



October 2, 2025

VIA E-MAIL

TO: PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES

RE: Supplemental Notice of October 9, 2025 Participants Committee Meeting

Pursuant to Section 6.6 of the Second Restated New England Power Pool Agreement, supplemental notice is hereby given that the October 2025 meeting of the Participants Committee will be held **in person on Thursday, October 9, 2025, at 10:00 a.m. at the Delamar West Hartford located at 1 Memorial Road, West Hartford, CT 06107** for the purposes set forth on the attached agenda and posted with the meeting materials at nepool.com/meetings/.

To join the meeting using the enhanced Webex interface, please **download the Webex app** to your desktop or to your phone (whichever device you will be using) **in advance of the meeting**, and using the app, join the meeting by clicking the following link for the meeting: <https://iso-newengland.webex.com/iso-newengland/j.php?MTID=m4d64f77d59252371720cf3fd4fbb9a71> . You may also access the meeting through the ISO's Webex meetings page by clicking <https://iso-newengland.webex.com/webappng/sites/iso-newengland/meeting/home> and selecting the meeting (event password = **nepool**).

In addition, please note two items requiring your attention at this time:

- **Thursday, November 6 Sector Meetings with ISO Board and State Official Panels** – The next Sector meetings with the ISO Board and State Officials are scheduled to be held in person on Thursday, November 6 at the Hilton Boston Logan Airport Hotel (prior to the start of the Participants Committee meeting and beginning for most Sectors at 9:00 am). ***Please work directly with your Sector's Vice-Chair to help prepare and finalize proposed agendas and any supporting material for those meetings.***
- **2026 NEPOOL Officers** – Each Sector needs to identify for us no later than **Wednesday, October 29** the voting member chosen by that Sector to serve as its 2026 Participants Committee Officer. The Participants Committee will then select its 2026 Chair from among those Sector-selected Officers, using the required voting process for that selection. We have included with this notice a memorandum that provides more information about the selection process.

Respectfully yours,

/s/

Sebastian Lombardi, Secretary

FINAL AGENDA

1. To approve the draft minutes of the September 4, 2025 Participants Committee. A copy of the draft minutes, marked to show the changes since the minutes were circulated with the initial notice, are included with this supplemental notice and posted with the meeting materials.
2. To adopt and approve the actions recommended by the Reliability Committee set forth on the Consent Agenda included with this supplemental notice and posted with the meeting materials.
- 2A. To consider, and take action, as appropriate, on revisions to OP-2 (Maintenance of Communications, Computers, Metering and Computer Support Equipment). Background materials, including a draft resolution, are included and posted with this supplemental notice.
3. To receive an ISO Chief Executive Officer report. The October CEO report will be circulated and posted in advance of the meeting.
4. To receive a report from the ISO Chief Operating Officer on the following:
 - a. Operations Report Highlights (September data); and
 - b. 2026 Annual Work Plan.

The October COO Report will be circulated and posted in advance of the meeting. The 2026 Annual Work Plan materials were included and posted with the initial notice and are available in the composite materials for the meeting.

5. To consider, and take action, as appropriate, on the following proposed budgets:
 - a. 2026 ISO-NE Operating and Capital Budgets; and
 - b. 2026 NESCOE Budget.

Background materials and draft resolutions are included and posted with this supplemental notice.

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	• Budget & Finance Subcommittee
• Reliability Committee	• Membership Subcommittee
• Transmission Committee	• Others
8. Administrative matters.
9. To transact such other business as may properly come before the meeting.

Protocols. The NEPOOL general business portions and plenary sessions of the meeting will be recorded, as are all the NEPOOL Participants Committee meetings. 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 participating in this meeting must 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.

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates
FROM: Pat Gerity, NEPOOL Counsel
DATE: September 25, 2025
RE: 2026 Participants Committee Officer Elections

In order to ensure that the selection process requirements in the Participants Committee Bylaws for 2026's Participants Committee officers can be timely completed, each Sector needs to identify, no later than **Wednesday, October 29, 2025**, who the Sector has selected to serve as the Sector's Participants Committee officer for 2026. A description of the qualifications, responsibilities, and expectations of the Sector officers selected has been included with this memorandum.

By way of reminder, the Bylaws require that one voting member from each Sector be selected by a majority of all the voting members in its Sector (i) to serve as a nominee for Chair of the Participants Committee and (ii) if not elected Chair, to serve as a Participants Committee Vice-Chair. A confidential, written balloting process will then be conducted to elect the 2026 Chair from among the Participants Committee officers selected by each of the Sectors. To allow time for that balloting process ahead of the December 4 Annual Meeting, as required by the Bylaws, we need the Sectors' officers to be identified by October 29, 2025.

If any Sector needs assistance in conducting the vote for its Sector officer, please let us know (preferably no later than October 15). We would be pleased to help however we can. Also, if you have any questions, please contact me at pmgerity@daypitney.com or (860) 275-0533.

***Participants Committee Sector Officer
Qualifications, Responsibilities and Expectations***

Qualifications: A Participants Committee Chair or Vice-Chair must be a voting member of the Participants Committee. Per the Participants Committee Bylaws, one voting member from each active Sector of the Participants Committee is to be selected to serve as the Vice-Chair of the Sector “by a majority of all the voting members in its Sector.” The Chair is selected from among the nominated Vice-Chairs using the balloting procedures in the Bylaws.

Responsibilities and Expectations of Participants Committee Sector Vice-Chairs:

1. Help to build and maintain a collegial and productive working relationship with other Committee officers and members, ISO management, and state officials participating in Committee activities.
2. Communicate routinely and effectively with other members of the Sector:
 - a. To help ensure that members have the information needed to support informed and active Committee participation;
 - b. To ensure that the officer has sufficient information to provide to the other officers, ISO management and staff, and state and federal officials a fair and objective report of Sector members’ positions and sensitivities on regional matters; and
 - c. To report objectively to Sector members information, questions, positions, perspectives, and sensitivities of or from the other Sectors, the ISO, and state officials that are provided to the Officer to be shared with the Sector.
3. Attend and lead or support planning for and participation in Participants Committee meetings, including (a) participation in planning conference calls and in-person meetings to identify and confirm Committee meeting agenda topics and materials, meeting logistics and orderly flow of business at Committee meetings, and (b) serving as Chair if and as needed for a meeting or portions of a meeting at which the Chair is not able to preside.
4. Coordinate and organize Sector members when appropriate, including for meaningful participation by the Sector members in the semi-annual meetings with the ISO Board of Directors, state officials and FERC representatives.
5. Ensure that the Sector is fairly and objectively represented at other committee and working group meetings and meetings among Officers, ISO management and state officials, and that the Officer or representative is reasonably informed as to the perspectives and sensitivities of the Sector members.
6. With the other NPC Officers, review and comment on NEPOOL filings or pleadings, raising awareness of any Sector-specific sensitivities.
7. Serve, or designate an appropriate Sector member to serve, on the Joint Nominating Committee that recommends to the Participants Committee for endorsement a slate of candidates for membership on the ISO Board of Directors.

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September 4, 2025 Minutes



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RESOLVED, that the Participants Committee approves the preliminary minutes of the September 4, 2025 meeting, as circulated in advance of this meeting, with additional non-material clarifications, as the final minutes of the September 4, 2025 meeting.

PRELIMINARY

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Thursday, September 4, 2025 at the Renaissance Boston Seaport District in Boston, MA. 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 meeting, either in person or by Webex.

Ms. Sarah Bresolin, Chair, presided, and Mr. Sebastian Lombardi, Secretary, recorded. Ms. Bresolin welcomed the members, alternates, ISO and State officials, and guests who were present.

APPROVAL OF 2025 JUNE SUMMER MEETING AND AUGUST 7, 2025 MEETING MINUTES

Ms. Bresolin referred the Committee to the preliminary minutes of the 2025 June Summer Meeting and August 7, 2025 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 in advance of the meeting, with additional non-material clarifications, and with an abstention by Mr. Jon Lamson noted.

CONSENT AGENDA

Ms. Bresolin then referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. Ms. Bresolin noted that, at the request of the ISO, action on changes to ISO Operating Procedure (OP) No. 2 (Maintenance of Communications, Computers, Metering and Computer Support Equipment) (OP-2) and Appendix A to OP-2 (Itemized

Equipment), as recommended by the Reliability Committee at its August 19, 2025 meeting, had been deferred to a subsequent meeting. Following motion duly made and seconded, the Consent Agenda, with Item No. 2 removed, was unanimously approved, with an abstention by Mr. Lamson noted.

ISO CEO REPORT

In the absence of Mr. Gordon van Welie, ISO Chief Executive Officer (CEO), Ms. Bresolin invited any questions on the September CEO Report, which had been circulated and posted in advance of this meeting, to be addressed to Ms. Maria Gulluni, ISO General Counsel. There were no questions or comments on the CEO Report.

ISO COO REPORT

Operations Report

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), began by referring the Committee to his September operations report, which had been circulated and posted in advance of the meeting. Dr. Chadalavada noted that the data in the report was through August 26, 2025, unless otherwise noted. The September report highlighted: (i) that the Peak Hour for August, with 23,069 MW of Revenue Quality Metered (RQM) Data (including settlement-only generation), occurred on August 11, 2025 during the hour ending 6:00 p.m.; (ii) August averages for Day-Ahead Hub LMP (\$49.39/MWh), Real-Time Hub LMP (\$43.96/MWh), and natural gas prices (\$2.74/MMBtu); (iii) Energy Market value for August 2025 was \$560 million, up from \$454 million in August 2024 and down from the updated July Energy Market value of \$1.1 billion; (iv) Ancillary Services Markets value (\$18.6 million) was up from August 2024 (\$16.3 million); (v) average Day-Ahead cleared physical energy during the peak hours as a percentage

of forecasted load was 100.7% during August (up from 100.4% reported for July 2025); (vi) Daily Net Commitment Period Compensation (NCPC) payments for August totaled \$2.4 million (representing just 0.4% of August's monthly Energy Market value), comprised of (a) \$2.2 million in First Contingency payments (including \$350,000 in Dispatch Lost Opportunity Costs, \$225,000 in Rapid Response Pricing Opportunity Costs, and \$74,000 paid to resources at external locations), (b) \$29,000 in Second Contingency and no voltage payments, and (c) \$210,000 in Distribution payments; and (vii) a Forward Capacity Market (FCM) value of \$88.6 million.

Dr. Chadalavada explained how differences between forecast and actual temperatures and dew points had continued to adversely impact ISO load forecast metrics in a manner that was much more pronounced than in previous summers. He said that weather models had been inconsistent in forecasting temperatures, dewpoints, storm intensity, storm timing, cloud cover, and in tracking the northern jet streams. Temperatures had also deviated from expected ranges, with temperatures approximately 9° F above normal from June 17-25, 4° F below normal from July 31-August 9, and comparatively very cold from August 18-22, with short periods of hot temperatures in between. Given the correlation and interdependency of load and weather forecasts, the resulting ISO load forecasting metrics were below desired levels.

Addressing Day-Ahead Ancillary Services (DAAS) market results, Dr. Chadalavada said that the ISO continued to study and hoped to provide further insight into the performance of the DAAS market. He noted the changes (since initial DAAS market analyses) and factors impacting the performance of the market, including changes in the supply stack and energy sources, volatility in gas/fuel prices and LMPs, high loads and hot temperatures, and virtual market participation. Although the extent to which any one of the changes or factors

individually were impacting market results was not yet known, the ISO would bring updates and study results to the Committee when and as available. To illustrate the interplay amongst some of the various factors/variables, Dr. Chadalavada discussed in some detail the performance of the DAAS market on August 13, 2025, including how load forecasts impacted Day-Ahead opportunity costs and were themselves impacted by differences in the timing and intensity of predicted afternoon storms. In response to a member's question regarding the impact on market results of self-scheduling, Dr. Chadalavada said that reserve requirements were the primary driver on overall LMPs on August 13, though he would investigate whether any impact of self-scheduling on that day could be quantified. He separately confirmed the correlation between DAAS costs and high loads – higher ancillary service costs could be expected on days with higher load and reserve requirements.

A member, noting some issues with the ability of the Gaussian Mixture Model (GMM) to derive strike prices, asked whether there might be an opportunity to work the issues with the Markets Development team and potentially identify improvements. Mr. Matt White, ISO-NE Vice President of Market Development and Settlements, said that his team was available to meet and discuss ideas with Participants, particularly those that had completed some quantitative analysis and were willing to share their perspectives. In response to another member's comments on DAAS costs, Dr. Chadalavada indicated that, given the lack of sufficient experience, analysis and Committee dialogue, there were no plans to propose on an expedited basis a cap on DAAS costs for the 2025-26 winter period.

Turning to outages, Dr. Chadalavada highlighted the planned fall outage for the Phase II interconnection with Quebec that was scheduled from September 22 to October 13, 2025.

Expressing appreciation for what had in prior years been unimaginable, a member expressly recognized the ISO for its achievements in reliably operating the System during the more than 100 days ~~in 2025~~ (thus far) [in 2025](#) when the mid-day load was lower than at any other point during the day. Dr. Chadalavada thanked the member for that recognition, and said that the experience would help winter operations.

Asset Condition Reviewer Project Update

Dr. Chadalavada then provided an update on the Asset Condition Reviewer (ACR) Project. Referring to the material circulated and posted in advance of the meeting, Dr. Chadalavada reviewed the anticipated requirements and next steps, and recapped the process undertaken to date towards the development of the ACR role, which had been structured to include both an interim review cycle and a more permanent ACR process.

In the interim review cycle, which was projected to last through the end of 2026, the ISO had retained Montana-based Electrical Consultants, Inc. (ECI) (i) to independently review and provide an assessment of a selected set of asset condition projects (that set of projects to be initially identified at the October 2025 Planning Advisory Committee (PAC) meeting) and (ii) to work with the ISO on the development of the more permanent ACR process. The [proposed](#) 2026 ISO Budget included one million dollars in funding for the interim review cycle.

Discussions with stakeholders on the permanent ACR framework would take place in the first and second quarters of 2026. The ISO planned to ~~its~~ share [its](#) thoughts on the feedback received, and iterate its proposal until roughly mid-2026, at which point the initial governance structure, budget, and regulatory approvals would be identified. Dr. Chadalavada said that Mr. Al McBride, ISO Vice President of System Planning, would be overseeing this project until the end of 2026 and would provide periodic updates to the Participants Committee, as well as other

appropriate stakeholder committees, beginning with the October PAC meeting. Ms. Anne George, ISO Vice President, Chief External Affairs and Communications Officer, and Ms. Gulluni, would also be part of the project team and available to answer questions. Concluding, Dr. Chadalavada emphasized the importance of transparency, opportunities for participation, and confidence in the integrity and quality of the work product and the process itself.

In discussion, members thanked the ISO for taking on the ACR project, expressing their appreciation for the time, effort, resources, and personnel that the ISO had devoted thus far to the project. They supported the retention of ECI during the interim phase, which they believed addressed the sense of urgency they felt with respect to the establishment of a review process. Members looked forward to continued engagement with the ISO on the details of the more permanent process, expanding in some cases on certain elements and principles they believed should be incorporated into that process, but generally optimistic that a comprehensive process upon which stakeholders could agree and rely could be established.

In response to a member's question, Dr. Chadalavada distinguished the proposed ACR process from the concept of an Independent Transmission Monitor (ITM) outlined in the FERC's still-pending December 2022 notice of proposed rulemaking. He opined that the ACR process would be more limited, given its focus on defined asset condition projects. For example, the ACR process would not review policy-based transmission, reliability-based transmission or planning procedures in general.

Concluding, Dr. Chadalavada thanked specifically the Transmission Owners for their cooperation and support and the States for their engagement. He said that the process was off to a good start and looked forward to similar successes as the more permanent process takes shape

and the reviews begin in earnest. He reiterated that Mr. McBride planned to discuss the interim process, and overall progress made on the project in further detail at the October PAC meeting.

2026 ISO AND NESCOE BUDGETS

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 the proposed 2026 ISO and NESCOE Budgets. He reminded the Committee that the ISO had presented its preliminary top-down 2026 Capital and Operating Budgets (ISO Budgets) at the Participants Committee June Summer Meeting. He reported that the 2026 ISO Budgets had then been reviewed and considered at the B&F's August 11, 2025 meeting. He reported that no objections or concerns had been raised with respect to either the ISO Budgets or to NESCOE's 2026 Budget, which had also been presented at that meeting. He said that the [2026](#) ISO and NESCOE Budgets were scheduled for consideration and action at the October Participants Committee meeting.

Ms. Kelly Reyngold, ISO Director of Accounting, noting that the bottom-up ISO Budgets were largely consistent with the top-down Budgets that had been shared with the Participants Committee at the June Summer Meeting, reviewed the minor changes to the operating budget since the June presentation. She explained that the bottom-up operating budget reflected a decrease of \$900,000, largely as the result of lower new hire salaries, lower incentive compensation, and other small estimate refinements. She reported that the ISO had returned to an estimated vacancy rate of 5% (down from 6% estimated for 2025), given recent hiring success and lower turnover rates, which partially offset the decrease. Other changes partially offsetting the decrease included increased professional fees, support for the Capacity Auction Reforms (CAR) project, Transmission planning work, and external regulatory counsel fees.

Ms. Reyngold highlighted an additional 24 employee full-time equivalent (FTE) employees proposed in the budget, 19 of which would be funded in the 2026 budget, including one additional FTE in the Participants Support area to serve as a CAR Project Manager. She noted that the 2026 budget included a \$1 million placeholder for the ACR role, with updates on actual spend to be provided quarterly to the B&F. There were no changes to the Capital Budget from the June presentation.

Ms. Reyngold reported that, as part of its budget process, the ISO had presented the Budgets to the ISO Board's Audit and Finance Committee and to New England State Officials on August 8. She referred the Committee to the Questions and Answers that had emerged from the discussion with State Officials that were posted on the B&F webpage and accessible via a link in the meeting materials. Ms. Reyngold summarized some of the questions that arose from those meetings, which primarily related to FTEs, the support for long-term transmission planning, questions about the ACR role, and questions about ISO operations.

In response to a question, Ms. Reyngold clarified that the overall proposed 2025 operating budget was reduced by a \$15.6 million true-up, \$14 million of which was attributable to an underspend and \$1 million of which was attributable to over-collections in 2025. She concluded her presentation by announcing that the ISO planned to release the 2026 rates under Schedules I, II, and III of the Tariff during the week of September 22.

There were no questions or comments on NESCOE's 2026 Budget.

IMM 2024 ANNUAL MARKETS REPORT

Mr. David Naughton, Executive Director, ISO Internal Market Monitor (IMM), referred members to the summary of the IMM's 2024 Annual Markets Report (2024 IMM Annual Report), which had been circulated and posted with the meeting materials. He also highlighted a

companion primer, *An Overview of New England's Wholesale Electricity Markets*, updated to include information on the DAAS Market, available in the IMM section of ISO website.

Mr. Naughton began by reviewing 2024 outcomes in comparison with the prior four years. His overall assessment was that the markets continued to perform well and exhibit competitive outcomes. He reported that wholesale electricity costs increased by approximately \$1 billion relative to 2023. He attributed as primary drivers of this increase higher CO₂ allowance prices under the Regional Greenhouse Gas Initiative (RGGI) and reduced imports from Québec. He noted that, as of August 2025, energy costs had already exceeded total 2024 costs, driven largely by elevated natural gas prices and other contributing factors.

Turning to NCPC, or uplift payments, Mr. Naughton reported that 2024 costs totaled about \$35 million, nearly unchanged from 2023. As in previous years, the majority of NCPC payments were associated with first contingency commitments, primarily in the Real-Time Energy Market. He explained that this outcome reflected the strength of the transmission system, which limited the need for uplift payments tied to second contingency commitments. Mr. Naughton concluded this portion of his remarks by reiterating a long-standing recommendation that the ISO develop a mechanism to reduce NCPC charges to virtual transactions, given their importance in supporting price convergence.

Next, Mr. Naughton addressed overall supply and demand conditions, beginning with trends in energy supply and the capacity mix. Referring to his presentation, he noted that imports from Canada averaged 13 percent of supply over the prior four years but fell to just 5 percent in 2024. He also highlighted the steady growth in solar generation. With respect to the region's capacity mix, Mr. Naughton observed a slight decline this past year, as generator retirements outpaced new capacity additions.

Mr. Naughton next presented the IMM's simulation of generator profitability, illustrating how much hypothetical combined cycle and combustion turbine generators could have earned in the wholesale markets. Referring to a chart in his presentation, he explained that simulated revenues for both resource types in 2024 were below their going forward costs, reflecting excess capacity and low auction clearing prices.

He then turned to the estimated profitability of wind and solar resources, which represented the majority of proposed generation resources in the interconnection queue. As detailed in the 2024 IMM Annual Report, Mr. Naughton noted that these renewable technologies derive a substantial portion of their revenues from state programs outside the wholesale electricity markets.

The IMM also evaluated the profitability of a proxy battery unit. Mr. Naughton highlighted the sharp decline in revenues from the Regulation Market, attributing the decline to saturation that had driven prices downward. Despite the decline, he observed that, when accounting for all revenue streams, a battery resource in 2024 continued to earn above the gross Cost of New Entry, particularly because of increasing opportunities in the Energy Market.

Mr. Naughton then introduced a new metric included in the 2024 IMM Annual Report. Using ISO settlement data, he analyzed the net market revenues of existing resources to illustrate their reliance on different sources of wholesale market revenue. For example, he explained, combined cycle resources rely more heavily on the Energy Market than on the Capacity Market, while steam turbine resources earned very little in the Energy Market and depended almost entirely on the Capacity Market. Because Capacity Scarcity Conditions are often unanticipated and of short duration, steam turbines were unable to respond effectively, resulting in PFP

penalties. Turning to combined cycle units, Mr. Naughton projected that the spark spread would decline in coming years, leading to lower net revenues.

Addressing the energy transition, Mr. Naughton compared changes in demand and supply. The data showed both shifts had been gradual. Between 2020 and 2024, gross load was essentially flat, with the most notable changes being reduced energy efficiency offset by growth in behind-the-meter solar. On the supply side, renewable generation increased only modestly relative to 2020, while imports declined by more than 1,500 MW, offset by nearly the same increase in balancing resources. In response to stakeholder requests, the IMM said he would endeavor to provide in future reports additional data on the DAAS market, the New England Clean Energy Connect project, and seasonal (summer/winter) breakdowns.

Mr. Naughton then presented two charts illustrating the impact of renewable generation on hourly load and pricing profiles for 2020 and 2024. He said that the charts showed that the growing presence of intermittent resources had altered average hourly load ramps, with energy prices rising during the morning and evening ramp periods. He concluded this section of his report by reviewing a selection of operational and market metrics related to the clean energy transition, which were discussed in greater detail in the 2024 IMM Annual Report.

Turning to Energy and Ancillary Services Markets, Mr. Naughton reported that emissions compliance costs accounted for a significant share—about 30 percent—of total generation operating costs. He estimated the LMP impact at roughly \$8/MWh, adding approximately \$910 million to wholesale energy costs. He noted, however, that most RGGI auction proceeds were reinvested into energy efficiency programs, yielding an estimated savings of \$757 million in wholesale energy market costs (based on 2024 LMPs). Mr. Naughton then compared the net interchange of imports from Canada and New York. He showed that imports from Canada had

declined considerably, but that reduction had been largely offset by increased net interchange with New York.

Mr. Naughton concluded his report by outlining the following six recommendations:

1. Re-evaluate non-Coordinated Transaction Scheduling external interface clearing rules, particularly the use of timestamps as a tiebreaker. He explained that a revised approach could reduce incentives for strategic virtual bidding and better align external bids with expected quantities and the cost or value of the underlying energy.

2. Revise PFP Treatment of Export Transactions. Mr. Naughton observed that current PFP netting rules over-incentivize procuring imports relative to avoiding export reductions and create a potential for gaming opportunities—a risk that, he emphasized, has not materialized to date. In response to this recommendation, a stakeholder urged the IMM to consider circumstances involving capacity-backed exports.

3. Revise ISO bidding software to make it easier for low-cost resources to submit Real-Time, resource-specific offers. He encouraged Market Participants to bring this issue to the ISO should they experience an issue with the bidding software.

4. Replace the pivotal supplier test with a conduct-and-impact approach for seller-side mitigation in the Capacity Market. Mr. Naughton asserted that this approach would provide a more accurate assessment of market power. He also noted that the move to a sealed-bid auction under the CAR initiative would simplify implementation of this recommendation.

5. Develop Tariff revisions to clarify the definition of physical unavailability for non-intermittent resources and require such resources to shed their Capacity Supply Obligation (CSO) during planned outage periods or face penalties if they cannot deliver for extended

periods of time. He explained that this recommendation stemmed from differing interpretations of the Tariff by Market Participants, a challenge being confronted in other organized markets.

6. Develop Tariff revisions to provide greater specificity and clarity around the requirement that generators achieve commercial operation within three calendar years or risk losing their interconnection rights.

LITIGATION REPORT

Mr. Lombardi referred the Committee to the September 3, 2025 Litigation Report that had been circulated and posted before the meeting, highlighting activity in NEPGA's Balancing Ratio and Stop Loss Allocation Methodology Complaint proceeding (EL25-106) and the Revolution Wind project stop-work order issued by the U.S. Department of Interior's Bureau of Ocean Energy Management. Mr. Lombardi also noted the August 13, 2025 appointment of David Rosner as FERC Chairman, the confirmation hearings held that morning for FERC Commissioner nominees Laura Swett and David LeCerte, and the extension of two previously-issued U.S. Department of Energy emergency orders, issued pursuant to Section 202-C of the Federal Power Act, continuing operations of two dual-fuel units in PJM and delaying the planned retirement of a coal-fired plant in MISO. He encouraged those with questions on those or any matter in the Litigation Report to reach out to NEPOOL Counsel.

COMMITTEE REPORTS

Markets Committee (MC). Mr. Ben Griffiths, MC Vice-Chair, reported that the next MC meeting would be on September 9-10, 2025, at the DoubleTree Hotel in Westborough, MA. Discussion on Tuesday would focus on revisions to the Tariff provisions related to CAR's prompt market design and related deactivation changes (CAR-PD), as well as Participant-

sponsored amendments to the ISO's proposal. Wednesday's discussion would include a design kick-off discussion on CAR seasonality and resource accreditation reforms (CAR-SA).

Reliability Committee (RC). Mr. Bob Stein, RC Vice-Chair, reported that the next RC meeting would be held on September 16, 2025 at the DoubleTree Hotel in Westborough, MA. Principal topics would include modeling enhancements under the CAR Project and a kick-off discussion of the methodology for developing long-term energy and demand forecasts to be included in the 2026 Capacity, Energy, Loads, and Transmission (CELT) Report. The RC would also take action on proposed changes to Operating Procedure (OP) No. 17 (OP-17) (Load Power Factor and System Assessment), OP-21 (Operational Surveys, Energy Forecasting & Reporting and Actions During An Energy Emergency), Planning Procedure (PP) No. 4 (PP4) (Procedure for Pool-Supported PTF Cost Review) and PP5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades).

Transmission Committee (TC). Mr. Dave Burnham, TC Vice-Chair, reported that the next TC meeting would be held virtually on September 25, 2025. Discussion would include (i) a presentation from the ISO on cleanup changes associated with *Order 2023* and (ii) an initial presentation from the PTO-AC on changes to Appendices A and D to Attachment F to the Tariff related to FERC *Order 898* compliance (Accounting and Reporting Treatment of Certain Renewable Energy Assets), which made changes to [the](#) FERC Uniform System of Accounts.

Budget & Finance Subcommittee (B&F). Mr. Kaslow reported that the next B&F meeting was scheduled for September 19, 2025. In addition to any regular reports, the B&F would evaluate Billing Policy changes associated with the CAR project if and to the extent such changes were ready for review.

Membership Subcommittee. On behalf of Mr. Brad Swalwell, Membership Subcommittee Chair, Ms. Bresolin reported that the next Membership Subcommittee meeting would be held by Zoom on September 15, 2025. She encouraged all those interested to participate and to reach out to NEPOOL Counsel for the Zoom information.

ADMINISTRATIVE MATTERS

Mr. George Twigg, NECPUC Executive Director, conveyed State Officials' appreciation for the scheduling of Participants Committee meetings in various cities and towns in New England. He said that State Officials had found it valuable to experience in person the thoughtfulness and transparency of the Committee's discussions, which moving venues throughout New England facilitated. For that reason, for example, he expected in-person participation by Connecticut State Officials at the October meeting. He encouraged NEPOOL to consider continuing that practice where feasible.

Mr. Lombardi reported that the October meeting would be at the Delamar Hotel in West Hartford, Connecticut. He directed those needing an overnight room for the October meeting to contact Pat Gerity or Jaki Sloan as soon as possible. Looking further ahead, he said that the November meeting would be held at the Hilton Boston Logan Airport hotel (preceded the day before by the ISO Board's annual public meeting, and earlier on the morning of November 6 by Sector meetings with ISO Board and State Officials).

There being no other business, the meeting adjourned at 12:44 p.m.

Respectfully submitted,

Sebastian Lombardi, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 4, 2025 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Acadia Center	End User	Joe LaRusso (W)		
Ashburnham Municipal Light Plant	Publicly Owned Entity		Dan Murphy	
AVANGRID (CMP/UI)	Transmission	Alan Trotta (W)	Jason Rauch	
Bath Iron Works	End User			Bill Short
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh		
Boylston Municipal Light Department	Publicly Owned Entity		Dan Murphy	
BP Energy Company (BP)	Supplier			José Rotger
Braintree Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
Brookfield Energy Trading and Marketing LLC	Supplier	Aleks Mitreski		
Chester Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned Entity		Dan Murphy	
Clear River Electric	Publicly Owned Entity		Dave Cavanaugh	
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw (W)		
Connecticut Office of Consumer Counsel	End User		Jamie Talbert-Slagle	
Conservation Law Foundation	End User	Phelps Turner (W)		
Constellation Energy Generation (Constellation)	Supplier	Gretchen Fuhr (W)	Bill Fowler (W)	
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, Inc.	Generation	Wes Walker (W)		
DTE Energy Trading, Inc. (DTE)	Supplier			José Rotger
ECP Companies Calpine Energy Services, LP New Leaf Energy	Generation	Andy Gillespie		Bill Fowler (W)
Elektrisola, Inc.	End User			Bill Short
Emera Energy Services	Supplier			Bill Fowler (W)
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Eversource Energy	Transmission	Vandan Divatia	Dave Burnham	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
First Point Power, LLC	Supplier	Peter Schieffelin (W)		
Gabel Associates, Inc.	Supplier	Sarah Yasutake (W)		
Galt Power, Inc.	Supplier	José Rotger	Jeff Iafrati (W)	
Garland Manufacturing Company	End User			Bill Short
Generation Bridge Companies	Generation			Bill Fowler (W)
Generation Group Member	Generation	Dennis Duffy (W)	Abby Krich (W)	
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Groton Electric Light Department	Publicly Owned Entity		Dan Murphy	
Granite Shore Companies	Generation			Bob Stein
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc. (HQUS)	AR-RG	Louis Guibault (W)	Bob Stein	
Hammond Lumber Company	End User			Bill Short
High Liner Foods (USA) Inc.	End User		Bill Short	
Hingham Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Holyoke Gas & Electric Department	Publicly Owned Entity		Dan Murphy	
Hudson Light & Power Department	Publicly Owned Entity			Dave Cavanaugh
Hull Municipal Lighting Plant	Publicly Owned Entity		Dan Murphy	
Iceotec Energy Services, Inc.	AR-LR	Doug Hurley		
Ipswich Municipal Light Department	Publicly Owned Entity		Dan Murphy	
Jericho Power LLC (Jericho)	AR-RG	Ben Griffiths		

(W) = Webex

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 4, 2025 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Lamson, Jon	End User	Jon Lamson		
Littleton (MA) Electric Light and Water Dept.	Publicly Owned Entity		Dave Cavanaugh	
Littleton (NH) Water & Light Department	Publicly Owned Entity		Craig Kieny (W)	
Long Island Power Authority (LIPA)	Supplier		Bill Kilgoar (W)	
Maine Power LLC	Supplier	Jeff Jones (W)		
Maine Public Advocate's Office	End User	Drew Landry		Susan Chamberlain (W)
Mansfield Municipal Electric Department	Publicly Owned Entity		Dan Murphy	
Marblehead Municipal Light Department	Publicly Owned Entity		Dan Murphy	
Mass. Attorney General's Office (MA AG)	End User	Jackie Bihle	Jamie Donovan	Chris Modlish
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	
Mass. Climate Action Network (MCAN)	End User			Abby Krich (W)
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity		Dan Murphy	
MDC – The (CT) Metropolitan District	Publicly Owned Entity		Dave Cavanaugh	
Mercuria Energy America, LLC	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Moore Company	End User			Bill Short
Nautilus Power, LLC	Generation		Bill Fowler (W)	
New England Power (d/b/a National Grid)	Transmission	Tim Brennan	Tim Martin	
New England Power Gens. Assoc. (NEPGA)	Assoc. Non-Voting	Bruce Anderson	Dan Dolan	Molly Connors (W)
New Hampshire Electric Cooperative	Publicly Owned Entity			Brian Forshaw (W)
New Hampshire Office of Consumer Advocate	End User	Matthew Fossum		
NextEra Energy Resources, LLC	Generation	Michelle Gardner	Nick Hutchings	
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
NRG Business Marketing	Supplier		Pete Fuller	
Nylon Corporation of America	End User			Bill Short
Pawtucket Power Holding Company	Generation	Dan Allegretti		
Paxton Municipal Light Department	Publicly Owned Entity		Dan Murphy	
Peabody Municipal Light Department	Publicly Owned Entity		Dan Murphy	
PowerOptions, Inc.	End User		Zachary Gray-Traverso (W)	
Princeton Municipal Light Department	Publicly Owned Entity		Dan Murphy	
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
RENEW Northeast, Inc.	Assoc. Non-Voting	Francis Pullaro		
Rhode Island Division (DPUC)	End User	Linda George		
Rhode Island Energy (Narragansett Electric Co.)	Transmission	Brian Thomson	Robin Lafayette	
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Russell Municipal Light Dept.	Publicly Owned Entity		Dan Murphy	
Saint Anselm College	End User			Bill Short
Shipyard Brewing LLC	End User			Bill Short
Shrewsbury Electric & Cable Operations	Publicly Owned Entity		Dan Murphy	
South Hadley Electric Light Department	Publicly Owned Entity		Dan Murphy	
Sterling Municipal Electric Light Department	Publicly Owned Entity		Dan Murphy	
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Tangent Energy	AR-LR	Brad Swalwell (W)		
Taunton Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned Entity		Dan Murphy	
Vermont Electric Company	Transmission	Frank Ettori		
Vermont Electric Cooperative	Publicly Owned Entity	Craig Kieny (W)		
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw (W)

(W) = Webex

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 4, 2025 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Versant Power	Transmission	Dave Norman		
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity	Dave Cavanaugh		
Vistra (Dynegy Marketing and Trade, Inc.)	Supplier	Ryan McCarthy		Bill Fowler (W)
Vitol Inc.	Supplier	Seth Cochran		
Wakefield Municipal Gas & Light Department	Publicly Owned Entity		Dan Murphy	
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		Dan Murphy	
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Wheelabrator North Andover Inc.	AR-RG		Bill Fowler (W)	
ZTECH, LLC	End User			Bill Short

2

Consent Agenda



66.67%

1. Revisions to PP4 (Clean-Ups and Clarifications)
2. Revisions to PP5-6 (Order 2023 Conforming Changes)
3. Revisions to OP-17 (Biennial Review; Use of Design Assumptions as Standard Basis for Load Power Factor (LPF)/Reactive Power Interchange Reporting Model)
4. Revisions to OP-21 (Regional Energy Shortfall Threshold (REST))

RESOLVED, that the Participants Committee approves the Consent Agenda as circulated in advance of this meeting.

CONSENT AGENDA

Reliability Committee (RC)

*From the previously-circulated notice of actions of the RC's **September 16, 2025** meeting, dated September 16, 2025.¹*

Revisions to PP4 (Clean-Ups and Clarifications)

Support proposed revisions to ISO-NE Planning Procedure (PP) No. 4 (Procedure for Pool-Supported PTF Cost Review) (PP4),² as recommended by the RC at its September 16, 2025 meeting, together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

Revisions to PP5-6 (Order 2023 Conforming Changes)

Support proposed revisions to PP5-6 (Procedure for Generation and Elective Transmission Upgrades),³ as recommended by the RC at its September 16, 2025 meeting, together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

Revisions to OP-17 (Biennial Review; Use of Design Assumptions as Standard Basis for Load Power Factor (LPF)/Reactive Power Interchange Reporting Model)

Support proposed revisions to ISO-NE Operating Procedure (OP) No. 17 (Load Power Factor and System Assessment) (OP-17), which include the use of design assumptions as the standard basis for the LPF/reactive power interchange reporting model,⁴ as recommended by the RC at its September 16, 2025 meeting, together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously with two abstentions (one in the Transmission Sector; and one in the Generation Sector).

¹ RC Notices of Actions are posted on the ISO-NE website at: [https://www.iso-ne.com/committees/reliability/reliability-committee/?document-type=Committee Actions](https://www.iso-ne.com/committees/reliability/reliability-committee/?document-type=Committee%20Actions).

² The PP4 changes include: (i) changes to make language related to Longer-Term Transmission Studies/Upgrades similar to PP4's Public Policy and Competitive Transmission processes; (ii) conforming changes to update "Market Efficiency" to "System Efficiency", consistent with recent FERC-accepted Tariff changes; (iii) guidance on how community benefit agreements or similar arrangements will be handled in a cost allocation review; (iv) updates to the TCA Application form; (v) clarifications around the requirement that all TCA applications must be submitted for a project before moving through the process; and (vi) changes that will result in Asset Condition Project TCAs being presented as received rather than grouped to match presentation to the PAC.

³ The PP5-6 changes include date-related updates reflecting the latest *Order 2023* implementation timeline and various clarifications, corrections, and general formatting changes.

⁴ The OP-17 Revisions are designed to address growing concerns around light load and high voltage conditions as the quantity of Distributed Energy Resources (DERs) on the New England system continues to increase.

Revisions to OP-21 (Regional Energy Shortfall Threshold (REST))

Support proposed revisions to OP-21 (Operational Surveys, Energy Forecasting & Reporting and Actions During An Energy Emergency),⁵ as recommended by the RC at its September 16, 2025 meeting, together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

⁵ The OP-21 revisions primarily memorialize the selected thresholds that define the Regional Energy Shortfall Threshold (REST). In addition, the revisions add a requirement to perform probabilistic energy assessments (which must be conducted both seasonally, for the upcoming summer and winter seasons, and annually for future periods, 5 and 10 years in the future), and allow the ISO to accept proposals for additional longer-term sensitivities, as time and modeling capabilities allow.

2A

OP-2 Revisions



66.67%

Oct 9, 2025
Meeting

To consider, and take action, as appropriate, on revisions to OP-2 (Maintenance of Communications, Computers, Metering and Computer Support Equipment).

RESOLVED, that the Participants Committee supports the OP-2 Revisions, as proposed by ISO-NE and as circulated to the Participants Committee in advance of its October 9, 2025 meeting, together with [any changes agreed to at the meeting and] such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

MEMORANDUM

TO: NEPOOL Participants Committee

FROM: Eric Runge, NEPOOL Counsel

DATE: October 2, 2025

RE: NPC Vote on Operating Procedure No. 2 (“OP-2”) Revisions

At the October 9, 2025, Participants Committee meeting, you will be asked to vote on proposed revisions to OP-2 (“OP-2 Revisions”). The OP-2 Revisions are revisions associated with the scheduling of planned maintenance. Background materials are included with this memorandum.

The Reliability Committee unanimously recommended Participants Committee support for revisions to OP-2, together with certain revisions to Appendix A to OP-2 (“OP-2A”), in a vote on August 19, 2025. Since that vote, the ISO has determined that further work with stakeholders is necessary for OP-2A. Therefore, the Participants Committee will not vote this month on the OP-2A revisions. Additionally, since the August Reliability Committee (“RC”) vote, the ISO has made a further, relatively minor but substantive, change to OP-2 to remove Dynamic Data Recorders from the scope of OP-2. Therefore, the Participants Committee will be voting on a slightly modified version of OP-2 from what the RC recommended for Participants Committee support. Aside from this removal of Dynamic Data Recorders from the scope of OP-2, the OP-2 Revisions are the same as what the RC reviewed and recommended for Participants Committee support.

The following resolution could be used for Participants Committee consideration of the OP-2 Revisions:

RESOLVED, that the Participants Committee supports the OP-2 Revisions, as proposed by ISO-NE and as circulated to the Participants Committee in advance of its October 9, 2025 meeting, together with [any changes agreed to at the meeting and] such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

To: NEPOOL Participants Committee (PC)

From: Andrew Kopacka, Manager, Resource Outage Coordination and
Dean LaForest, Manager, Real-Time Studies

Date: October 2, 2025

Subject: ISO New England Operating Procedure No. 2

The ISO is requesting a vote by the PC on revisions to ISO New England Operating Procedure No. 2 – Maintenance of Communications, Computers, Metering and Computer Support Equipment (OP-2). In response to stakeholder feedback, the ISO has elected to defer its requested PC vote on OP-2, Appendix A – Itemized Equipment (OP-2A) to align with the timing for completing the stakeholder process for Operating Procedure No. 22 – Disturbance Monitoring Requirements (OP-22), which is actively being discussed at the Reliability Committee (RC).

The revisions to OP-2 for the October PC vote are minor updates associated with the scheduling of planned maintenance and were proposed as part of the biennial review process. Specifically, the revisions remove outdated steps and add steps to verify resource outage submission information. Following the August RC meeting, the ISO made further changes to OP-2 in response to stakeholder feedback. Specifically, these additional revisions remove Dynamic Data Recorders (DDRs) from the document scope.

The deferred revisions to OP-2A are updates to achieve compliance with NERC standards and complement the revisions to OP-22 that are actively being discussed at the RC. Together, the revisions to OP-2A and OP-22 will allow the ISO to achieve Critical Infrastructure Protection (CIP) compliance for its Phasor Measurement Unit (PMU) infrastructure. Revisions to OP-22 are expected to move through the stakeholder process over the coming months and after the RC votes on that Operating Procedure, the ISO will seek a PC vote on OP-22 in parallel with OP-2A.

The proposed revisions to OP-2 for the PC's consideration have been presented at the RC meeting dates outlined below:

- June 17, 2025; [agenda item #6.1](#)
- July 15-16, 2025; [agenda item #14.1](#)
- August 19, 2025; [agenda item #6.1](#)

ISO New England Operating Procedure No. 2

Maintenance of Communications, Computers, Metering and Computer Support Equipment

Effective Date: ~~May 22, 2024~~Draft

Review By Date: ~~May 22, 2026~~Month day, year

References:

NERC Reliability Standard IRO-002, Reliability Coordination - Monitoring and Analysis

[NERC Reliability Standard IRO-010, Reliability Coordinator Data and Information Specification and Collection](#)

NERC Reliability Standard TOP-001, Transmission Operations

[NERC Reliability Standard TOP-003, Transmission Operator and Balancing Authority Data and Information Specification and Collection](#)

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PART I - INTRODUCTION

This Operating Procedure (OP) establishes ISO New England (ISO) criteria for identification, repair and maintenance of equipment that affects the reliability of the Bulk Electric System (BES) in the New England Reliability Coordinator Area/Balancing Authority Area (RCA/BAA). The following are examples of equipment that is critical to BES reliability:

- Computers
- Metering, telemetering and control equipment
- Communications equipment (including the shared telecommunications network)
- Computer support equipment
- Inter and intra-net systems and associated equipment

This OP also establishes the process for ISO's consideration of ~~proposed-planned~~ equipment maintenance and outages. ISO has the ultimate authority for approval of ~~proposed-planned~~ maintenance and outages.

