,  
Chair (Generation)

[tom.kaslow@firstlightpower.com](mailto:tom.kaslow@firstlightpower.com);  
(617) 886-8715



**Membership**

Ashley Gagnon,  
Chair (End User)

[Ashley.Gagnon@mass.gov](mailto:Ashley.Gagnon@mass.gov)  
(617) 963-2235

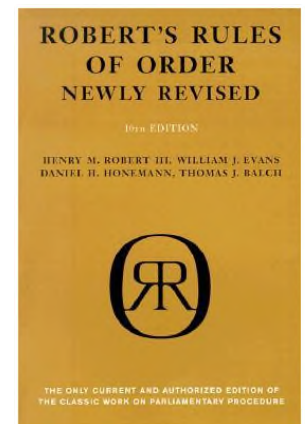
# Stakeholder Process – The Committee Process

- General Requirements
- Meeting Planning
- Meeting Scheduling and Notice Requirements
- Meeting Participation
- Voting
- Post-Committee Meeting Process



# The Committee Process – General Requirements

- General Provisions (Absent Exigent Circumstances)
- Best Practices - Participants or ISO-NE bring concerns to Technical Committees first, with 3-meeting process at Technical Committees, where possible and appropriate
  - Present proposal (ISO-NE and/or Participant initiated)
  - Review language changes
  - Vote on recommendation
- Look-ahead agendas – regional priorities
- Commitment and participation enhance value
- Participants have procedural rights to offer amendments or alternatives to ISO-NE's proposals
  - Roberts Rules of Order as guide, not mandatory



# The Committee Process – Meeting Planning/Scheduling

- Pre-planning meetings
  - Attended by ISO-NE representatives and NEPOOL Officers/Counsel
- Background materials assembled; resolutions drafted
- Agendas finalized
- NEPOOL and ISO-NE Calendars
  - NEPOOL Calendar: <http://nepool.com/Calendar/>
  - ISO-NE Calendar: <http://www.iso-ne.com/calendar/>





# The Committee Process – NPC Meeting Planning



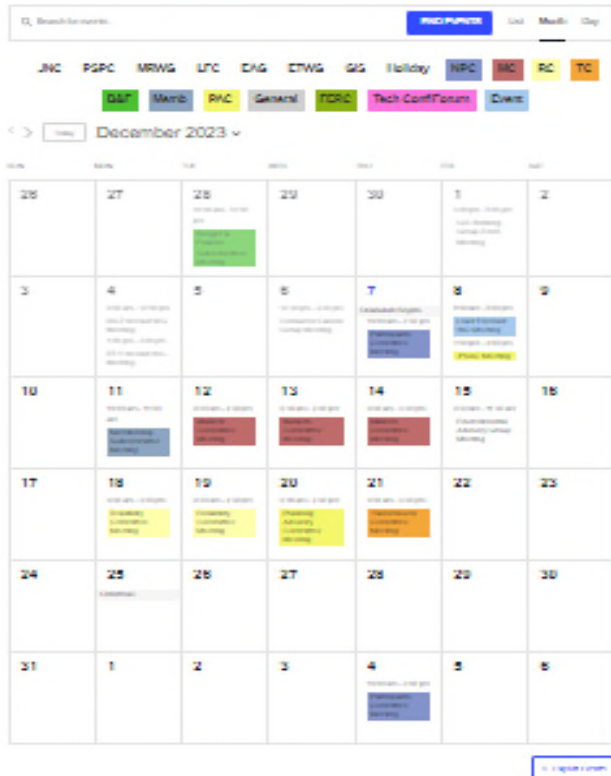


# The Committee Process – Meeting Scheduling

NEPOOL

[ABOUT](#) [PARTICIPANTS](#) [MEETINGS](#) [FUTURE ORIGINATIVE](#) [CALENDAR](#) [LIBRARY](#) [CURRENT ISSUES](#)

## Calendar



NEPOOL

[ABOUT](#) [PARTICIPANTS](#) [MEETINGS](#) [FUTURE ORIGINATIVE](#) [CALENDAR](#) [LIBRARY](#) [CURRENT ISSUES](#) [BLOG](#) [FAQ](#)

## Participants Committee

[NPC Bylaws](#) [Meeting Protocols](#) [COVID-19 Considerations](#)

MEETINGS

<b>Dec 7, 2023</b>	<a href="#">Composite</a>	<a href="#">Initial</a> <a href="#">Supplemental</a>	<a href="#">AA: CEO Report</a> <a href="#">AS: CEO Report</a> <a href="#">AS: Winter 2023/24 Outlook</a> <a href="#">AS: AGEM Program Overview</a> <a href="#">AA: 2023 Annual Report</a> <a href="#">AR: 2023 AHB Highlights</a> <a href="#">AA: Dec 6 Unigation Report</a>
<b>Nov 7, 2023</b>	<a href="#">Composite</a>	<a href="#">Actions</a>	
<b>Oct 5, 2023</b>	<a href="#">Composite</a>	<a href="#">Minutes</a>	
<b>Sep 7, 2023</b>	<a href="#">Composite</a>	<a href="#">Minutes</a>	