PART II - SCOPE

This OP covers certain critical equipment located at:

- Main Control Centers¹ (MCCs) and Backup Control Centers (BCCs) for:
 - o ISO
 - o ~~CONVEX~~ Local Control Centers (LCCs)
 - ~~o Maine~~
 - ~~o New Hampshire~~
 - ~~o NGRID~~
 - ~~o NSTAR~~
 - ~~o RIE~~
 - ~~o VELCO~~
- Supervisory Control and Data Acquisition² (SCADA) Centers located ~~at~~ in New England.
 - ~~o Versant Power~~
 - ~~o National Grid Companies~~
 - ~~o United Illuminating Company~~
- Microwave, Phasor Measurement Unit (PMU), Dynamic Data Recorder (DDR) / related equipment and communication facilities located remotely from ISO and the ~~Local Control Centers (LCCs)~~, that have an impact on operations.

OP-2A - Itemized Equipment Maintenance of Communications, Computers, Metering and Building Services (OP-2A) lists equipment that affects the reliability of the BES in the New England RCA/BAA.

In order to promote efficient repair or maintenance of critical equipment, the following aspects of repair and maintenance work are covered in this OP:

- Criteria for repair/maintenance priority
- Establishment of criteria
- Responsibility for repair/maintenance
- Scheduling of ~~routine-planned~~ maintenance
- Performance of ~~routine-planned, unplanned~~ and emergency ~~unplanned~~ maintenance (day of)

¹ Control Center is defined in the Glossary of Terms Used in NERC Reliability Standards.

² Supervisory Control and Data Acquisition (SCADA) is defined in the Glossary of Terms Used in NERC Reliability Standards.

PART III - PROCEDURE**I. CRITERIA FOR REPAIR/MAINTENANCE (PRIORITY)**

The following criteria identify required response times to begin repair of failed equipment. The times are based upon the importance of the equipment to system operations. These same criteria are used to prioritize requests made for equipment maintenance.

A. Class A (immediate)

This highest priority for repair or maintenance applies to equipment that is critical to maintain adequate system security and reasonable economic dispatch. The classification of immediate is assigned for critical equipment that must be returned to service as soon as possible. It is expected that these repairs or maintenance activities will be conducted continuously until returned to service.

B. Class B (regular working hours weekdays - except when they are more than sixteen (16) hours removed)

This intermediate priority is intended for the temporary loss of equipment that can be tolerated for limited periods of time, but may **not** be tolerated for prolonged periods of time.

C. Class C (regular working hours)

This is the preferred priority for the performance of all repairs and maintenance. It applies to all equipment **not** covered in Part III.I. Sections A or B.

II. ESTABLISHMENT OF CRITERIA

- A. Under normal conditions, the criteria (priority classification) for maintenance of various equipment affecting ISO operations is established in OP-2A.
- B. Under either emergency or abnormal conditions, the ISO System Operators and/or the LCC or SCADA Center System Operator(s) have the authority and responsibility to change the criteria established in OP-2A. If any criterion is changed, it shall be communicated to the ISO System Operators.

III. RESPONSIBILITY FOR REPAIR/MAINTENANCE

A. Assignment of Repair/Maintenance Responsibility

In most instances, the location of the equipment determines who has the responsibility for repair or maintenance. Equipment located at a specific LCC or SCADA Center is generally the responsibility of that Control Center. Equipment located at ISO is an ISO responsibility. Repair or maintenance of microwave or other communication facilities used in support of ISO operation but **not** owned by ISO, shall be the responsibility of the owner.

B. Repair Work

An equipment failure shall be responded to within the time requirements prescribed in Section I. Repair work status shall be communicated among all affected parties.

C. Coordination of Maintenance

ISO shall coordinate all maintenance on equipment listed in OP-2A. This includes the scheduling, approval or denial of requests for planned maintenance, and the change in criteria classification in the event of an emergency or abnormal condition. LCC and SCADA Center System Operators also have the authority and responsibility to effect temporary changes to the criteria established in OP-2A.

IV. SCHEDULING OF ~~ROUTINE-PLANNED~~ MAINTENANCE

A request for arranging advance schedules for ~~routine-planned~~ maintenance on any equipment affecting ISO shall be submitted to the ISO ~~Outage Coordinator~~Resource Analyst via the contact listed in OP-2, Appendix B ISO/Local Control Center/SCADA Center OP-2 Staff (OP-2B), which contains a table of maintenance contacts. Each contact listed in OP-2B shall obtain operational approval at his or her facility prior to submitting a maintenance request to a higher level facility, LCC or ISO, in the approval process.

Whenever maintenance is being performed at any LCC, or SCADA Center, an ISO IT technician shall be available to the ISO System Operators should the need arise for technical assistance during the outage.

In the event that the timelines described in Sections IV.A., IV.B., and IV.C. **cannot** be complied with due to unforeseen circumstances, the ISO ~~Outage Coordinator~~Resource Analyst shall consider a maintenance request on a short notice basis. Each maintenance request shall be handled on a case-by-case basis following the steps described below.

A. Steps to Schedule SCADA Center ~~Routine-Planned~~ Maintenance

1. The appropriate SCADA Center contact listed in OP-2B shall:
 - a. Determine the equipment involved in the maintenance request
 - b. Determine the effect on system operations
 - c. Complete the Equipment Maintenance Request Form located in OP-2, Appendix C - Equipment Maintenance Request Form (OP-2C)
 - d. Obtain clearance from the LCC System Operators to perform the required maintenance
 - e. By 1600 on Thursday, send the planned maintenance request for work beginning the following Monday at 0700 through the next seven (7) day period to the appropriate LCC contact listed in OP-2B
2. The appropriate LCC contact listed in OP-2B shall:
 - a. Review the maintenance request and:
 - (1)1.) Obtain approval from the LCC System Operators to perform the required maintenance
 - (2)2.) As required, make any preliminary notifications to the appropriate staff member at the affected SCADA Center listed in OP-2B
 - b. By 1200 on Friday, ~~forward-send~~ the planned maintenance request for work beginning the following Monday at 0700 through the next seven (7) day period to the ISO ~~Outage Coordinator~~Resource Analyst.

3. ~~By 1500 on Friday, t~~The ISO ~~Outage Coordinator~~Resource Analyst shall,
~~by 1500 on Friday,:~~
 - a. Review each received planned maintenance request submitted via OP-2C ~~and provide verbal and electronic approval or disapproval to the LCC contact and ensure all required information is included~~
 - ~~a.b.~~ Resolve any noted conflicts
 - ~~b.c.~~ Electronically communicate the final ~~planned~~approved maintenance schedule (see OP-2, Appendix D - OP-2 Approved Scheduled Maintenance Report [OP-2D]) for the following week to each organization listed in OP-2B
 - ~~e.d.~~ Electronically communicate the planned maintenance request to each appropriate Reliability Coordinator (RC) contact listed in OP-2D.
4. The LCC contact shall notify their ~~contact~~counterparts at the SCADA Center ~~rr_ of the ISO approval or disapproval~~ if additional information is required by the ISO.

B. Steps to Schedule LCC ~~Routine~~ Planned Maintenance

1. The appropriate LCC contact listed in OP-2B shall:
 - a. Determine the equipment involved in the planned maintenance request
 - b. Determine the effect on system operations
 - c. Complete the Equipment Maintenance Request Form located in OP-2C
 - d. Obtain clearance from the LCC System Operator to perform the planned maintenance
 - ~~(1)e.~~ The appropriate LCC contact listed in OP-2B shall make any preliminary notifications to each affected SCADA Center contact listed in OP-2B.
 - ~~e.f.~~ By 1200 on Friday, forward the planned maintenance request for work beginning the following Monday at 0700 through the next seven (7) day period to the ISO ~~Outage Coordinator~~Resource Analyst.
2. ~~By 1500 on Friday, t~~The ISO ~~Outage Coordinator~~Resource Analyst shall:
 - a. Review each received submitted-planned maintenance request submitted via OP-2C and ensure all required information is included
 - ~~a.b.~~ Resolve any noted conflicts
 - ~~c.~~ Electronically communicate the final planned maintenance schedule (OP-2D) for the following week to each LCC listed in OP-2B

~~b. By 1500 on Friday, provide verbal and electronic approval or disapproval to the appropriate LCC contact listed in OP-2B.~~

~~(1)1.)~~ The appropriate LCC contact listed in OP-2B shall provide ~~verbal and electronic~~ notification of planned OP2 maintenance to the appropriate SCADA Center listed in OP-2B.

~~c. By 1500 on Friday, electronically communicate the final approved maintenance schedule (see OP-2D) for the following week to each organization listed in OP-2B.~~

~~d. By 1500 on Friday,~~ electronically communicate the planned maintenance request to each appropriate RC contact listed in OP-2D.

C. Procedure to Schedule ISO Control Center Routine Planned Maintenance

1. The ISO contact listed in OP-2B shall:

- a. Determine the equipment involved in the planned maintenance request
- b. Determine the effect on system operations
- c. Complete the Equipment Maintenance Request Form OP-2C
- d. Make any preliminary notifications to contacts at the affected LCCs ~~counterparts~~
- e. By 1200 on Friday, forward the planned maintenance request for work beginning the following Monday at 0700 through the next seven (7) day period to the ISO ~~Outage Coordinator~~Resource Analyst.

2. ~~By 1500 on Friday~~ The ISO ~~Outage Coordinator~~Resource Analyst shall, ~~by 1500 on Friday~~:

~~a.~~ Review each received planned maintenance request submitted via OP-2C and ensure all required information is included

~~a.b.~~ Resolve any noted conflicts submitted maintenance request and provide verbal approval or disapproval to the applicant.

~~b.c.~~ Electronically communicate the final approved maintenance schedule (see OP-2D) for the following week to each organization listed in OP-2B.

~~c.d.~~ Electronically communicate the planned maintenance request to each appropriate RC contact listed in OP-2D.

**V. PERFORMANCE OF ~~PLANNED, UNPLANNED~~ROUTINE AND
EMERGENCY~~UNSCHEDULED~~ MAINTENANCE-~~(DAY OF)~~****A. Procedure to Perform SCADA Center ~~Planned~~Routine Maintenance (Day
Of Maintenance)**

1. The SCADA Center maintenance staff shall request concurrence from their SCADA Center System Operator prior to performing the approved maintenance described in the Equipment Maintenance Request Form (OP-2C).
2. The SCADA Center System Operator shall request concurrence from their LCC System Operator.
3. The LCC System Operator shall request approval of the maintenance request from the ISO System Operator.
4. If the maintenance request is approved by ISO, the LCC System Operator shall:
 - a. Notify the SCADA Center System Operator to proceed with the maintenance and to notify the LCC System Operator when the maintenance is complete.
 - b. Repair work status shall be communicated among all affected parties.

**B. Procedure to Perform LCC ~~Routine~~Planned Maintenance (Day Of
Maintenance)**

1. The LCC maintenance staff shall request concurrence from their LCC System Operator prior to performing the approved maintenance described in the Equipment Maintenance Request Form (OP-2C).
2. The LCC System Operator shall request approval of the maintenance request from the ISO System Operators.
 - a. If approved by ISO, the LCC shall notify ISO when the maintenance is complete. Repair work status shall be communicated among all affected parties.

**C. Procedure to Perform ISO New England ~~Routine~~Planned Maintenance
(Day Of ~~-~~ Maintenance)**

1. For maintenance performed at ISO, the ISO IT technician shall:
 - a. Coordinate with all parties who are to perform maintenance
 - b. Request permission from the ISO System Operators to proceed with the maintenance described in the Equipment Maintenance Request Form (OP-2C) and notify them when the work is complete.
 - c. Communicate repair work status among all affected parties.

D. Procedure to Perform ~~Emergency/~~Unplanned or Emergency Maintenance

It should be recognized by operations and technical staffs that unplanned or emergency-~~or unplanned~~ maintenance will be performed from time-to-time. This maintenance is done to enhance the operation of the affected equipment and is in the best interest of all parties involved. While unplanned maintenance may **not** meet the criteria for an emergency, operations and technical staffs should perform this maintenance if system conditions permit.

1. The ISO IT staff, LCC, or SCADA Center shall make known to the ISO System Operator any impact to data flow to any LCC, RC or SCADA Center. If there are known impacts, the ISO System Operator shall coordinate with the affected LCC or ~~affected~~-RC System Operator.
2. ~~FThe communication process for an~~ LCC or SCADA Center requesting unplanned or emergency-~~or unplanned~~ maintenance, the communication process will follow the process described in Section V.

VI. OP-2 REVISION HISTORY

Document History (This Document History documents action taken on the equivalent NEPOOL Procedure prior to the RTO Operations Date as well revisions made to the ISO New England Procedure subsequent to the RTO Operations Date.)

Rev. No.	Date	Reason
--	05/22/24	For previous revision history, refer to Rev 10 available through Ask ISO.
Rev 10.1	01/27/21	Biennial review completed by procedure owner, no intent changes required; ; Made administrative changes required to publish a Minor Revision (including updated entity names and document titles)
Rev 11	06/03/21	Removed step V.A.4, V.A.6, V.B.3, V.B.5, V.C.4, V.C.5 referencing ISO notification process to align with current practice; Combined V.B.4 into step V.B.2; Combined V.C.3 into V.C.1; Clarified process in V.D.1 and 2; Removed VI and renumbered remaining sections.
Rev 11.1	08/30/22	Biennial review completed by procedure owner; Made non-intent editorial changes; Updated terminology of SCADA Control Center to SCADA Center.
Rev 11.2	05/22/24	Biennial review completed by procedure owner; Added RIE to Part II - Scope.
<u>Rev 12</u>	<u>Draft</u>	<u>Periodic review completed by procedure owner;</u> <u>Added NERC Standard IRO-010 and TOP-003 to document References;</u> <u>Replaced the term "routine" and "proposed" with "planned" throughout entire document for consistency;</u> <u>Removed listing of each MCC, BCC, and Scada Center in Part II;</u> <u>Added PMUs and DDRs to Part II;</u> <u>Replaced ISO "Outage Coordinator" position with "Resource Analyst" position;</u> <u>Removed steps for the Resource Analyst to approve or disapprove OP2 Appendix C requests in Part III Section IV, A, B, and C to align with current practice; added steps to verify all OP2 Appendix C submission information is included and to resolve any conflicts;</u> <u>Made non-intent editorial changes throughout document.</u>

VII. APPENDICES

OP-2, Appendix A - Itemized Equipment Maintenance of Communications,
Computers, Metering and Building Services

OP-2, Appendix B - ISO/Local Control Center/SCADA Center OP-2 Staff
(Confidential)

OP-2, Appendix C - Equipment Maintenance Request Form

OP-2, Appendix D - OP-2 Approved Scheduled Maintenance Report
(Confidential)

OP-2 and Appendix A – Maintenance of Communications, Computers, Metering and Computer Support Equipment



Revisions to add NERC standards to references, update listings of Control Centers, Phasor Measurement Units (PMUs), and Dynamic Data Recorders (DDRs), update language to reflect current practice, and other minor revisions

Dean LaForest

MANAGER, REAL-TIME STUDIES



Operating Procedure No. 2 and Appendix A

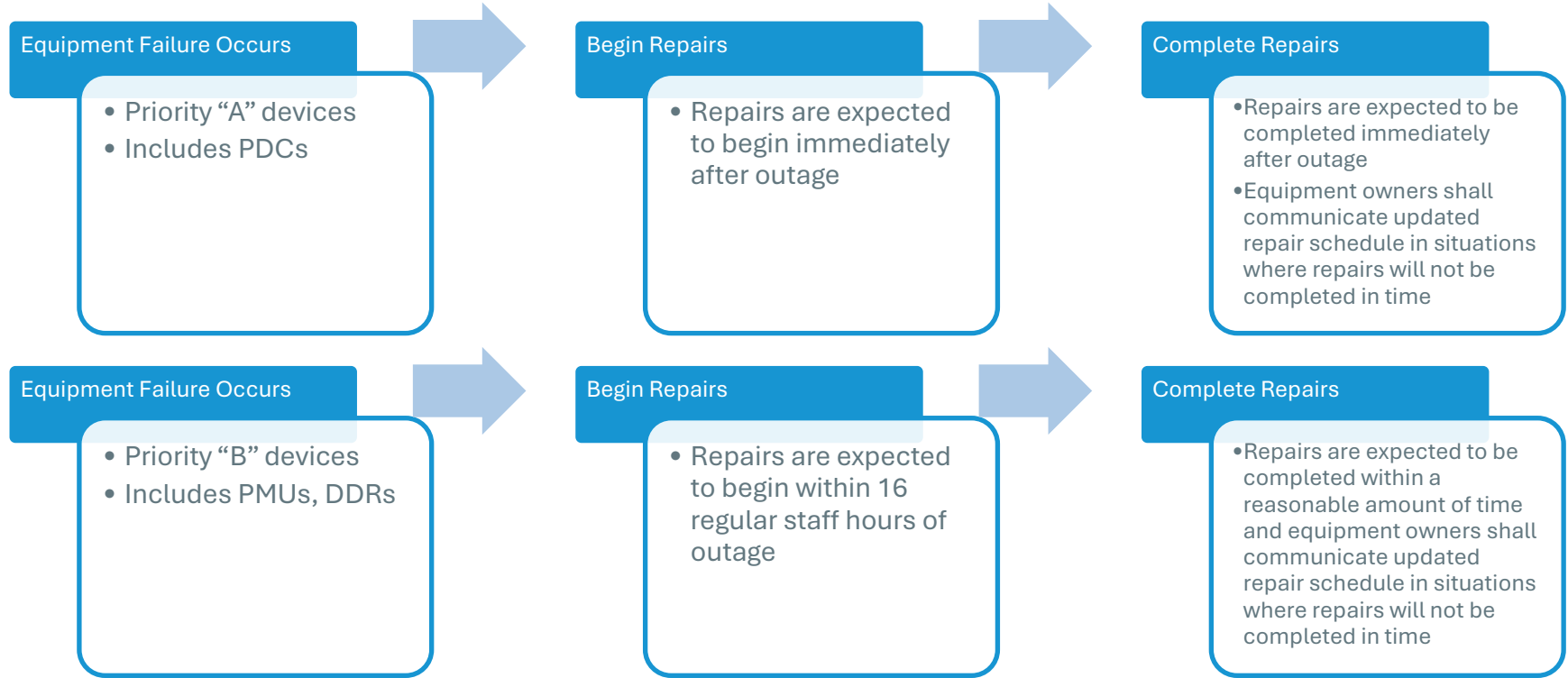
Overview

- The ISO is proposing changes to OP-2 and Appendix A with two unique drivers and effective dates:
 - Updates associated with the scheduling of planned maintenance
 - Removal of steps for the Resource Analyst to approve or disapprove OP-2, Appendix C requests to align with current practice
 - Addition of steps to verify all OP-2, Appendix C submission information is included, and to resolve any conflicts
 - Proposed Effect Date – By 9/30/25
 - Updates to achieve compliance with NERC Standard CIP-002-5.1a
 - Addition of PDCs, DDRs, and PMUs to the list of itemized equipment and their associated maintenance priority (Table 1)
 - Maintenance priority is based upon impact to PMU data availability.
 - » Equipment with “A” priority requires immediate repair (PDCs)
 - » Equipment with “B” priority requires repair during regular staff hours, except if more than 16 hours removed from service (PMUs/DDRs)
 - Proposed Effect Date – By January 2026

Clarification of Equipment Repair Timeline

- As stated in OP-2 (Part III.I), the ISO does not expect equipment repairs to be completed within a two-day timeframe
 - “The following criteria identify required response times to **begin** repair of failed equipment”
- The expectation is to begin repairs within two days of equipment failure and to return to service in a reasonable amount of time
- In circumstances where unforeseen delays occur, equipment owners should contact the ISO with regular updates and a timeline for the affected equipment’s return to service
 - The ISO is willing to work with equipment owners, assuming reasonable efforts being made toward repair

Example of Acceptable Equipment Repair Timeline



OP-2 and Appendix A Changes – Updated

Section	Procedure Change	Reason for Change
OP-2 Appendix A – Footnote 1	1 Note that the revisions to include PMUs, DDRs, and PDCs contained in this table will not be effective until corresponding changes to Operating Procedure 22 are made effective by the end of Q4 2025.	Effective date for Table 1 revisions will coincide with upcoming revisions to OP-22
OP-2 Appendix A – Note	NOTE - The following indicate that resources are needed to accomplish repairs <u>per OP-2</u>: - Immediate. - Regular staff hours except if more than sixteen (16) hours removed from service. - Regular staff hours. - Any equipment not specifically mentioned in Table 1 will be assessed on a case-by-case basis with the Operating Staffs at ISO New England, the Local Control Center (LCC) and supervisory control and data acquisition (SCADA) Centers.	Aligns repair timelines between OP-2 and Appendix A

Conclusion

- The ISO is proposing changes to OP-2 and Appendix A with two unique drivers and effective dates:
 - Updates associated with the scheduling of planned maintenance
 - Updates to achieve compliance with NERC Standard CIP-002-5.1a
- Proposed Effective Dates:
 - Updates to scheduling of planned maintenance – By 09/30/25
 - Updates to Achieve CIP Compliance – By January 2026



Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Reliability Committee June 17, 2025	Initial presentation and questions
Reliability Committee July 15-16, 2025	Additional background and questions
Reliability Committee August 19, 2025	Respond to any remaining questions and vote
Participants Committee September 4, 2025	Vote

Questions



About the Presenter

Dean LaForest

Manager, Real-Time Studies

ISO New England

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APPENDIX

OP-2 and Appendix A Redlines Presented at June RC and July RC Meetings



OP-2 and Appendix A Changes

Section	Procedure Change	Reason for Change
OP-2 References	ISO New England Operating Procedure No. 2 Maintenance of Communications, Computers, Metering and Computer Support Equipment Effective Date: May-22, 2024<u>Draft</u> Review By Date: May-22, 2026<u>Month day, year</u> References: NERC Reliability Standard IRO-002, Reliability Coordination - Monitoring and Analysis <u>NERC Reliability Standard IRO-010, Reliability Coordinator Data and Information Specification and Collection</u> NERC Reliability Standard TOP-001, Transmission Operations <u>NERC Reliability Standard TOP-003, Transmission Operator and Balancing Authority Data and Information Specification and Collection</u>	Adds NERC Standards IRO-010 and TOP-003

OP-2 and Appendix A Changes, cont'd

Section	Procedure Change	Reason for Change
OP-2 Part II – Scope	PART II - SCOPE This OP covers certain critical equipment located at: • Main Control Centers¹ (MCCs) and Backup Control Centers (BCCs) for: ○ ISO ○ ~~CONVEX~~<u>Local Control Centers (LCCs)</u> ○ ~~Maine~~ ○ ~~New Hampshire~~ ○ ~~NGRID~~ ○ ~~NSTAR~~ ○ ~~RIE~~ ○ ~~VELCO~~ • Supervisory Control and Data Acquisition² (SCADA) Centers located ~~at~~<u>in</u> ~~New England~~. ○ ~~Versant Power~~ ○ ~~National Grid Companies~~ ○ ~~United Illuminating Company~~ • Microwave, <u>Phasor Measurement Unit (PMU)</u>, <u>Dynamic Data Recorder (DDR)</u> / <u>related equipment</u> and communication facilities located remotely from ISO and the ~~Local Control Centers (LCCs)~~, that have an impact on operations.	Removes listing of each individual LCC and SCADA Center Adds PMUs and DDRs

OP-2 and Appendix A Changes, cont'd

Section	Procedure Change	Reason for Change
OP-2 Part III – Procedure, Section IV: Scheduling of Planned Maintenance Throughout OP-2 for grammar and position changes	C. Procedure to Schedule ISO Control Center ~~Routine-Planned~~ Maintenance - The ISO contact listed in OP-2B shall: - Determine the equipment involved in the <u>planned</u> maintenance request - Determine the effect on system operations - Complete the Equipment Maintenance Request Form OP-2C - Make any preliminary notifications to <u>contacts at the</u> affected LCCs ~~counterparts~~ - By 1200 on Friday, forward the <u>planned</u> maintenance request for work beginning the following Monday at 0700 through the next seven (7) day period to the ISO ~~Outage-Coordinator~~<u>Resource Analyst</u>. ~~By 1500 on Friday~~ <u>The ISO ~~Outage-Coordinator~~<u>Resource Analyst</u> shall, by 1500 on Friday:</u> <u>Review each ~~received planned maintenance request submitted via OP-2C~~ and ensure all required information is included</u> <u>~~Resolve any noted conflicts submitted maintenance request and provide verbal approval or disapproval to the applicant.~~</u> <u>~~Electronically communicate the final approved maintenance schedule (see OP-2D) for the following week to each organization listed in OP-2B.~~</u> <u>~~Electronically communicate the <u>planned</u> maintenance request to each appropriate RC contact listed in OP-2D.~~</u>	Removes steps for the Resource Analyst to approve or disapprove OP-2, Appendix C requests to align with current practice Adds steps to verify all OP-2, Appendix C submission information is included, and to resolve any conflicts Replaces “routine” and “proposed” with “planned” Replaces “Outage Coordinator” with “Resource Analyst”

OP-2 and Appendix A Changes, cont'd

Section	Procedure Change	Reason for Change
OP-2 Appendix A – Table I	ISO New England Control Center, Local Control Center, SCADA Center Computers, Inter Control Center Communications Protocol (ICCP), <u>Phasor Measurement Unit (PMU), Dynamic Data Recorder (DDR)</u> and Remote Terminal Unit (RTU) Equipment	
	Any equipment or device that may interrupt or alter the flow of data critical to system operation via the ISO New England EMS / electronic dispatch software	A
	RTU communication, and control circuits for units capable of providing regulation	A
	RTU for electronic dispatch of generation	A
	RTU and analog telemetry supplying data to Local Control Center computers	B
	<u>Phasor Data Concentrator (PDC) and related equipment</u>	<u>A</u>
	<u>PMU / DDR and related equipment</u>	<u>B</u>
	Communications channels for RAS/ACS protection systems	A



memo

To: Participants Committee

From: Daniel Patnaude, Secretary, Reliability Committee

Date: August 19, 2025

Subject: Actions of the Reliability Committee from the August 19, 2025 Meeting

This memo is to notify the Participants Committee (“PC”) of the actions taken by the Reliability Committee (“RC”) at its August 19, 2025 meeting of the Reliability Committee. A quorum was established.

(Agenda Item 1.1) (66.67% Vote) Meeting Minutes

ACTION: APPROVED

Resolved, the Reliability Committee approves the minutes of the following RC meeting as distributed to the committee for the August 19, 2025 meeting together with any changes agreed to at the meeting and such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee:

- July 8-9, 2025 Joint MC/RC/TC Meeting
- July 15-16, 2025 Joint RC/TC Meeting

Based on a voice vote, the motion passed with none opposed and no abstentions.

(Agenda Item 3.1) (66.67% Vote) South Danvers Fourth Transformer Addition Project

ACTION: APPROVED

Resolved, the Reliability Committee recommends that ISO New England Inc. determine that implementation of the South Danvers Fourth Transformer Addition Project – Proposed Plan Applications (PPAs) DED-25-T01 and NEP-25-T05 from Danvers Electric Division and New England Power as detailed in their April 2, 2025 and August 7, 2025 transmittals to ISO New England and distributed to the committee for the August 19, 2025 meeting, together with a recommendation letter from ISO New England, will not have a significant adverse effect on the stability, reliability or operating characteristics of the transmission facilities of the applicant, the transmission facilities of another Transmission Owner or the system of a Market Participant.

Based on a voice vote, the motion passed with none opposed and one abstention (1 End User).

(Agenda Item 3.2) (66.67% Vote) Brookfield White Pine Hydro, Brunswick Hydro Unit 1 Exciter Replacement Project

ACTION: APPROVED

Resolved, the Reliability Committee recommends that ISO New England Inc. determine that implementation of the Brookfield White Pine Hydro, Brunswick Hydro Unit 1 Exciter Replacement Project – Proposed Plan Application (PPA) BRP-25-X02 from Brookfield White Pine Hydro as detailed in their August 4, 2025 transmittal to ISO New England and distributed to the committee for the August 19, 2025 meeting, together with a recommendation letter from ISO New England, will not have a significant adverse effect on the stability, reliability or operating characteristics of the transmission facilities of the applicant, the transmission facilities of another Transmission Owner or the system of a Market Participant.

Based on a voice vote, the motion passed with none opposed and one abstention (1 End User).

(Agenda Item 3.3) (66.67% Vote) Great River Hydro, LLC, Deerfield No. 5 Station AVR Replacement Project

ACTION: APPROVED

Resolved, the Reliability Committee recommends that ISO New England Inc. determine that implementation of the 1 Great River Hydro, LLC, Deerfield No. 5 Station AVR Replacement Project – Proposed Plan Application (PPA) GRH-25-X01 from Great River Hydro as detailed in their August 5, 2025 transmittal to ISO New England and distributed to the committee for the August 19, 2025 meeting, together with a recommendation letter from ISO New England, will not have a significant adverse effect on the stability, reliability or operating characteristics of the transmission facilities of the applicant, the transmission facilities of another Transmission Owner or the system of a Market Participant.

Based on a voice vote, the motion passed with none opposed and one abstention (1 End User).

(Agenda Item 3.4) (66.67% Vote) Queue Position 910 (QP 910) Solar Project Revision

ACTION: APPROVED

Resolved, the Reliability Committee recommends that ISO New England Inc. determine that implementation of the Queue Position 910 (QP 910) Solar Project Revision – Proposed Plan Application (PPA) WRD-22-G01-Rev1 from Walden Renewables as detailed in their August 4, 2025 transmittal to ISO New England and distributed to the committee for the August 19, 2025 meeting, together with a recommendation letter from ISO New England, will not have a significant adverse effect on the stability, reliability or operating characteristics of the

transmission facilities of the applicant, the transmission facilities of another Transmission Owner or the system of a Market Participant.

Based on a voice vote, the motion passed with none opposed and one abstention (1 End User).

(Agenda Item 4.1) (66.67% Vote) New England Power Tewksbury Substation Asset Condition Replacement Project TCA

ACTION: APPROVED

Resolved, the Reliability Committee has reviewed the requested \$62.81 million of Transmission Upgrade costs for work associated with the New England Power Tewksbury Substation Asset Condition Replacement Project TCA Application NEP-25-TCA-03 submitted to ISO New England on June 12, 2025 by New England Power; and the Reliability Committee recommends that ISO New England approve, as consistent with the criteria set forth in Section 12C of the ISO New England Open Access Transmission Tariff for receiving regional support and inclusion in Pool-Supported PTF Rates, the requested \$62.81 million as eligible for Pool-Supported PTF cost recovery and with none of the costs associated with such upgrades being considered Localized Costs.

Based on a voice vote, the motion passed with none opposed and one abstention (1 End User).

(Agenda Item 6.1) (66.67% Vote) OP-2 and Appendix A – Maintenance of Communications, Computers, Metering and Computer Support Equipment

ACTION: APPROVED

Resolved, the Reliability Committee recommends Participants Committee support for revision of ISO New England Operating Procedure No. 2 and Appendix A – Maintenance of Communications, Computers, Metering and Computer Support Equipment, as distributed to the committee for the August 19, 2025 meeting, together with such other changes as discussed and agreed to at the meeting, and such other non-material changes as may be approved by the Chair and Vice-Chair of the Reliability Committee following the meeting.

Based on a voice vote, the motion passed with none opposed and five abstentions (3 Transmission Owner, 2 End User).

3

CEO Report



Summary of ISO New England Board and Committee Meetings

October 9, 2025 Participants Committee Meeting

Since the last update, the Compensation and Human Resources Committee, Nominating and Governance Committee, Markets Committee, and the System Planning and Reliability Committee each met on September 17. The Information Technology and Cyber Security Committee, and the Board of Directors met on September 18. All of the meetings were held at the Company's Backup Control Center in Windsor, Connecticut.

The Compensation and Human Resources Committee discussed the employee health and benefit plan renewals for 2026. The Committee reviewed a summary of the results of the Company's medical plan Request-for-Proposal process, and noted that due to competitive bids received, the Company will remain with the current carriers even though medical premiums had increased as a result of recent claims history and market trends. In reviewing the 2026 compensation budget, the Committee looked at comparative information, including national compensation surveys of projected 2026 merit and promotional increase budgets for utilities and all industries, and data from other system operators. The Committee approved as reasonable and competitive a 4.0% merit increase and a 1.5% promotional/equity increase for the 2026 operating budget, acknowledging the need to focus on macro trends, including affordability and stakeholder requests regarding costs, efficiency, and productivity. The Committee then received an annual report on the workforce and Company culture. The Committee discussed workforce highlights, cultivating culture through alignment and accountability, and the values and attributes embedded within the Company's core values which are critical to the Company's success. Finally, the Committee concluded with an executive session.

The Nominating and Governance Committee discussed the Joint Nominating Committee process for 2026, and reviewed the Company's board succession process. Next, the Committee received an update on the political environment, including state and federal topics, and discussed significant energy legislation and policies considered by federal and state policymakers this year. The Committee also discussed potential topics for upcoming meetings with the NEPOOL sectors and state representatives, and received updates on the Consumer Liaison Group and plans for the open Board meeting/Regional System Plan public meeting in November.

The Markets Committee met with the System Planning and Reliability Committee for a review of summer 2025 capacity scarcity condition events, including pay-for-performance results. The Committee discussed the elements contributing to the June 24th three-hour capacity scarcity condition, and NEPGA's complaint filed at FERC seeking changes to the pay-for-performance settlement rules. Following the joint session, the Committee conducted its regular business and considered its annual review of the External Market Monitor's business continuity and succession plans. The Committee then received an update on the Capacity Auction Reforms project, including a prompt auction overview and details related to key seasonal and accreditation design elements. Finally, the Committee discussed its agendas for upcoming meetings.

The System Planning and Reliability Committee met with the Markets Committee to receive a report on the summer 2025 capacity scarcity condition events, including pay-for-performance results, as discussed above.

Following the joint session, the Committee conducted its regular business and received a status update on Regional System Plan projects. The Committee also received an overview of asset condition projects, including new projects and projects placed in-service. The Committee then noted the remaining steps in the development of the 2025 Regional System Plan. The Committee discussed feedback from external stakeholders, observing that the feedback was positive regarding improvements achieved in the format and streamlining of the draft report. Next, the Committee received an annual update on renewable resources development, and discussed the development of renewable projects in the New England region, fully-developed interconnection plans that are in place for multiple large projects, and increased uncertainty for future renewable development due to development and policy environments. The Committee then held an executive session and discussed corporate goals.

The Information Technology and Cyber Security Committee convened with the full Board for the Committee's annual "deep dive" on cyber security issues, and virtually welcomed a guest consultant who summarized a previous exercise conducted with senior management in the management of a simulated ransomware event. He provided a scenario overview, described leadership strengths observed during the exercise, and discussed potential areas of improvement in the strategic risk context. Following the session with the full Board, the Committee conducted its regular business and received an update on major information technology projects. The Committee also discussed the appropriate use of artificial intelligence, and ways in which artificial intelligence enhanced software could assist in various scenarios. The Committee concluded its meeting with an executive session.

The Board of Directors held its annual meeting and began with a report from the CEO, including an update on corporate goals, and the future of wind development in New England. The Board also discussed feedback received from the ISO/RTO Chief Executive Officers regarding the new format created for the annual conference recently hosted by ISO New England, which was successful in providing a structured environment to share experiences across ISOs/RTOs. Next, the Board was provided with an update on a workforce security project which assesses onsite physical security, digital and online investigative review and risk mitigation, and protocols for offsite meeting security. The Board then reviewed the proposed 2026 operating and capital budgets, including the states' comments on the budgets, the impact on retail ratepayers, and noted the remaining stakeholder process, following which the Board will vote on the budgets. The Board also reviewed plans for the upcoming open Board meeting/Regional System Plan public meeting in November. Next, the Board received a report on the progress made in the establishment of an Asset Condition Reviewer, and considered information on the trajectory of costs related to asset condition projects. The Board then received reports from the standing committees. Regarding annual meeting matters, the Board re-elected Ms. LaFleur as Chair of the Board of Directors, and adopted the committee assignments recommended by the Nominating and Governance Committee:

- Ms. Flax and Messrs. Corneli, Curran and Ivey shall serve on the **Audit and Finance Committee**, with Ms. Flax to serve as Chair;
- Mses. Anders and LaFleur and Messrs. Ivey and Williams shall serve on the **Compensation and Human Resources Committee**, with Mr. Williams to serve as Chair;

- Ms. Anders and Messrs. Colangelo, Curran, Vannoy and Williams shall serve on the **Information Technology and Cyber Security Committee**, with Mr. Vannoy to serve as Chair;
- Ms. Anders, Flax and LaFleur and Messrs. Colangelo, Corneli, Curran, and Williams shall serve on the **Joint Nominating Committee**, with Mr. Colangelo to serve as Chair;
- Ms. Flax and Messrs. Corneli, Curran, and Ivey shall serve on the **Markets Committee**, with Mr. Corneli to serve as Chair;
- Ms. Flax and LaFleur and Messrs. Colangelo and Vannoy shall serve on the **Nominating and Governance Committee**, with Mr. Colangelo to serve as Chair;
- Ms. Anders and Messrs. Colangelo, Vannoy and Williams shall serve on the **System Planning and Reliability Committee**, with Ms. Anders to serve as Chair.

The Board also elected the Company's officers for the upcoming year, and reviewed assignments of directors as liaisons to individual states. The Board then received an update on workforce culture and, during executive session, considered Board culture and reviewed the results of its self-evaluation.

4.a

COO Report – Operations Report Highlights



NEPOOL Participants Committee Report

October 2025



Vamsi Chadalavada

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

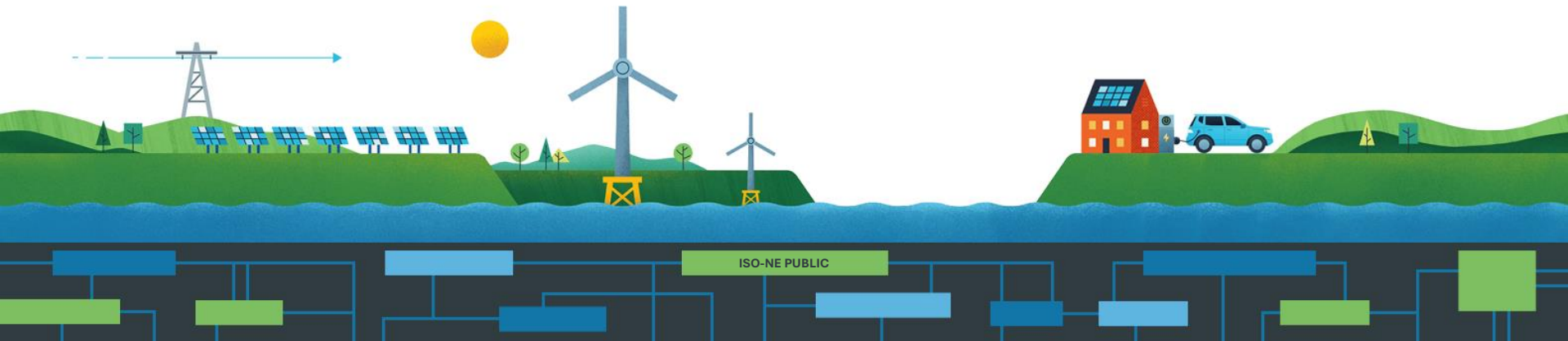
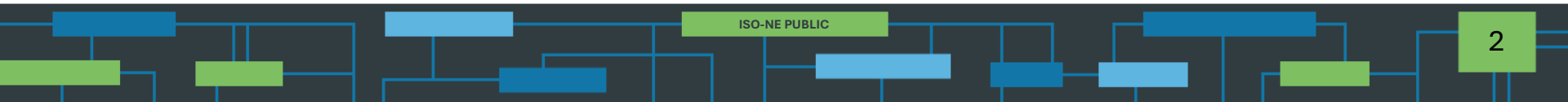


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Regular Operations Report - Highlights



Data through September 30th

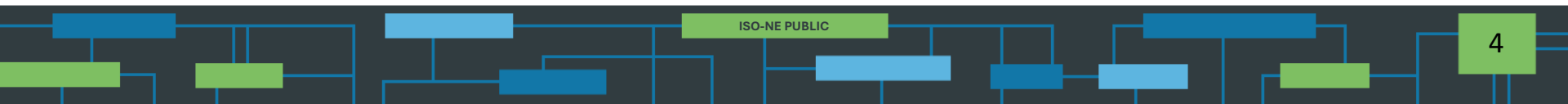
Highlights: September 2025

- **Peak Hour** on September 6
 - 17,226 MW system peak (Revenue Quality Metered/RQM); hour ending 4:00 P.M.
- **Minimum Telemetered Load**
 - 6,996 MW; hour ending 01:00 P.M. on Saturday, September 20
- **Average Pricing**
 - Day-Ahead (DA) Hub Locational Marginal Price (LMP): \$34.21/MWh
 - Real-Time (RT) Hub LMP: \$33.90/MWh
 - Natural Gas: \$2.02/Mmbtu (MA Natural Gas Avg)
- **Energy Market** value \$358M up from \$321M in September 2024
 - Ancillary Markets* value \$7M down from \$8.5M in September 2024
 - Average DA cleared physical energy** during the peak hours as percent of forecasted load was 98.6% during September, down from 100.3% during August
 - Updated August Energy Market value: \$603M
- **Net Commitment Period Compensation (NCPC)** total \$1.8M
 - Represents 0.5% of monthly Energy Market value
 - First Contingency \$1.6M
 - Dispatch Lost Opportunity Cost (DLOC) - \$300K; Rapid Response Pricing (RRP) Opportunity Cost - \$174K; Posturing - \$0; Generator Performance Auditing (GPA) - \$236K
 - \$72K paid to resources at external locations, down \$4K from August
 - \$39K charged to Day-Ahead Load Obligation (DALO) at external locations; \$332 to Day-Ahead Generation Obligation (DAGO) at external locations; \$32K to RT Deviations
 - Second Contingency \$29K; Distribution \$136K; Voltage was zero
- **Forward Capacity Market (FCM)** market value \$88.6M
 - FCM peak for 2025 is currently 26,184 MWh

Underlying natural gas data furnished by:



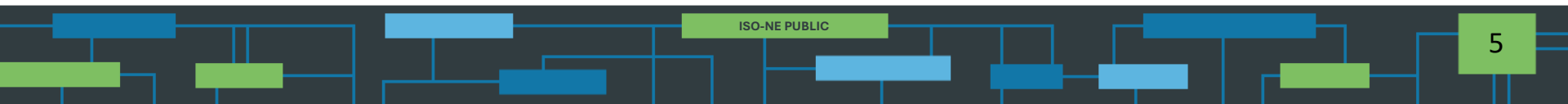
*Ancillaries = Reserves, Regulation, NCPC, less Marginal Loss Revenue Fund **DA cleared physical energy is the sum of generation, DRR, and net imports cleared in the DA Energy Market and does not include EIR MW. Effective March 1, 2025, EIR MW obligations from physical generation and DRR are additionally procured up to (but not exceeding) 100% of the forecasted energy requirement.



Year-to-Date Peak Load* Statistics

- Telemetered System Peak Load: **26,024 MW**
 - hour ending 7:00 P.M. on Tuesday, June 24
- RQM System Peak Load: **26,551 MW**
 - hour ending 6:00 P.M. on Tuesday, June 24
- FCM Peak Load: **26,184 MW**
 - hour ending 7:00 P.M. on Tuesday, June 24
 - At this hour, the capacity zone-level FCM peak loads were 3,357 MW in Northern New England, 2,026 MW in Maine, 10,055 MW in Rest-of-Pool, and 10,746 MW in Southeast New England.

*Telemetered loads are as reported by the Control Room. RQM loads are of settlement quality and reflect the contribution of Settlement Only Resources (SOG). Due to the difference in calculation methodologies and the impact of SOGs, these values can occur on different days and/or hours. Both are 'net energy for load' concepts and include transmission losses. FCM load values reflect the sum of active, normal load assets that are non-dispatchable, are included in the FCM settlement and do not include transmission losses.



Day-Ahead Ancillary Services (DAAS) Results

- Average daily total DA E&AS Market value: **\$12.3M**
- DAAS Settlements:
 - Average daily Gross (pre-closeout) DAAS Credits: **\$320K**
 - Includes EIR, TMOR, TMNSR, and TMOR
 - Net (post-closeout) DAAS Credits per MWh Cleared: **\$3.21/MWh**
 - Net (post-closeout) DAAS Credits as % of total DA E&AS Value: **1.5%**
- FER Credits* as % of total DA E&AS Market Value: **4.8%**
- Energy Gap:
 - Average hourly cleared EIR MWh: **104 MWh**
 - Average hourly cleared FER Price: **\$1.94/MWh**

DA E&AS refers to DA Energy and Ancillary Services

*FER credits are paid to all DA cleared energy supply from physical resources (Gen, Imports, DRR)

FER credits are charged to RTLO excluding RTLO associated with RT Exports and Dispatchable Asset Related Demand (DARDs)

DAAS Results (continued)...

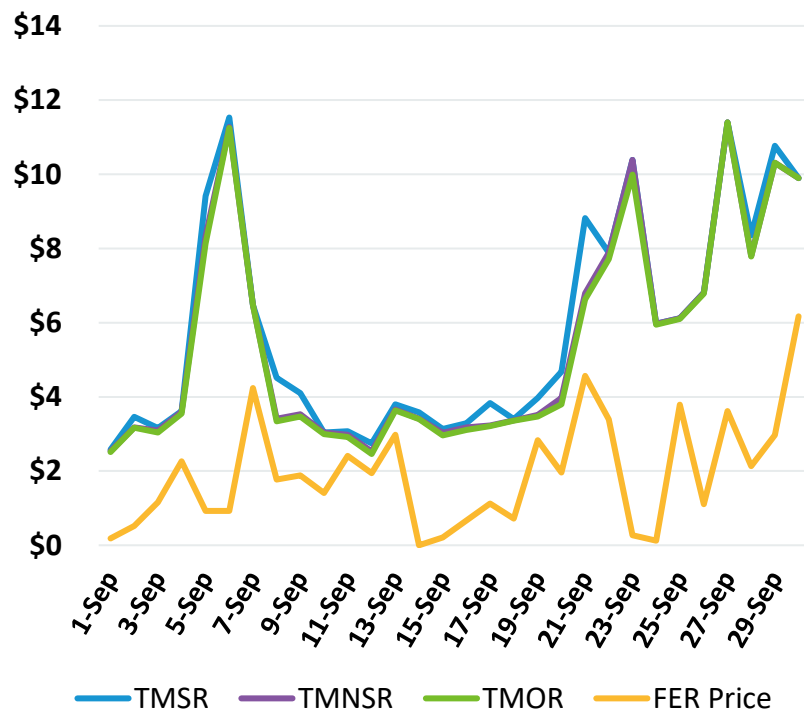
Month	Avg. Daily Total E&AS Credit	Avg. Daily DAAS Credit	Avg. Daily DAAS Net Credits (post-closeout)	DAAS Net Credits per MWh Cleared	DAAS Net Credits as % of Total E&AS Credit	Avg. Daily FER Credit	Avg Daily Energy MWh Paid FER Price	Avg. FER Price	FER Credit as % of Total E&AS Credit	Avg. Hourly Cleared EIR Obligation MWh
3/1/2025	\$17.3M	\$466K	\$202K	\$3.35	1.2%	\$982K	177K	\$3.26	6.2%	176
4/1/2025	\$13.9M	\$332K	\$175K	\$3.23	1.3%	\$760K	128K	\$2.66	5.8%	97
5/1/2025	\$11.0M	\$190K	\$52K	\$0.94	0.5%	\$563K	164K	\$2.06	5.2%	155
6/1/2025	\$20.2M	\$885K	\$173K	\$2.97	0.9%	\$1,287K	156K	\$3.15	6.6%	125
7/1/2025	\$35.8M	\$1,704K	\$1,139K	\$19.53	3.2%	\$1,277K	97K	\$3.06	3.7%	55
8/1/2025	\$20.2M	\$747K	\$544K	\$9.57	2.7%	\$1,292K	143K	\$3.02	6.4%	94
9/1/2025	\$12.3M	\$320K	\$184K	\$3.21	1.5%	\$587K	134K	\$1.94	4.8%	104

- DA E&AS refers to DA Energy and Ancillary Services
- FER credits are paid to all DA cleared energy supply from physical resources (Gen, Imports, DRR) and are charged to RTLO excluding RTLO associated with RT Exports and Dispatchable Asset Related Demand (DARDs)
- FER Credits are included in the Monthly Market Report (see Section 7.1.1) found on the ISO Website [here](#). EIR Credits and Closeout Charges are included in the same report (see Section 9.1.1)
- DAAS Net Credits reflect combined EIR, TMSR, TMNSR, and TMOR credits reduced by closeout costs
- *Note: Energy MWh paid the FER price reflect Cleared DA Physical Gen and DRR MWh during non-zero FER prices
- Data prior to August may not match settlement quality data provided in the Monthly Market Report

Average Hourly DAAS Prices

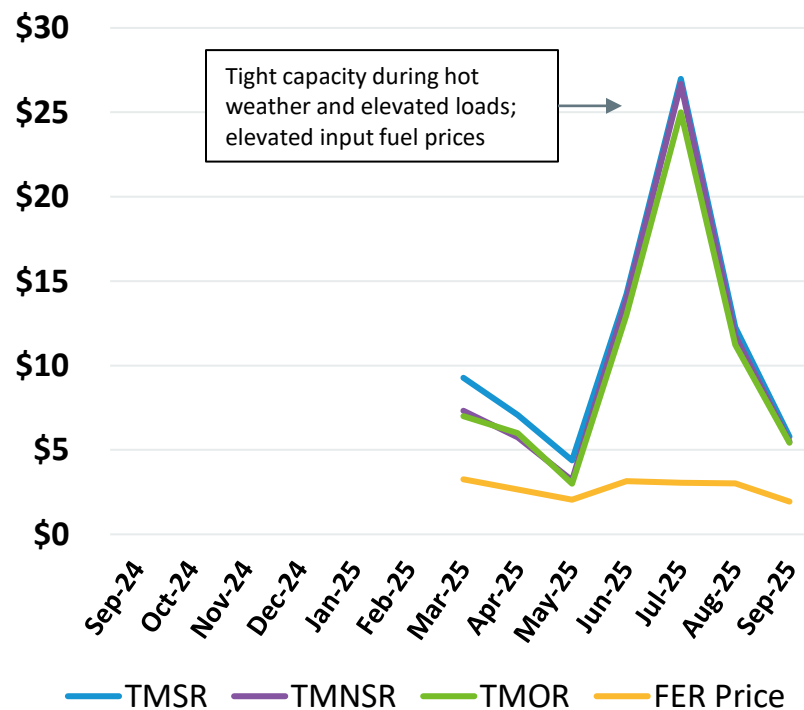
Daily This Month

\$/MWh



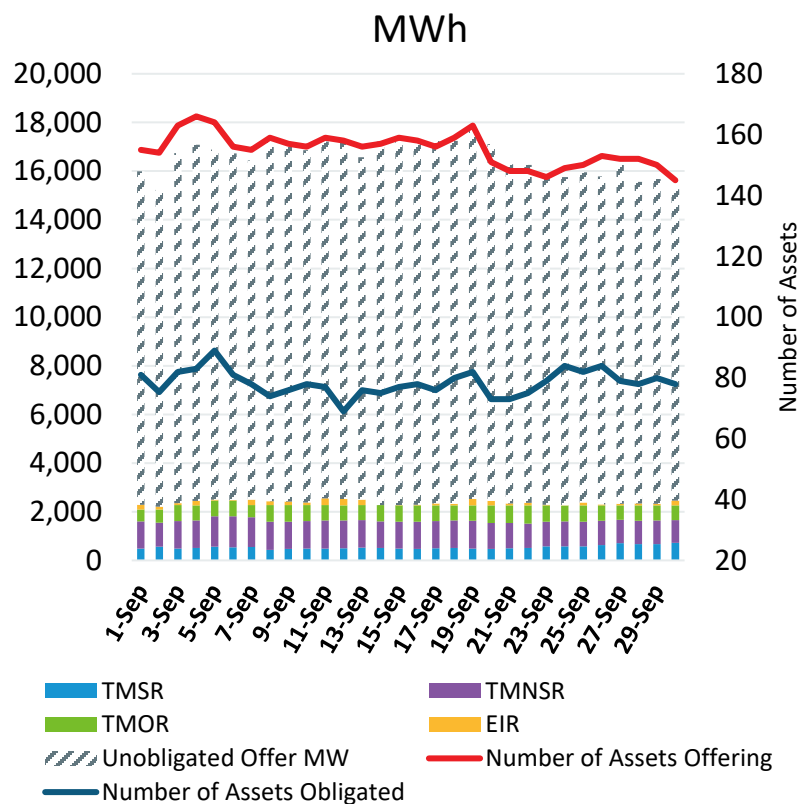
Monthly, Last 13 Months

\$/MWh

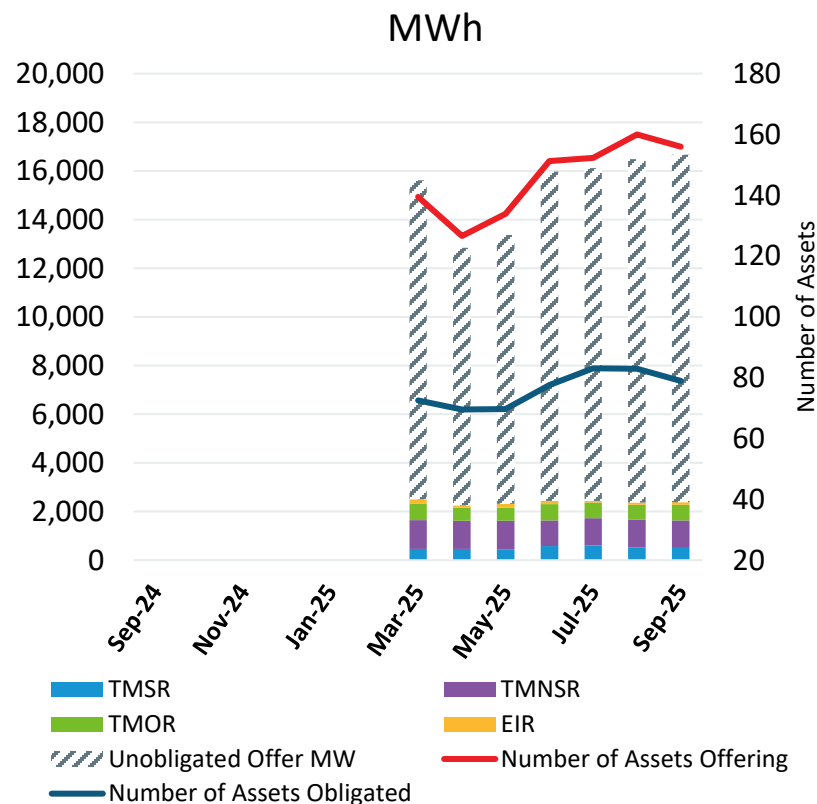


Average Hourly DAAS Offered* and Awarded Amounts

Daily This Month



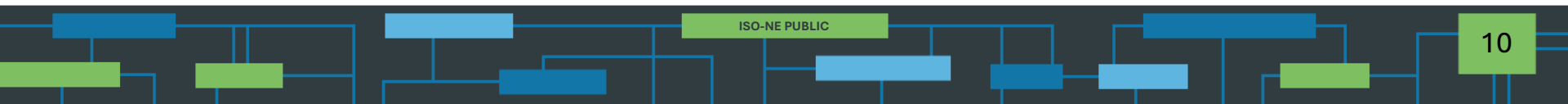
Monthly, Last 13 Months



*Unobligated Offer MWh reflect the raw, as-offered DAAS MW amounts that remained unobligated (received no MW reward). This supply does not yet consider additional unit parameter constraints or dispatch constraints and should not be equated with actual capacity available in the dispatch solution.

Highlights

- The ISO is evaluating all Longer-Term Transmission Planning RFP submissions and expects to provide a high-level summary of all Longer-Term Proposals to the Planning Advisory Committee by November 30
 - High Level Summary on Next Slide



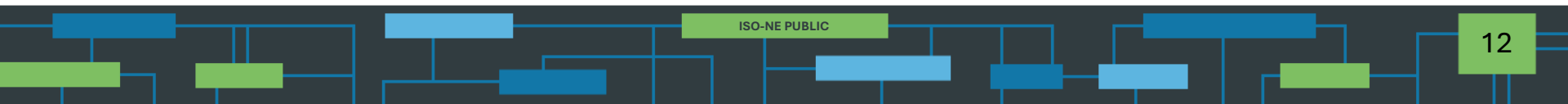
Highlights

- High Level Longer-Term Transmission Planning Summary
 - Total of 6 Longer-Term Proposals submitted
 - Total of 4 different QTPSs
 - Project Designs
 - 3 primarily AC transmission
 - 3 primarily HVDC transmission
 - All designs claim they support 1200 MW of northern ME wind
 - Claimed Surowiec-South Limits: 3200-3800 MW (3200 MW target)
 - Claimed Maine-New Hampshire Limits: 3000-3600 MW (3000 MW target)
 - QTPS Provided Project Installed Costs (Note: Costs may include estimates for corollary/interconnection upgrades)
 - Low of \$0.96B
 - High of \$4.04B
 - In-Service Dates: Q4 2032 to Q3 2035 (12/31/2035 target)

Forward Capacity Market (FCM) Highlights

- CCP 16 (2025-2026)
 - The third annual reconfiguration auction (ARA3) was held March 3-5 and results were posted on April 1
- CCP 17 (2026-2027)
 - The second annual reconfiguration auction (ARA2) was held August 1-5 and results were posted on September 2
 - At the October 7 PSPC meeting, the ISO presented proposed ICR and related values for the ARA 3 that will be conducted in 2026. Tie Benefits for this period were calculated and presented at the September 18 PSPC
- CCP 18 (2027-2028)
 - The first annual reconfiguration auction (ARA1) was held June 2-4 and results were posted on July 2
 - At the October 7 PSPC meeting, the ISO presented proposed ICR and related values for the ARA 2 that will be conducted in 2026. Tie Benefits for this period were the same as in FCA and were presented at the September 18 PSPC

CCP – Capacity Commitment Period

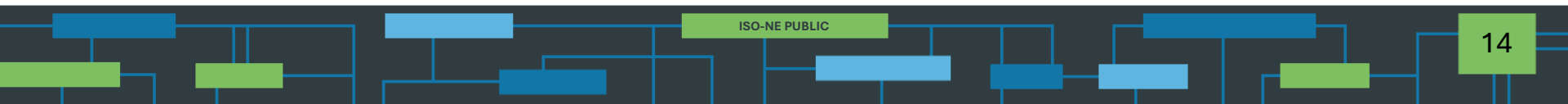


FCM Highlights, cont.

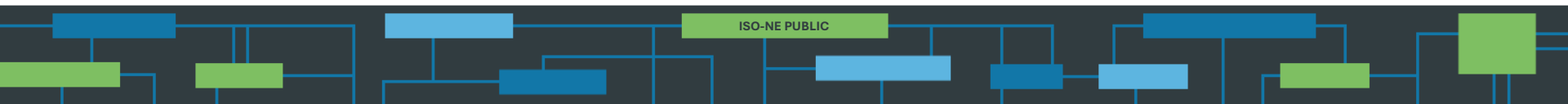
- CCP 19 (2028-2029)
 - The ISO filed market rule changes to delay FCA 19 for two additional years with FERC on April 5, 2024
 - On May 20, 2024 FERC issued an order accepting the additional delay to FCA 19
 - 2024 interim RA qualification process completed on November 1, 2024
 - A total of 1,389 MW (summer Qualified Capacity) was qualified to participate in future reconfiguration auctions
 - 2025 interim RA qualification process began in April 2025
 - The Show of Interest submission deadline was April 30, 2025
 - Qualification Determination Notifications will be issued on October 17, 2025 and Qualified Capacities will be finalized on November 3, 2025.
 - In response to the April 4, 2025 order on the Order No. 2023 compliance filing, the ISO proposed narrow date changes to allow running the Transitional CNR Group Study with the 2025 interim RA qualification process. FERC accepted the proposed date changes in an order on June 30, 2025.
 - No ICR and related values will be calculated for CCP 19 until the CAR project is completed

Load Forecast

- The 2026 forecast cycle formally began in September
- Stakeholder discussions related to CELT 2026 will continue at the next Load Forecast Committee on November 7



SYSTEM OPERATIONS



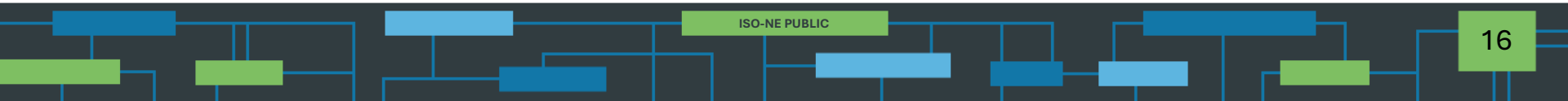
System Operations

<u>Weather Patterns</u>	Boston	Temperature: Above Normal (0.9°F) Max: 86°F, Min: 51°F Precipitation: 3.09" – Below Normal Normal: 3.56"	Hartford	Temperature: Above Normal (0.8°F) Max: 86°F, Min: 43°F Precipitation: 3.40" - Below Normal Normal: 4.39"

<u>Peak Load:</u>	16,806 MW	September 06, 2025	17:00 (ending)
<u>Mid-Day Minimum Load - Month:</u>	6,996 MW	September 20, 2025	13:00 (ending)
<u>Mid-Day Minimum Load - Historical:</u>	5,318 MW	April 20, 2025	14:00 (ending)

Emergency Procedure Events (OP-4, M/LCC 2, Minimum Generation Emergency)

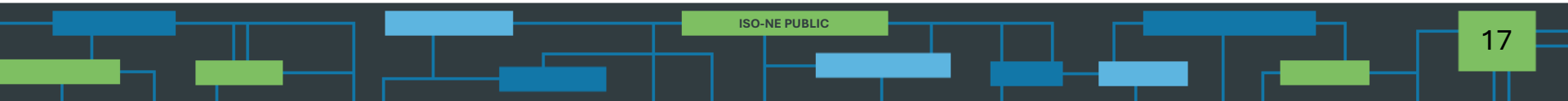
Procedure	Declared	Cancelled	Note
NONE			



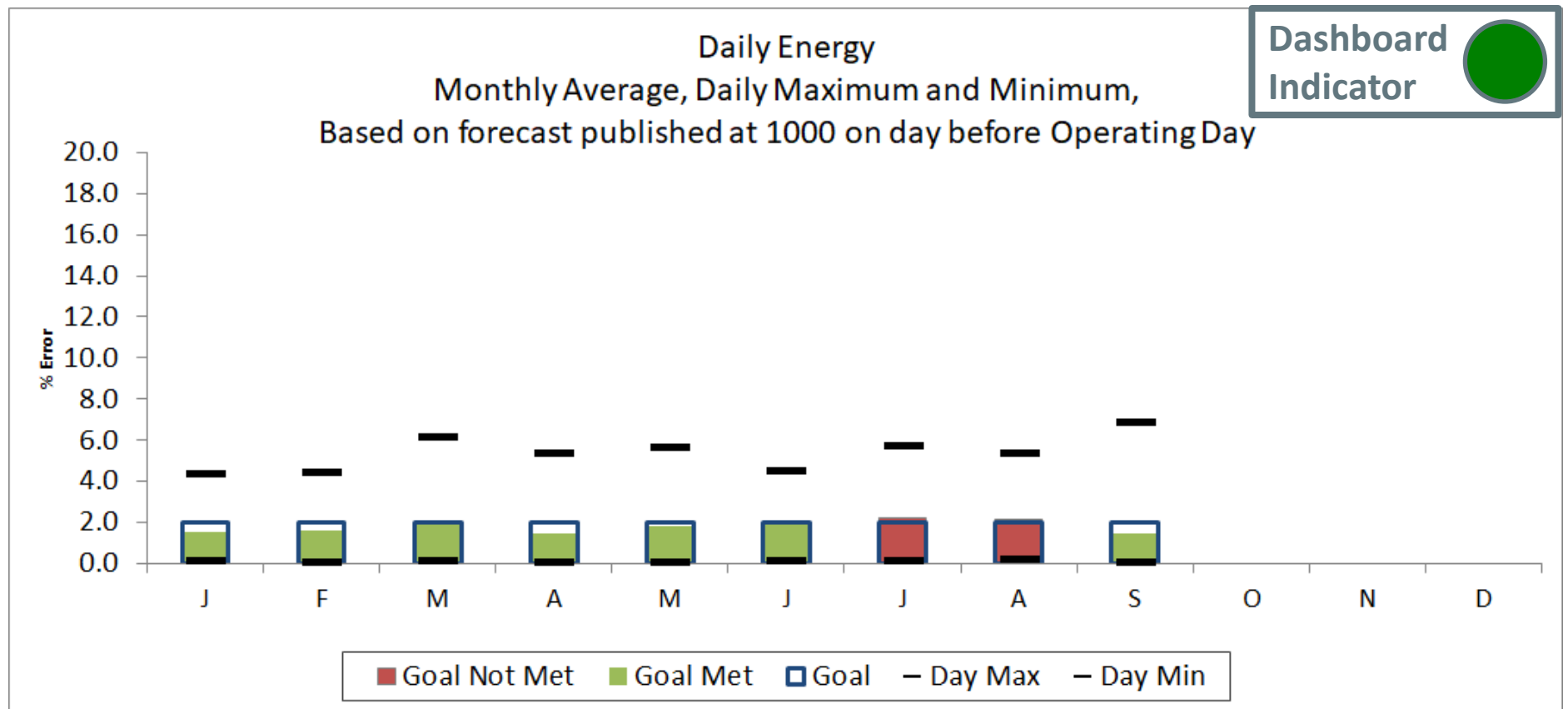
System Operations

NPCC Simultaneous Activation of Reserve Events

Date	Area	MW Lost
None		

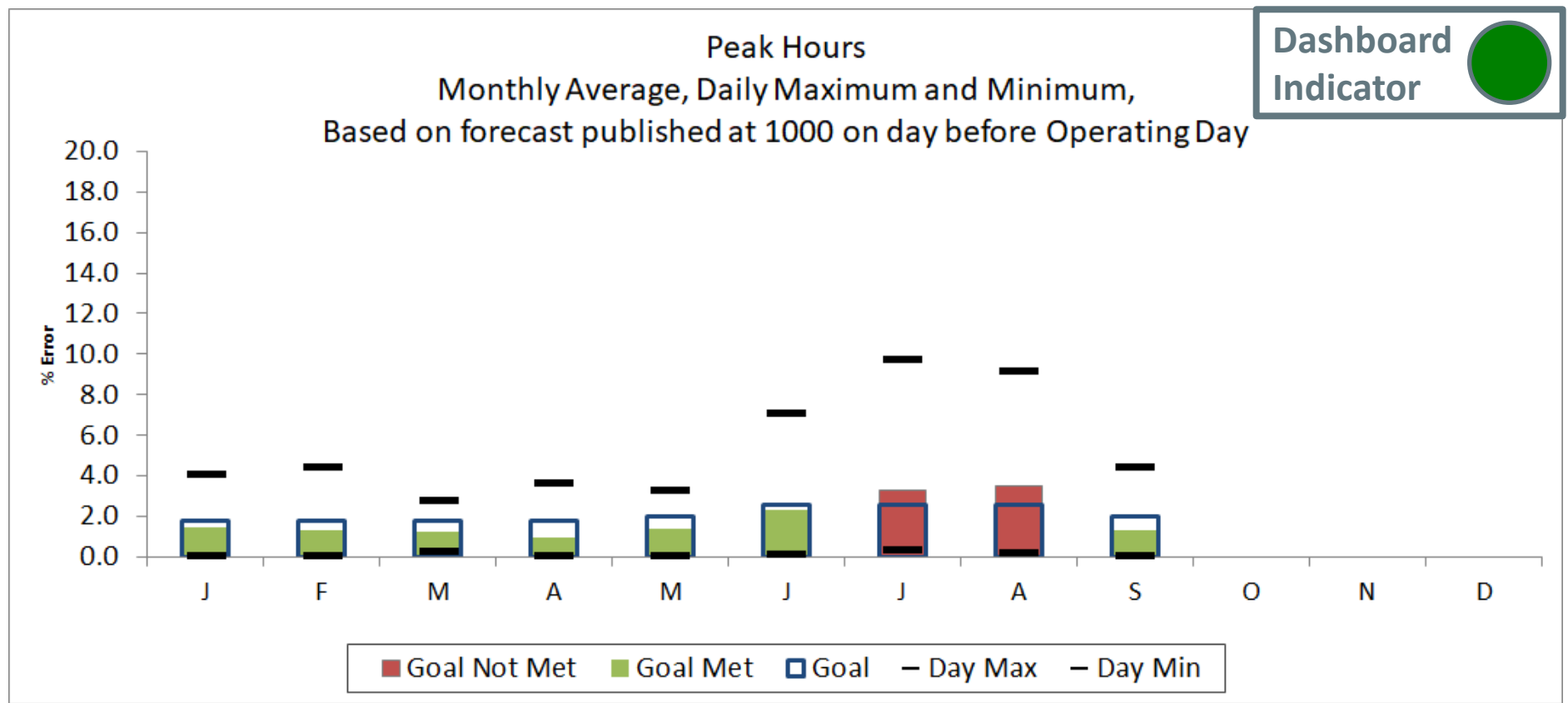


2025 System Operations - Load Forecast Accuracy cont.



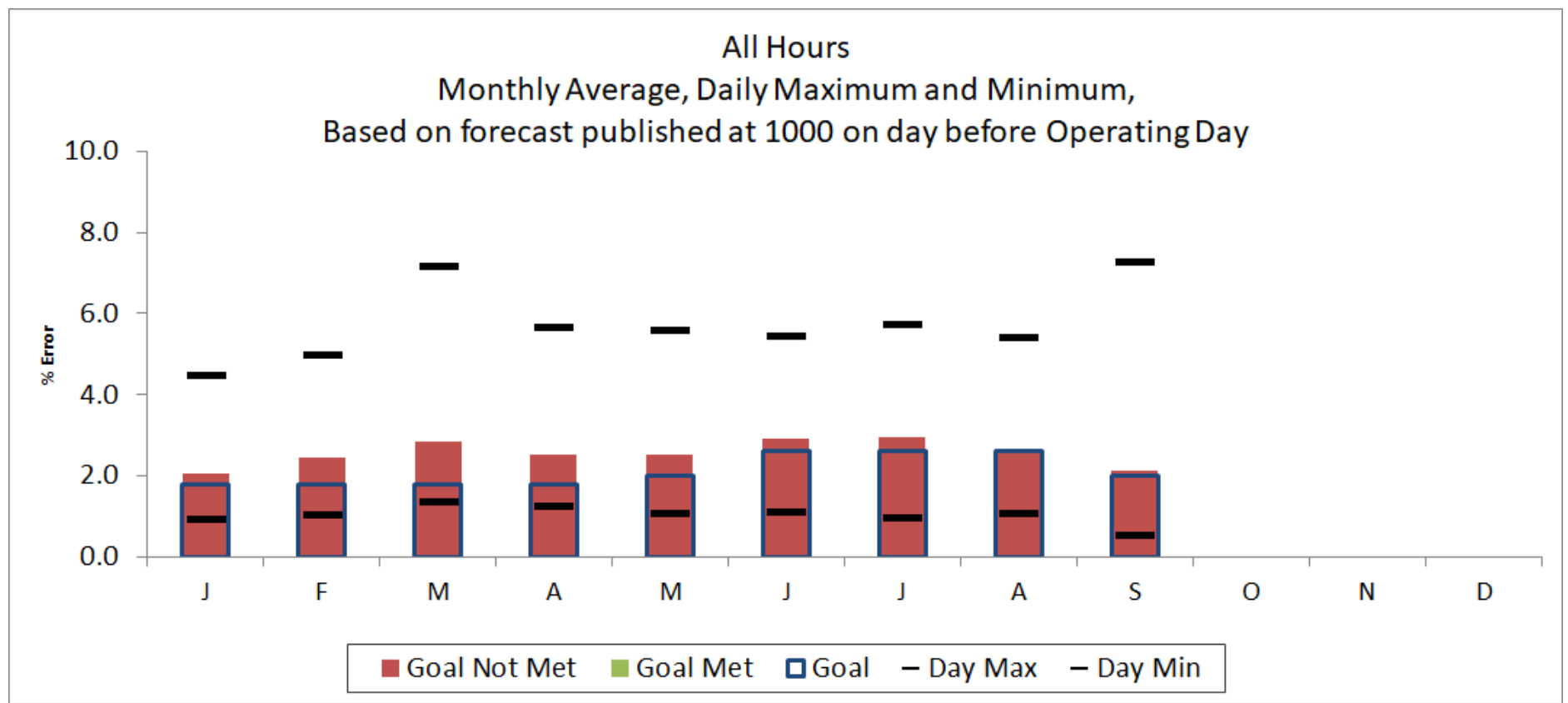
Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.31	4.44	6.10	5.36	5.61	4.48	5.70	5.34	6.81				6.81
Day Min	0.12	0.04	0.12	0.05	0.06	0.08	0.11	0.16	0.05				0.04
MAPE	1.54	1.62	1.89	1.45	1.80	1.98	2.24	2.12	1.46				1.79
Goal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00				

2025 System Operations - Load Forecast Accuracy cont.



Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.04	4.41	2.77	3.63	3.29	7.08	9.71	9.15	4.43				9.71
Day Min	0.03	0.06	0.24	0.03	0.06	0.11	0.34	0.15	0.05				0.03
MAPE	1.48	1.34	1.29	1.00	1.41	2.30	3.28	3.48	1.30				1.88
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60	2.00				

2025 System Operations - Load Forecast Accuracy cont.

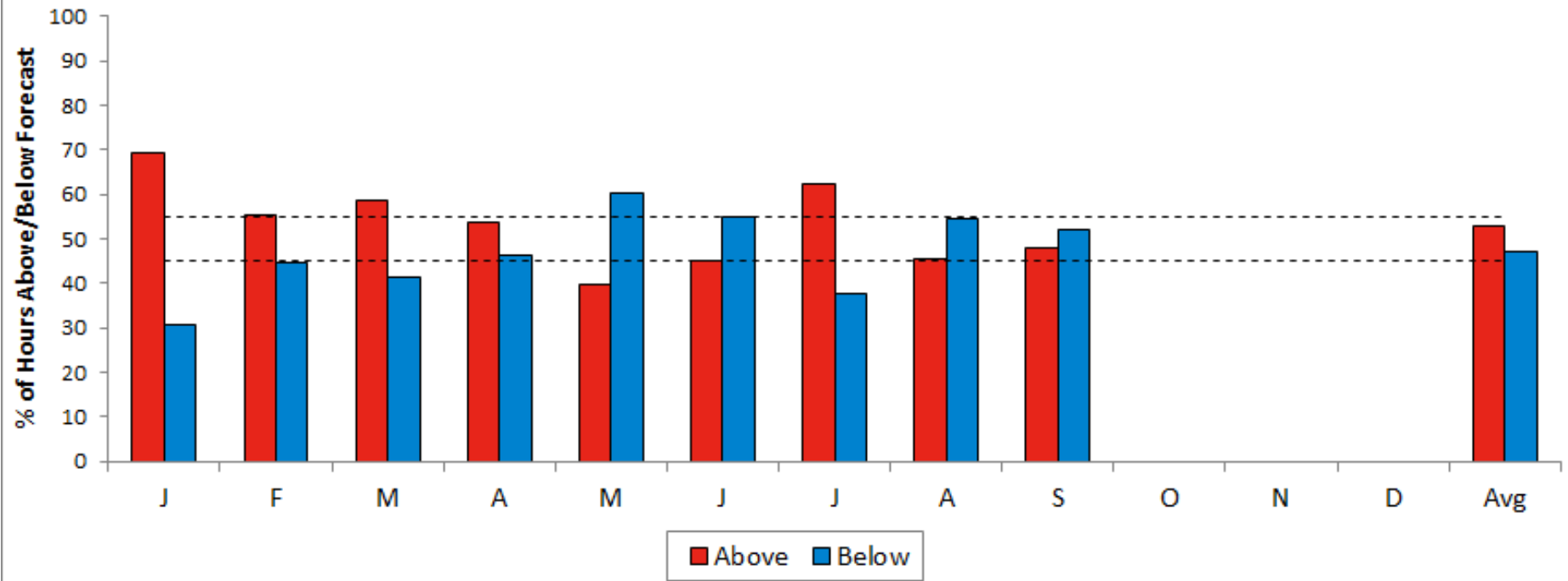


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.46	4.98	7.13	5.65	5.57	5.44	5.72	5.41	7.24				7.24
Day Min	0.90	1.02	1.33	1.23	1.07	1.11	0.95	1.07	0.52				0.52
MAPE	2.07	2.47	2.83	2.53	2.53	2.93	2.94	2.68	2.13				2.57
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60	2.00				

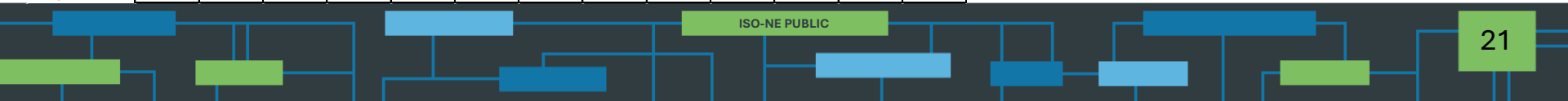
2025 System Operations - Load Forecast Accuracy cont.

Percent of Hours Actual Load
Above vs. Below Forecast
Based on LF published by 1000, day before Operating Day

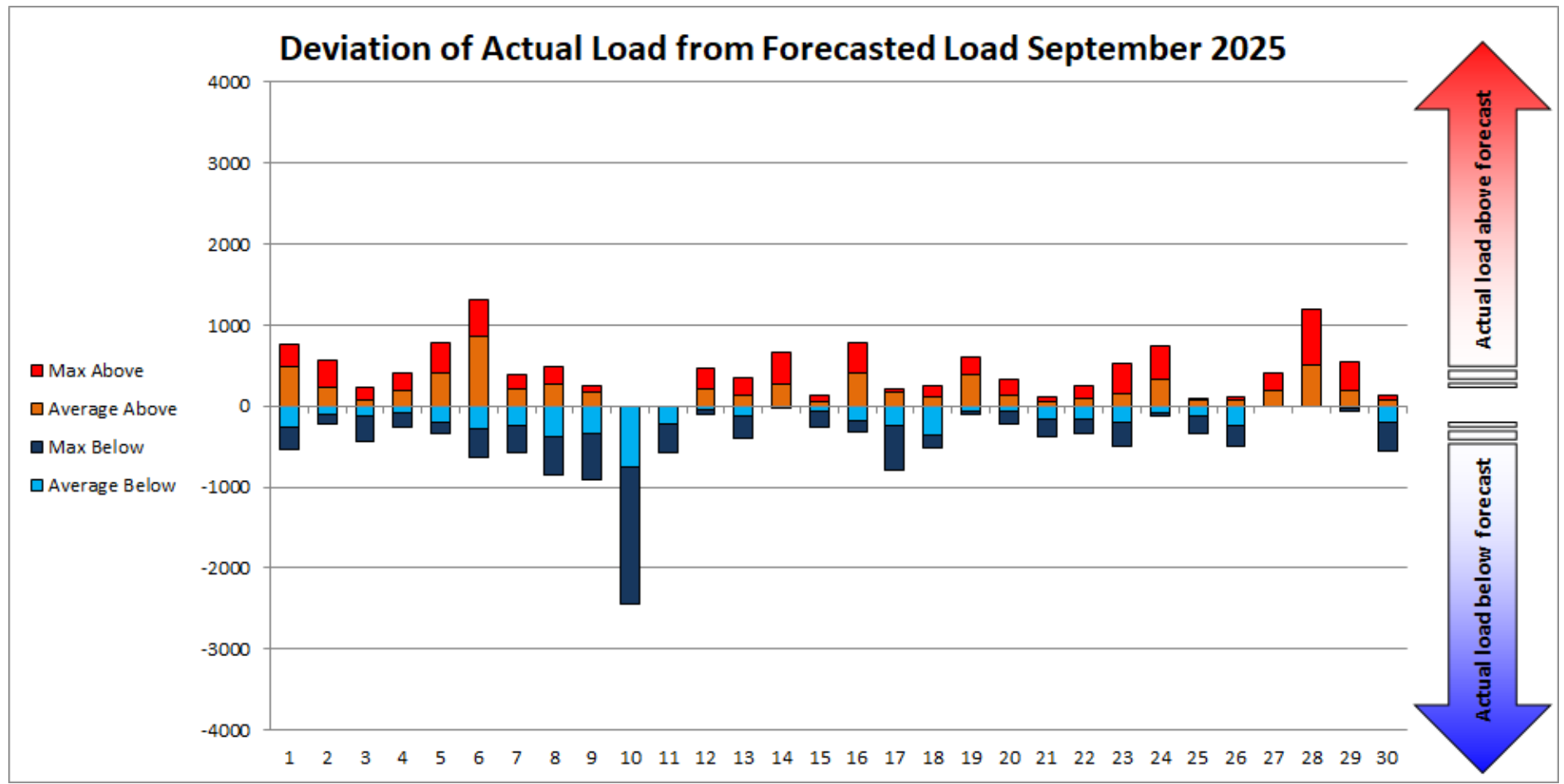
Target = 50%
Plus/Minus = 5%



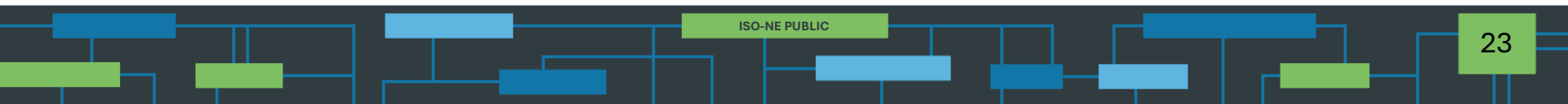
	J	F	M	A	M	J	J	A	S	O	N	D	Avg
Above %	69.2	55.2	58.5	53.5	39.8	45.1	62.5	45.3	48.1				53
Below %	30.8	44.8	41.5	46.5	60.2	54.9	37.5	54.7	51.9				47
Avg Above	280.5	282.1	246.5	255.8	164.5	307.8	397.3	225.4	213.7				397
Avg Below	-178.6	-287.9	-273.2	-190.7	-254.1	-310.2	-270.0	-308.7	-179.5				-310
Avg All	138	24	12	49	-82	-24	145	-81	1				20



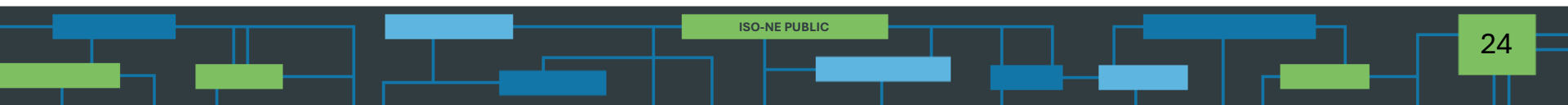
2025 System Operations - Load Forecast Accuracy



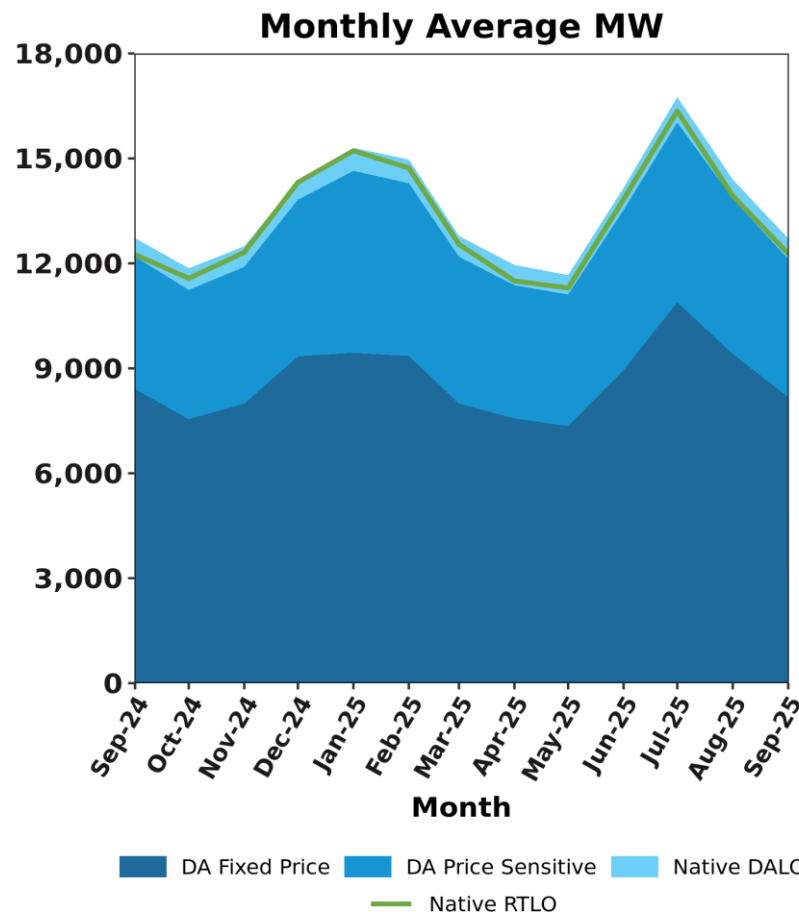
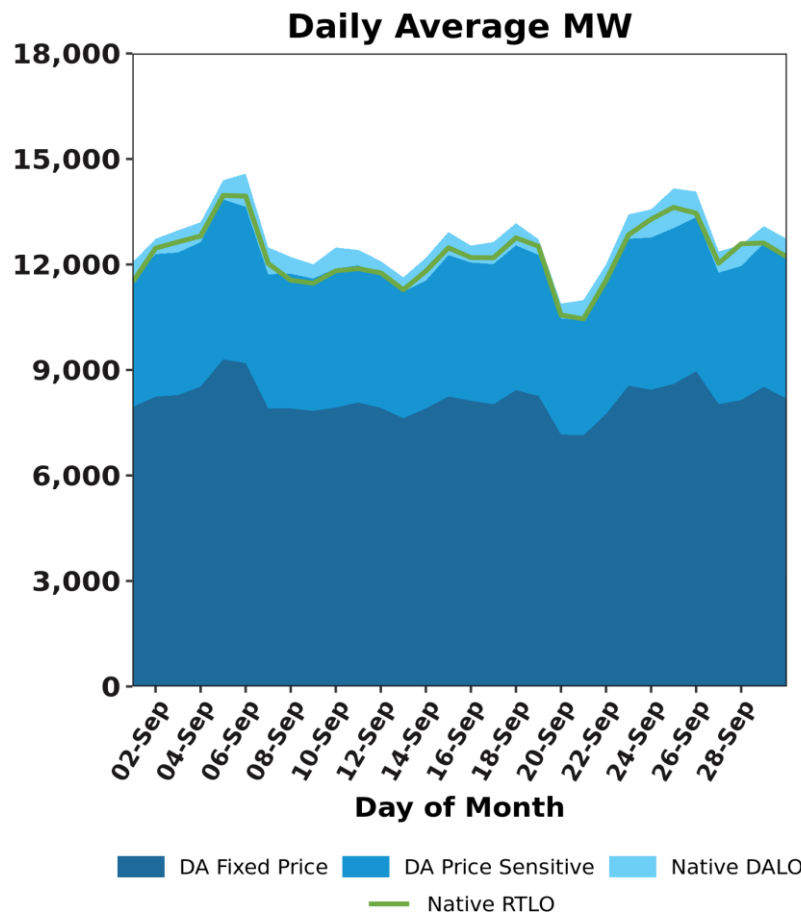
MARKET OPERATIONS



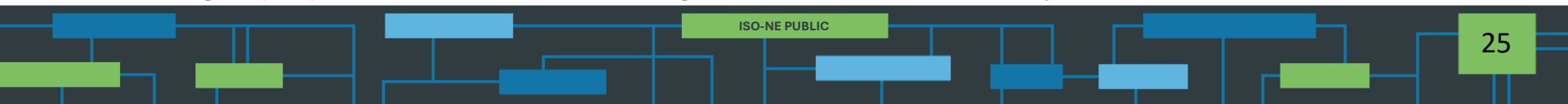
SUPPLY AND DEMAND VOLUMES



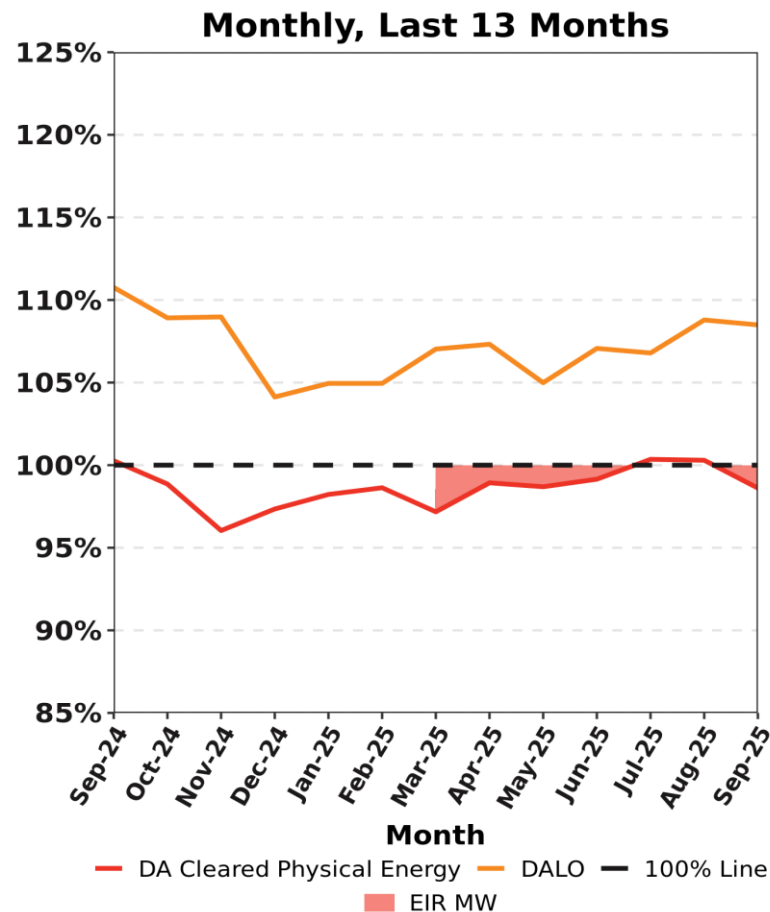
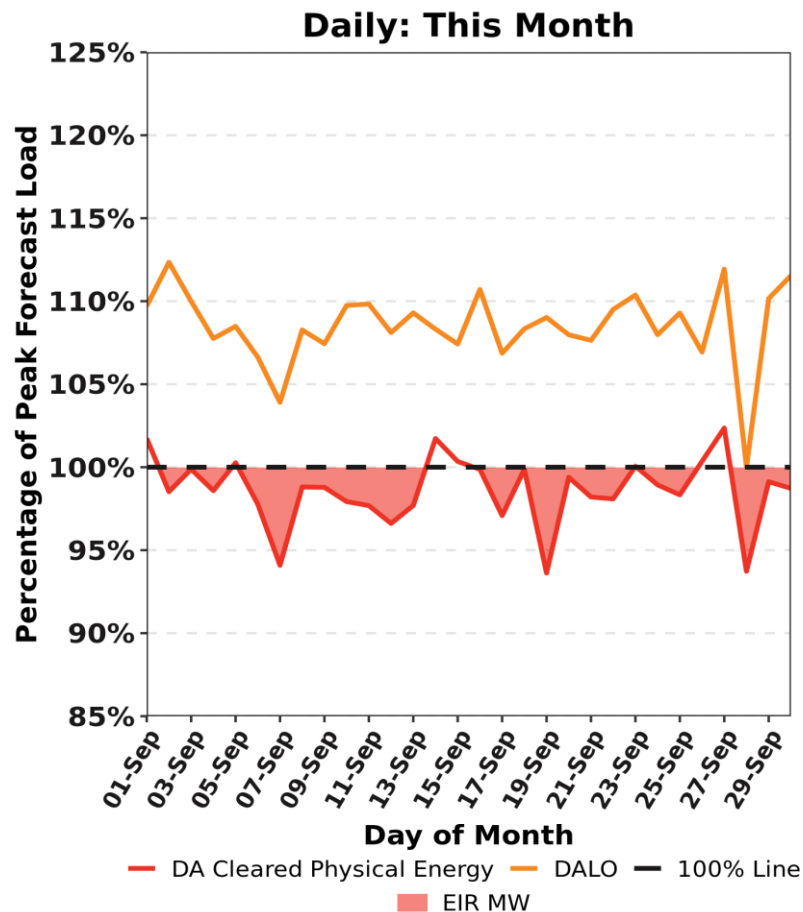
DA Cleared Native Load by Composition Compared to Native RT Load



Native Day-Ahead Load Obligation (DALO) is the sum of all internal DA cleared load obligation, including internally cleared decrement bids (DECs). Native Real-Time Load Obligation (RTLO) is the sum of all internal real-time load obligation. Modeled transmission losses and exports are excluded in these charts.