# The Committee Process – Meeting Scheduling

DECEMBER 2023					
<Previous Month		Next Month>		Today Day Week Month	
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
WEEK 1	27	28 Budget and Finance Subcommittee 10:00AM-12:00PM	29	30	1 NEPOOL Generation Information System (GIS) Operating Rules Working Group 3:00PM-5:00PM
WEEK 2	4 Distributed Generation Forecast Working Group (DGF WG) Meeting 9:00AM-12:00PM Energy-Efficiency Forecast Working Group 1:00PM-3:30PM	5	6 Consumer Liaison Group Meeting - IN PERSON 12:00PM-3:30PM Consumer Liaison Group Meeting - VIRTUAL 12:30PM-3:30PM	7 NEPOOL Participants Committee Meeting 10:00AM-2:30PM	8 NEPOOL Load Forecast Committee (LFC) Meeting 9:30AM-12:30PM IPSAC Meeting 1:00PM-4:00PM
WEEK 3	11 NEPOOL Membership Subcommittee Meeting 10:00AM	12 NEPOOL Markets Committee Meeting 9:30AM-4:30PM	13 NEPOOL Markets Committee Meeting 9:30AM-4:30PM	14 NEPOOL Markets Committee Meeting 9:30AM-4:30PM Overview of System Planning Webinar 11:00AM-12:30PM	15 Environmental Advisory Group Meeting 9:30AM-11:30AM
WEEK 4	18 NEPOOL Reliability Committee Meeting 9:30AM-4:30PM	19 NEPOOL Reliability Committee Meeting 9:30AM-4:30PM	20 Planning Advisory Committee Meeting 9:00AM-4:30PM	21 NEPOOL Transmission Committee Meeting 9:30AM-4:30PM	22
WEEK 5	25	26	27	28	29

## NEPOOL Markets Committee Meeting

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, federal and state officials and guests whose attendance has been cleared with the Committee Chair. All those in attendance or participating, either in person or by phone, are required to identify themselves and their affiliation at the meeting. Official records and minutes of meetings are posted publicly. No statements made in NEPOOL meetings are to be quoted or published publicly.

[Add to My Calendar](#)

- Date: Tue Dec 12, 2023 9:30AM - 4:30PM
- Committee(s): Markets Committee
- Location: Doubletree Hotel, Westborough, MA
- Teleconference Info: 1-866-803-2145 / Access Code: 7169224
- Contact: James Woods, [jwoods@iso-ne.com](mailto:jwoods@iso-ne.com), (413) 540-4434

DOCUMENTS				
<input type="checkbox"/>	TITLE AND DESCRIPTION	DATE	TYPE	SIZE
<input type="checkbox"/>	2023-12-12-14 MC A00 - Meeting Agenda	12/06/2023	DOCX	30KB
<input type="checkbox"/>	2023-12-12-14 MC A00 - Meeting Materials 1st Set Contains: Agenda, A01A, A01B, A02B, A03A, A03B, A05, A06, A07, A08	12/06/2023	ZIP	31.76MB
<input type="checkbox"/>	2023-12-12-14 MC A01A - Draft Meeting Minutes - November 7, 2023 Joint MC/RC meeting	12/06/2023	DOCX	26KB
<input type="checkbox"/>	2023-12-12-14 MC A01A - Draft Meeting Minutes - November 7-8, 2023 MC	12/06/2023	DOCX	55KB
<input type="checkbox"/>	2023-12-12-14 MC A01A - Draft Meeting Minutes - October 26, 2023 MC	12/06/2023	DOCX	26KB
<input type="checkbox"/>	2023-12-12-14 MC A01A - October 26, November 7-8 MC, and November 7 joint MC/RC - Draft Meeting Minutes - Motion	12/06/2023	DOCX	49KB
<input type="checkbox"/>	2023-12-12-14 MC A01C - Vice-Chair Election - Memo Presented by Rosendo Garza (NEPOOL Council)	12/06/2023	PDF	8KB
<input type="checkbox"/>	2023-12-12-14 MC A02B - Resource Capacity Accreditation (RCA) in the Forward Capacity Market (FCM)	12/06/2023	PDF	245KB

# The Committee Process – Notice Requirements

- Participants Committee
  - 5 Business Days
  - 10-day initial notice of meeting
- Technical Committees
  - 3 Business Days
- Subcommittees and working groups
  - Established on group-by-group basis



# The Committee Process – Meeting Participation

- Active and informed participation is strongly encouraged
- You will receive materials in advance of meeting
- Identifying Committee Member/Alternate
- Participation in person or by phone
- Voting in person or by proxy
- Principal Committee Quorums