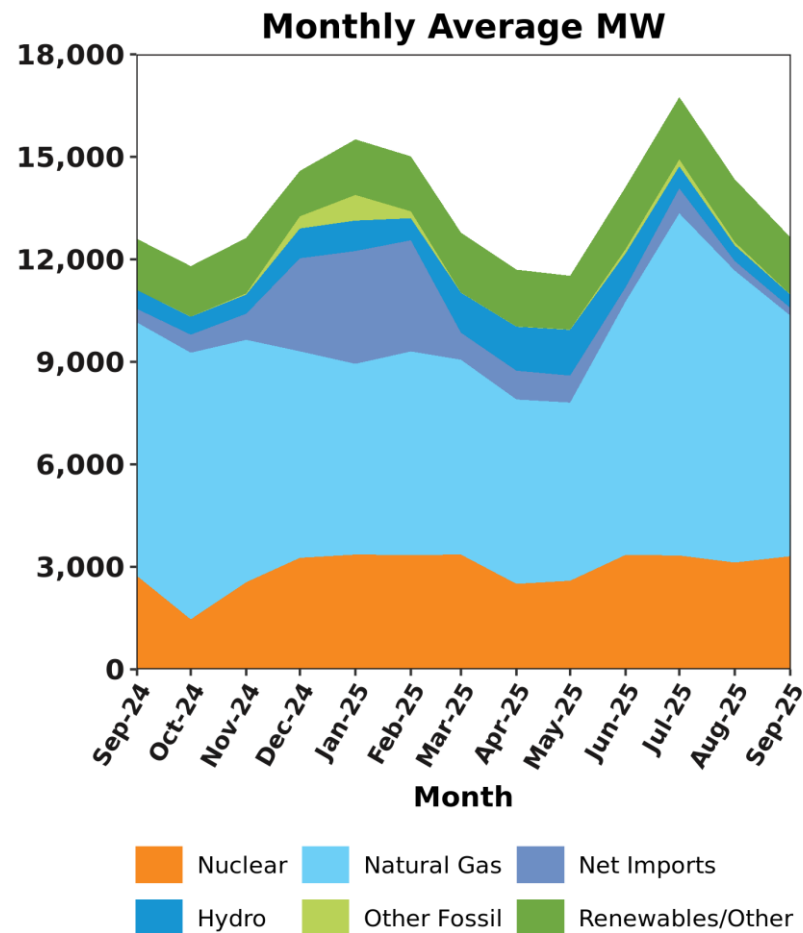
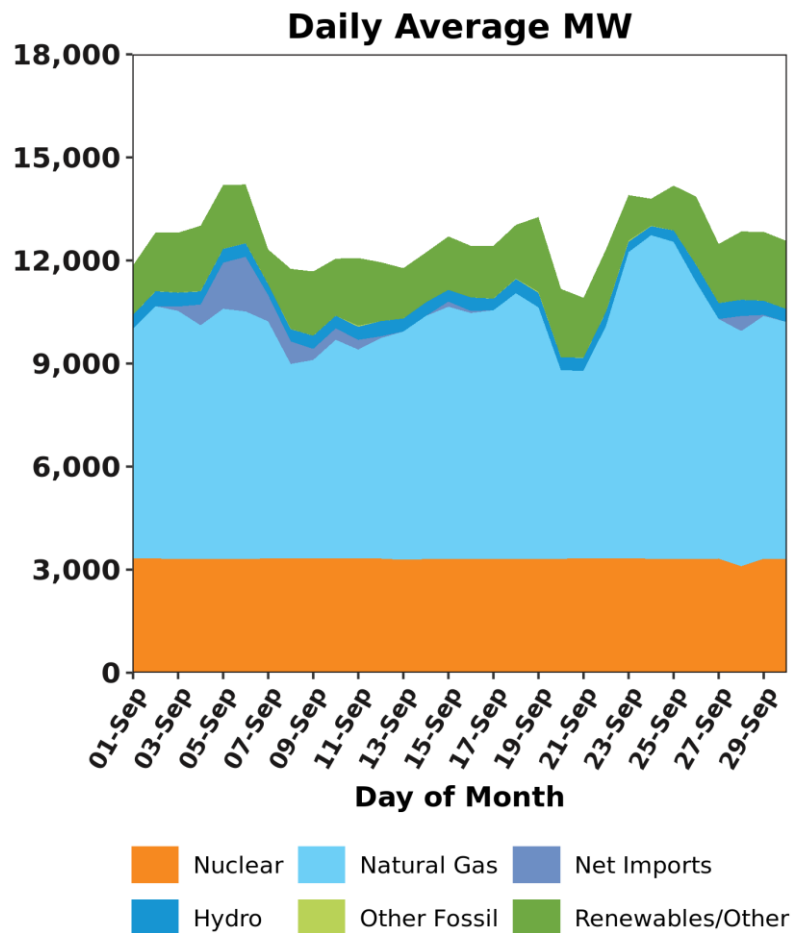


DA Volumes as % of Forecast in Peak Hour

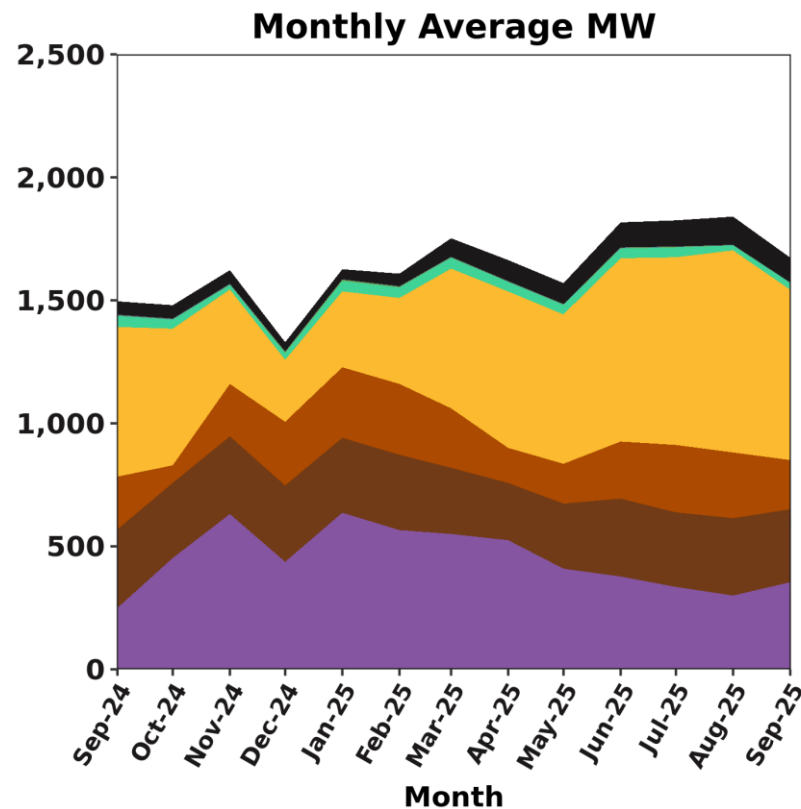
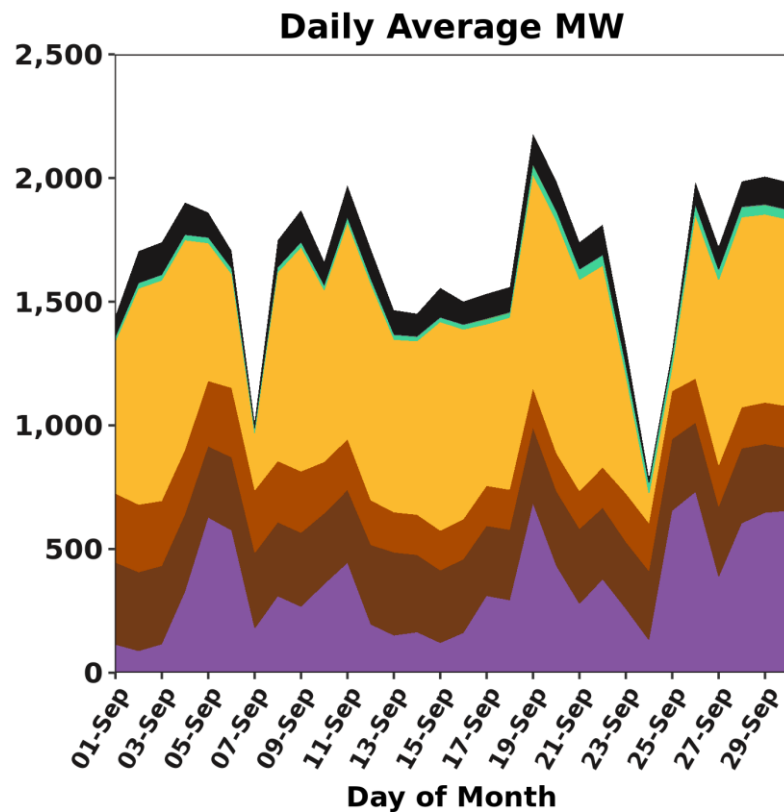


*DA cleared physical energy is the sum of generation, DRR and net imports cleared in the DA Energy Market and does not include EIR MW. Effective March 1, 2025, EIR MW obligations from physical generation and DRR are additionally procured up to (but not exceeding) 100% of the forecasted energy requirement.

Resource Mix

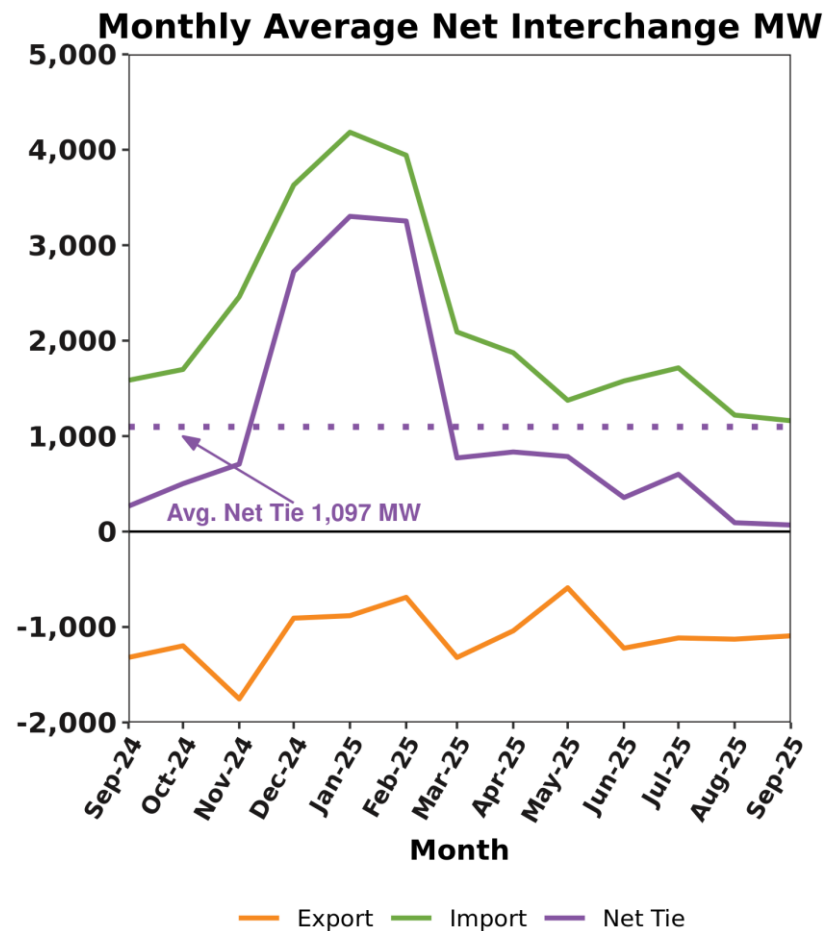
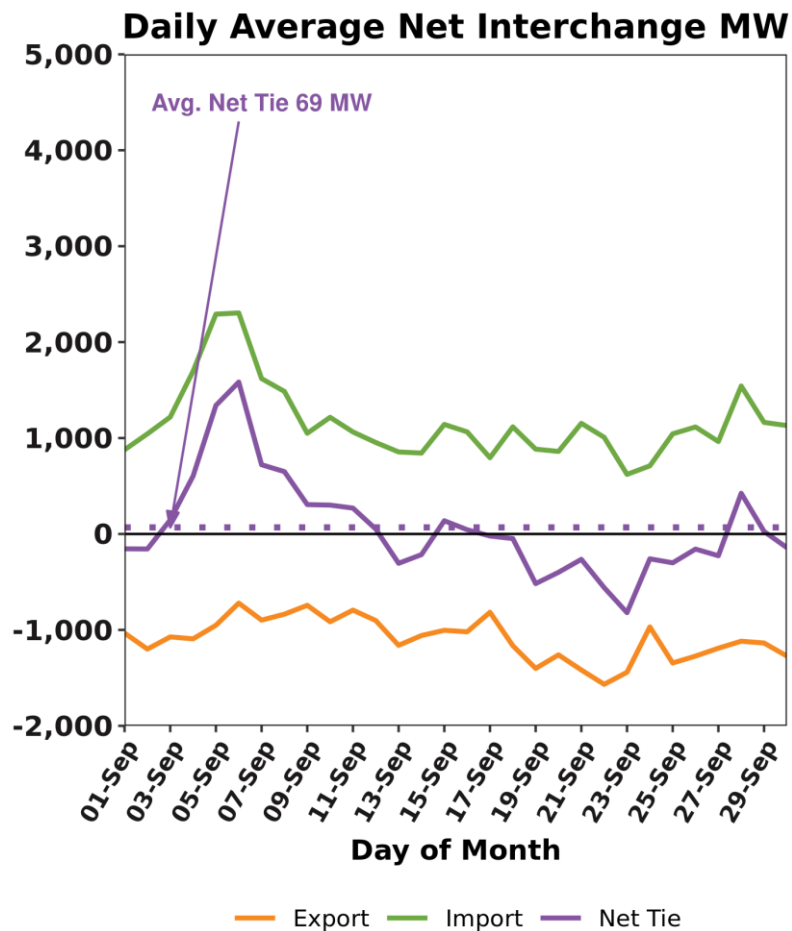


Renewable Generation by Fuel Type



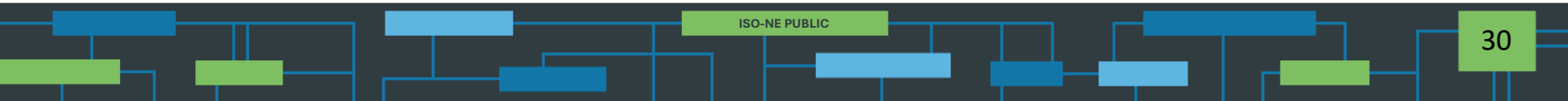
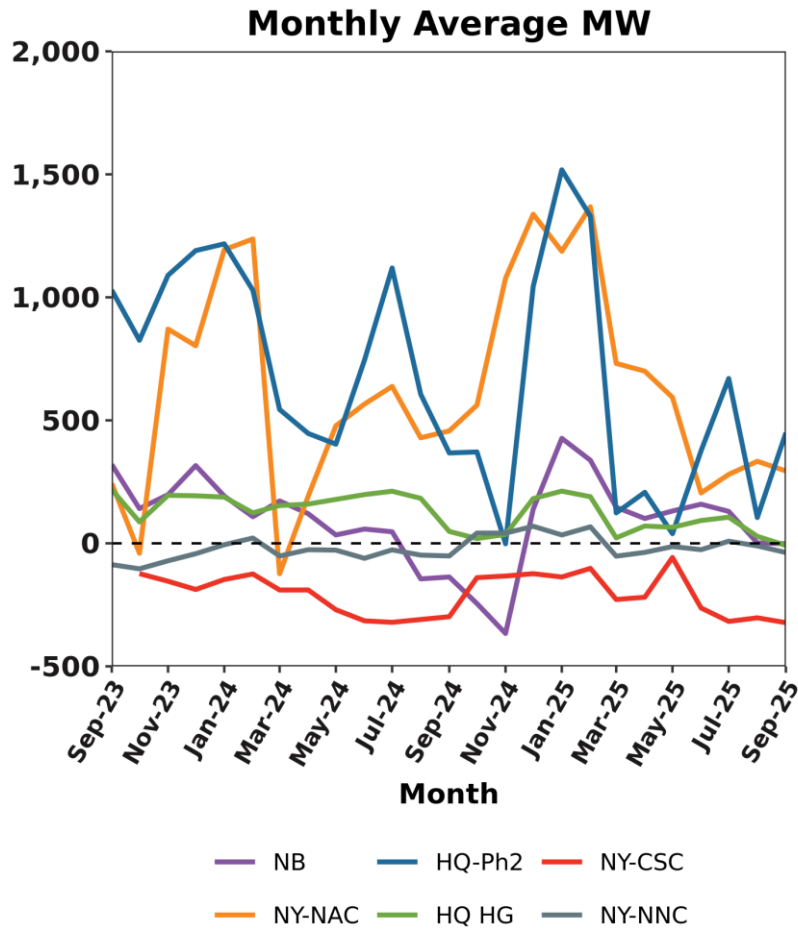
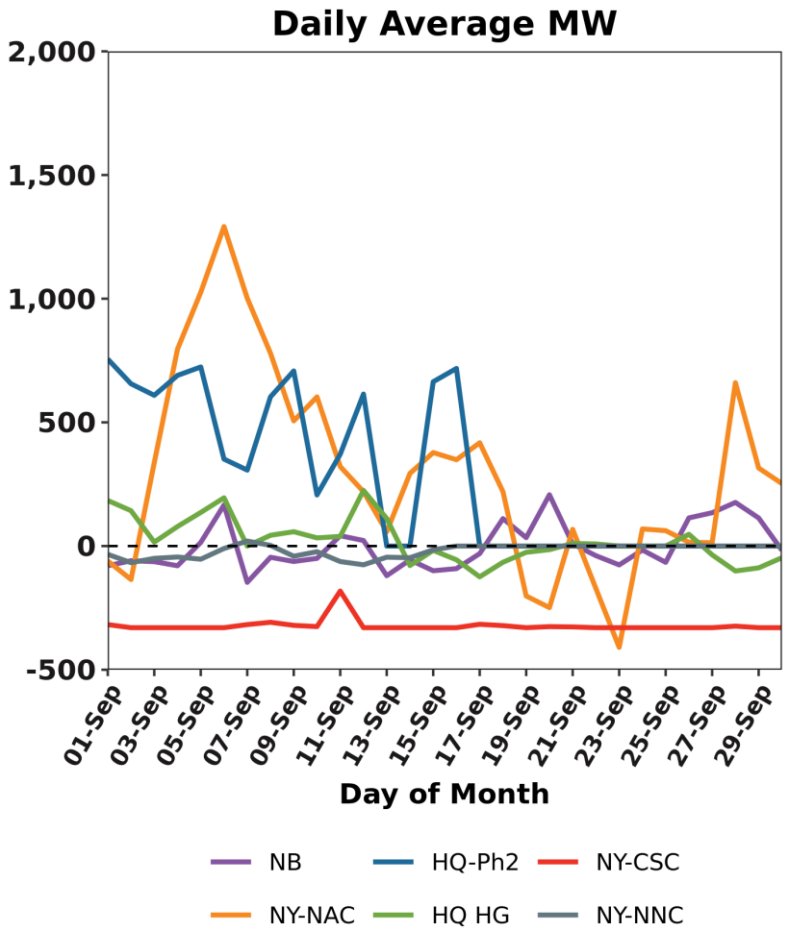
CSF = Continuous Storage Facilities (a.k.a. Batteries); PRD=Demand Response Resources (DRR)

RT Net Interchange

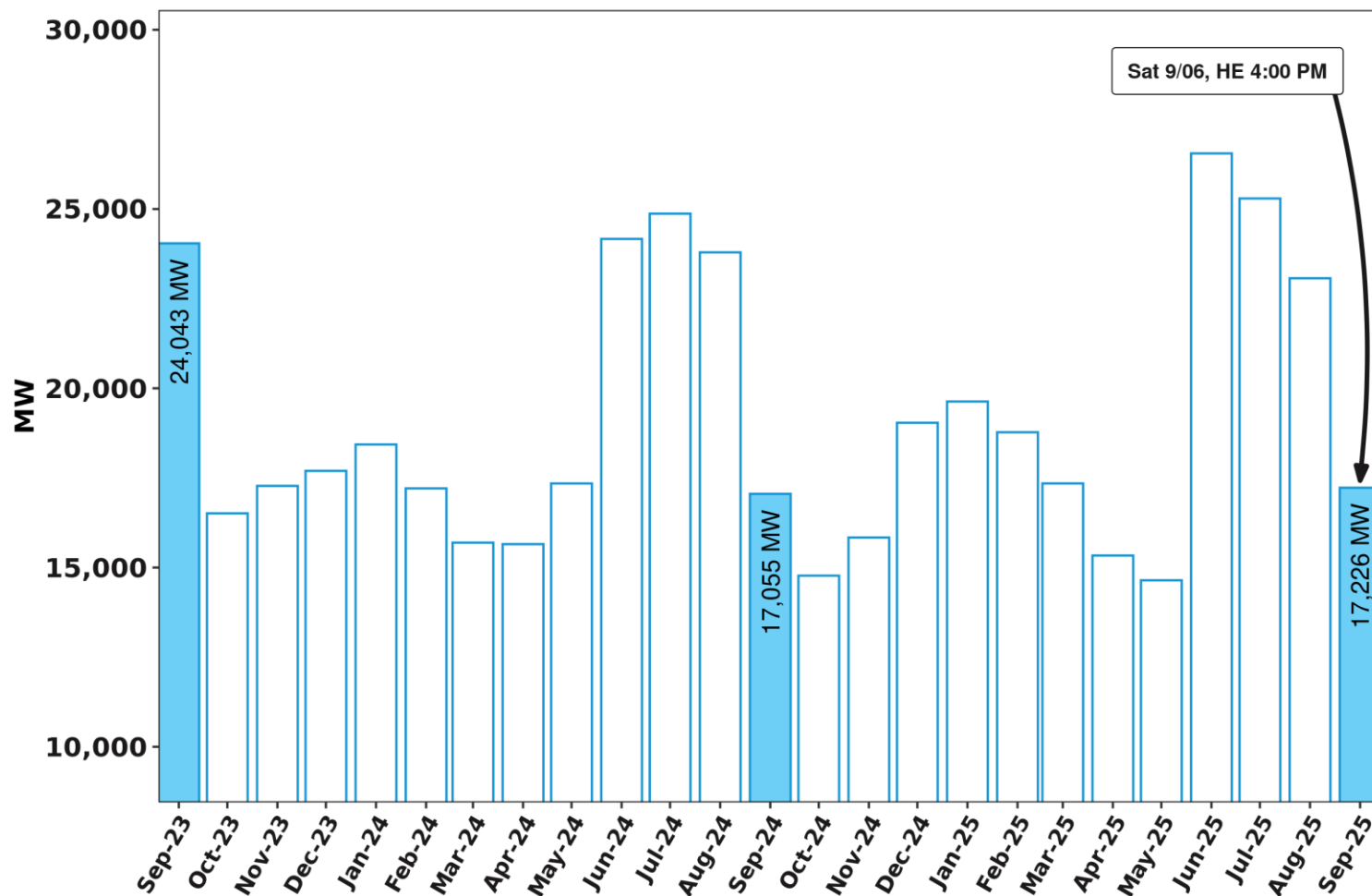


Net Interchange is the net of Participant scheduled imports (+) and exports (-). Inadvertent flows are not reflected.

RT Net Interchange by External Interface

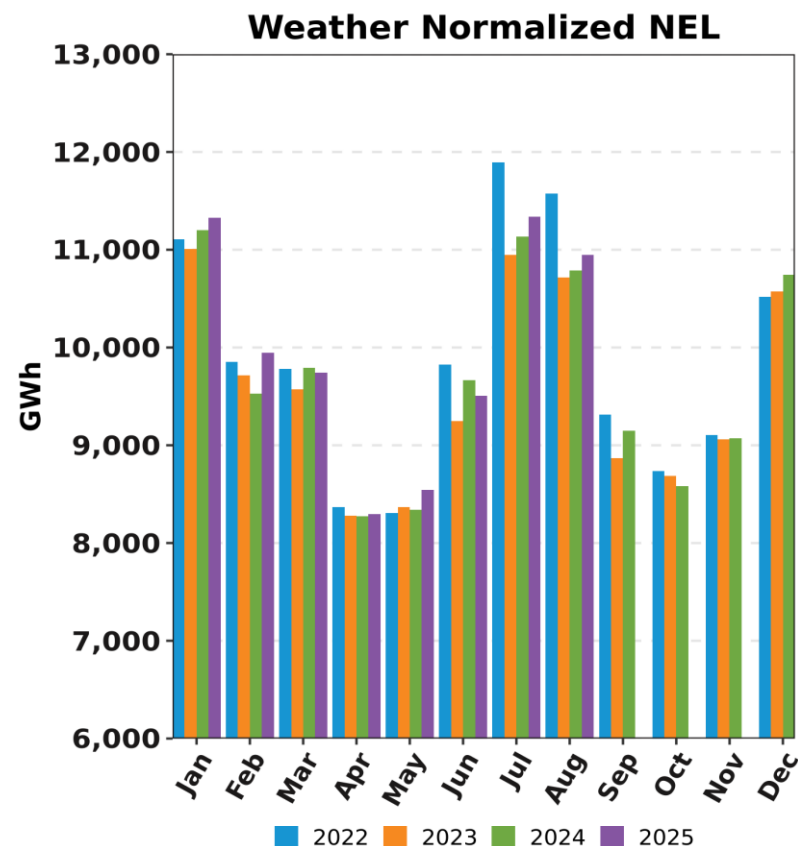
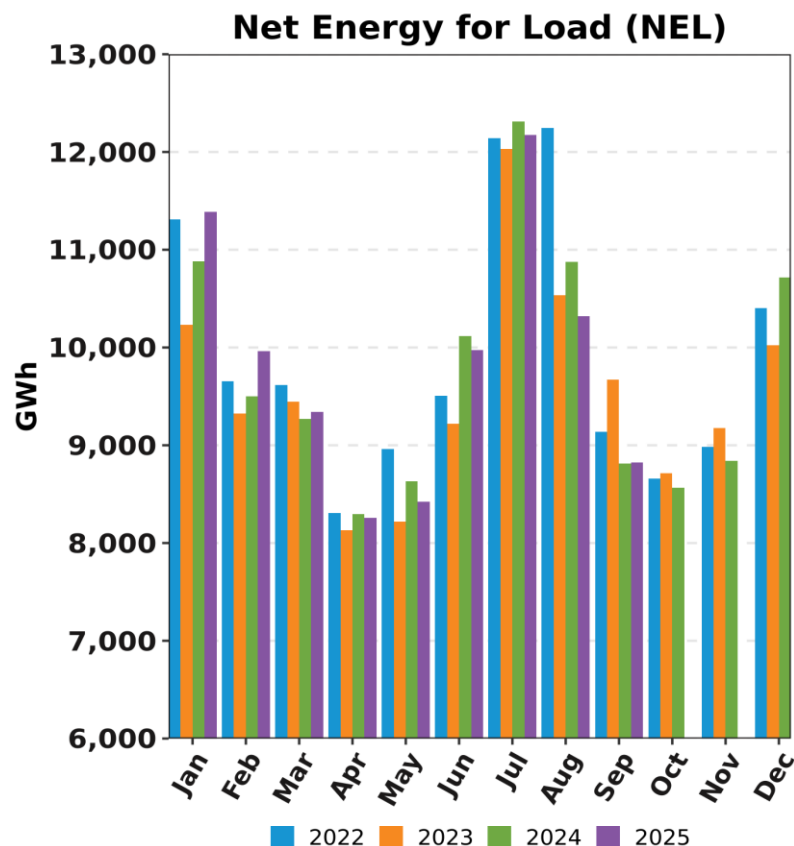


RQM System Peak Load MW by Month



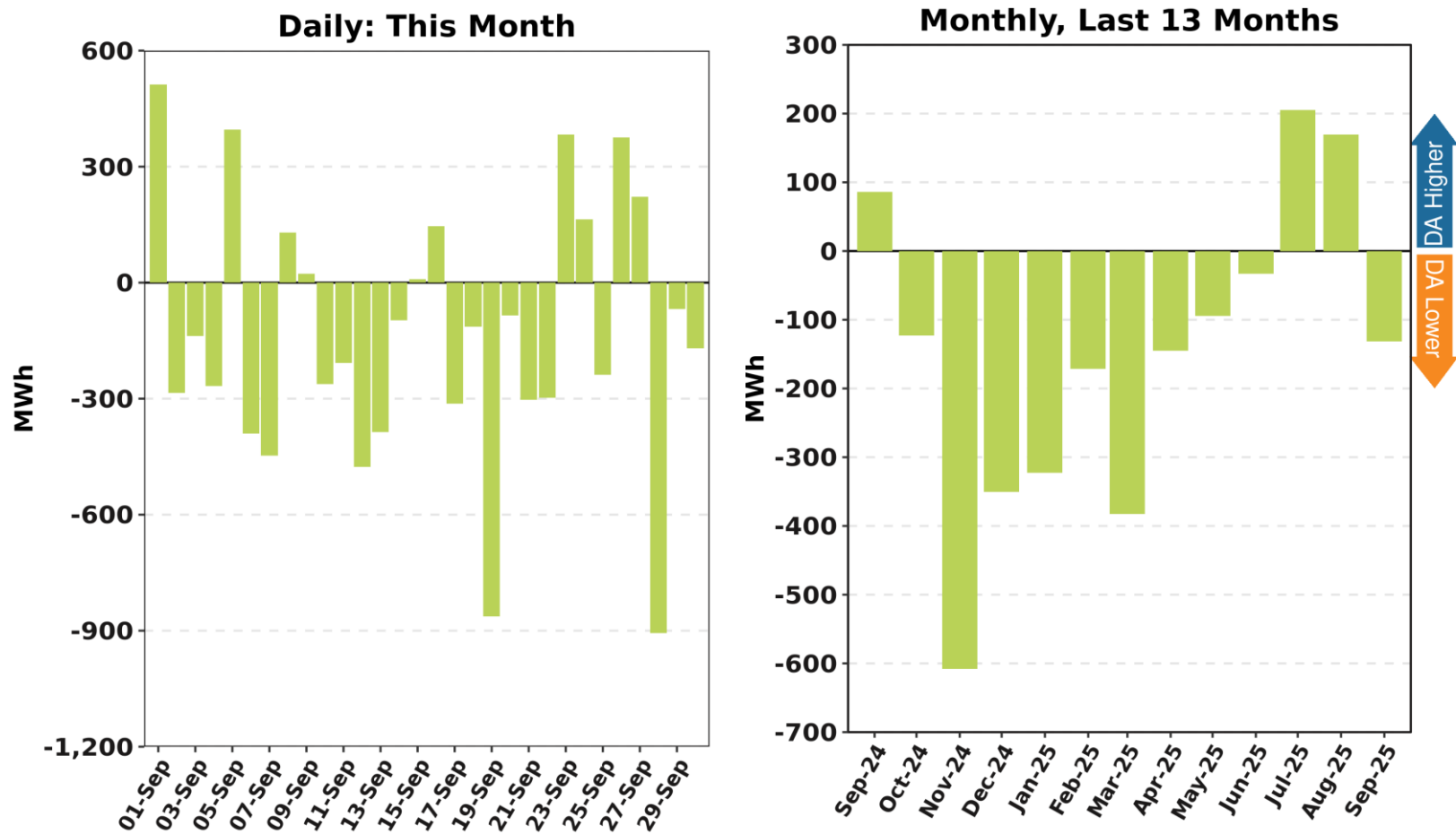
Shaded columns highlight current month and the same month over the prior two years

Monthly Recorded Net Energy for Load (NEL) and Weather Normalized NEL



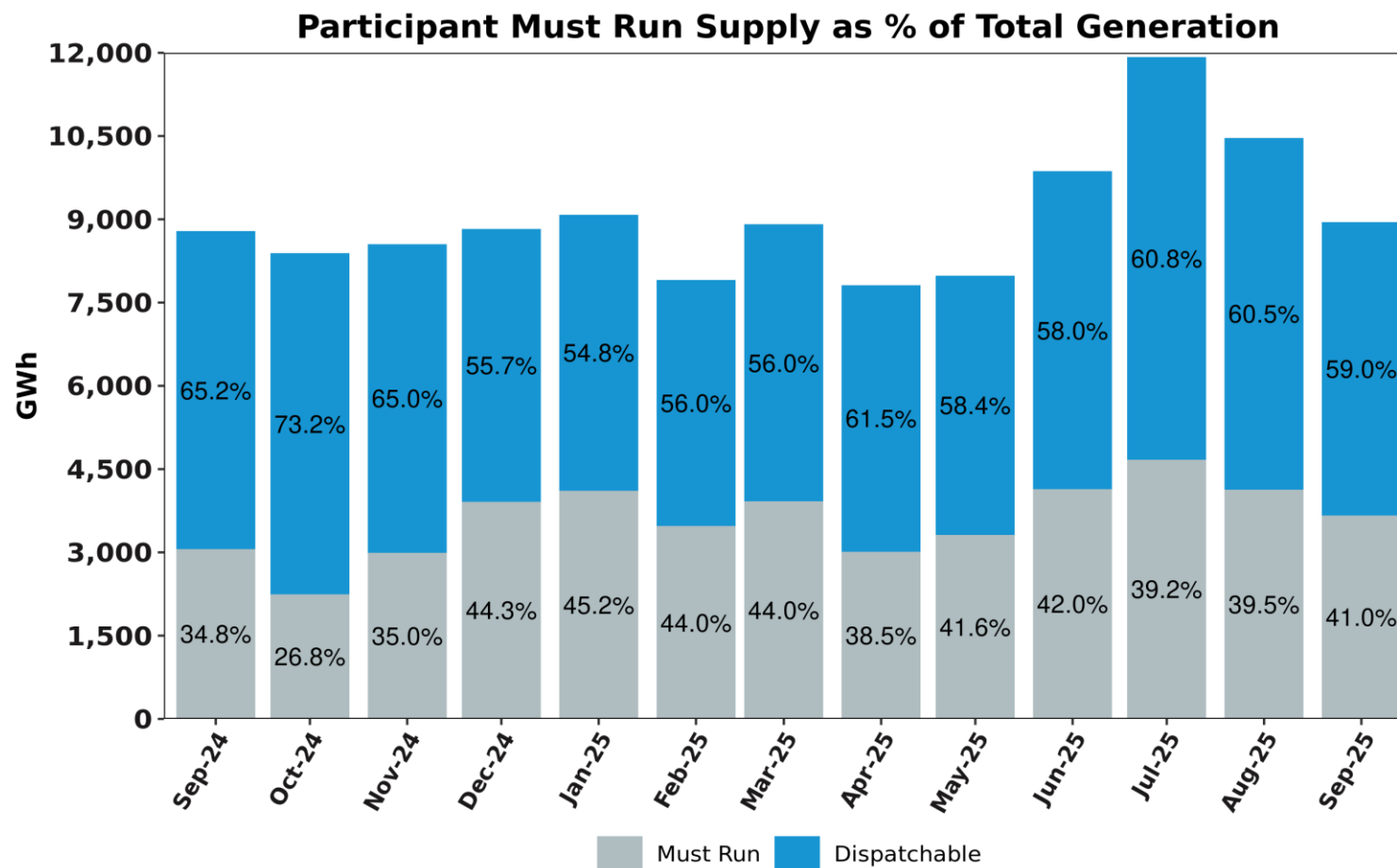
NEPOOL NEL is the total net revenue quality metered energy required to serve load and is analogous to 'RT system load.' NEL is calculated as: Generation + Demand Response Resource output - pumping load + net interchange where imports are positively signed. Current month's data may be preliminary. Weather normalized NEL is typically reported on a one-month lag.

DA Cleared Physical Energy Difference from RT System Load at Forecasted Peak Hour

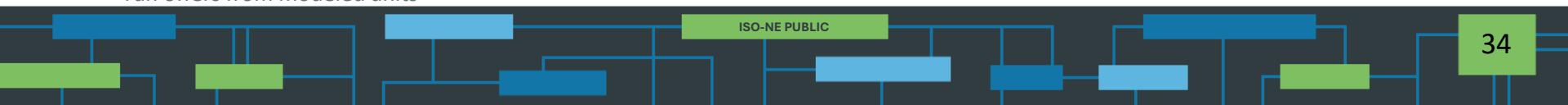


Negative values indicate DA Cleared Physical Energy value below its RT counterpart. EIR MW are not included in DA Physical Energy.