# The Committee Process – Voting



- NEPOOL action typically requires a 66 2/3% vote by a Principal Committee (60% for Market Rules, ICR, Info Policy)
- NEPOOL can compel the filing of proposed Market Rule changes by a 60% vote (affectionately known as a “Jump Ball”)
- Sector Changes (voluntary/involuntary)



# The Committee Process – Post-Meeting Process

- Notice of Actions
- Amendment Balloting if changes to 2d RNA or Participants Agreement
- FERC filing
- Manuals, OPs, PPs become effective



REVISED

November 3, 2022

TO: Participants Committee Members and Alternates  
RE: Noticed Action of the NEPOOL Participants Committee

This notice summarizes the actions taken by the Participants Committee at its November 2, 2022 meeting. The official record of, and details concerning, this action will be reflected in the minutes for this meeting that will be reviewed and approved by the Committee.

#### [Approval of October 6, 2022 Preliminary Minutes \(Agenda #1\)](#)



The preliminary minutes of the October 6, 2022 meeting were approved unanimously, in the form circulated in advance of the meeting, **with an abstention noted**,<sup>1</sup> but with Attachment 2 corrected to reflect, in the AR Sector tabulation, the right vote and abstention totals for Vote 1 and Sunrun's vote in favor on Vote 2, none of which changed the % in favor recorded for the AR Sector.

#### [Approval of Consent Agenda \(Agenda #2\)](#)



The Consent Agenda, with Item #3 removed (see Agenda #4A *infra*), was approved, with oppositions and abstentions noted. Oppositions and abstentions related to the HQ/ICC, ICR and Related Values for the 2023-24 3rd ARA, 2024-25 2nd ARA, and 2025-26 1st ARA.

#### [IEP Compliance Revisions \(Agenda #4A\)](#)

**Main Motion (ISO Proposal).** The Committee began with the following main motion:

*Resolved*, that the Participants Committee supports the revisions to Appendix K of Market Rule 1, as proposed by ISO New England and recommended by the Markets Committee to comply with the FERC's September 23, 2022 Order, together with additional, clarifying revisions to Appendix K proposed by the ISO following consideration by the Markets Committee, as circulated to this Committee in advance of this meeting, and also together with any non-substantive changes as may be approved by the Chair and Vice-Chair of the Markets Committee.



- **Brookfield Motion to Amend.** The Committee considered a motion by Brookfield to amend the main motion so as to allow pumped hydro operated as an Electric Storage Facility to be eligible to participate in the IEP, as proposed and described by Brookfield and reflected in the materials from Brookfield circulated in advance of the meeting.

The Brookfield motion to amend the main motion passed with a **71.08% Vote in favor**<sup>2</sup> (Generation Sector – 16.7%; Transmission Sector – 11.13%; Supplier Sector – 16.7%; AR Sector – 13.43%; Publicly Owned Entity Sector – 0%; End User Sector – 13.12%; and Provisional Members – 0.00%).

# NEPOOL Counsel



- The Team
- Role in Committees/Participant Processes
- Role in proceedings before the Federal Energy Regulatory Commission (FERC)

# NEPOOL Counsel

## The Team



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**Karen Cirillo**  
Legal Assistant  
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kcirillo@daypitney.com



# NEPOOL Counsel – Role in Committee Process

- Attend NEPOOL meetings where appropriate
- Advise and counsel officers and committees to help enhance efficiency of the meeting, accomplish meeting objectives, and assure compliance with Participants Agreement
- Assist in articulating and clarifying positions when asked and resolving and/or narrowing disputes



# NEPOOL Counsel – Role in Proceedings Before FERC

- Draft and make filings reflecting NEPOOL positions
- Work with ISO-NE counsel to develop and defend joint filings by ISO-NE and NEPOOL
- Provide feedback as appropriate on draft ISO-NE filings
- Defend NEPOOL actions and work to preserve the effectiveness of the stakeholder process
- Work with parties in contested proceedings to clarify, communicate, and resolve or narrow contested issues



# NEPOOL Counsel – FERC Proceedings

## Litigation Updates & Reports

Updates Between Nov 02, 2023 and Dec 06, 2023



VIEW REPORT

30  
NOV

### Membership

ER24-512.d

NEPOOLs request that the FERC accept (i) the membership of Citadel Energy Marketing LLC (Supplier Sector), Downeast Wind, LLC (Renewable Sector), Kiewit Energy (Generation Sector), IGT Energy LLC (Generation Sector), and Q&A LLC (Supplier Sector), and (ii) termination of the Participant status of Sam Minter (End User Sector).

30  
NOV

### IEP Parameter Update

ER23-1546-002.d

FERC issued IEP Parameter Update Order, modifying the discussion in, but sustaining the results of, the IEP Parameter Update Order.

30  
NOV

### Seabrook/NGCSE Transmission 2nd Amended GAP Agreement

ER24-508.d

Seabrook filed second amended GAP Agreement seeking an \$150 million in additional funding to cover higher engineering costs, as well as changes to the scope of work related to a hydraulic controlling the generator breaker monitoring system, and other items.

30  
NOV

### Schedule 21-WR: Vermont/Quebec LSA

ER24-24.d

FERC accepted LSA, effective Dec 4, 2023 (30 days after filing), subject to time value refunds to be made within 30 days of the date of the order and the filing of a refund report within 30 days thereafter.

30  
NOV

### IEP-Related Values and HQICCs - Annual Reconfiguration Auctions

ER24-444

ISO-NE and NEPOOL jointly file IEP-Related Values and HQICCs for the 2024/25, 2025/26, 2026/27, and 2027/28, compliance deadline Dec 21, 2023.

29  
NOV

### IEP Compliance Filing

ER24-442.d

As directed in the Brookfield IEP Complaint Order, ISO-NE and NEPOOL submit compliance to the Tariff that make pumped storage resources participating in Electric Storage Dispatch in the New England Market eligible to participate in the Integrated Energy Program.

Activities since last Report

Past Reports




## 2023 Reports

Dec 6, 2023 VIEW REPORT + ACTIVITY PAGE +	Nov 1, 2023 VIEW REPORT + ACTIVITY PAGE +	Oct 3, 2023 VIEW REPORT + ACTIVITY PAGE +	Sep 8, 2023 VIEW REPORT + ACTIVITY PAGE +	Aug 2, 2023 VIEW REPORT + ACTIVITY PAGE +	Jun 24, 2023 VIEW REPORT + ACTIVITY PAGE +
May 3, 2023 VIEW REPORT + ACTIVITY PAGE +	Apr 5, 2023 VIEW REPORT + ACTIVITY PAGE +	Feb 28, 2023 VIEW REPORT + ACTIVITY PAGE +	Feb 1, 2023 VIEW REPORT + ACTIVITY PAGE +	Jan 4, 2023 VIEW REPORT + ACTIVITY PAGE +	

## 2022 Reports

# Budget Review

- Budget Review
  - ISO-NE Budgets
  - NESCOE Budget
  - NEPOOL Budget
- Annual Fees
- Participant Expenses

	(\$000's)	2024 Proposed	2023 Budget
	Operating Budget	\$ 244,300	\$ 209,200
	Capital Budget	\$ 35,000	\$ 33,500
	Operating Budget	\$ 2,596	\$ 2,692
	Operating Expenses	\$ 7,014	\$ 7,149
	Revenue	\$ (3,966)	\$ (4,121)
	Net Participant Expenses	\$ 3,048	\$ 3,028

# Budget Review – ISO-NE Budgets

- NEPOOL provides substantial input and guidance on all ISO-NE, NESCOE, and NEPOOL charges
- The two ISO-NE budgets on which NEPOOL provides input are:
  - ISO-NE Core Operating Budget (2024: \$244.3 million)
  - ISO-NE Capital Budget (2024: \$35 million)



# Budget Review – NESCOE Budget

- NEPOOL provides input and guidance to NESCOE and ISO-NE on NESCOE's operating budget and 5-year spending plan
- NESCOE charges are passed through the ISO-NE Tariff
- NESCOE's 2024 budget: \$2.6 million
- Per kW Regional Network Load charge (\$0.00807/kw)

NESCOE Pro Forma Budget  
Proposed 2024 Budget

	2024
<b>Salaries and Wages</b>	
Salaries	1,154,854
Payroll Taxes	115,485
Health and Other Benefits	140,000
Retirement (\$401(k))	46,198
<b>Total, Salaries and Wages</b>	<b>1,456,548</b>
<b>Direct Expenses - Consulting</b>	
Technical Analysis	353,220
Legal (FERC)	353,221
<b>Total, Direct Expenses, Consulting</b>	<b>706,441</b>
<b>General and Administrative</b>	
Rent	-
Utilities	-
Office and Administrative Expenses	50,425
Professional Services	47,500
Travel/Lodging/Meetings	60,000
<b>Total General and Administrative</b>	<b>157,925</b>
<b>Capital Expend. &amp; Contingencies</b>	
Computer Equipment	8,000
Contingencies	238,001
<b>Capital Expend. &amp; Contingencies</b>	<b>246,001</b>
<b>TOTAL EXPENSES</b>	<b>2,590,014</b>

# Budget Review – NEPOOL Budget

- The NEPOOL Budget summarizes projections for the following annual Participant Expenses:
  - Fees and Disbursements for NEPOOL Counsel and NEPOOL's Independent Financial Advisor
  - Committee Meeting Expenses
  - GIS Expenses
  - Credit Insurance
- Participants pay annual membership fees, which are applied to reduce Participant Expenses
- Additional costs of NEPOOL operations are passed through on a current basis as described in the following slides