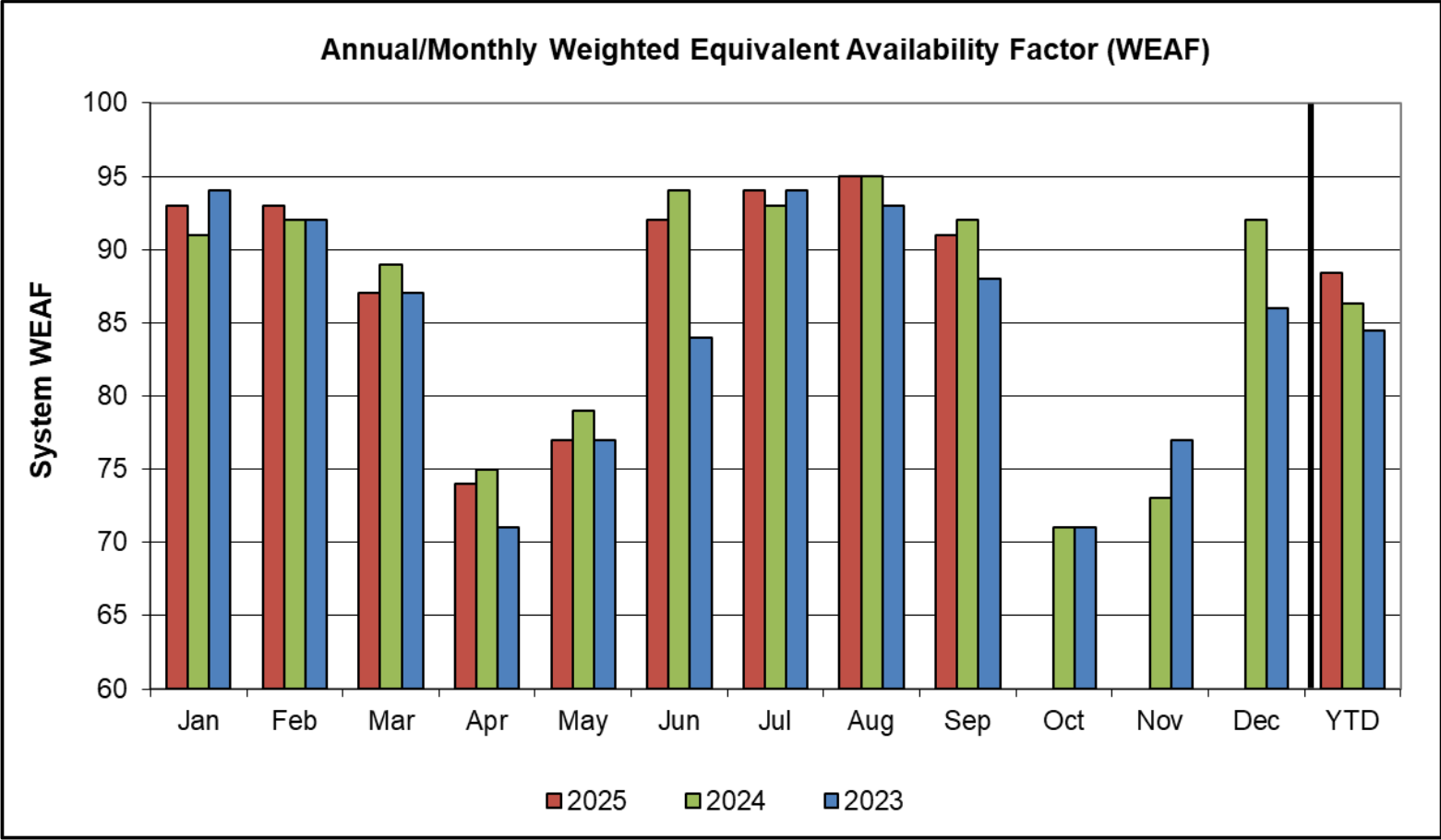
RT Generation Output Offered as Must Run vs Dispatchable



Includes generation and DRR. Must Run (non-dispatchable) category reflects full output of Settlement Only Resources (SOG) as well as must run offers from modeled units

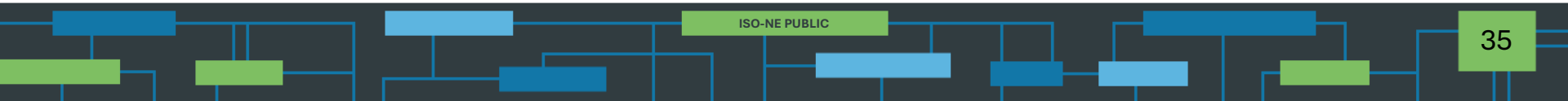


System Unit Availability



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	93	93	87	74	77	92	94	95	91				88
2024	91	92	89	75	79	94	93	95	92	71	73	92	86
2023	94	92	87	71	77	84	94	93	88	71	77	86	85

Data as of 10/1/25



MARKET PRICING



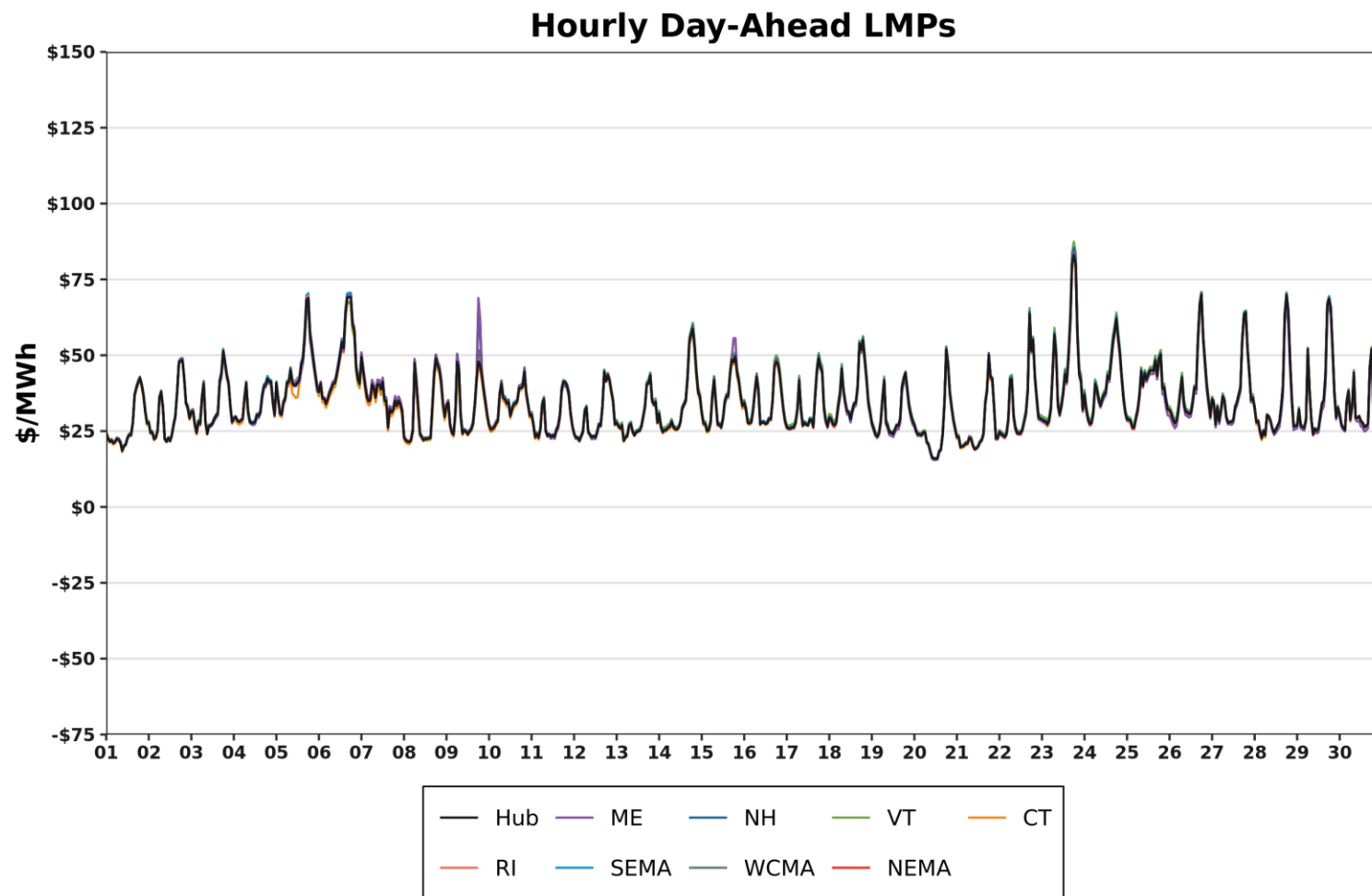
DA vs. RT LMPs (\$/MWh)

Arithmetic Average

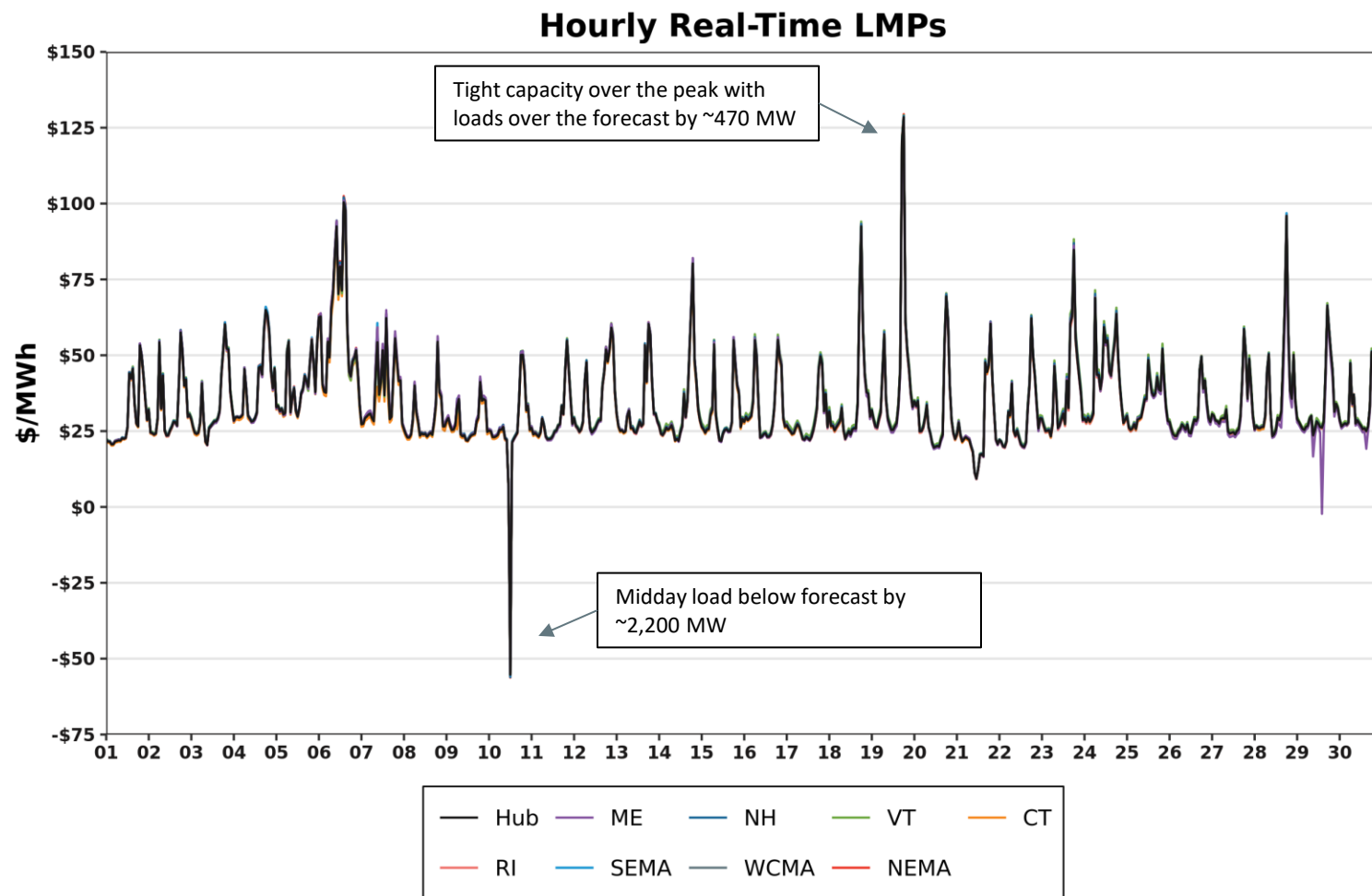
Year 2023	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$37.04	\$36.59	\$37.22	\$36.78	\$36.25	\$36.89	\$37.34	\$37.07	\$37.35
Real-Time	\$35.91	\$35.36	\$36.05	\$35.55	\$35.26	\$35.71	\$36.17	\$35.92	\$36.21
RT Delta %	-3.05%	-3.36%	-3.14%	-3.34%	-2.73%	-3.20%	-3.13%	-3.10%	-3.05%
Year 2024	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$41.35	\$41.07	\$41.72	\$41.11	\$40.17	\$41.28	\$41.70	\$41.37	\$41.91
Real-Time	\$39.37	\$38.79	\$39.65	\$39.23	\$38.46	\$39.17	\$39.62	\$39.37	\$39.77
RT Delta %	-3.05%	-3.36%	-3.14%	-3.34%	-2.73%	-3.20%	-3.13%	-3.10%	-3.05%

September-24	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$32.24	\$31.65	\$32.32	\$32.44	\$31.53	\$32.18	\$32.50	\$32.24	\$32.50
Real-Time	\$32.09	\$31.38	\$32.22	\$32.47	\$31.52	\$31.72	\$32.14	\$32.10	\$32.31
RT Delta %	-0.47%	-0.85%	-0.31%	0.09%	-0.03%	-1.43%	-1.11%	-0.43%	-0.58%
September-25	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$34.21	\$33.98	\$34.66	\$34.81	\$33.61	\$33.85	\$34.38	\$34.30	\$34.67
Real-Time	\$33.90	\$33.64	\$34.30	\$34.55	\$33.37	\$33.51	\$33.97	\$33.96	\$34.27
RT Delta %	-0.91%	-1.00%	-1.04%	-0.75%	-0.71%	-1.00%	-1.19%	-0.99%	-1.15%
Annual Diff.	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Yr over Yr DA	6.11%	7.36%	7.24%	7.31%	6.60%	5.19%	5.78%	6.39%	6.68%
Yr over Yr RT	5.64%	7.20%	6.46%	6.41%	5.87%	5.64%	5.69%	5.79%	6.07%

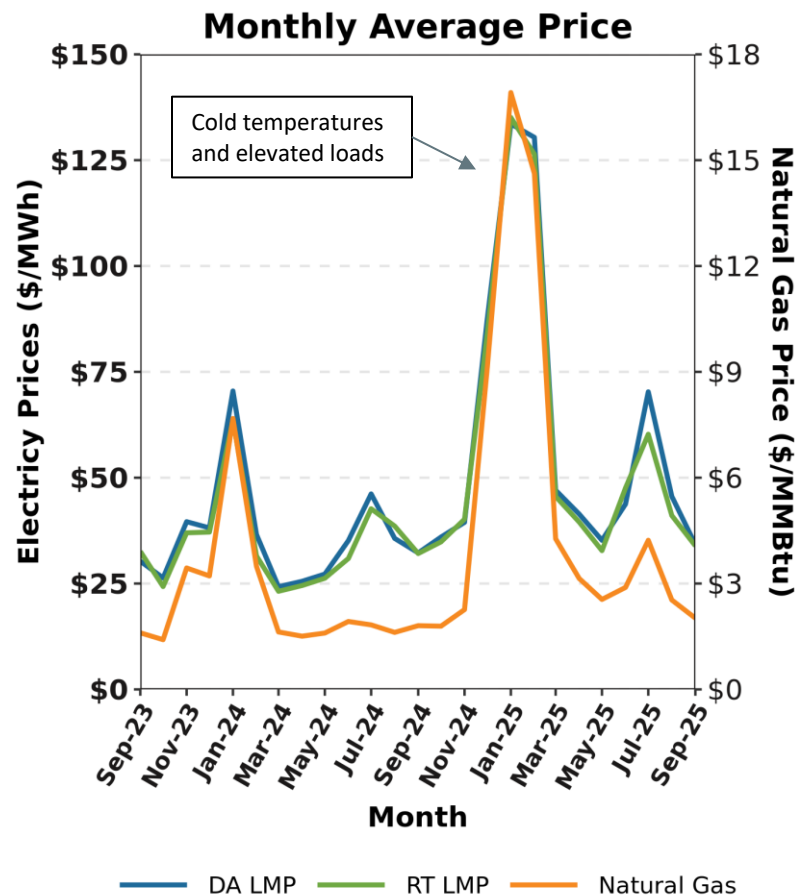
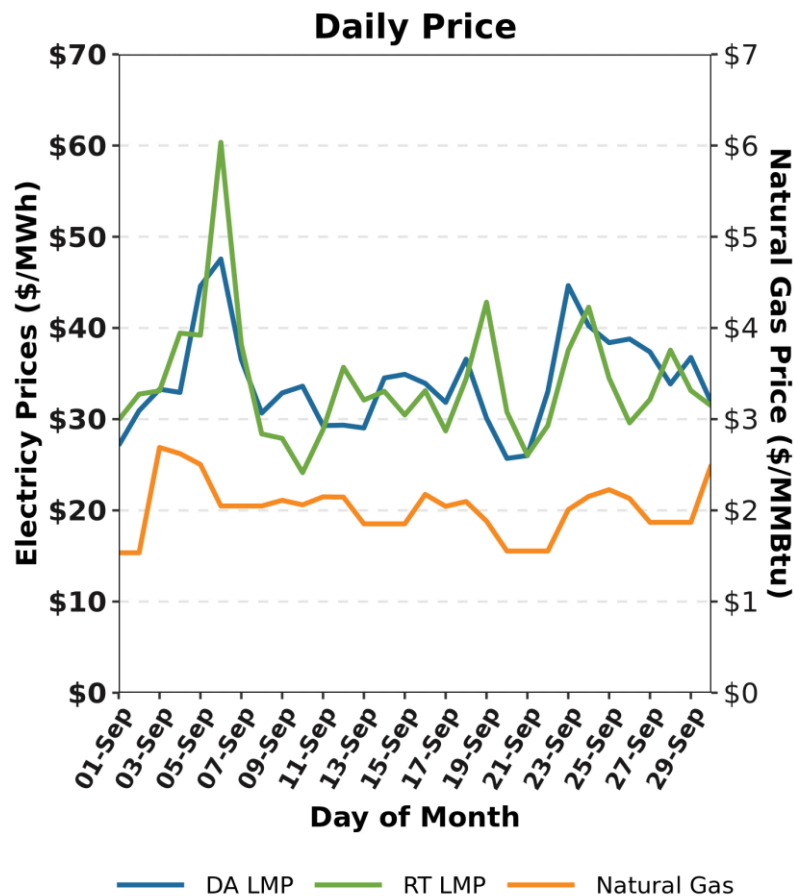
Hourly DA LMPs, September 1-30, 2025



Hourly RT LMPs, September 1-30, 2025



Wholesale Electricity vs Natural Gas Price by Month

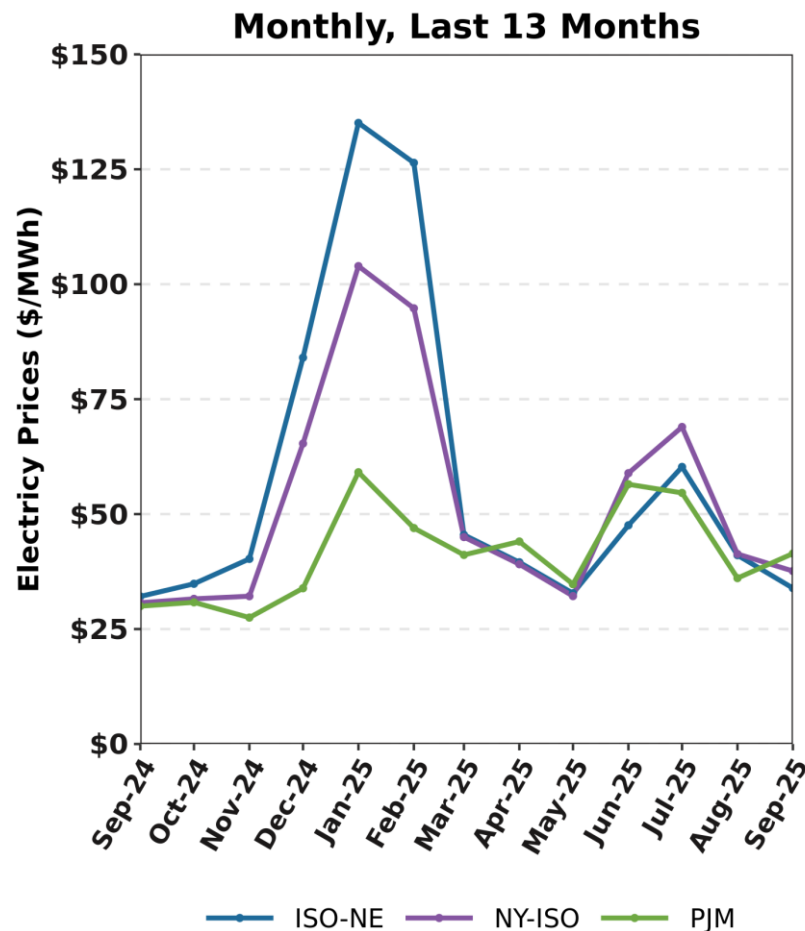
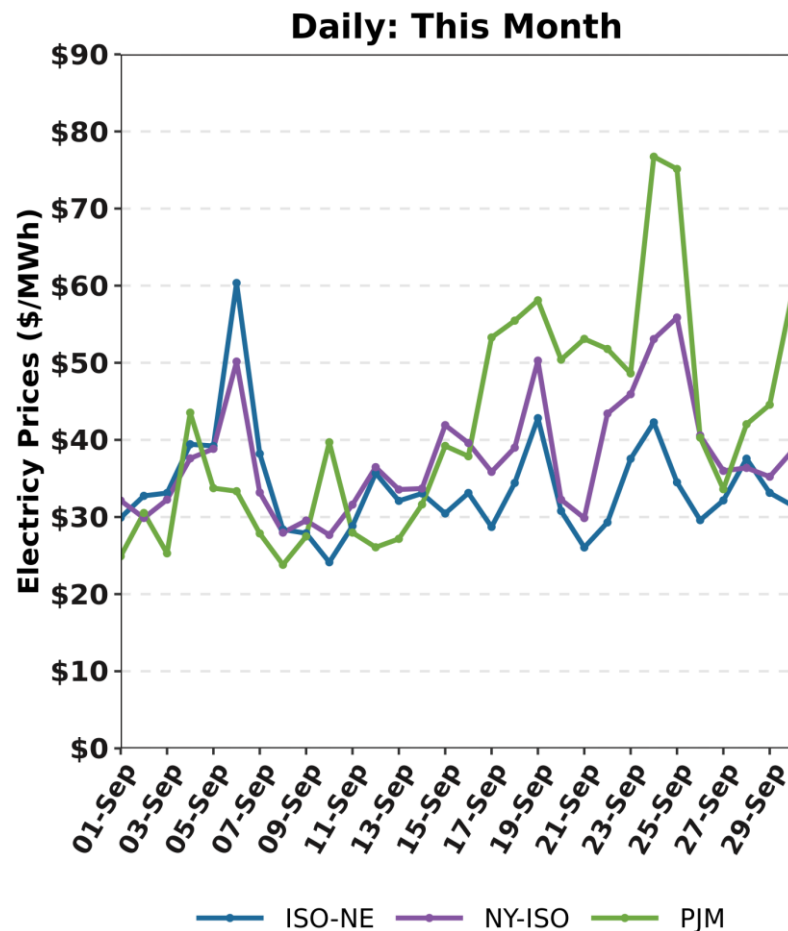


Gas price is average of Massachusetts delivery points

Underlying natural gas data furnished by:

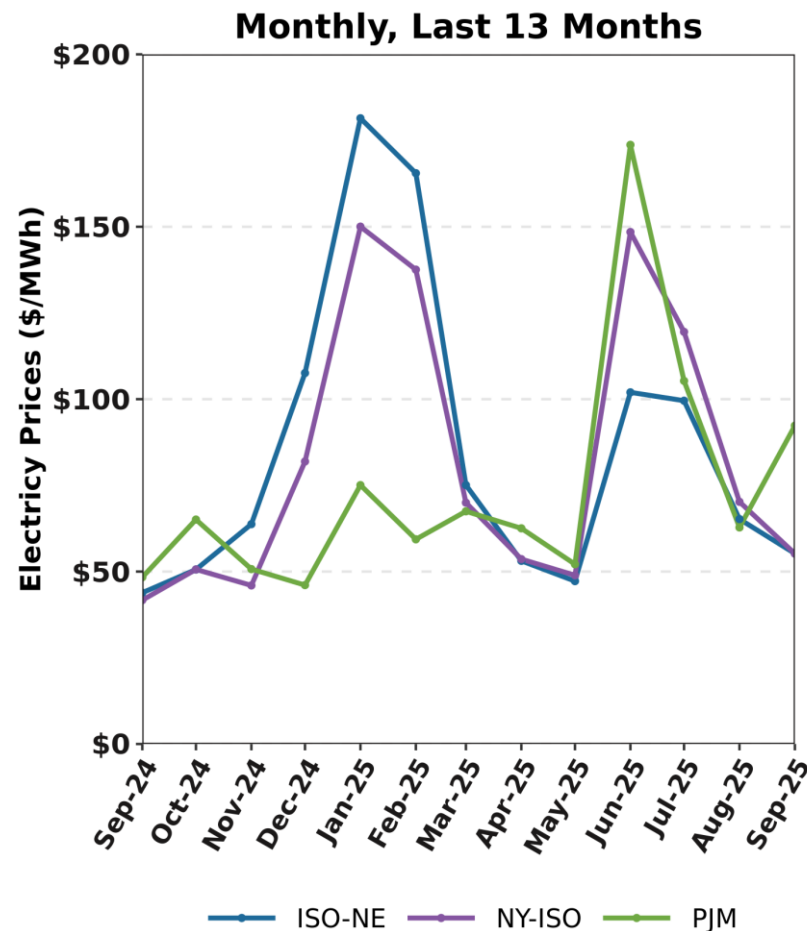
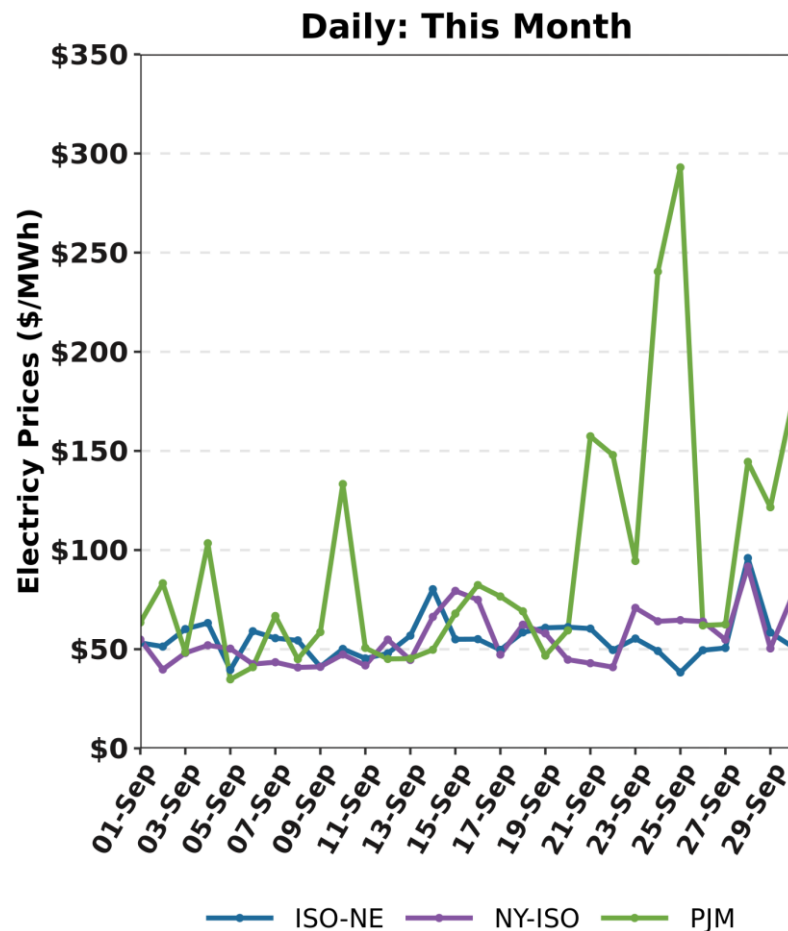


New England, NY, and PJM Hourly Average RT Prices by Month



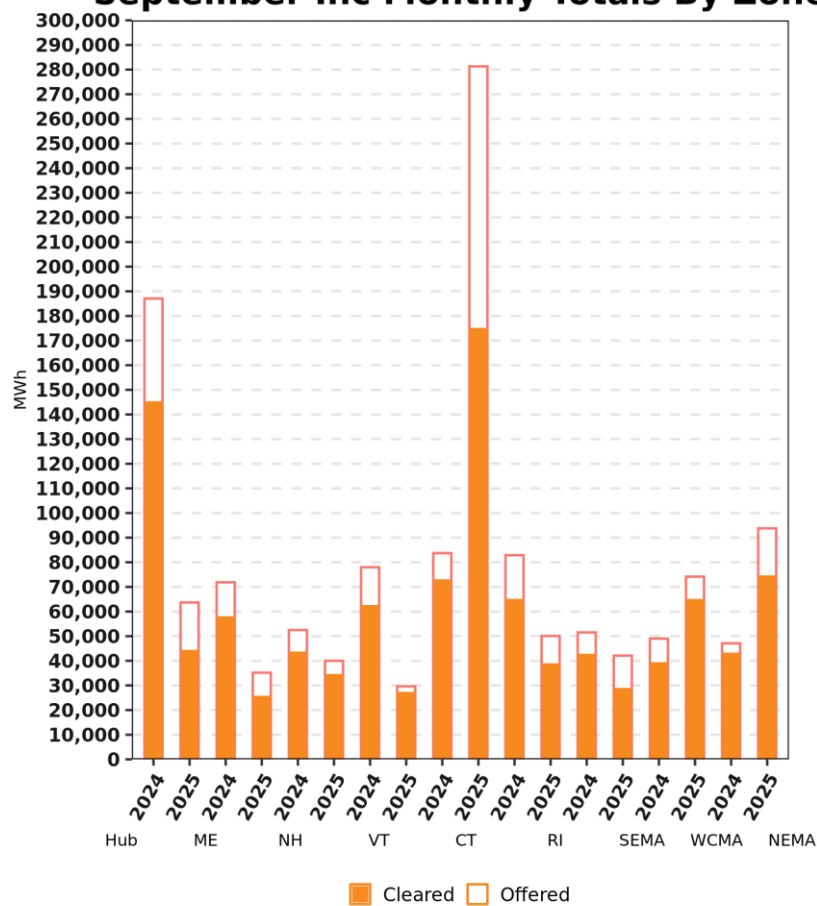
Hourly average prices are shown

New England, NY, and PJM RT Pricing during New England's Forecasted Daily Peak Hours

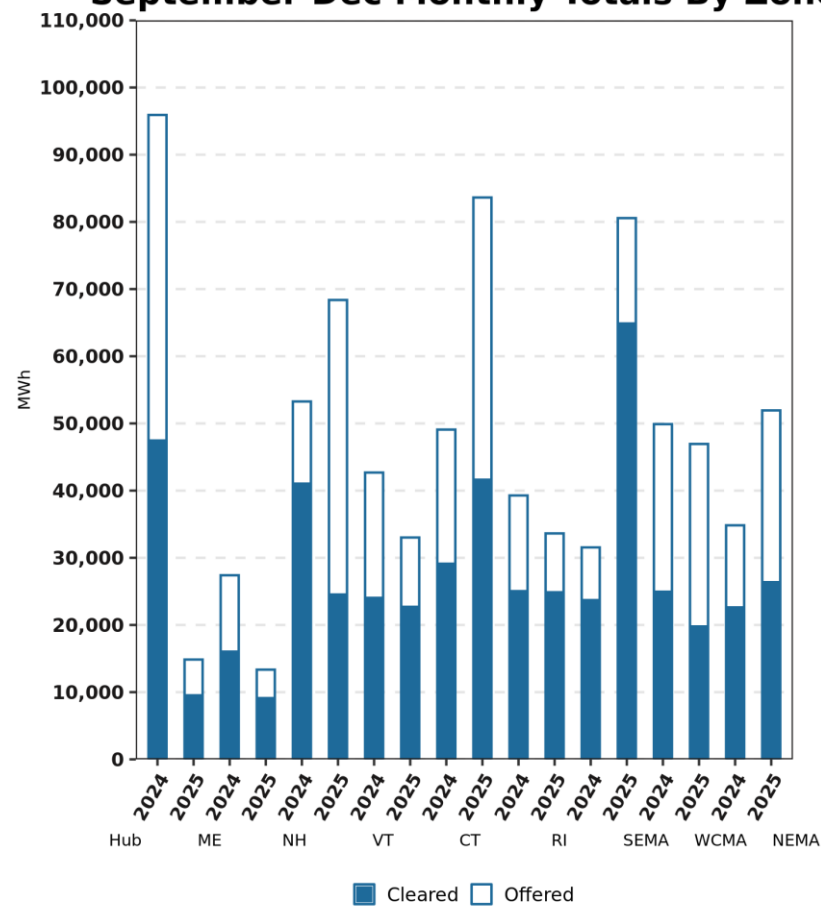


Zonal Increment Offers and Decrement Bid Amounts

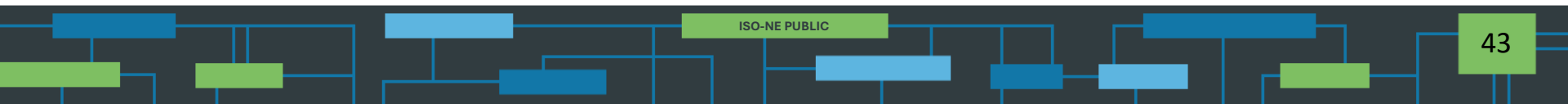
September Inc Monthly Totals By Zone



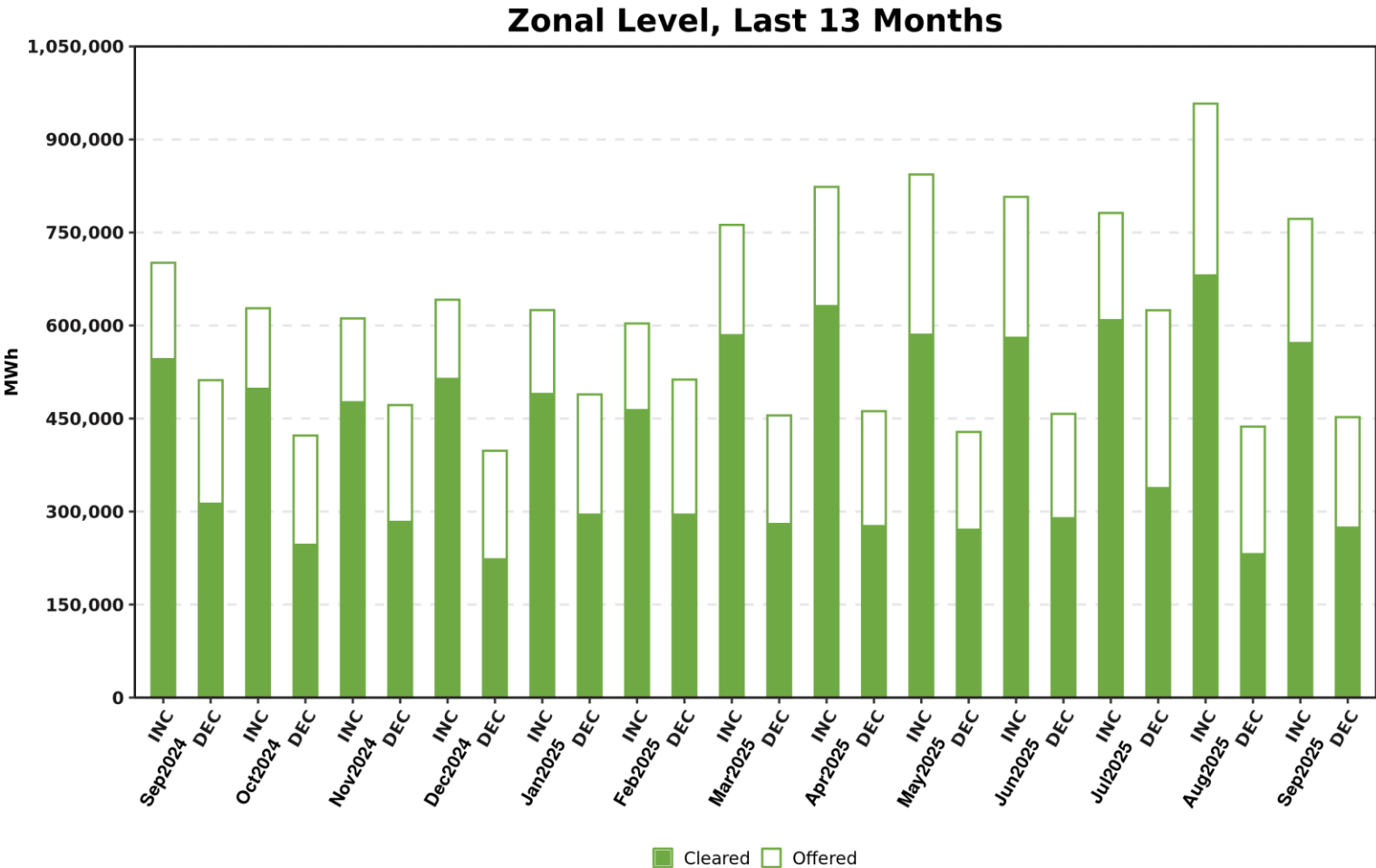
September Dec Monthly Totals By Zone



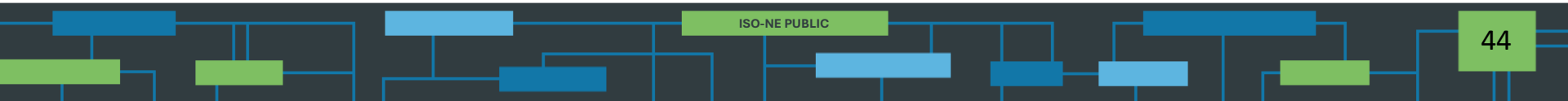
Includes nodal activity within the zone; excludes external nodes



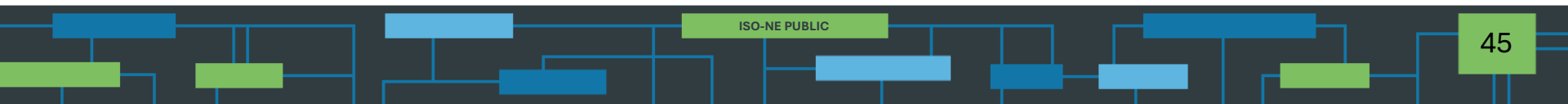
Total Increment Offers and Decrement Bids



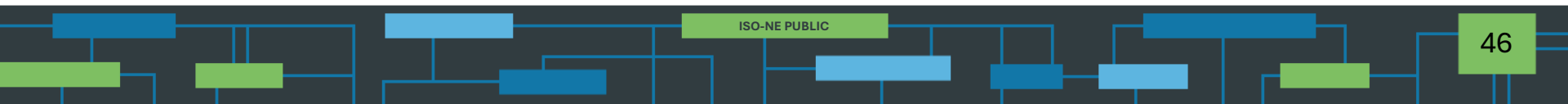
Includes nodal activity within the zone; excludes external nodes



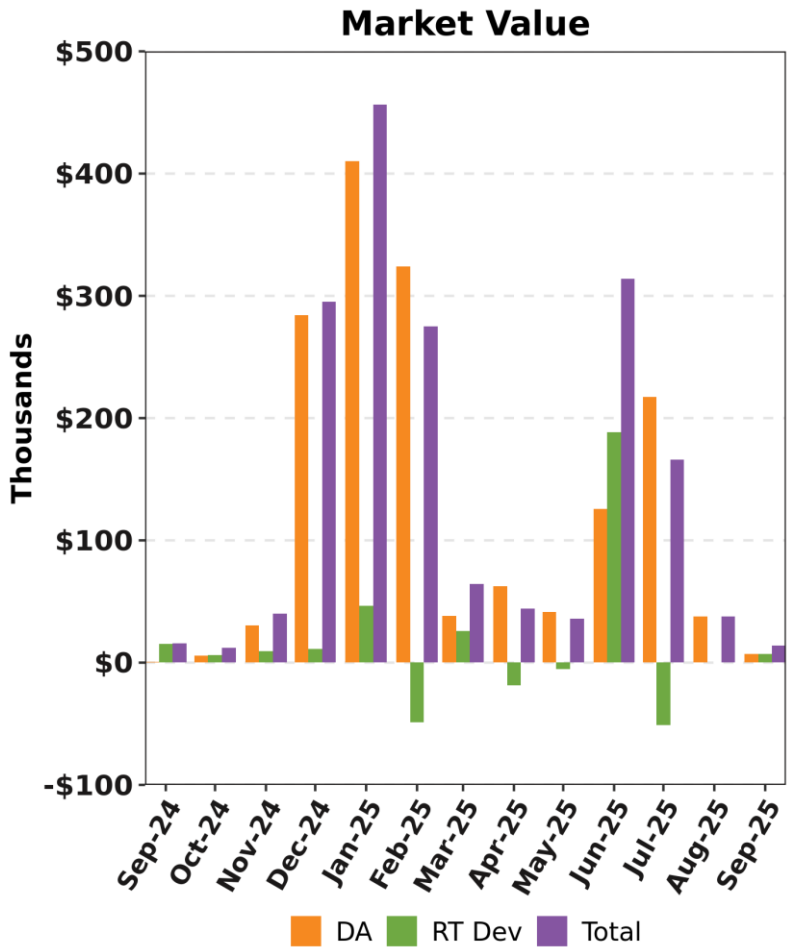
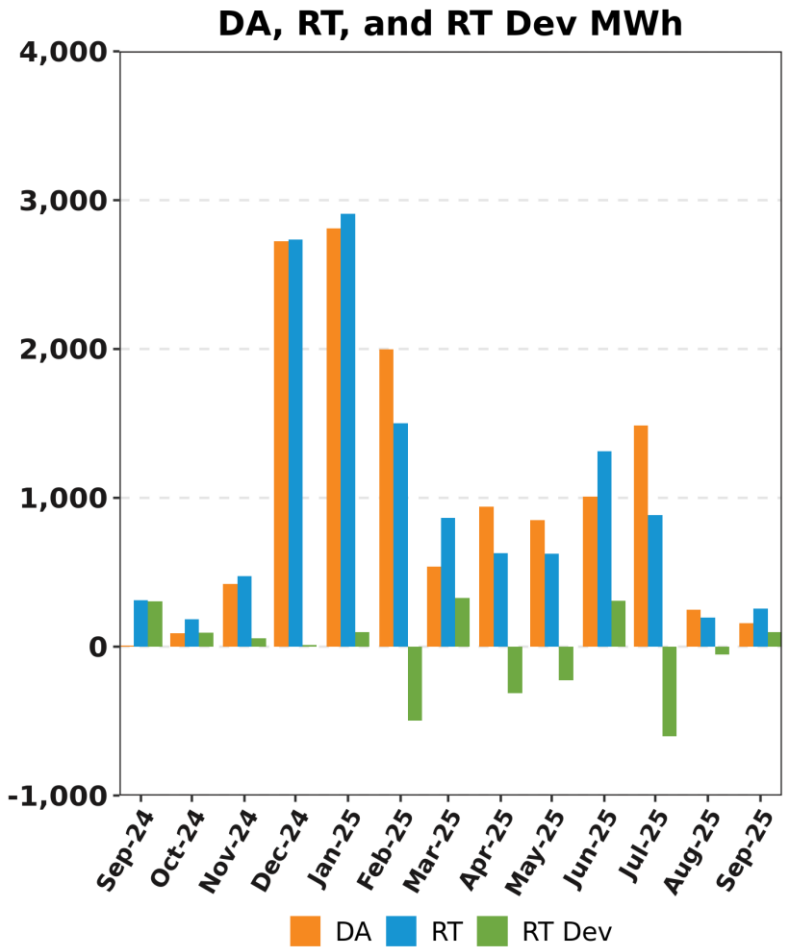
BACK-UP DETAIL



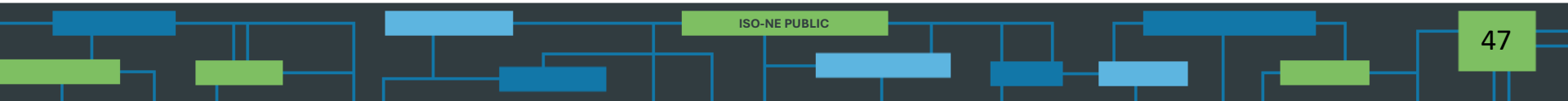
DEMAND RESPONSE



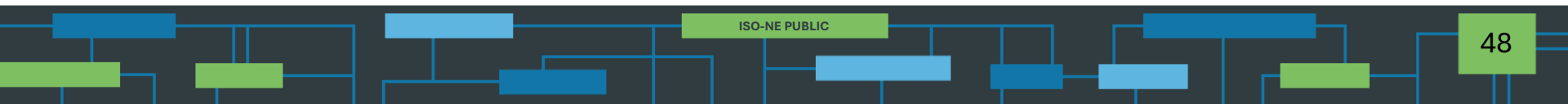
Demand Response Resource (DRR) Energy Market Activity by Month



DA and RT (deviation) MWh are settlement obligations and reflect appropriate gross-ups for distribution losses.