# Budget Review – Indicative Timeline

Jun	Draft budget prepared for the coming calendar year; rough draft presented to NECPUC & NPC
Aug - Sep	ISO-NE Administrative Cost and Capital Funding Budgets, and NESCOE Budget presented to Budget & Finance Subcommittee and to States for review, input, and recommendations
Sep – Oct	Proposed budgets presented to Participants Committee for review, input, and advisory vote
Mid-Oct	ISO-NE and NESCOE Budgets filed with FERC
Nov	NEPOOL Budget presented to Budget & Finance Subcommittee for review, input, and recommendations
Dec	NEPOOL Budget projections presented at Participants Committee annual meeting for review, input, and vote
Jan 1	Effective date for each of the Budgets



# Budget Review – Annual Fees



- Annual Fee incurred in Jan
- Invoiced in February
- \$500 - End Users (plus, where applicable, additional fees per MW)
- \$1,000 - Small AR Providers
- \$1,500 - Provisional Members
- \$5,000 - All other Participants

# Budget Review – Participant Expenses

- Participants' share of remaining expenses paid monthly – most by Sector and regardless of activity in market system
- Allocation details outlined in Second Restated NEPOOL Agreement
- See estimated breakdown for examples

# Budget Review – 2022 NEPOOL Budget

## ESTIMATED 2024 NEPOOL BUDGET COMPARED TO 2023 NEPOOL BUDGET AND 2023 PROJECTED ACTUAL EXPENSES

<u>Line Items</u>	<u>2023 Approved Budget</u>	<u>2024 Proposed Budget</u>	<u>2023 Current Forecast</u>
NEPOOL Counsel Fees (1)	\$4,350,000	\$4,350,000	\$4,350,000
NEPOOL Counsel Disbursements (1)	\$ 30,000	\$ 30,000	\$ 30,000
Independent Financial Advisor Fees and Disbursements (2)	\$ 48,000	\$ 48,000	\$ 47,000
Committee Meeting Expenses (1)	\$ 900,000	\$ 920,000	\$ 720,000
Generation Information System (4)	\$1,022,400	\$1,086,700	\$1,022,000
Credit Insurance Premium (3)	\$ 799,000	\$ 578,800	\$ 484,700
NEPOOL Audit Management Subcommittee ("NAMS") Consultant (5)	\$ 0	\$ 0	\$ 0
<b>SUBTOTAL EXPENSES</b>	<b>\$7,149,400</b>	<b>\$7,013,500</b>	<b>\$6,653,700</b>
<b><u>Revenue</u></b>			
NEPOOL Membership Fees (3)	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)
Generation Information System (4) (6)	(\$1,022,400)	(\$1,086,700)	(\$1,022,000)
Credit Insurance Premium (3) (7)	(\$ 799,000)	(\$ 578,800)	(\$ 484,700)
<b>TOTAL REVENUE</b>	<b>(\$4,121,400)</b>	<b>(\$3,965,500)</b>	<b>(\$3,806,700)</b>
<b>TOTAL NEPOOL EXPENSES</b>	<b>\$3,028,000</b>	<b>\$3,048,000</b>	<b>\$2,847,000</b>

## ESTIMATED BREAKDOWN OF PROJECTED 2024 NEPOOL EXPENSE BUDGET AMONG SECTOR MEMBERS

(2024 figures assume no change in current NEPOOL membership)  
(2023 figures as projected and budgeted at 2021 Annual Meeting)

CALCULATION OF COSTS TO BE ALLOCATED TO NEPOOL SECTORS		
	2024	2023
A. Total Projected NEPOOL Expenses (not including costs associated with GIS, credit insurance premium, which are funded separately)	5,348,000	5,800,000
B. Projected NEPOOL Membership Fees	2,300,000	2,340,000
C. Total Projected NEPOOL Expenses to be Funded Through Non-Hourly Charges (A - B)	3,048,000	2,860,000
D. Projected Amount to be paid by all Market Participant End Users (based on highest hourly load in any month in preceding calendar year) (figure used here for 2024 is based on 2023 peak loads of MPEU members)	34,785	35,625
E. Total Amount paid by all Load Response, Distributed Generation, and Small Renewable Generation Resource Providers in AR Sector (figure used here for 2024 is estimated amount based on 2023 membership data)	84,526	72,834
F. (Reserved)	0	0
G. Large Renewable Generation Sub-Sector Share (C-(D+E)) x RG%	292,869	291,954
H. Total Amount to be Allocated among Transmission, Generation, Supplier and Publicly Owned Entity Sectors ("Remaining Sectors") (C - (D+E+G))	2,635,820	2,627,587
I. Amount to be allocated to each of the Remaining Sectors (H ÷ 4)	658,955	656,897
J. Total Amount paid by Related Person Suppliers (3 voting members) ((I - s <sub>1</sub> ) x rps)	14,843	13,977
K. Aggregate Share to be paid by Generation Sector/Supplier Sector/ Large Renewable Generation Resource Providers ((I x 2) + G - J)	1,596,135	1,591,771
L. (Reserved)	0	0
M. Remainder of Aggregate Share to be paid, on a per member basis, by voting members in the Generation Sector, Supplier Sector (excluding Related Person Suppliers), and Large Renewable Generation Resource Providers (K ÷ (g <sub>1</sub> + (s <sub>2</sub> - rps <sub>2</sub> ) + lrg <sub>1</sub> ))	10,102	9,887
N. Transmission Sector Share per full voting member ((I - L)	109,026	109,483
O. (Reserved)	0	0
P. Publicly Owned Entity Sector Member Share (assuming equal sharing of Publicly Owned Entity Sector Share Participant Expense among voting Sector members) (I ÷ poe <sub>1</sub> )	11,169	11,134

# Financial Assurance and Billing Policies

- Purpose
- Acceptable Forms of Financial Assurance (FA)
- Financial Assurance Compliance Tests
- Initial Financial Assurance
- Credit Test: Notification & Penalties
- Financial Assurance-related Web sites

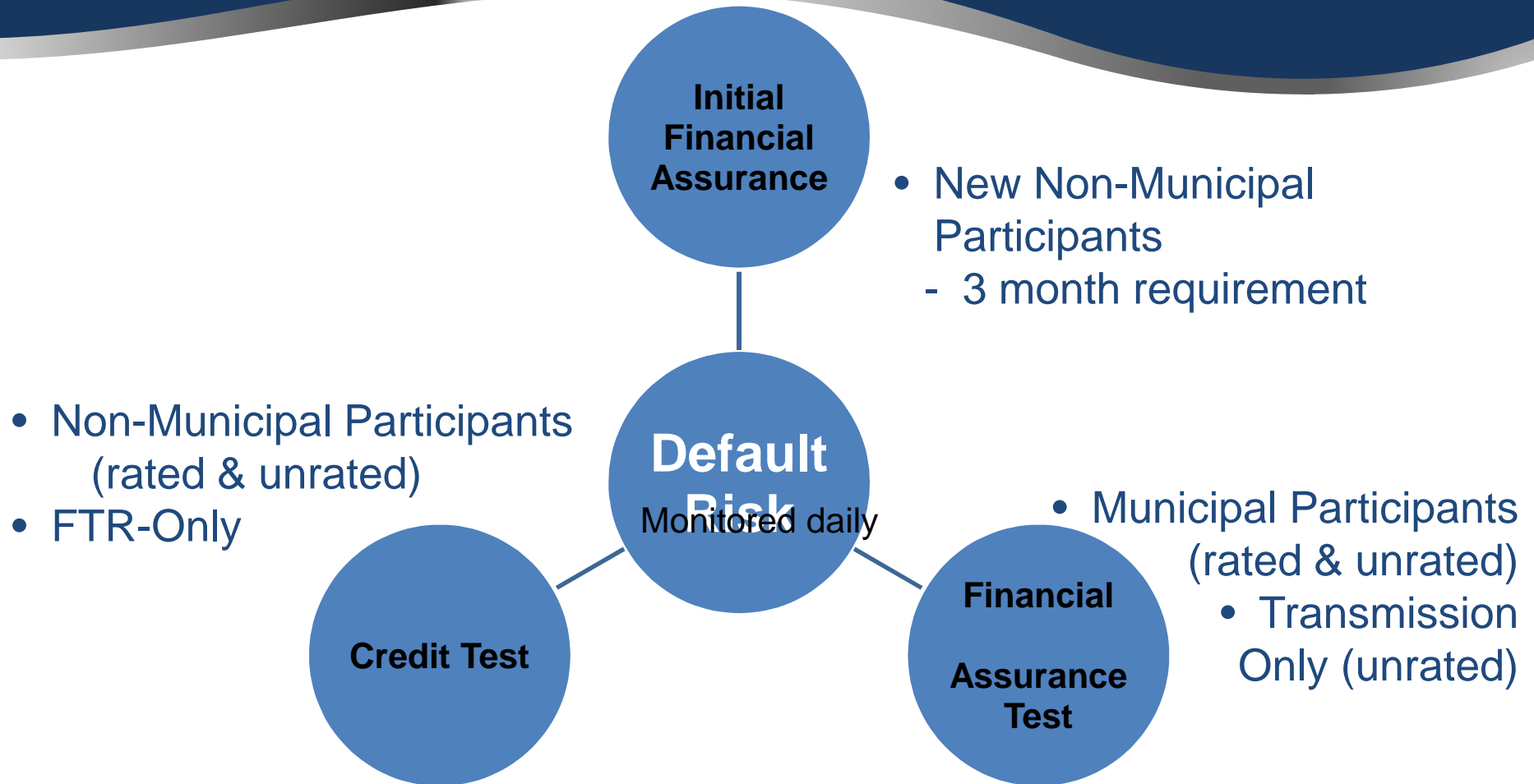


# FA - Purpose & Acceptable Forms

- Purpose: Match collateral requirements with the risk associated with markets to minimize payment defaults
- Acceptable Forms of Financial Assurance:
  - Cash (BlackRock Account)  
(US Entities only)
  - Letter of Credit