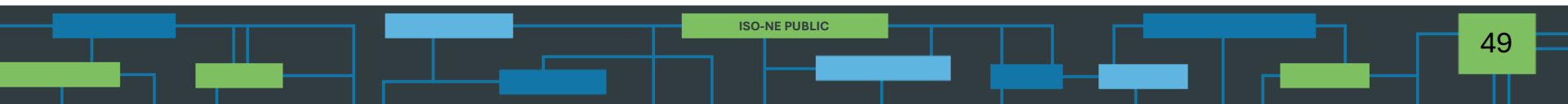
NEW GENERATION



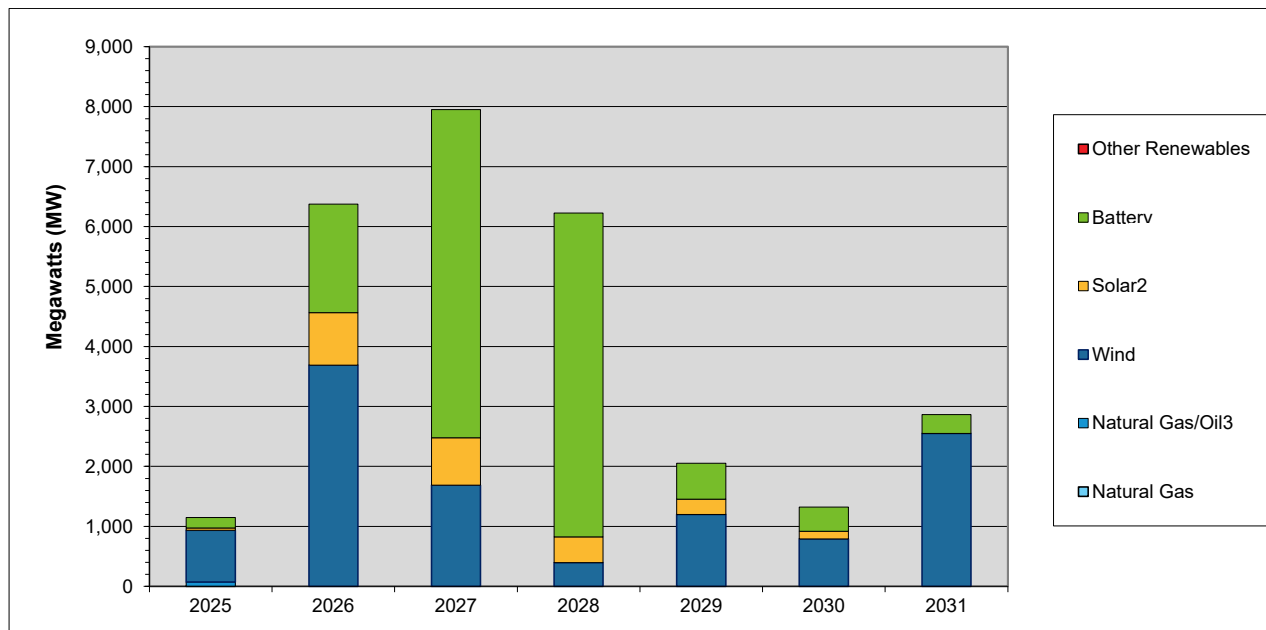
New Generation Update

Based on Queue as of 09/30/25

- No new projects were added to the interconnection queue since the last update
 - Any new ISO Interconnection Requests seeking to successfully enter the Order No. 2023 Transitional Cluster Study process were required to be submitted by June 13, 2024 at 23:59
 - Thereafter, the creation of new ISO Interconnection Requests is now suspended until the next Cluster Entry Window opens
 - ISO is no longer tracking non-FERC jurisdictional interconnection projects in the ISO queue
- In total, 124 generation projects are currently being tracked by the ISO, totaling approximately 31,538 MW



Projected Annual Capacity Additions *By Supply Fuel Type*



	2025	2026	2027	2028	2029	2030	2031	Total MW	% of Total ¹
Other Renewables	0	0	0	0	0	0	0	0	0.0
Battery	175	1,810	5,471	5,400	601	404	315	14,176	50.7
Solar ²	40	874	791	433	252	129	0	2,519	9.0
Wind	859	3,689	1,687	394	1,200	791	2,550	11,170	40.0
Natural Gas/Oil ³	73	0	0	0	0	0	0	73	0.3
Natural Gas	0	0	0	0	0	0	0	0	0.0
Totals	1,147	6,373	7,949	6,227	2,053	1,324	2,865	27,938	100.0

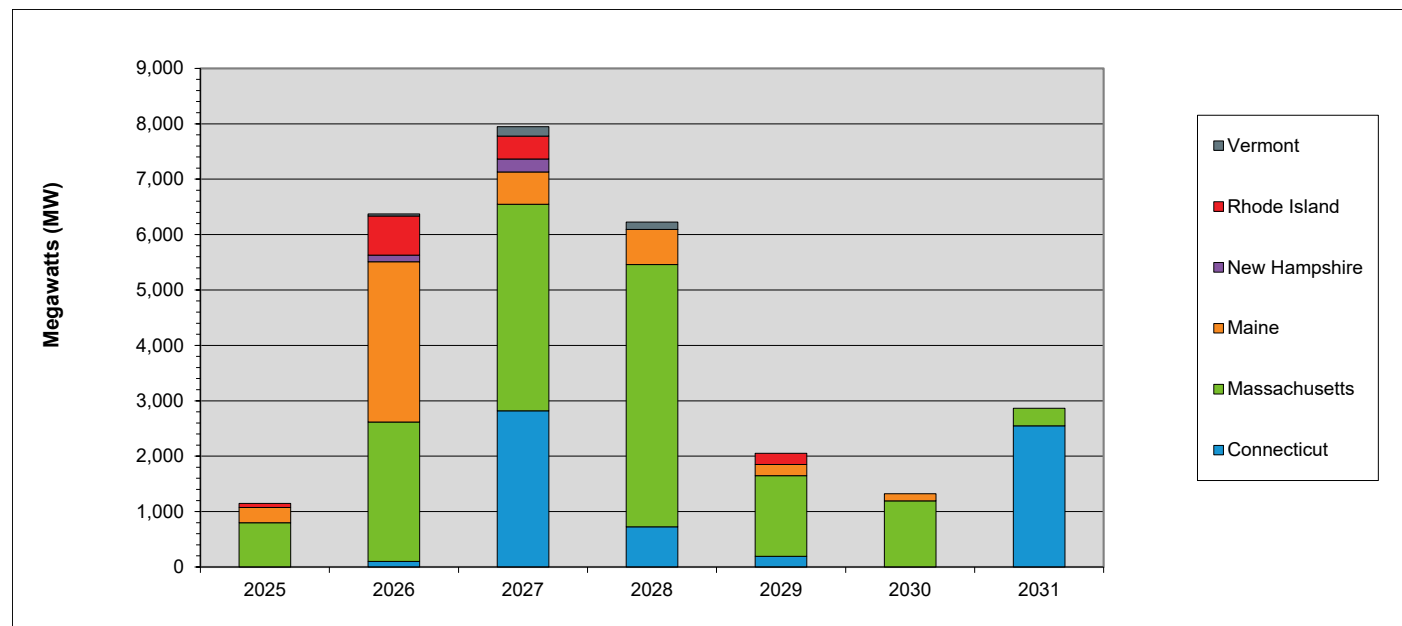
¹ Sum may not equal 100% due to rounding

² This category includes both solar-only, and co-located solar and battery projects

³ The projects in this category are dual fuel, with either gas or oil as the primary fuel

Chart is based on the dates listed in the interconnection queue and in many cases does not reflect accurately achievable dates for proposed projects

Projected Annual Generator Capacity Additions By State



	2025	2026	2027	2028	2029	2030	2031	Total MW	% of Total ¹
Vermont	0	38	171	135	0	0	0	344	1.2
Rhode Island	73	704	415	0	205	0	0	1,397	5.0
New Hampshire	0	122	231	1	0	0	0	354	1.3
Maine	274	2,892	585	632	202	129	0	4,714	16.9
Massachusetts	800	2,517	3,726	4,734	1,454	1,195	315	14,741	52.8
Connecticut	0	100	2,821	725	192	0	2,550	6,388	22.9
Totals	1,147	6,373	7,949	6,227	2,053	1,324	2,865	27,938	100.0

¹ Sum may not equal 100% due to rounding

Chart is based on the dates listed in the interconnection queue and in many cases does not reflect accurately achievable dates for proposed projects

New Generation Projection

By Fuel Type

Unit Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	0	0	0	0	0	0
Battery Storage	69	14,176	2	425	67	13,751
Fuel Cell	0	0	0	0	0	0
Hydro	0	0	0	0	0	0
Natural Gas	0	0	0	0	0	0
Natural Gas/Oil	1	73	0	0	1	73
Nuclear	0	0	0	0	0	0
Solar	32	2,519	4	76	28	2,443
Wind	22	14,770	3	877	19	13,893
Total	124	31,538	9	1,378	115	30,160

- Projects in the Natural Gas/Oil category may have either gas or oil as the primary fuel
- Green denotes projects with a high probability of going into service within the next 12 months
- Yellow denotes projects with a lower probability of going into service or new applications

New Generation Projection

By Operating Type

Operating Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Baseload	0	0	0	0	0	0
Intermediate	1	73	0	0	1	73
Peaker	101	16,695	6	501	95	16,194
Wind Turbine	22	14,770	3	877	19	13,893
Total	124	31,538	9	1,378	115	30,160

- Green denotes projects with a high probability of going into service within the next 12 months
- Yellow denotes projects with a lower probability of going into service or new applications

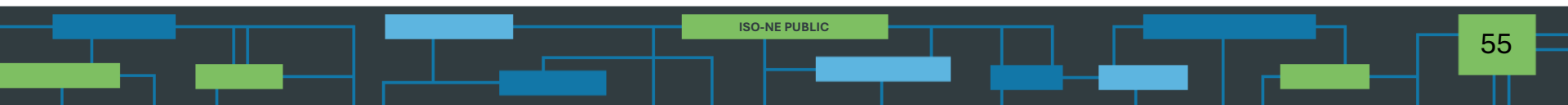
New Generation Projection

By Operating Type and Fuel Type

Unit Type	Total		Baseload		Intermediate		Peaker		Wind Turbine	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	0	0	0	0	0	0	0	0	0	0
Battery Storage	69	14,176	0	0	0	0	69	14,176	0	0
Fuel Cell	0	0	0	0	0	0	0	0	0	0
Hydro	0	0	0	0	0	0	0	0	0	0
Natural Gas	0	0	0	0	0	0	0	0	0	0
Natural Gas/Oil	1	73	0	0	1	73	0	0	0	0
Nuclear	0	0	0	0	0	0	0	0	0	0
Solar	32	2,519	0	0	0	0	32	2,519	0	0
Wind	22	14,770	0	0	0	0	0	0	22	14,770
Total	124	31,538	0	0	1	73	101	16,695	22	14,770

- Projects in the Natural Gas/Oil category may have either gas or oil as the primary fuel

FORWARD CAPACITY MARKET



Capacity Supply Obligation FCA 15

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	677.673	673.401	-4.272	579.692	-93.709	461.416	-118.276
	Passive Demand	3,212.865	3,211.403	-1.462	3,134.652	-76.751	3,113.332	-21.32
Demand Total		3,890.538	3,884.804	-5.734	3,714.344	-170.460	3,574.748	-139.596
Generator	Non-Intermittent	28,154.203	27,714.778	-439.425	27,081.653	-633.125	27,132.413	50.76
	Intermittent	1,089.265	1,073.794	-15.471	1,056.601	-17.193	865.694	-190.907
Generator Total		29,243.468	28,788.572	-454.896	28,138.254	-650.318	27,998.107	-140.147
Import Total		1,487.059	1297.132	-189.927	1,249.545	-47.587	1,193.583	-55.962
Grand Total*		34,621.065	33,970.508	-650.557	33,102.143	-868.365	32,766.438	-335.705
Net ICR (NICR)		33,270	31,775	-1,495	31,545	-230	31,380	-165

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2024-2028 CCP Month Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 16

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	765.35	589.882	-175.468	504.466	-85.416	437.780	-66.686
	Passive Demand	2,557.256	2,579.120	21.864	2,574.367	-4.753	2,568.703	-5.664
Demand Total		3,322.606	3,169.002	-153.604	3,078.833	-90.169	3,006.483	-72.350
Generator	Non-Intermittent	26,805.003	26,643.379	-161.624	26,503.730	-139.649	26,049.059	-454.671
	Intermittent	1,178.933	1,146.783	-32.15	989.265	-157.518	912.376	-76.889
Generator Total		27,983.936	27,790.162	-193.774	27,492.995	-297.167	26,961.435	-531.560
Import Total		1,503.842	1,247.601	-256.241	1,244.601	-3.000	1,234.800	-9.801
Grand Total*		32,810.384	32,206.765	-603.619	31,816.429	-390.336	31,202.718	-613.711
Net ICR (NICR)		31,645	30,585	-1,060	30,775	190	30,300	-475

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2024-2028 CCP Month Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 17

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	622.854	584.913	-37.941	492.363	-92.550		
	Passive Demand	2,316.815	2,314.068	-2.747	2,314.705	0.637		
Demand Total		2,939.669	2,898.981	-40.688	2,807.068	-91.913		
Generator	Non-Intermittent	26,507.420	26,715.489	208.069	26,271.866	-443.623		
	Intermittent	1,356.084	1,286.589	-69.495	1,310.622	24.033		
Generator Total		27,863.504	28,002.078	138.574	27,582.488	-419.59		
Import Total		566.998	564.079	-2.919	636.310	72.231		
Grand Total*		31,370.171	31,465.138	94.967	31,025.866	-439.272		
Net ICR (NICR)		30,305	30,395	90	30,600	205		

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2024-2028 CCP Month Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 18

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	543.580	403.884	-139.696				
	Passive Demand	2,070.498	2,851.331	780.833				
Demand Total		2,614.078	3,255.215	641.137				
Generator	Non-Intermittent	27,026.635	25,822.288	-1,204.347				
	Intermittent	1,450.872	890.415	-560.457				
Generator Total		28,477.507	26,712.703	-1,764.804				
Import Total		464.835	1,234.800	769.965				
Grand Total*		31,556.420	31,202.718	-353.702				
Net ICR (NICR)		30,550.000	30,415.000	-135.000				

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

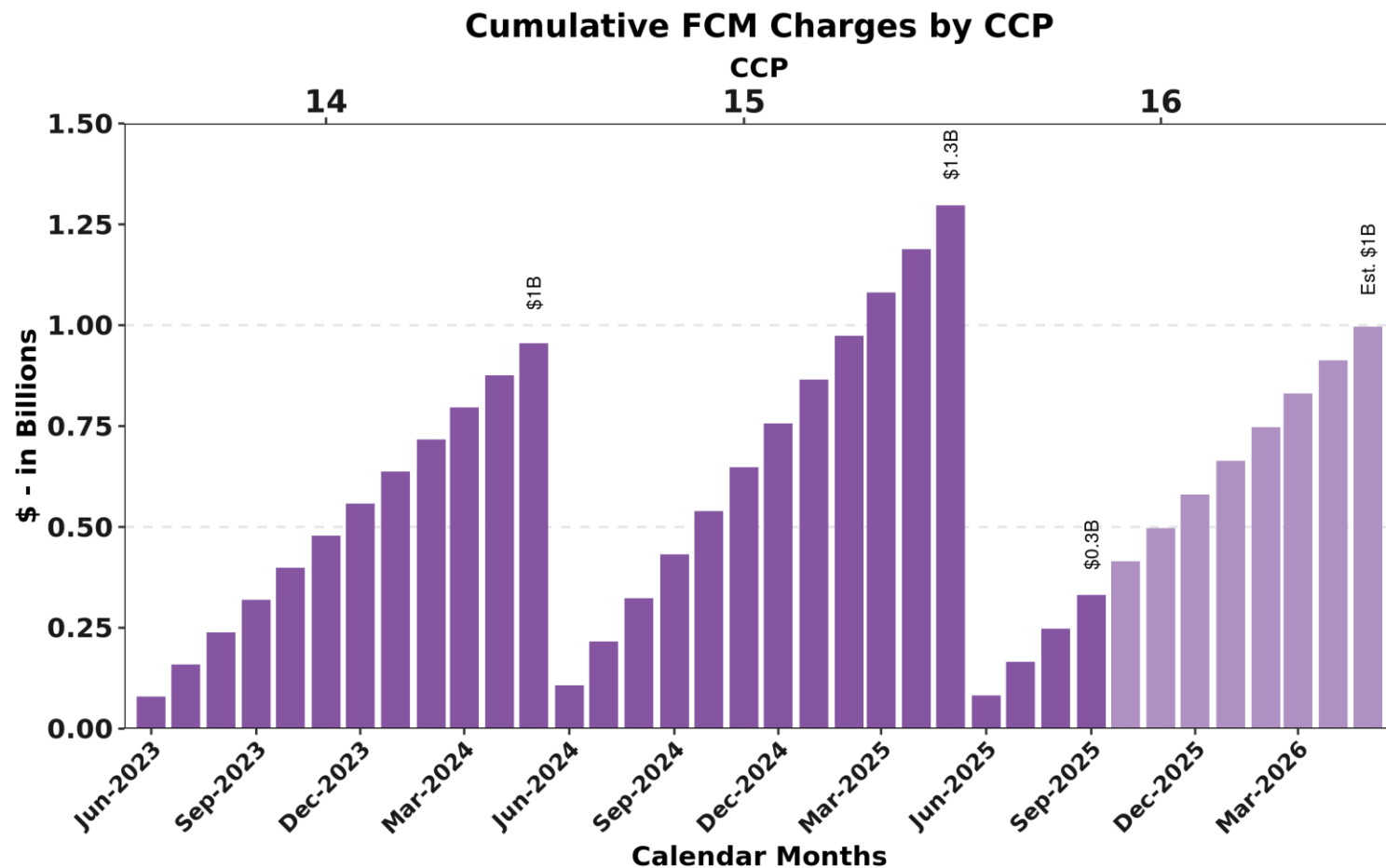
Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2024-2028 CCP Month Capacity Supply Obligation Changes report on the ISO New England website.

Active/Passive Demand Response

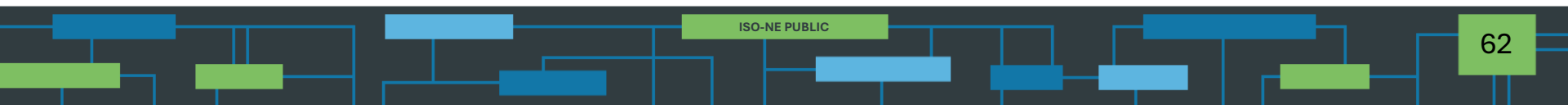
CSO Totals by Commitment Period

Commitment Period	Active/Passive	Existing	New	Grand Total
2021-22	Active	480.941	143.504	624.445
	Passive	2,604.79	370.568	2,975.36
	Grand Total	3,085.734	514.072	3,599.806
2022-23	Active	598.376	87.178	685.554
	Passive	2,788.33	566.363	3,354.69
	Grand Total	3,386.703	653.541	4,040.244
2023-24	Active	560.55	31.493	592.043
	Passive	3,035.51	291.565	3,327.07
	Grand Total	3,596.056	323.058	3,919.114
2024-25	Active	674.153	3.520	677.673
	Passive	3,046.064	166.801	3,212.865
	Grand Total	3,720.217	170.321	3,890.538
2025-26	Active	664.01	101.34	765.35
	Passive	2,428.638	128.618	2557.256
	Grand Total	3,092.648	229.958	3,322.606
2026-27	Active	615.369	7.485	622.854
	Passive	2,194.172	122.643	2,316.815
	Grand Total	2,809.541	130.128	2,939.669
2027-28	Active	543.58	0.0	543.58
	Passive	1,965.515	104.983	2070.498
	Grand Total	2,509.095	104.983	2,614.498

Forward Capacity Market Auctions

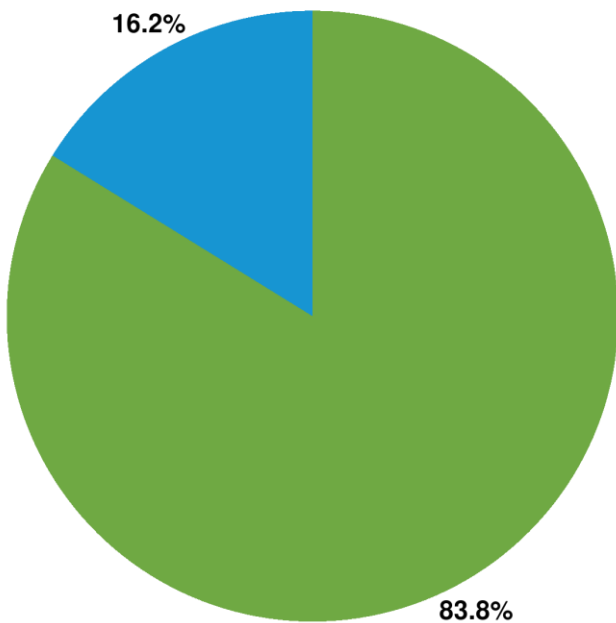


NET COMMITMENT PERIOD COMPENSATION



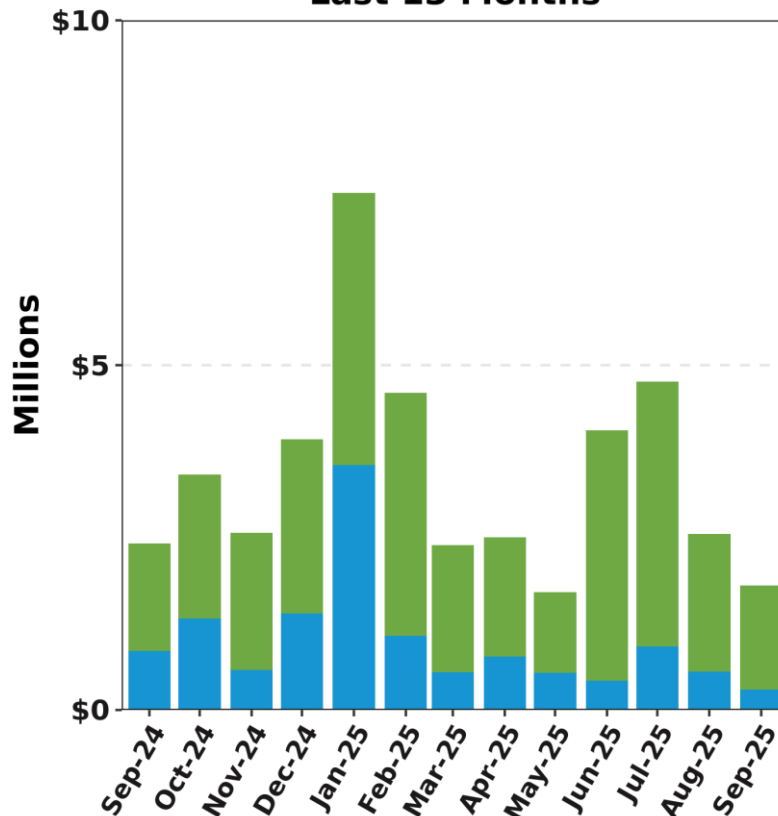
DA and RT NCPC Charges

Sep-25 Total = \$1.8 M



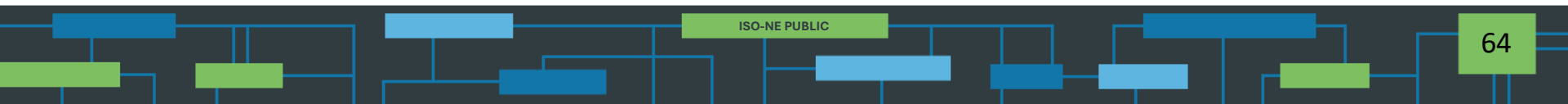
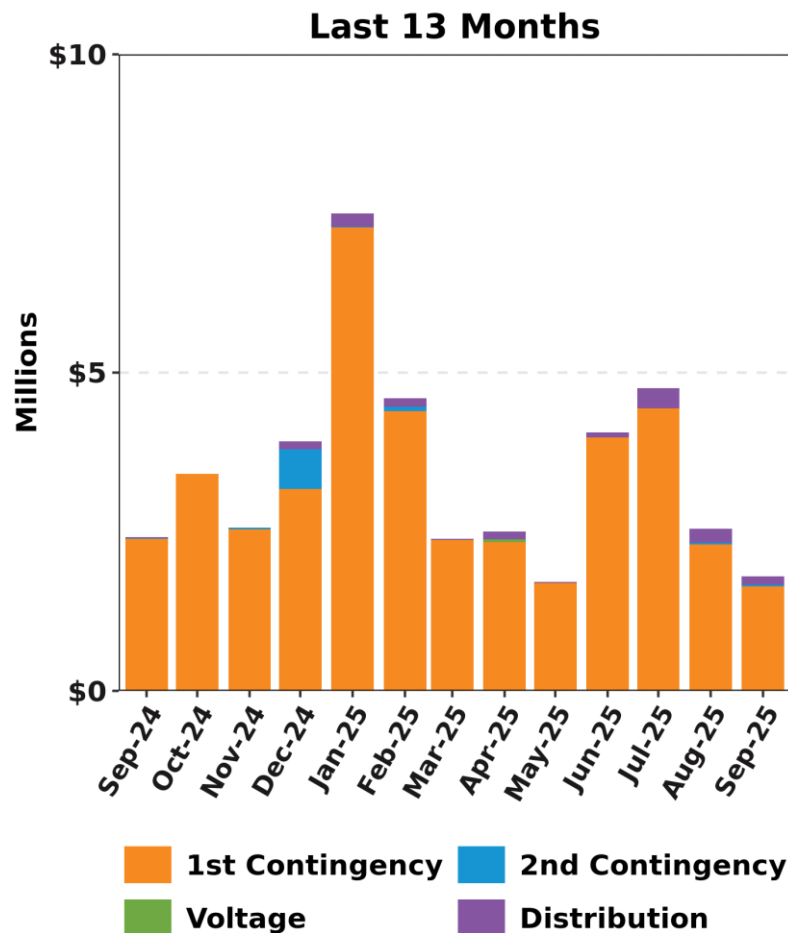
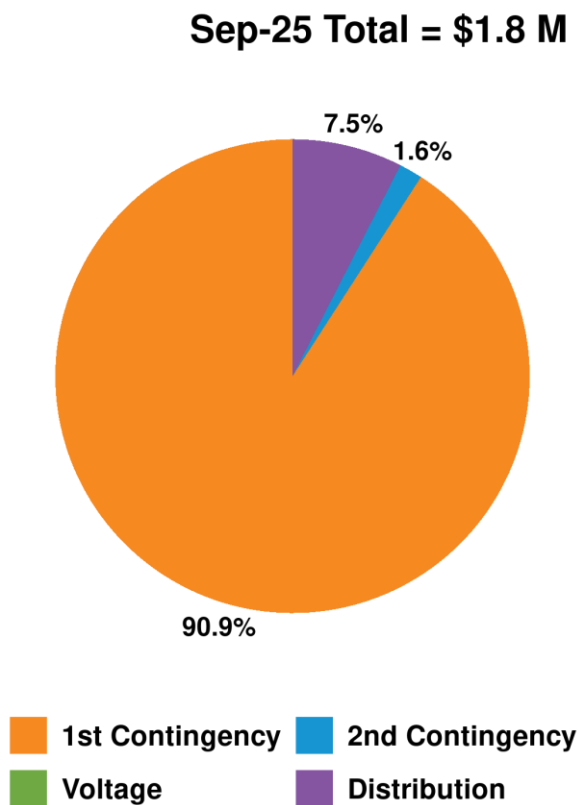
Day-Ahead Real-Time

Last 13 Months

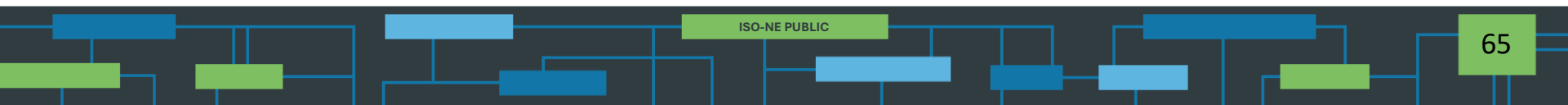
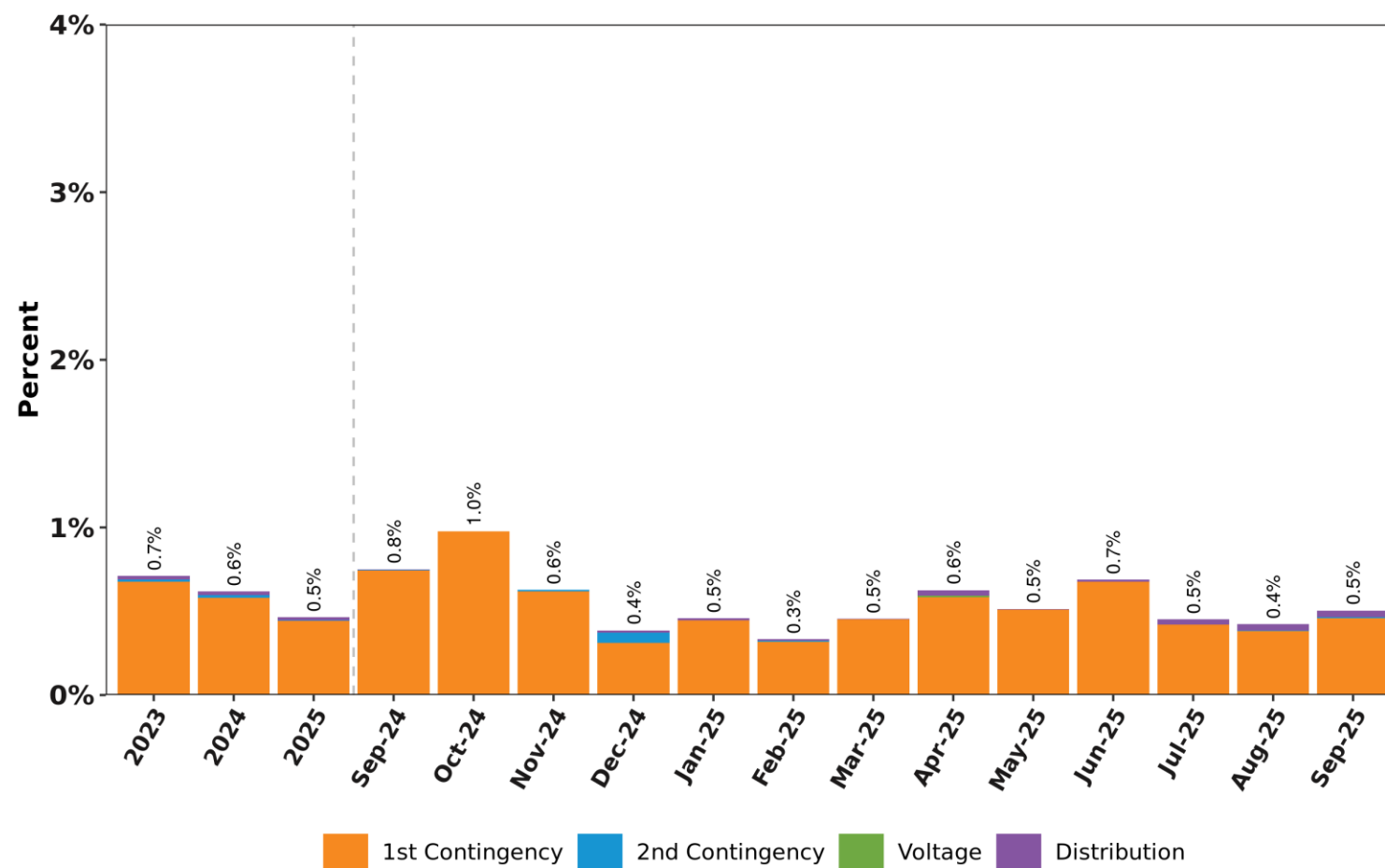


Day-Ahead Real-Time

NCPC Charges by Type

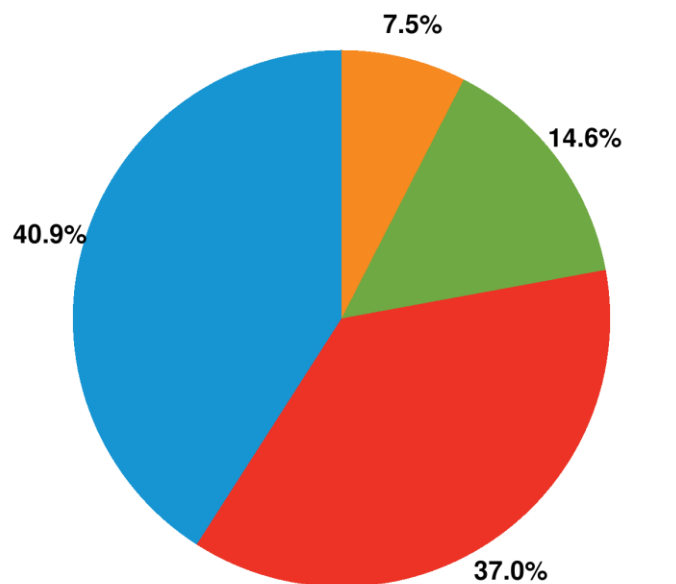


NCPC Charges by Type as Percent of Energy Market Value

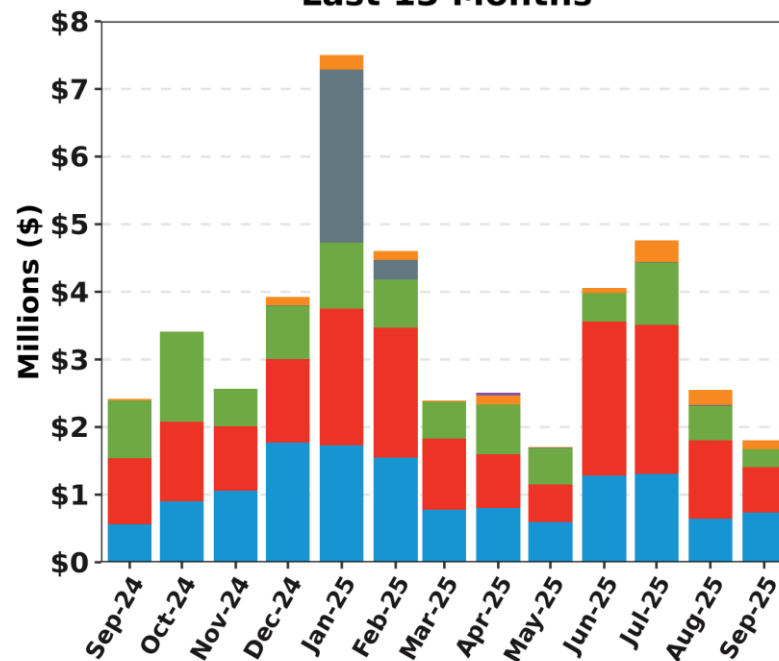


NCPC Charge Allocations

Sep-25 Total = \$1.8 M

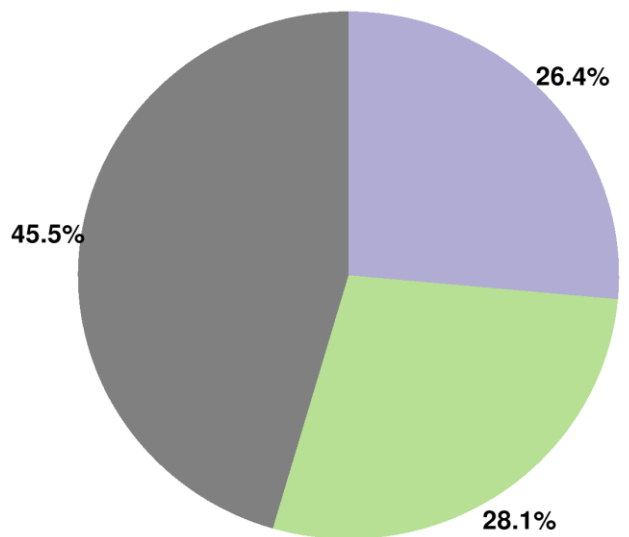


Last 13 Months



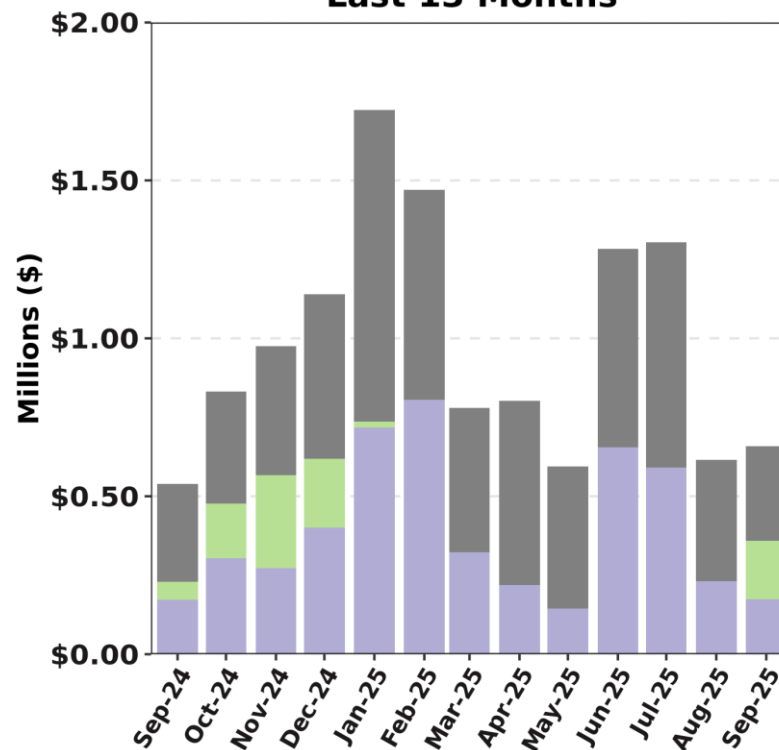
RT First Contingency NCPC Paid to Units and Allocated to RTLO and/or RTGO

Sep-25 Total = \$0.7 M



DLOC
 GPA
 RRP
 Postured Gen
 Min Gen

Last 13 Months

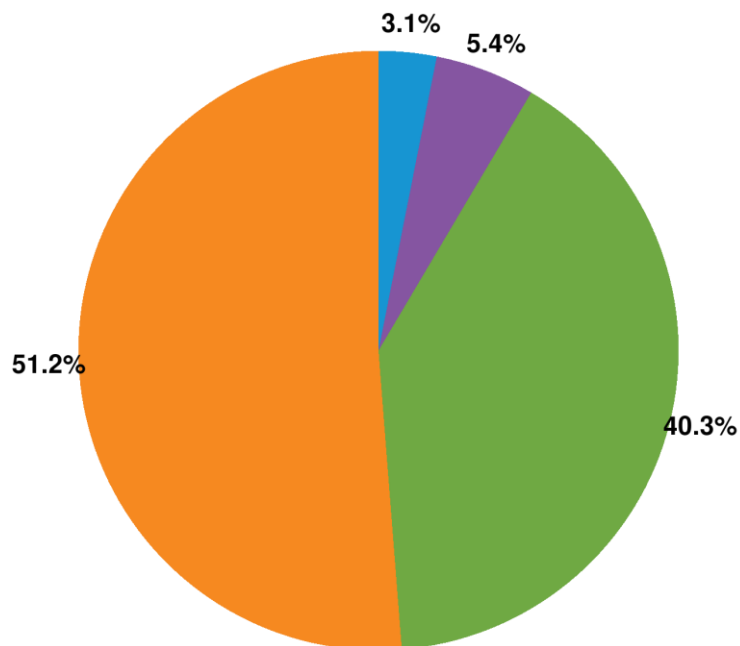


DLOC
 GPA
 RRP
 Postured Gen
 Min Gen

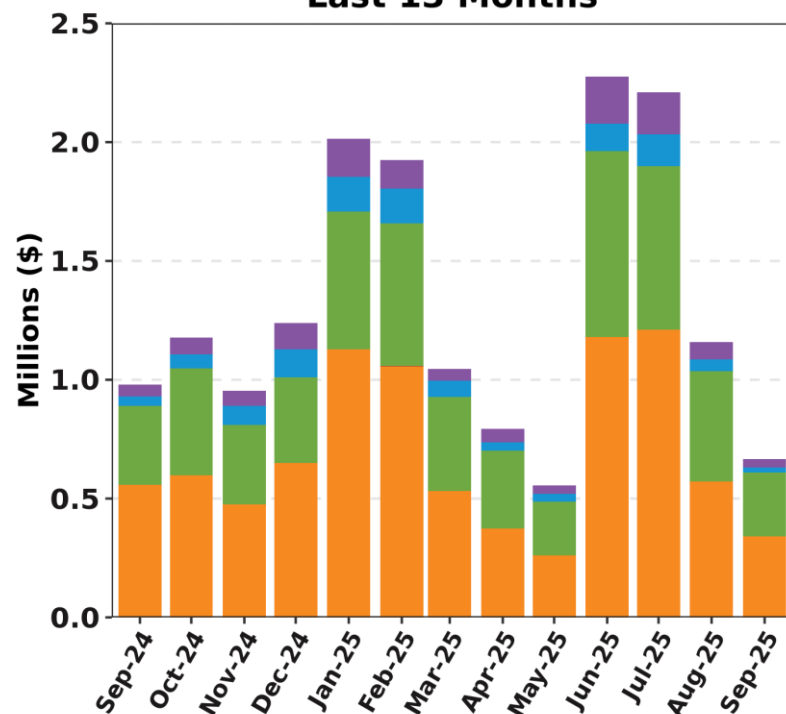
The categories shown above are a subset of those reflected in First Contingency NCPC throughout this report. The above categories are allocated to RTLO, except for Min Gen Emergency credits, which are allocated to RTGO.