# FA – Compliance Tests



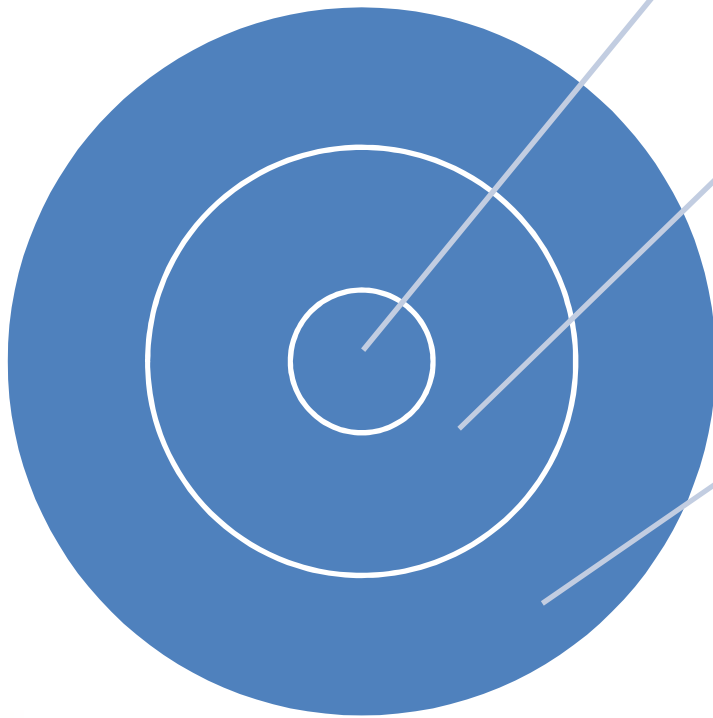
# FA - Initial Financial Assurance

- New Member Requirements
  - Estimated activity used in calculation is sourced from the Applicant's completed credit department application
  - Minimum Participation Criteria
- Designed to minimize exposure resulting from immediate default
- Minimum requirement for new Participants; however requirement is the greater of initial Financial Assurance or Credit Test
- Can only be covered by Cash Investments (BlackRock) or Letter of Credit



# FA – Credit Test Notice & Penalties

## Credit Test: Targets Market Participants with a CTP > 80%



### 100% CTP

- Notice issued
- Every Notice greater than 5 in the past twelve months results in a \$1,000 fee
- Must cure by next business day at noon
- If not cured, Suspension

### 90% CTP

- Notice Issued
- Must cure by the fifth business day at noon
- If not cured, All Participant Notice emailed

### 80% CTP

- Notice Issued
- No action required, simply a warning



# Questions?



# Background Information

- Operative Documents (identified)
- 2023 Annual Report (separate document)
- Estimated Breakdown of 2024 Participant Expenses (separate document)
- 2024 Meeting Schedule

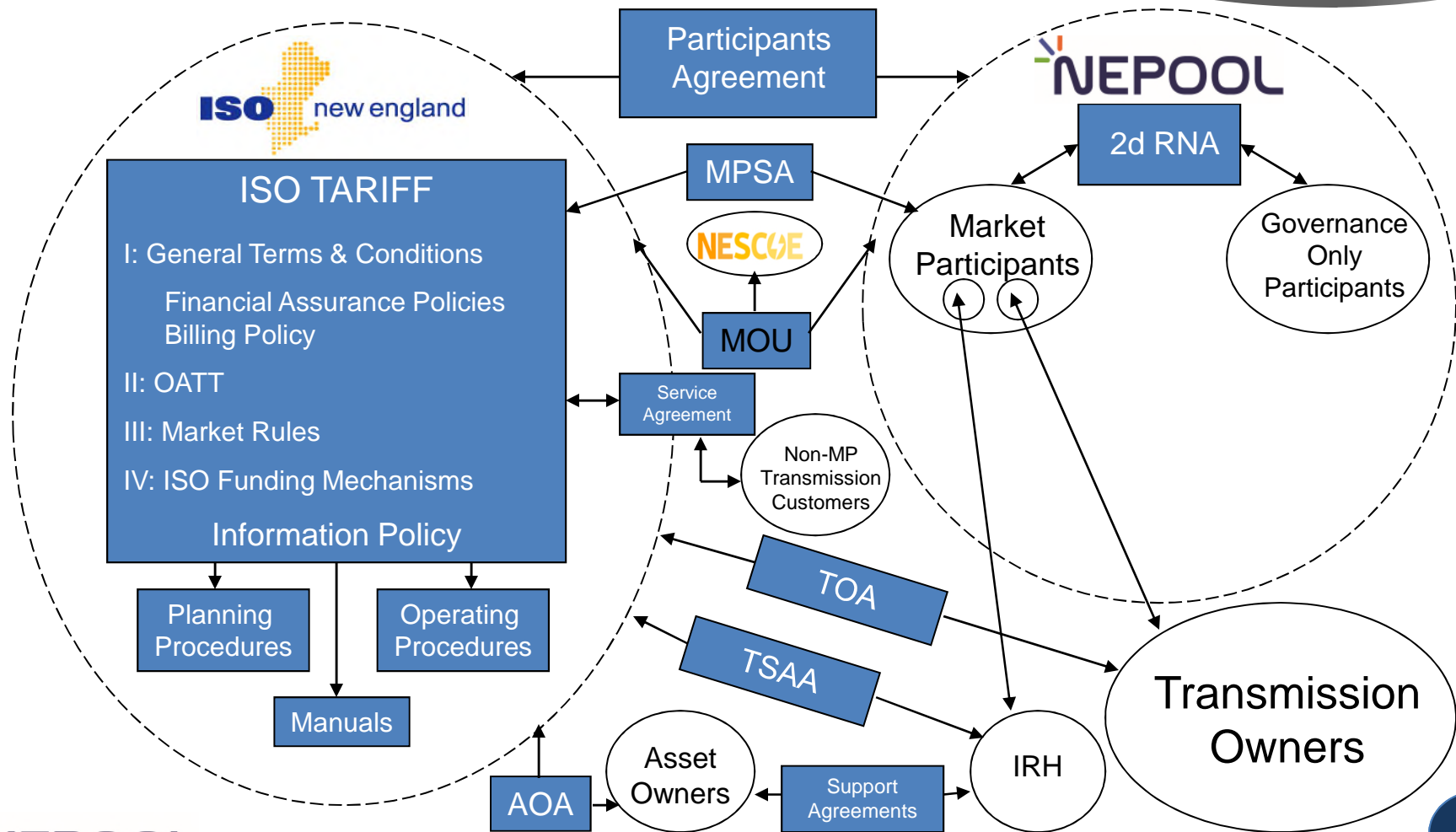


# Operative Documents

- ⬇ **Second Restated NEPOOL Agreement (2d RNA)**  
[http://nepool.com/uploads/Op-2d\\_RNA.pdf](http://nepool.com/uploads/Op-2d_RNA.pdf)
- ⬇ **Participants Agreement (PA)**  
<http://nepool.com/uploads/Op-PA.pdf>
- ⬇ **Market Participant Service Agreement (MPSA)**  
[http://nepool.com/uploads/Op-MPSA\\_form.pdf](http://nepool.com/uploads/Op-MPSA_form.pdf)
- ⬇ **Memorandum of Understanding Among ISO-NE, NEPOOL, and NESCOE**  
[http://nepool.com/uploads/MOU\\_Final.pdf](http://nepool.com/uploads/MOU_Final.pdf)
- ⬇ **ISO-NE Tariff (Tariff)**  
<http://www.iso-ne.com/regulatory/tariff/index.html>
- ⬇ **Manuals**  
[http://www.iso-ne.com/rules\\_proceeds/isone mnls/index.html](http://www.iso-ne.com/rules_proceeds/isone mnls/index.html)
- ⬇ **Operating Procedures (OPs)**  
[http://www.iso-ne.com/rules\\_proceeds/operating/isone/index.html](http://www.iso-ne.com/rules_proceeds/operating/isone/index.html)
- ⬇ **Planning Procedures (PPs)**  
[http://www.iso-ne.com/rules\\_proceeds/isone plan/index.html](http://www.iso-ne.com/rules_proceeds/isone plan/index.html)
- ⬇ **Generation Information System Operating Rules**  
<http://www.nepoolgis.com/documents/>
- ⬇ **Transmission Owners Agreement (TOA)**  
<http://www.iso-ne.com/regulatory/toa/index.html> Phase I/II
- ⬇ **Asset Owners Agreement (AOA)**  
[http://www.iso-ne.com/regulatory/co\\_agree/index.html](http://www.iso-ne.com/regulatory/co_agree/index.html) Phase I/II
- ⬇ **Interconnection Operators Agreement (IOA)**  
[http://www.iso-ne.com/regulatory/co\\_agree/index.html](http://www.iso-ne.com/regulatory/co_agree/index.html)
- ⬇ **Phase I/II HVDC Transmission Operating Agreement (HVDC TOA)**  
<http://www.iso-ne.com/regulatory/toa/index.html>
- ⬇ **Phase I/II HVDC-TF Transmission Service Administration Agreement (TSAA)**  
<http://www.iso-ne.com/regulatory/toa/index.html>
- ⬇ **Highgate Interconnection Operators Agreement**  
[http://www.iso-ne.com/regulatory/co\\_agree/index.html](http://www.iso-ne.com/regulatory/co_agree/index.html)
- ⬇ **New Brunswick and NYISO Coordination Agreements**  
[http://iso-ne.com/static-assets/documents/regulatory/tariff/attach\\_f/attach\\_f.pdf](http://iso-ne.com/static-assets/documents/regulatory/tariff/attach_f/attach_f.pdf)



# Operative Documents



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