RT First Contingency Charges by Deviation Type

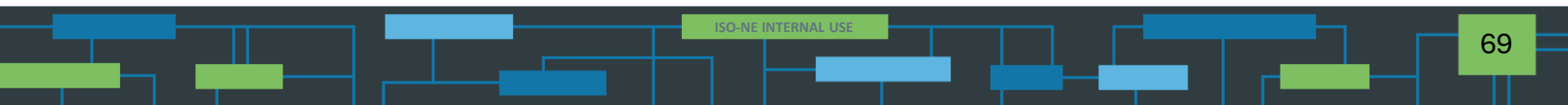
Sep-25 Total = \$0.7 M



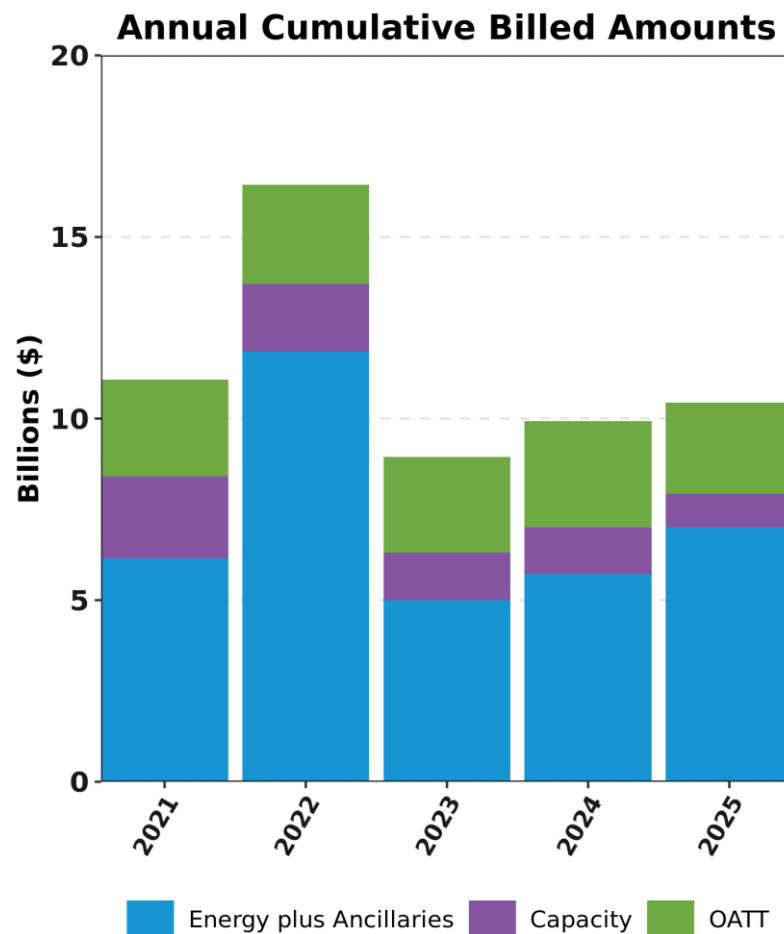
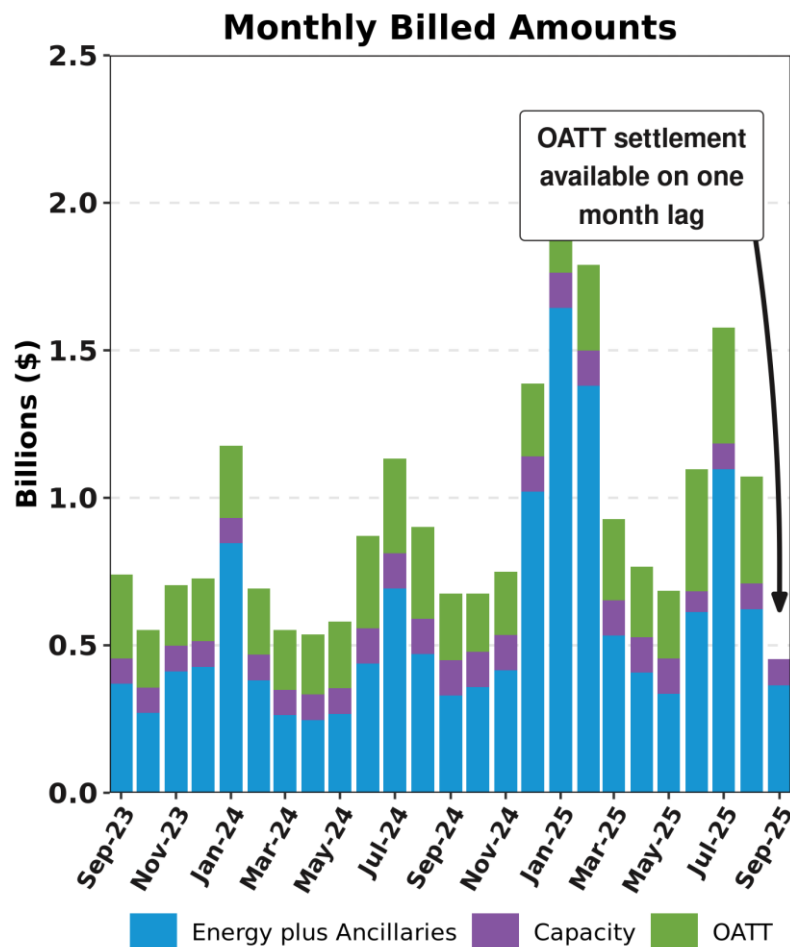
Last 13 Months



ISO BILLINGS

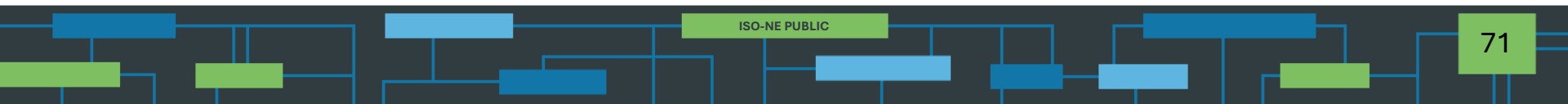


Total ISO Billings



Ancillaries = Reserves, Regulation, NCP, minus Marginal Loss Revenue Fund. OATT = RNS, Through and Out, Schedule 9

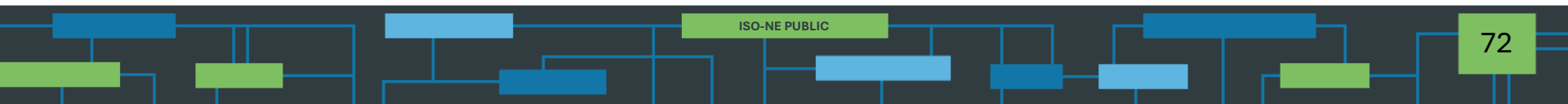
REGIONAL SYSTEM PLAN (RSP)



Planning Advisory Committee (PAC)

- October 23 PAC Meeting Agenda Topics*
 - Asset Condition Projects
 - Bridgewater #16 Substation Asset Condition Upgrades – Update (NGRID)
 - I-135/I-135N/J-136N ACR (NGRID)
 - 1670/1771 – Southington to Berlin Rebuild Asset Condition Project (Eversource)
 - Copperweld Shield Wire Asset Strategy (Eversource)
 - Interim Asset Condition Review
 - 2035 Daytime Minimum Load Needs Assessment – Scope of Work
 - RSP Project List and Asset Condition List – October 2025 Update

* Agenda topics are subject to change. Visit <https://www.iso-ne.com/committees/planning/planning-advisory> for the latest PAC agendas.



2025 Longer-Term Transmission Planning (LTP) RFP

- On 12/13/24, NESCOE provided its LTP RFP request describing the needs to be addressed by 2035:
 - Increase the Maine-New Hampshire interface capacity to at least 3,000 MW
 - Increase the Surowiec-South interface capacity to at least 3,200 MW
 - Develop new infrastructure (e.g., substation) at Pittsfield, Maine that can accommodate the interconnection of at least 1,200 MW (nameplate) of onshore wind**
- The ISO issued the RFP on 3/31/25, with proposals due by 9/30/25
- The ISO is evaluating all submissions and expects to provide a high-level summary of all Longer-Term Proposals to the PAC by 11/30/25

* Unless a bidder can demonstrate supply chain issues that warrant a later in-service date

** Bidders may propose alternate locations which would be more efficient and cost-effective

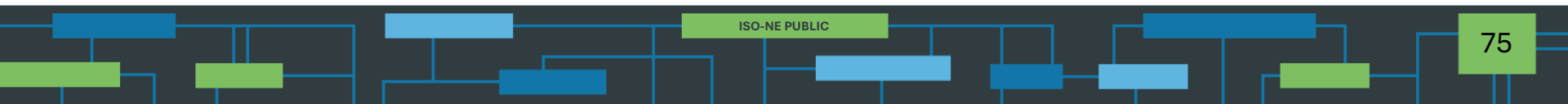
Economic Studies: 2024 Study

- 2024 Economic Study
 - This study is the first use of new Economic Study Process Tariff language
 - The study was initiated at the January 2024 PAC meeting and will be completed this year unless a Request for Proposal is triggered
 - Benchmark, Policy and Stakeholder-Requested Scenarios are complete and the report and factsheet were issued in September
 - There was also a public webinar in September
 - System Efficiency Needs Scenario is being analyzed between now and Q4 2025
 - Economic Study Phase 2 Tariff changes were accepted by FERC on 6/20/25, with an effective date of 6/23/25

RSP Project Stage Descriptions

Stage	Description
1	Planning and Preparation of Project Configuration
2	Pre-construction (e.g., material ordering, project scheduling)
3	Construction in Progress
4	In Service

Note: The listings in this section focus on major transmission line construction and rebuilding.



SEMA/RI Reliability Projects

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1714	Construct a new 115 kV GIS switching station (Grand Army) which includes remote terminal station work at Brayton Point and Somerset substations, and the looping in of the E-183E, F-184, X3, and W4 lines	Oct-20	4
1742	Conduct remote terminal station work at the Wampanoag and Pawtucket substations for the new Grand Army GIS switching station	Oct-20	4
1715	Install upgrades at Brayton Point substation which include a new 115 kV breaker, new 345/115 kV transformer, and upgrades to E183E, F184 station equipment	Oct-20	4
1716	Increase clearances on E-183E & F-184 lines between Brayton Point and Grand Army substations	Nov-19	4
1717	Separate the X3/W4 DCT and reconductor the X3 and W4 lines between Somerset and Grand Army substations; reconfigure Y2 and Z1 lines	Nov-19	4

SEMA/RI Reliability Projects, cont.

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1718	Add 115 kV circuit breaker at Robinson Ave substation and re-terminate the Q10 line	Mar-22	4
1719	Install 45.0 MVAR capacitor bank at Berry Street substation	Cancelled*	N/A
1720	Separate the N12/M13 DCT and reconductor the N12 and M13 between Somerset and Bell Rock substations	Mar-27	2
1721	Reconfigure Bell Rock to breaker-and-a-half station, split the M13 line at Bell Rock substation, and terminate 114 line at Bell Rock; install a new breaker in series with N12/D21 tie breaker, upgrade D21 line switch, and install a 37.5 MVAR capacitor	Aug-23	4
1722	Extend the Line 114 from the Dartmouth town line (Eversource-National Grid border) to Bell Rock substation	Dec-26	2
1723	Reconductor L14 and M13 lines from Bell Rock substation to Bates Tap	Cancelled*	N/A

*Cancelled per ISO-NE PAC presentation on August 27, 2020

SEMA/RI Reliability Projects, cont.

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1725	Build a new 115 kV line from Bourne to West Barnstable substations which includes associated terminal work	May-24	4
1726	Separate the 135/122 DCT from West Barnstable to Barnstable substations	Dec-21	4
1727	Retire the Barnstable SPS	Nov-21	4
1728	Build a new 115 kV line from Carver to Kingston substations and add a new Carver terminal	Aug-23	4
1729	Install a new bay position at Kingston substation to accommodate new 115 kV line	Aug-23	4
1730	Extend the 114 line from the Eversource/National Grid border to the Industrial Park Tap	Dec-26	2

SEMA/RI Reliability Projects, cont.

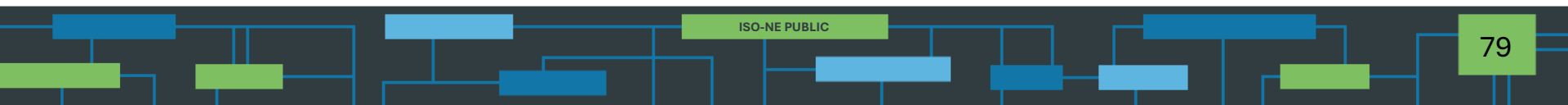
Status as of 9/29/2025

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1731	Install 35.3 MVAR capacitors at High Hill and Wing Lane substations	Dec-21	4
1732	Loop the 201-502 line into the Medway substation to form the 201-502N and 201-502S lines	Dec-25	3
1733	Separate the 325/344 DCT lines from West Medway to West Walpole substations	Cancelled**	N/A
1734	Reconductor and upgrade the 112 Line from the Tremont substation to the Industrial Tap	Jun-18	4
1736	Reconductor the 108 line from Bourne substation to Horse Pond Tap*	Oct-18	4
1737	Replace disconnect switches on 323 line at West Medway substation and replace 8 line structures	Aug-20	4

* Does not include the reconductoring work over the Cape Cod canal

** Cancelled per ISO-NE PAC presentation on August 27, 2020

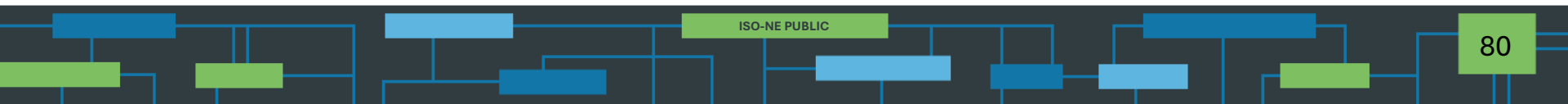


SEMA/RI Reliability Projects, cont.

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1741	Rebuild the Middleborough Gas and Electric portion of the E1 line from Bridgewater to Middleborough	Apr-19	4
1782	Reconductor the J16S line	May 22	4
1724	Replace the Kent County 345/115 kV transformer	Mar-22	4
1789	West Medway 345 kV circuit breaker upgrades	Apr-21	4
1790	Medway 115 kV circuit breaker replacements	Nov-20	4

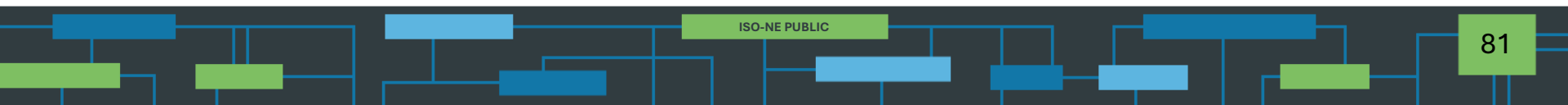


Upper Maine Solution Projects

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Upper Maine area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1882	Rebuild 21.7 miles of the existing 115 kV line Section 80 Highland-Coopers Mills 115 kV line	Aug-24	4
1883	Convert the Highland 115 kV substation to an eight breaker, breaker-and-a-half configuration with a bus connected 115/34.5 kV transformer	Jul-28	1
1884	Install a 15 MVAR capacitor at Belfast 115 kV substation	Jul-28	1
1885	Install a +50/-25 MVAR synchronous condenser at Highland 115 kV substation	Jul-28	1
1886	Install +50/-25 MVAR synchronous condenser at Boggy Brook 115 kV substation, and install a new 115 kV breaker to separate Line 67 from the proposed solution elements	Aug-25	4



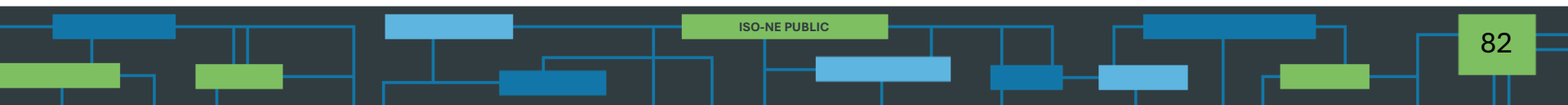
Upper Maine Solution Projects, cont.

Status as of 9/29/2025

Project Benefit: Addresses system needs in the Upper Maine area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1887	Install 25 MVAR reactor at Boggy Brook 115 kV substation	Nov-24	4
1888	Install 10 MVAR reactor at Keene Road 115 kV substation	Jul-24	4
1889	Install three remotely monitored and controlled switches to split the existing Orrington reactors between the two Orrington 345/115 kV autotransformers	Cancelled *	N/A
1914	Install a new 80 MVAR reactor, reconfigure the existing two reactors at the 345 kV Orrington substation	Jun-26	2

* Cancelled per the Upper Maine Solutions Study Addendum that was published on January 11, 2024

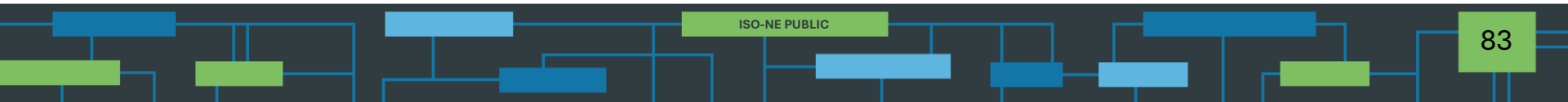


Boston 2033 Solutions Study

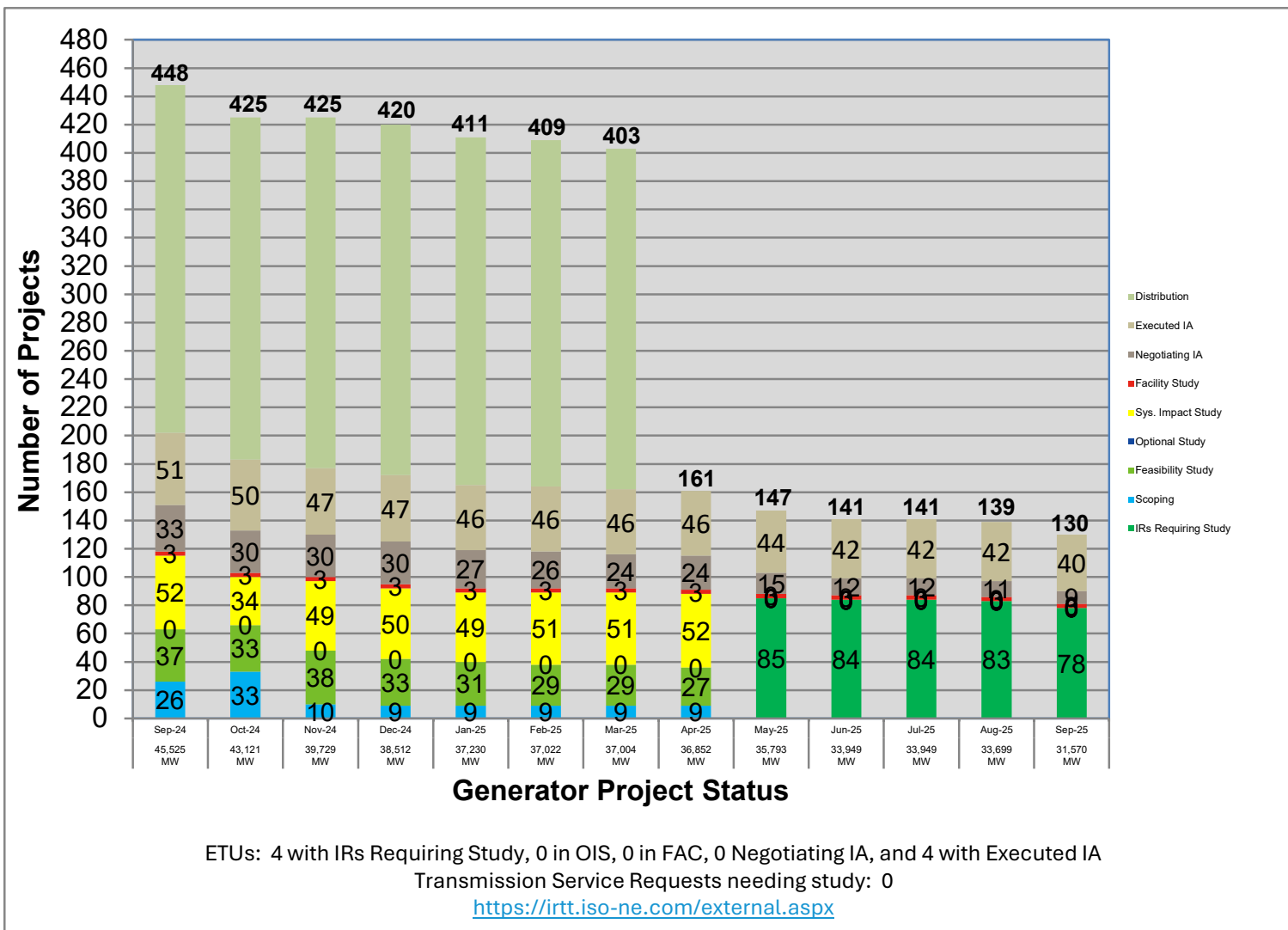
Status as of 9/29/2025

Project Benefit: Addresses system needs in the Boston area

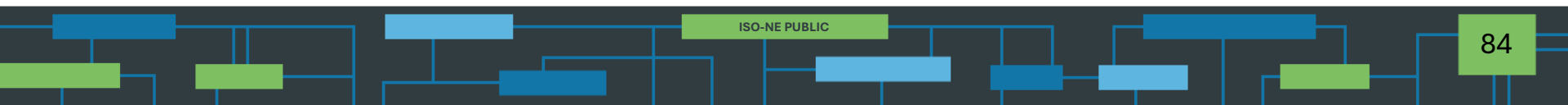
RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1933	Install one 80 MVAR shunt reactor at the 115 kV Electric Avenue Substation	Dec-28	1
1934	Protection systems modification associated with the Stoughton RAS at three 345 kV substations (Stoughton, West Walpole and Holbrook) and two 115 kV substations (Hyde Park and K-Street)	May-26	1



Status of Tariff Studies as of September 30, 2025

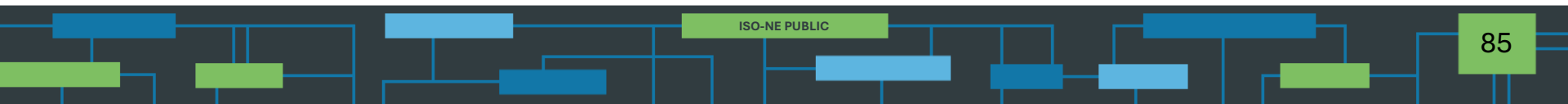


Note: As of April 2025, the ISO is no longer tracking Distribution Projects in its interconnection queue. Also, the values starting in May 2025 reflect that, as a result of the Order No. 2023 response from FERC, the ISO is no longer performing serial interconnection studies.



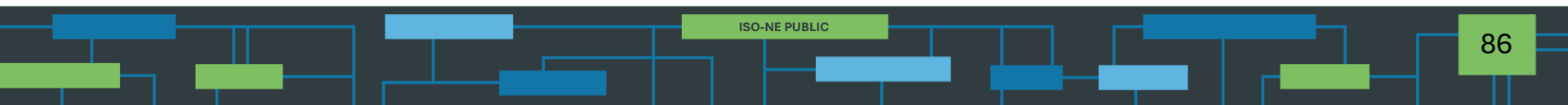
Note on Air Emissions Slides

- For more timely reporting and stakeholder convenience, the data and information included in this report on air emissions can now be found by visiting the ISO website, under System Planning > Plans and Studies > Environmental and Emissions Reports
 - <https://www.iso-ne.com/system-planning/system-plans-studies/emissions>
- Monthly and year-to-date emissions by fuel type are reported in the ISO Newswire article series, [Monthly Wholesale Electricity Prices and Demand in New England](#) (link can be found on the page above)



OPERABLE CAPACITY ANALYSIS

Fall 2025 Analysis



Fall 2025 Operable Capacity Analysis

50/50 Load Forecast (Reference)	Oct - 2025 ² CSO (MW)	Oct - 2025 ² SCC (MW)
Operable Capacity MW ¹	26,737	29,768
Active Demand Capacity Resource (+) ⁵	354	305
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	893	893
Non Commercial Capacity (+)	146	146
Non Gas-fired Planned Outage MW (-)	4,196	5,702
Gas Generator Outages MW (-)	3,512	3,845
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	17,622	18,765
Peak Load Forecast MW(adjusted for Other Demand Resources) ²	16,965	16,965
Operating Reserve Requirement MW	2,125	2,125
Operable Capacity Required (NET LOAD OBLIGATION MW)	19,090	19,090
Operable Capacity Margin	-1,468	-325

¹Operable Capacity is based on data as of **September 30, 2025** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **September 30, 2025**.

² Load forecast that is based on the 2025 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **October 18, 2025**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Fall 2025 Operable Capacity Analysis

90/10 Load Forecast	Oct - 2025 ² CSO (MW)	Oct - 2025 ² SCC (MW)
Operable Capacity MW ¹	26,737	29,768
Active Demand Capacity Resource (+) ⁵	354	305
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	893	893
Non Commercial Capacity (+)	146	146
Non Gas-fired Planned Outage MW (-)	4,196	5,702
Gas Generator Outages MW (-)	3,512	3,845
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	17,622	18,765
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	17,870	17,870
Operating Reserve Requirement MW	2,125	2,125
Operable Capacity Required (NET LOAD OBLIGATION MW)	19,995	19,995
Operable Capacity Margin	-2,373	1,230

¹Operable Capacity is based on data as of **September 30, 2025** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **September 30, 2025**.

² Load forecast that is based on the 2025 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **October 18, 2025**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Fall 2025 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

September 30, 2025 - 50-50 FORECAST using CSO MW

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week in October and November.

Report created: 9/30/2025

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 50- 50PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 50- 50PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
10/18/2025	26737	354	893	146	4196	3512	2800	0	17622	16965	2125	19090	-1468	Y	Fall 2025
10/25/2025	26737	354	893	146	3861	3565	2800	0	17904	15094	2125	17219	685	N	Fall 2025
11/1/2025	26436	340	1198	189	2090	2200	3600	0	20273	17256	2125	19381	892	N	Fall 2025
11/8/2025	26436	340	1198	189	1238	1912	3600	0	21413	17567	2125	19692	1721	N	Fall 2025
11/15/2025	26436	340	1198	189	1118	2079	3600	0	21366	18233	2125	20358	1008	N	Fall 2025
11/22/2025	26436	340	1198	189	567	1572	3600	0	22424	18883	2125	21008	1416	N	Fall 2025

Column Definitions

- CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
- CSO Demand Resource Capacity MW:** Demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
- External Node Capacity MW:** Sum of external Capacity Supply Obligations (CSO) imports and exports.
- Non-Commercial capacity MW:** New resources and generator improvements that have acquired a CSO but have not become commercial.
- CSO Non Gas-Only Generator Planned Outages MW:** All Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
- CSO Gas-Only Generator Planned Outages MW:** All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
- Unplanned Outage Allowance MW:** Forced Outages and Maintenance Outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
- CSO Generation at Risk Due to Gas Supply Mw:** Gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
- CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- Peak Load Forecast MW:** Provided in the annual 2025 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- Operating Reserve Requirement MW:** 120% of first largest contingency plus 50% of the second largest contingency.
- CSO Net Required Capacity MW:** (Net Load Obligation) (10+11=12)
- CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
- Operable Capacity Season Label:** Applicable season and year.
- Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.

Fall 2025 Operable Capacity Analysis

90/10 Forecast

ISO-NE OPERABLE CAPACITY ANALYSIS

September 30, 2025 - 90/10 FORECAST using CSO MW

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week in October and November.

Report created: 9/30/2025

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 90- 10PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 90- 10PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
10/18/2025	26737	354	893	146	4196	3512	2800	0	17622	17870	2125	19995	-2373	Y	Fall 2025
10/25/2025	26737	354	893	146	1753	3583	2800	0	19994	18066	2125	20191	-197	N	Fall 2025
11/1/2025	26436	340	1198	189	2090	2200	3600	0	20273	18176	2125	20301	-28	N	Fall 2025
11/8/2025	26436	340	1198	189	1238	1912	3600	0	21413	18504	2125	20629	784	N	Fall 2025
11/15/2025	26436	340	1198	189	1118	2079	3600	0	21366	19205	2125	21330	36	N	Fall 2025
11/22/2025	26436	340	1198	189	574	1025	3600	1551	21413	19890	2125	22015	-602	N	Fall 2025

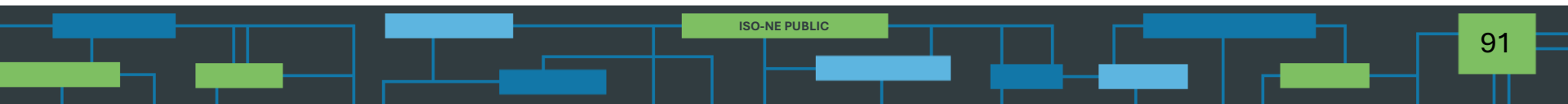
Column Definitions

- CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
- CSO Demand Resource Capacity MW:** Demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
- External Node Capacity MW:** Sum of external Capacity Supply Obligations (CSO) imports and exports.
- Non-Commercial capacity MW:** New resources and generator improvements that have acquired a CSO but have not become commercial.
- CSO Non Gas-Only Generator Planned Outages MW:** All Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.Outages.
- CSO Gas-Only Generator Planned Outages MW:** All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
- Unplanned Outage Allowance MW:** Forced Outages and Maintenance Outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
- CSO Generation at Risk Due to Gas Supply Mw:** Gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
- CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- Peak Load Forecast MW:** Provided in the annual 2025 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- Operating Reserve Requirement MW:** 120% of first largest contingency plus 50% of the second largest contingency.
- CSO Net Required Capacity MW:** (Net Load Obligation) (10+11=12)
- CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
- Operable Capacity Season Label:** Applicable season and year.
- Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.

*Highlighted week is based on the week determined by the 50/50 Load Forecast Reference week

OPERABLE CAPACITY ANALYSIS

Preliminary Winter 2025/26 Analysis



Preliminary Winter 2025/26 Operable Capacity Analysis

50/50 Load Forecast (Reference)	Jan - 2026 ² CSO (MW)	Jan - 2026 ² SCC (MW)
Operable Capacity MW ¹	26,390	29,766
Active Demand Capacity Resource (+) ⁵	403	305
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,235	1,235
Non Commercial Capacity (+)	568	568
Non Gas-fired Planned Outage MW (-)	43	1,171
Gas Generator Outages MW (-)	0	33
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	3,583	3,936
Net Capacity (NET OPCAP SUPPLY MW)	22,170	23,934
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	20,056	20,056
Operating Reserve Requirement MW	2,125	2,125
Operable Capacity Required (NET LOAD OBLIGATION MW)	22,181	22,181
Operable Capacity Margin	-11	1,753

¹Operable Capacity is based on data as of **September 30, 2025** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **September 30, 2025**.

² Load forecast that is based on the 2025 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **January 10, 2026**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Preliminary Winter 2025/26 Operable Capacity Analysis

90/10 Load Forecast	Jan - 2026 ² CSO (MW)	Jan - 2026 ² SCC (MW)
Operable Capacity MW ¹	26,390	29,766
Active Demand Capacity Resource (+) ⁵	403	305
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,235	1,235
Non Commercial Capacity (+)	568	568
Non Gas-fired Planned Outage MW (-)	43	1,171
Gas Generator Outages MW (-)	0	33
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	4,331	4,795
Net Capacity (NET OPCAP SUPPLY MW)	21,422	23,075
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	21,125	21,125
Operating Reserve Requirement MW	2,125	2,125
Operable Capacity Required (NET LOAD OBLIGATION MW)	23,250	23,250
Operable Capacity Margin	-1,828	-175

¹ Operable Capacity is based on data as of **September 30, 2025** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **September 30, 2025**.

² Load forecast that is based on the 2025 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **January 10, 2026**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Preliminary Winter 2025/26 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

September 30, 2025 - 50-50 FORECAST using CSO MW

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week in December through March.

Report created: 9/30/2025

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 50- 50PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 50- 50PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
11/29/2025	26390	403	1235	568	590	1053	3200	562	23191	19063	2125	21188	2003	N	Winter 2025/2026
12/6/2025	26390	403	1235	568	76	608	3200	1760	22952	19324	2125	21449	1503	N	Winter 2025/2026
12/13/2025	26390	403	1235	568	51	0	3200	2745	22600	19334	2125	21459	1141	N	Winter 2025/2026
12/20/2025	26390	403	1235	568	41	0	3200	3134	22221	19390	2125	21515	706	N	Winter 2025/2026
12/27/2025	26390	403	1235	568	41	0	3200	3733	21622	19390	2125	21515	107	N	Winter 2025/2026
1/3/2026	26390	403	1235	568	22	0	2800	3728	22046	19637	2125	21762	284	N	Winter 2025/2026
1/10/2026	26390	403	1235	568	43	0	2800	3583	22170	20056	2125	22181	-11	Y	Winter 2025/2026
1/17/2026	26390	403	1235	568	116	0	2800	3134	22546	20056	2125	22181	365	N	Winter 2025/2026
1/24/2026	26390	403	1235	568	31	0	2800	2835	22930	20056	2125	22181	749	N	Winter 2025/2026
1/31/2026	26390	403	1235	568	5	0	3100	2536	22955	19855	2125	21980	975	N	Winter 2025/2026
2/7/2026	26390	403	1235	568	20	0	3100	2237	23239	19615	2125	21740	1499	N	Winter 2025/2026
2/14/2026	26390	403	1235	568	20	0	3100	1788	23688	19589	2125	21714	1974	N	Winter 2025/2026
2/21/2026	26390	403	1235	568	38	0	3100	1489	23969	19352	2125	21477	2492	N	Winter 2025/2026
2/28/2026	26390	403	1235	568	174	334	2200	80	25808	18461	2125	20586	5222	N	Winter 2025/2026
3/7/2026	26390	403	1235	568	174	579	2200	0	25643	18147	2125	20272	5371	N	Winter 2025/2026
3/14/2026	26390	403	1235	568	135	1024	2200	0	25237	17970	2125	20095	5142	N	Winter 2025/2026
3/21/2026	26390	403	1235	568	186	760	2200	0	25450	17641	2125	19766	5684	N	Winter 2025/2026
3/28/2026	26233	404	1235	568	213	1168	2700	0	24359	17132	2125	19257	5102	N	Winter 2025/2026

Column Definitions

- CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
- CSO Demand Resource Capacity MW:** Demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
- External Node Capacity MW:** Sum of external Capacity Supply Obligations (CSO) imports and exports.
- Non-Commercial capacity MW:** New resources and generator improvements that have acquired a CSO but have not become commercial.
- CSO Non Gas-Only Generator Planned Outages MW:** All Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
- CSO Gas-Only Generator Planned Outages MW:** All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
- Unplanned Outage Allowance MW:** Forced Outages and Maintenance Outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
- CSO Generation at Risk Due to Gas Supply MW:** Gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
- CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- Peak Load Forecast MW:** Provided in the annual 2025 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- Operating Reserve Requirement MW:** 120% of first largest contingency plus 50% of the second largest contingency.
- CSO Net Required Capacity MW:** (Net Load Obligation) (10-11=12)
- CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
- Operable Capacity Season Label:** Applicable season and year.
- Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.

Preliminary Winter 2025/26 Operable Capacity Analysis

90/10 Forecast

ISO-NE OPERABLE CAPACITY ANALYSIS

September 30, 2025 - 90/10 FORECAST using CSO MW

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week in December through March.

Report created: 9/30/2025

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 90- 10PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 90- 10PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
11/29/2025	26390	403	1235	568	590	1053	3200	1739	22014	20080	2125	22205	-191	N	Winter 2025/2026
12/6/2025	26390	403	1235	568	76	608	3200	2747	21965	20354	2125	22479	-514	N	Winter 2025/2026
12/13/2025	26390	403	1235	568	51	0	3200	3864	21481	20365	2125	22490	-1009	N	Winter 2025/2026
12/20/2025	26390	403	1235	568	41	0	3200	4280	21075	20424	2125	22549	-1474	N	Winter 2025/2026
12/27/2025	26390	403	1235	568	41	0	3200	4408	20947	20424	2125	22549	-1602	N	Winter 2025/2026
1/3/2026	26390	403	1235	568	22	0	2800	4539	21235	20684	2125	22809	-1574	N	Winter 2025/2026
1/10/2026	26390	403	1235	568	43	0	2800	4331	21422	21125	2125	23250	-1828	Y	Winter 2025/2026
1/17/2026	26390	403	1235	568	116	0	2800	4032	21648	21125	2125	23250	-1602	N	Winter 2025/2026
1/24/2026	26390	403	1235	568	31	0	2800	4032	21733	21125	2125	23250	-1517	N	Winter 2025/2026
1/31/2026	26390	403	1235	568	5	0	3100	3583	21908	20914	2125	23039	-1131	N	Winter 2025/2026
2/7/2026	26390	403	1235	568	20	0	3100	3284	22192	20661	2125	22786	-594	N	Winter 2025/2026
2/14/2026	26390	403	1235	568	20	0	3100	2686	22790	20633	2125	22758	32	N	Winter 2025/2026
2/21/2026	26390	403	1235	568	38	0	3100	2237	23221	20384	2125	22509	712	N	Winter 2025/2026
2/28/2026	26390	403	1235	568	174	334	2200	977	24911	19446	2125	21571	3340	N	Winter 2025/2026
3/7/2026	26390	403	1235	568	174	334	2200	872	25016	19114	2125	21239	3777	N	Winter 2025/2026
3/14/2026	26390	403	1235	568	135	1024	2200	0	25237	18928	2125	21053	4184	N	Winter 2025/2026
3/21/2026	26390	403	1235	568	186	760	2200	0	25450	18582	2125	20707	4743	N	Winter 2025/2026
3/28/2026	26233	404	1235	568	213	1168	2700	0	24359	18045	2125	20170	4189	N	Winter 2025/2026

Column Definitions

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- Operable Capacity Season Label:** Applicable season and year.
- Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.

*Highlighted week is based on the week determined by the 50/50 Load Forecast Reference week

Possible Relief Under OP4: Appendix A

OP 4 Action Number	Page 1 of 2 Action Description	Amount Assumed Obtainable Under OP 4 (MW)
1	Implement Power Caution and advise Resources with a CSO to prepare to provide capacity and notify “Settlement Only” generators with a CSO to monitor reserve pricing to meet those obligations. Begin to allow the depletion of 30-minute reserve.	0 ¹ 600
2	Declare Energy Emergency Alert (EEA) Level 1 ⁴	0
3	Voluntary Load Curtailment of Market Participants’ facilities.	40 ²
4	Implement Power Watch	0
5	Schedule Emergency Energy Transactions and arrange to purchase Control Area-to-Control Area Emergency	1,000
6	Voltage Reduction requiring > 10 minutes	125 ³

NOTES:

1. Based on Summer Ratings. Assumes 25% of total MW Settlement Only resources <5 MW will be available and respond.
2. The actual load relief obtained is highly dependent on circumstances surrounding the appeals, including timing and the amount of advanced notice that can be given.
3. The MW values are based on a 25,000 MW system load and verified by the most recent voltage reduction test.
4. EEA Levels are described in Attachment 1 to NERC Reliability Standard EOP-011 - Emergency Operations

Possible Relief Under OP4: Appendix A

OP 4 Action Number	Page 2 of 2 Action Description	Amount Assumed Obtainable Under OP 4 (MW)
7	Request generating resources not subject to a Capacity Supply Obligation to voluntary provide energy for reliability purposes	0
8	5% Voltage Reduction requiring 10 minutes or less	250 ³
9	Transmission Customer Generation Not Contractually Available to Market Participants during a Capacity Deficiency. Voluntary Load Curtailment by Large Industrial and Commercial Customers.	5 200 ²
10	Radio and TV Appeals for Voluntary Load Curtailment Implement Power Warning	200 ²
11	Request State Governors to Reinforce Power Warning Appeals.	100 ²
Total		2,520

NOTES:

1. Based on Summer Ratings. Assumes 25% of total MW Settlement Only resources <5 MW will be available and respond.
2. The actual load relief obtained is highly dependent on circumstances surrounding the appeals, including timing and the amount of advanced notice that can be given.
3. The MW values are based on a 25,000 MW system load and verified by the most recent voltage reduction test.
4. EEA Levels are described in Attachment 1 to NERC Reliability Standard EOP-011 - Emergency Operations

4.b

COO Report – 2026 Annual Work Plan



SEPTEMBER 25, 2025

ISO New England's Draft 2026 Annual Work Plan (AWP)



*For Discussion at the October 9, 2025,
NEPOOL Participants Committee Meeting*

Vamsi Chadalavada

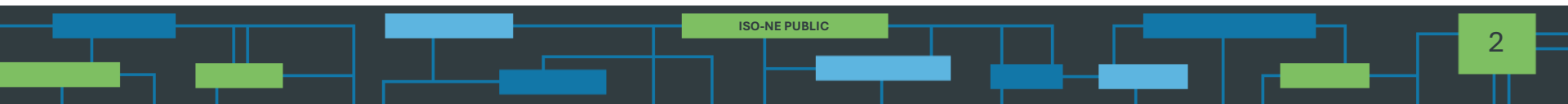
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER



2026 Objectives and Highlights



- **Anchor Projects and Related Core Implementations** are the highest priority initiatives across the ISO for securing and advancing a reliable, cost-effective electric power system through innovation and collaboration
 - **Capacity Auction Reforms:** Restructuring capacity auction timing and capacity market accreditation methodologies to ensure resource adequacy, reliability, and cost-effectiveness in step with updated conditions facing the power system's resource mix
 - **Asset Condition Reviewer:** Supporting state/stakeholder request for the development of a robust process for additional, independent review of Transmission Owners' asset condition project proposals for refurbishing aging transmission facilities
 - **Longer-Term Transmission Planning Implementations and Compliance:** Completing the first LTTP competitive solicitation to meet state clean-energy goals and continuing compliance with FERC Order No. 1920
 - **Dynamic Operating Reserves:** Assessing dynamically-determined quantities of reserves to address operational uncertainties resulting from continued growth in PV, intermittent resources, and variability in real-time net load
 - **IT Implementation of Major Initiatives:** Developing the software and systems needed to implement FERC Order No. 2222, Order No. 881, and the nGEM real-time market clearing engine that is foundational to supporting an exponentially complex system
- **Notable Initiatives** target modernization, advance efficiency, and help manage risks across markets, planning, operations, and software structures

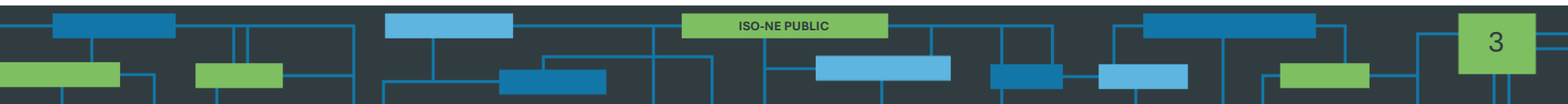


Regional Focus on Anchors Is Essential

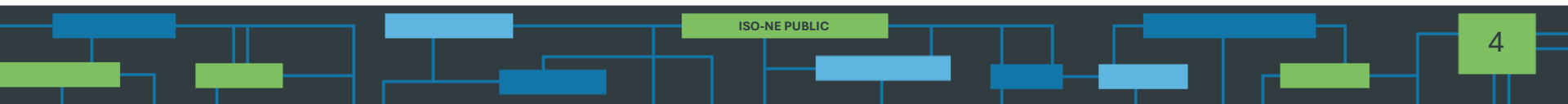
The ISO strives to support regional reliability and policy goals in a coordinated manner



- Anchors and implementations will utilize the majority of ISO resources in 2026 and beyond due to their breadth
 - Upfront agreement on priority work, including NEPOOL and state priorities, are intended to keep listed projects and schedules on track
 - Increased or expanded stakeholder requests, regional policy interests, and new issues can affect project schedules of planned efforts
 - Unknown timing and topics of Federal Energy Regulatory Commission (FERC) actions (orders, notices of proposed rulemaking) and policy directives can shift priorities
- Note that the AWP identifies key initiatives and not the full ISO workload; the ISO's annual budget incorporates the full volume of ISO work and resourcing, including initiatives in the AWP as well as:
 - Work on smaller projects or projects nearing completion
 - Work to implement projects already through design, stakeholder, and regulatory phases
 - Work representing the ISO's extensive day-to-day operations related to running the grid, markets, IT infrastructure, and its organization



ANCHOR PROJECTS



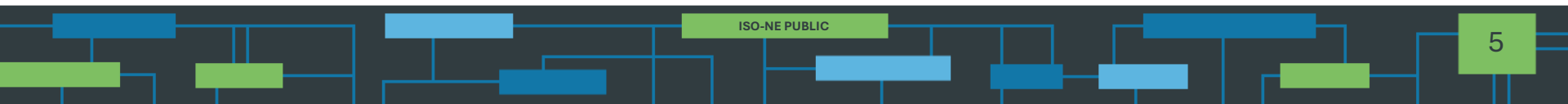
Multi-Functional Anchor Project

Restructuring capacity auction timing and accreditation methods



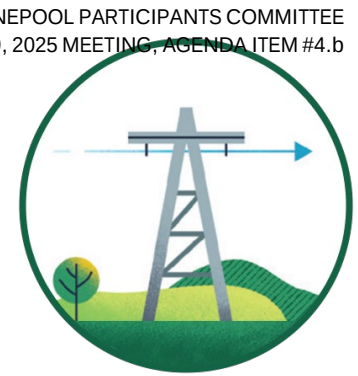
- **Capacity Auction Reforms (CAR)**

- CAR consists of dozens of interconnected markets- and system planning-related initiatives, which could normally be their own anchor projects or notable initiatives, that must be planned and coordinated in a synchronized manner
- Stakeholder discussions on CAR's two remaining core reforms are expected to continue through 2026 and be filed with FERC in Q4 (see [slide 47](#) for the 2026 stakeholder process schedule)
 - **Seasonal Auctions:** Transitions the capacity auction from procuring capacity annually to procuring capacity for seasons to address the distinct reliability challenges of winter/summer
 - **Accreditation Reforms:** Reshapes the capacity market accreditation methodologies to more accurately reflect current and developing resource capabilities and how those capabilities contribute to resource adequacy
- Implementation work will continue until the ISO runs the new capacity auction for a CCP that begins in 2028 (CCP 19)
 - As with the current capacity market, the ISO anticipates future refinements and conforming changes will be needed to reach a steady state design; in 2027, the ISO will begin working on its next stage of longer-term CAR roadmap items for further enhancements



Planning Anchor Projects

Transmission planning implementations and compliance



- **Advancing [Asset Condition Reviewer](#) Role, a NEPOOL and NESCOE Priority Request for the 2026 AWP**

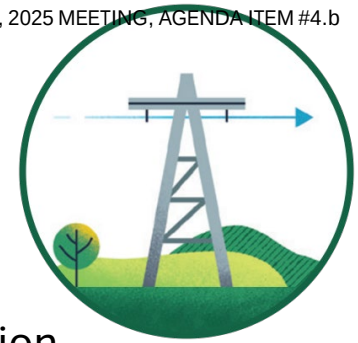
- Transmission Owners (TOs) have been proposing a growing number of asset condition projects (ACPs) to refurbish deteriorating transmission facilities
- Historically, the ISO has had limited involvement in the TOs' ACP proposals and is supportive of state and stakeholder requests for the development of a robust process for additional, independent review of ACP proposals
- Following preliminary discussions with state and TO representatives regarding ACP oversight, the ISO has committed to take on an advisory role as an Asset Condition Reviewer (ACR), as discussed with stakeholders at the June Participants Committee (PC) meeting
- The ISO provided an [introductory presentation](#) at the September 2025 Participants Committee meeting; the ISO then expects to bring a framework proposal to stakeholders for additional discussion and feedback in Q1 2026 and have the permanent ACR role in place by end of 2026
- In parallel in 2025-2026, the ISO plans to use a consultant to begin reviewing some ACP proposals in an interim phase and facilitate stakeholder review and discussion of the consultant's feedback

Planning Anchor Projects, cont'd

Transmission planning implementations and compliance



- **Implementing the New England States' First Competitive Solicitation for LTTP Solution ([2025 LTTP RFP](#))**
 - On December 13, 2024, the New England states submitted a request for a competitively-selected transmission solution to address their future, clean energy needs in connection with the [2050 Transmission Study](#)
 - The 2025 study is the first Longer-Term Transmission Study requested by the states under the region's innovative new [Longer-Term Transmission Planning \(LTTP\)](#) framework
 - On March 31, 2025, the ISO issued the first LTTP RFP
 - The deadline for Qualified Transmission Project Sponsors to submit a proposal in response to the RFP is September 30, 2025
 - After its evaluation of the proposals, the ISO is targeting identification of a preferred solution as early as September 2026
 - Upon completing, reviewing, and adjusting for any lessons learned from the 2025 cycle, the LTTP process could then proceed with a subsequent cycle, which would seek stakeholder input



Planning Anchor Projects, cont'd

Transmission planning implementations and compliance

- **FERC Order No. 1920, 1920-A, 1920-B Compliance**
 - On February 10, 2025, FERC accepted the ISO's two-year extension request, with regional and interregional compliance now due June 2027, for a 2029 effective date
 - The ISO requested the extension so that it could implement and gain experience from conducting the first LTTP RFP and other high priority initiatives
 - While New England's new LTTP framework accepted by FERC in July 2024 went far in complying with the order, notable differences must be addressed
 - Stakeholder discussions on compliance are targeted to begin in Q3 2026
 - **Further Inclusion of Grid Enhancing Technologies (GETs) Into Transmission Planning, a NEPOOL and NESCOE Priority request from the 2025 AWP:** On June 18, 2025, the ISO held a Planning Advisory Committee day-long technical session for exploring the latest GETs advancements and opportunities; Order No. 1920 compliance work is expected to include discussion of a process for further including GETs into transmission planning assessments
 - **Transmission Sizing for the Clean Energy Transition, a NEPOOL and NESCOE Priority request from the 2025 AWP:** The Asset Condition Reviewer role is anticipated to inform the sizing discussions; Order No. 1920 compliance work is expected to include discussion of a process for when to consider future-sizing as a way to address long term needs

Markets Anchor Project

Addressing operational uncertainty through markets

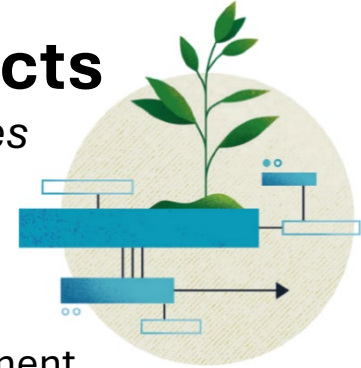


- **Dynamic Operating Reserves for a Changing System**

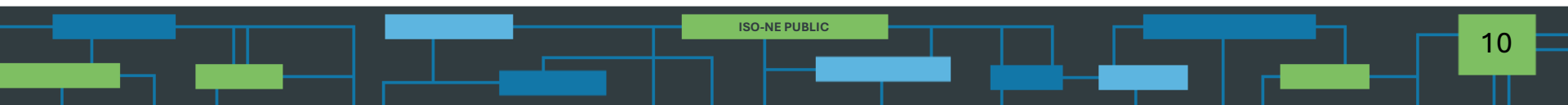
- The ISO has identified the system's continued need for flexible response capabilities to address operational uncertainties resulting from the region's continued growth in PV and wind intermittent power resources, and the increasing variability in the system's real-time net load (see the March 2025 [ISO memorandum](#) to the NEPOOL Markets Committee)
- In 2025-2026, the ISO is assessing and commencing development of dynamic, operating reserve demand curves for incremental quantities of existing real-time reserve products (10- and 30-minute reserves), in amounts that vary during the operating day based on the system's near-term potential ramping needs
- Additionally, the ISO is evaluating a potential new longer-response reserve product (60- or 90-minute), possibly with dynamically-determined demand quantities, to address operational uncertainties (unanticipated supply and demand changes) during the operating day
- The ISO expects to provide an update to stakeholders on its continued assessment in Q1 2026; stakeholder discussions are targeted to begin in Q4 2026

Technology Anchor/Implementation Projects

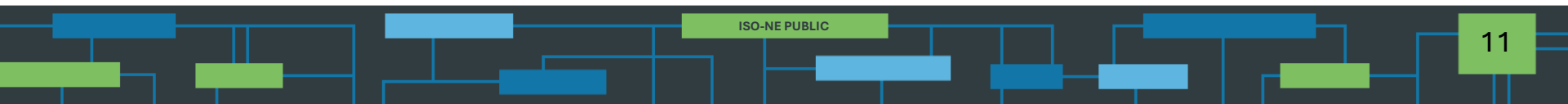
IT development and implementation of market and reliability initiatives to manage an exponentially complex future grid



- **nGEM Real-Time Market Clearing Engine**
 - The ISO has been working to replace its 20+ year old Market Management System (MMS) with the next Generation Electricity Management (nGEM) platform, foundational to supporting a system with a growing number/type of grid assets, new and more complex market features, multiplying security threats, and advancing IT technologies
 - Implementation of the real-time MCE software and infrastructure is targeted for Q2 2026; additional phases of nGEM implementation are expected through 2028
- **Order No. 2222: Participation of DER Aggregations in Wholesale Markets**
 - The ISO is developing the software and systems changes needed to implement the order compliance in Q4 2026; see [participant training](#) and [readiness](#) resources
- **Order No. 881: Ambient Adjusted Line Ratings for Transmission Lines**
 - The ISO is developing the software and systems changes needed to implement the order compliance in Q4 2026, see [participant training and readiness](#) resources



NOTABLE INITIATIVES



Notable Operations Initiative

Identifying energy shortfall risks from extreme weather events as grid supply and demand trends change, in time to address those risks



- **First Run of Formalized [PEAT/REST](#) Processes**

- The ISO is committed to continuously assessing the probability of limited-energy shortfall risk under extreme weather events using the Probabilistic Energy Adequacy Tool (PEAT), comparing the modeled tail risk to the Regional Energy Shortfall Threshold (REST), and reporting its findings
- By the end of 2025, the ISO, in discussion with stakeholders, expects to finalize changes to [OP-21](#) that memorialize the definition of the REST and establish the timing/methods by which the PEAT/REST processes will be run each year; the ISO also plans to conduct an initial winter season assessment and report results in Q4
- Beginning in 2026, the ISO will operationalize the annual processes:
 - **Seasonal Energy Assessments:** Each year, the ISO will report to stakeholders pre-summer and pre-winter results
 - **Long-Term (5- and 10-year) Energy Assessments:** Each year, the ISO will develop baseline input assumptions and scenario sensitivities with stakeholders in Q1 and report results in Q4
- Proactive risk-to-action pipeline: Risk-trend data from the Long-Term Energy Assessments will guide evaluation of whether the possibility of exceeding the REST in those timeframes requires development of regional solutions to mitigate modeled risks and, if so, when to begin to develop solutions; these efforts would be signaled in future AWP

Notable Planning Initiatives

Generator interconnection implementations and enhancements

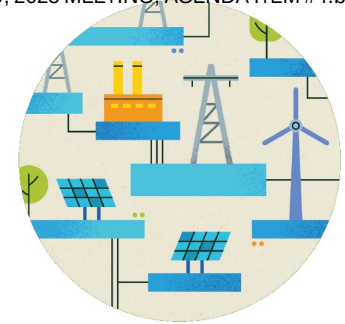


- **FERC Order No. 2023 Implementation**

- In compliance with the FERC’s Final Rule, the Transitional Capacity Network Resource Group Study commenced in April 2025 and will conclude in November 2025
- The Transitional Serial Interconnection Facilities Studies (TSIFS) begins in October 2025, with the study report expected in January 2026 (if one or more projects requested participation in the TSIFS)
- The Transitional Cluster Study also begins in October 2025, with the interim report to be issued in June 2026, and the final report in August 2026
 - ISO held a Transitional Cluster Study forum on August 27, 2025, to clarify the purpose of the TCS Agreement, outline all required components of a fully executed agreement, and explain the data submission process; see all Order No. 2023 [participant training and readiness resources](#)
- The Cluster Request Window for the first (regular) Cluster Study will open in October 2026, which will kick off the rest of the Cluster Study Process

Notable Planning Initiatives, cont'd

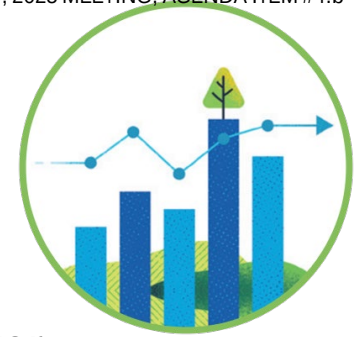
Generator interconnection implementations and enhancements



- **Evaluating Surplus Interconnection Service Rules, a NEPOOL Priority Request for the 2026 AWP**
 - The Open Access Transmission Tariff includes surplus rules that permit new resources to interconnect to the system at the same site as an existing generator, using the existing resource's Unused Capability through assigned Interconnection Service and a streamlined Interconnection Study process; however, limited use has been made of these rules by participants
 - In Q1 2026, the ISO plans to kickoff a stakeholder discussion to identify the objectives, issues, and scenarios driving stakeholders' inquiries around existing and future access and use of assigned Interconnection Service rules
 - The ISO will then conduct a gap analysis of the use cases against the existing interconnection rules to determine the scope of potential solutions, which it will discuss with stakeholders along with the associated timing for any stakeholder and regulatory processes, as well as an implementation schedule for proposed solutions

Notable Markets Initiatives

Improving market signals and incentives for a reliable future grid

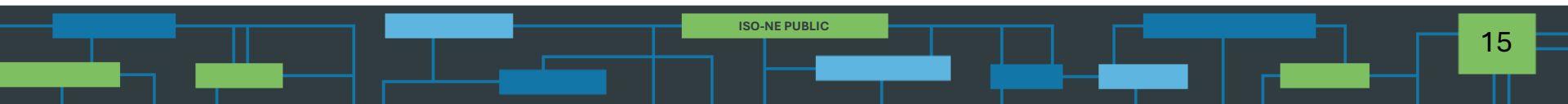


- **Pay-for-Performance Revisions**

- The PFP rules [implemented in 2018](#) have led to improved generator performance during capacity scarcity conditions; however, some targeted changes may be necessary, such as those that could result from the New England Power Generators Association (NEPGA) 2025 FERC filing on recent outcomes in the Forward Capacity Market
 - The ISO may assess and discuss with stakeholders possible cost-allocation-related revisions to the Stop-Loss Mechanism and Balancing Ratio, depending on FERC action on NEPGA's filing

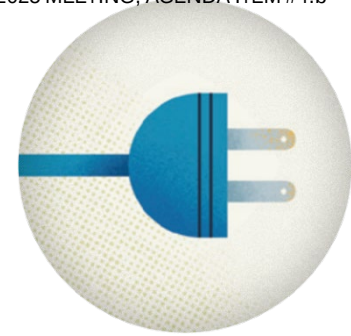
- **Day-Ahead Ancillary Services Assessment**

- The ISO plans to continue assessing and reporting competitiveness and performance, including reporting in Q1/Q2 2026 (after a full year of the [market's implementation](#)) on findings and any potential recommendations for enhancements

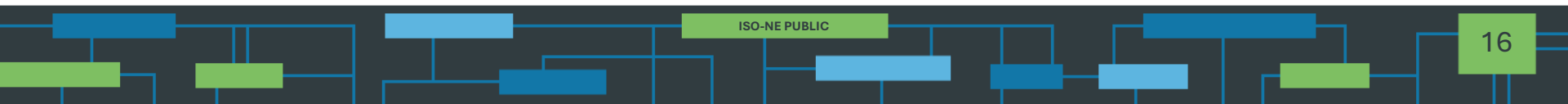


Notable Technology & Security Initiatives

Implementing sophisticated technologies and security applications to support the clean-energy transition and mitigate risks

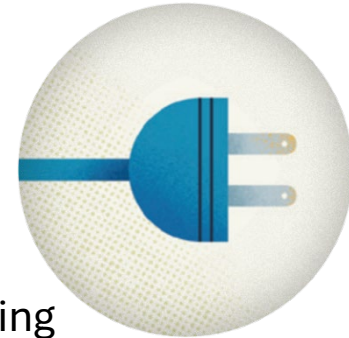


- **Inverter-Based Resource (IBR) Integration & Modeling:** In 2026, the ISO will continue the multi-year efforts in developing long-term solutions for an electromagnetic transient (EMT) model management process and model repository; the ISO will also apply advanced EMT simulation techniques in more operations studies to assist establishing operating limits
- **Synchrophasor Enhancements for Future Grid:** By Q4 2026, the ISO expects to implement the enhanced synchrophasor infrastructure in the CIP production environment to enable its operational use and better monitor the dynamic performance of IBRs and DERs during grid events in real-time, including the oscillation management tools/process and newly designed PMU situational awareness displays in the control room; the ISO will also enhance the post-event analysis capabilities through a new state-of-the-art cloud-hosted synchrophasor application
- **Integrated Market Simulator (IMS):** In 2026, the ISO expects to introduce rolling time window and new reserve modeling capability into the IMS, implement and benchmark the energy storage model with production system, and start deploying IMS in a cloud environment

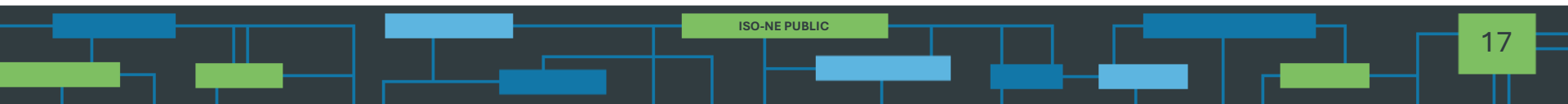


Notable Technology & Security Initiatives, cont'd

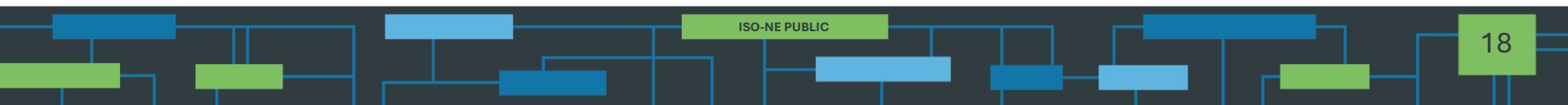
Implementing sophisticated technologies and security applications to support the clean-energy transition and mitigate risks



- **Cloud Computing:** The ISO's transition to a cloud environment continues to be a major effort over the next several years to minimize technology infrastructure maintenance costs, speed deployment of software, increase scalability and flexibility, and enable faster computing performance needed to reliably operate a modern system as resource data grows
- **Cyber Security:** The ISO has made significant cyber security investments to date and over the next several years will continue to invest in improved monitoring, detection, and recovery tools to keep pace with increasingly sophisticated attack threats
- **Artificial Intelligence:** AI has become a transformative technology, and the ISO is preparing for its proliferation; policies have been updated, governance processes are established, and multiple initiatives are underway providing experience to both business and IT teams

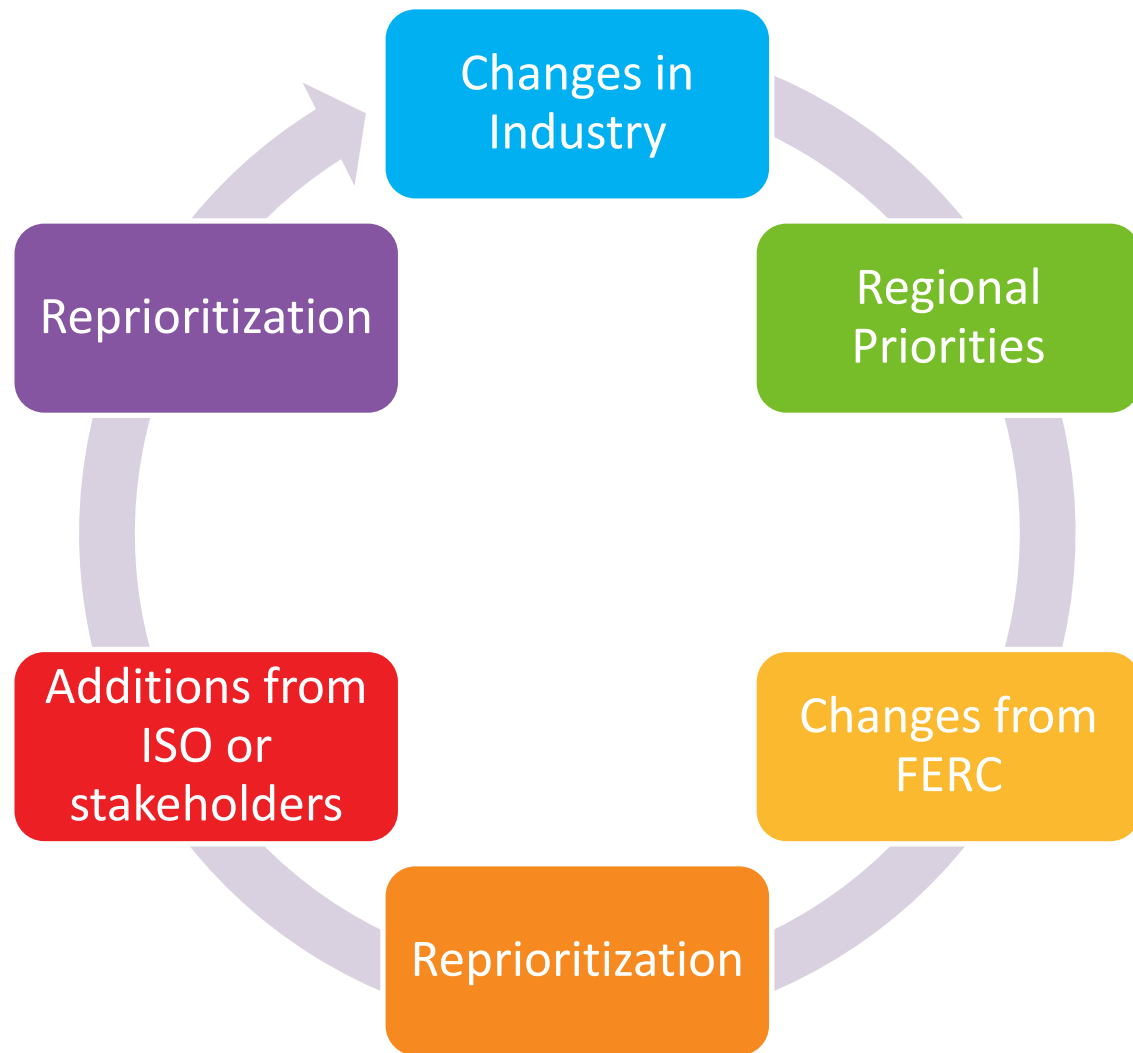


WORK PLAN PRIORITIZATION

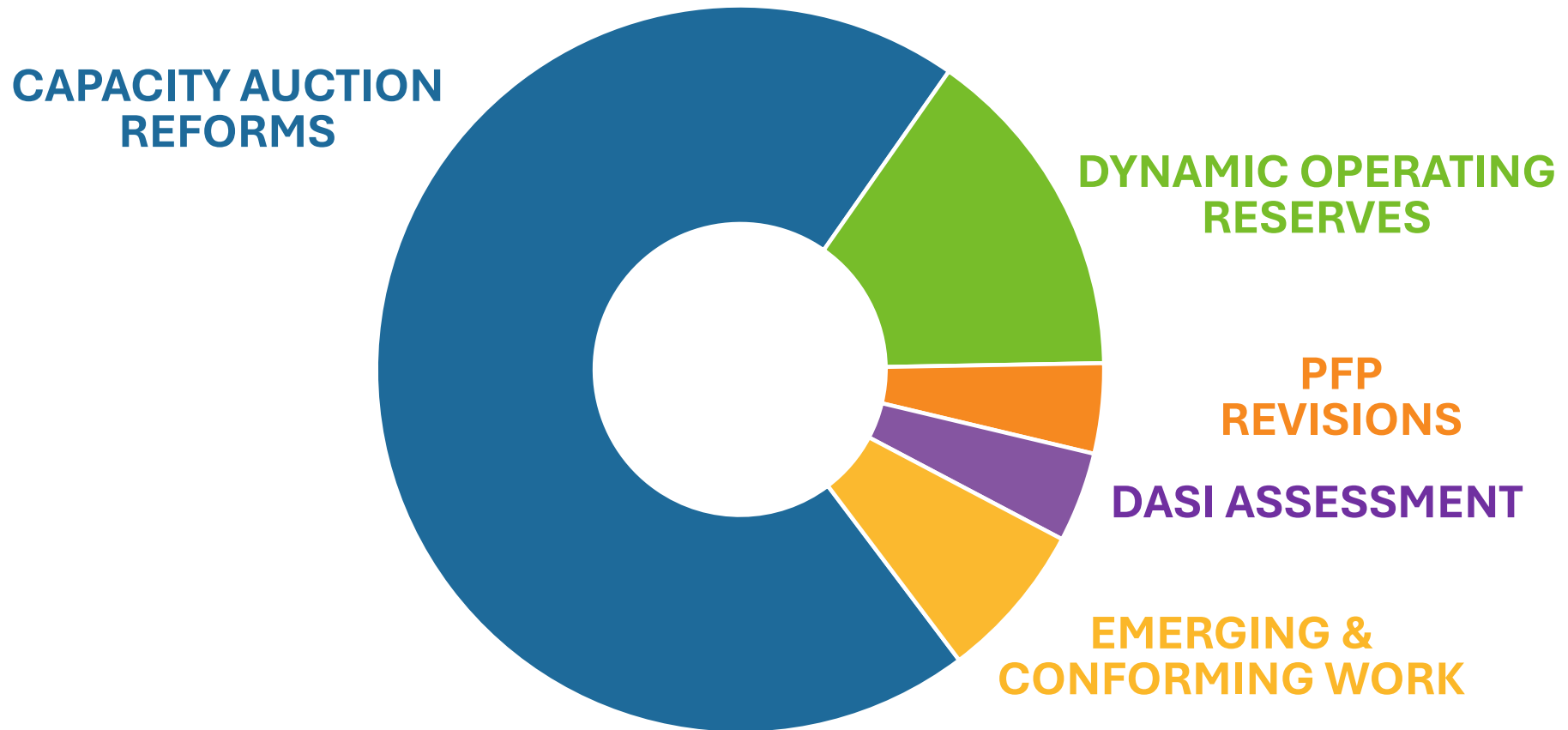


Prioritization Process

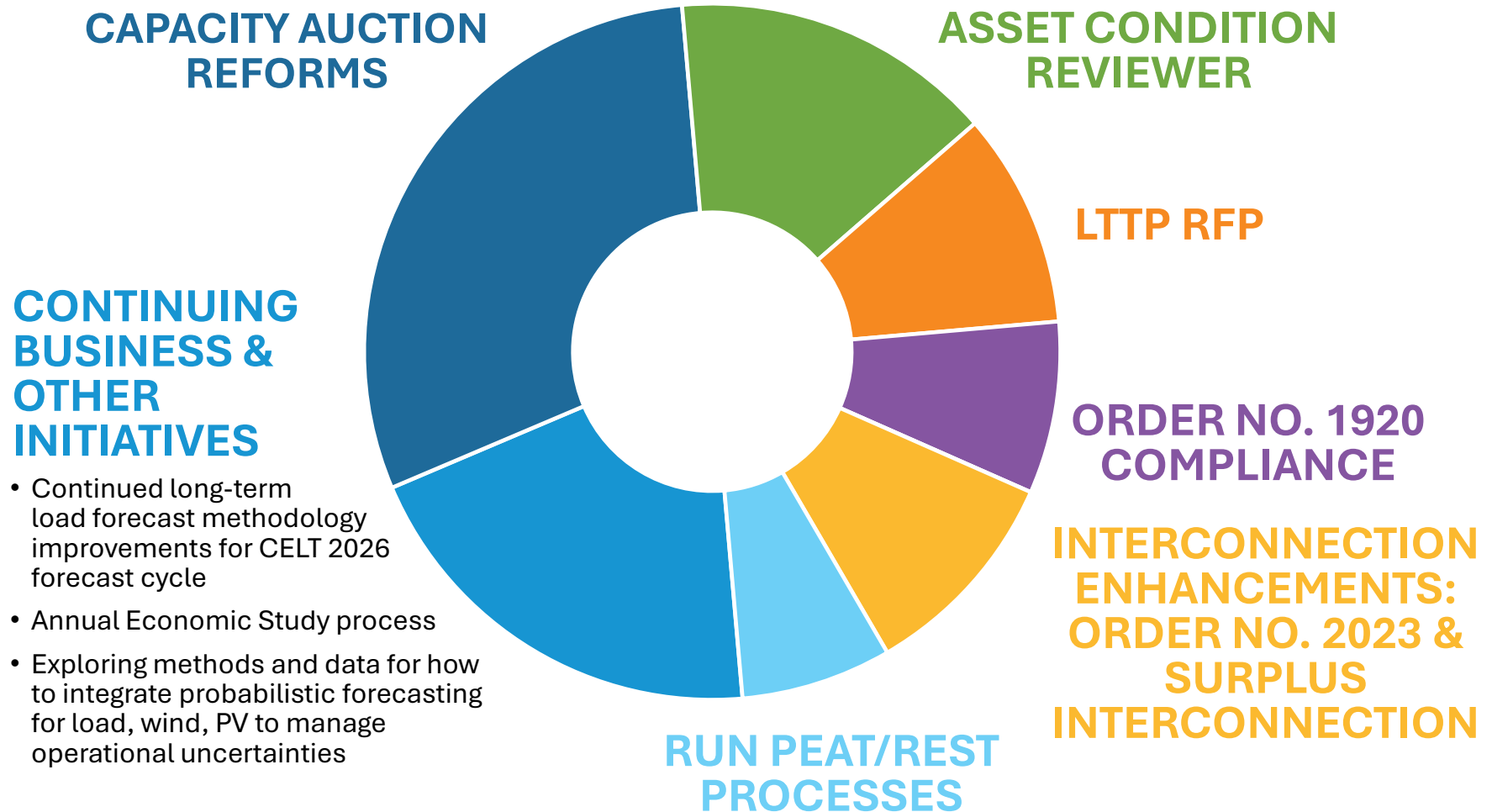
- The ISO adjusts its priorities as needed to best maintain reliable operations, robustly plan for a changing grid, and ensure competitive wholesale markets
- Planned projects are impacted as scopes shift or new projects emerge



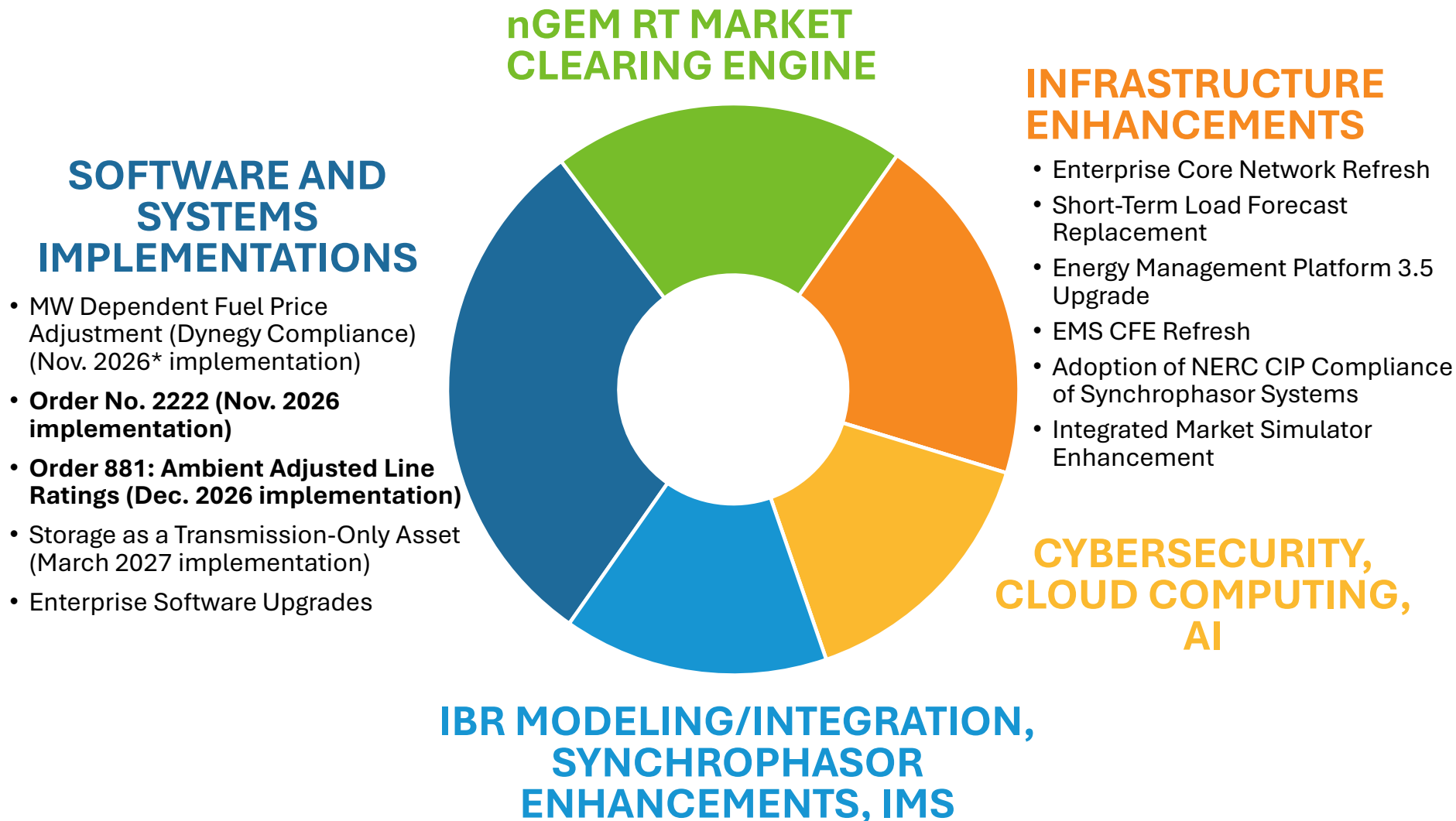
Markets-Related Priorities Include:



Planning/Operations Priorities Include:



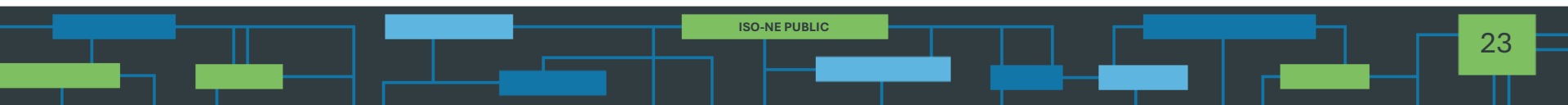
Capital Project Priorities Include:



2026 AWP	Q1	Q2	Q3	Q4
 Markets	Capacity Auction Reforms			
	Dynamic Operating Reserves			
	Pay-for-Performance Revisions			
	Day-Ahead Ancillary Services Assessment			
 Operations & Planning	Capacity Auction Reforms			
	Advancing Asset Condition Reviewer Role			
	First Competitive Solicitation for LTTP Solution			
			FERC Order No. 1920 Compliance	
	FERC Order No. 2023 Implementation			
	Evaluating Surplus IS Rules			
	First Run of Formalized PEAT/REST Processes			
	 Capital Priorities	nGEM Market Clearing Engine		
Order No. 2222 and Order No. 881 Implementation				
Inverter-Based Resource Modeling, Synchrophasor Enhancements, IMS				
Cloud Computing, Cyber Security, Artificial Intelligence				

Approximate Stakeholder Discussion Timing

Approximate Stakeholder Discussion Timing



MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates

FROM: Rosendo Garza and Pat Gerity, NEPOOL Counsel

DATE: October 2, 2025

RE: 2026 ISO Budgets and 2026 NESCOE Budget

At its October 9, 2025 meeting, the Participants Committee (NPC) will be asked to vote on the ISO's proposed 2026 operating and capital budgets (collectively, the ISO Budgets) and NESCOE's 2026 operating budget (NESCOE Budget). Background materials are included with this memorandum and posted with the meeting's composite materials.

2026 ISO Budgets

The 2026 ISO Budgets were developed in accordance with the processes set forth in the Participants Agreement and Settlement Agreement with state agencies in FERC Dockets Nos. ER13-185 and ER13-192. The ISO presented its preliminary budgets to New England state officials on June 9, 2025, and to the NPC at its June 24 Summer Meeting. On August 8, the ISO presented the budgets to the Budget & Finance Subcommittee (B&F) and, later that same day in a separate meeting, to state officials. At the September 4 NPC meeting, Ms. Kelly Reyngold, the ISO's Director of Accounting, provided an overview of the ISO Budgets (Sep NPC Presentation) and offered to answer any questions. Following that meeting, certain New England state regulators and consumer advocates raised questions and comments on the budgets, to which the ISO responded (States Q&As).

Included with this memorandum is the following:

- a memorandum from Mr. Ludlow and Ms. Reyngold providing additional information on changes to the ISO Budgets and the Sep NPC Presentation since the September 4 NPC meeting;
- an updated Sep NPC Presentation;
- the ISO's September 22 memorandum regarding its projected costs and allocation among the schedules under the ISO's "Self-Funding Tariff" (Tariff Section IV.A);¹
- a copy of the States Q&As; and
- a copy of State Officials' comments on the ISO Budgets and the ISO's response thereto.

¹ The September 22 memorandum, circulated directly to NPC members and alternates and B&F members, addresses the projected 2026 revenue requirement. It includes the final true-up for 2024 and a comparison to the 2025 Revenue Requirement, the Draft 2026 Revenue Requirement by activity, and the Draft 2026 Rate Components.

The ISO's 2026 operating budget, before true-ups, reflects a 7.7% increase over the 2025 operating budget. After accounting for the true-up mechanism in the Tariff, the revenue requirement to fund the 2026 operating budget (i.e., the amount collected under the ISO's administrative costs tariff (Section IV of the Tariff)) will increase by 1% over the amount projected to be collected in 2025. The ISO's capital budget for 2026 is \$42.5 million, which is consistent with the 2025 capital budget.

The following form of resolution can be used by the NPC for action on the 2026 ISO Budgets:

RESOLVED, that the Participants Committee supports the Year 2026 operating and capital budgets proposed by the ISO, as presented at this meeting.

2026 NESCOE Budget

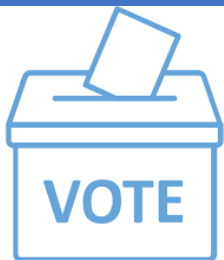
Ms. Heather Hunt, NESCOE's Executive Director, attended the August 8 B&F meeting and reviewed NESCOE's expected 2026 budget, estimated to be approximately \$2.7 million. NESCOE's August 8 B&F presentation was included with the materials for the September 4 NPC meeting. A revised version of that presentation, updated to reflect the actual (rather than an estimated) 2026 Schedule 5 Rate, calculated by the ISO to be \$0.00806 per kW-mo., is also included and posted with this memorandum. The revised presentation is identical to the August 8 B&F presentation, except that slide #12 has been updated and marked to show the final 2026 Network Load factor and Schedule 5 Rate.

The Participants Committee may use the following form of resolution in its consideration of the proposed 2026 NESCOE Budget:

RESOLVED, that the Participants Committee supports the Year 2026 NESCOE budget, as presented at this meeting.

5.a

2026 ISO-NE Budgets



66.67%

To consider, and take action, as appropriate, on the 2026 ISO-NE Operating and Capital Budgets.

RESOLVED, that the Participants Committee supports the Year 2026 operating and capital budgets proposed by the ISO, as presented at this meeting.

Oct 9, 2025
Meeting



memo

To: NEPOOL Participants Committee

From: Robert C. Ludlow, VP & CF/CO and Kelly Reyngold, Director, Accounting

Date: October 9, 2025

Subject: ISO New England's 2026 Proposed Operating and Capital Budgets

This memo is intended to provide the NEPOOL Participants Committee ("NPC") an update on the ISO's 2026 operating and capital budgets (the "Budgets") since the last review of the Budgets at the September 4, 2025 NPC meeting. As explained below, the 2026 Budgets have not changed although materials have been updated to reflect more detailed information resulting from our continuous business planning activities.

Summary of 2026 Budgets

The 2026 operating budget has not changed from what was presented at the September NPC meeting. In summary, the 2026 operating budget, including the true-up, results in a 1.0% increase to the Revenue Requirement compared to 2025. The 2026 operating budget, excluding the true-up, is an increase of 7.7% or \$23.6M as compared to the 2025 operating budget. The budget presentation has been updated to reflect, among other things, that the Compensation and Human Resources Committee of ISO New England's Board of Directors approved budgeted merit and promotional/adjustments increase amounts of 4.0% and 1.5%, respectively.

The 2026 capital budget amount has not changed, remaining at \$42.5M. However, there are changes to the capital projects plan which includes the addition of two projects for 2026; updates for two recently chartered projects; and updates for certain projects' overall budget, allocation between years, or the estimated go-live date. Specifically, added projects include the recently chartered Internal Market Monitoring Datamart Improvement and Voltage Ampere Reactive Capability Testing projects. Changes in the 2026 budget for projects that have recently moved from planning to chartered include: the Oracle Platform Replacement, and CIP Electronic Security Perimeter Redesign Phase III projects. Projects previously included in the capital budget, for which changes have been made include: the Enterprise Core Network Refresh, Centralized Application Security, Advanced Technology Initiatives, and Atlassian Cloud Migration projects.

Materials

The August 8, 2025 budget presentation (the "Budget Presentation") presented to the NEPOOL Budget and Finance Subcommittee has been updated to reflect the changes described above. The updated Budget Presentation can be found at the following link:

[6 isone 2026 proposed op cap budget updated 09 30 2025.pdf](#)

The 2026 state agencies' written comments and the accompanying responses can be found at the following link: [6 states 2026 budget comments isone response.pdf](#)

Budget Presentation Slide Changes

The following pages have been updated in the Budget Presentation for the changes noted.

Operating Budget Slide page changes:

- To reflect the Board Compensation and Human Resources Committee approval of 2026 merit and promotion/adjustment amounts: 105

Capital Budget Slide page changes:¹

- Descriptions of additional projects noted above: 158, 160
- Other capital budget changes including capital project budget adjustments: 72, 74, 152, 155, 159, 167, 178, 180

Please let us know if you have any questions in advance of our meeting. I look forward to our discussion.

¹ The *order* of the Capital Budget slides containing project descriptions, on slides 153-177 of the updated budget presentation, has changed from the original presentation because of the insertion of the newly chartered projects and changes to the budgeted amounts as noted above.

AUGUST 8, 2025

Updated 09/30/2025

ISO New England Proposed 2026 Operating and Capital Budgets

*NEPOOL Budget & Finance Subcommittee
Meeting*

Robert Ludlow

CHIEF FINANCIAL OFFICER

Kelly Reyngold

DIRECTOR, ACCOUNTING



Contents of Presentation

The Presentation Includes:

- Executive Summary (Slides 4 – 8)
- The Strategic Planning Process (Slides 9 – 14)
- Grid Transition and ISO-NE's Budget (Slides 15 – 22)
- Supporting the Four Pillars (Slides 23 – 28)
- 2026 Budget Overview (Slides 29 – 38)
- 2026 Detailed Budget Changes by Strategic Goal (Slides 39 – 50)
- 2026 Budget Resourcing Needs (Slides 51 – 55)
- 2026 Operating Budget Risks (Slides 56 – 57)
- Depreciation (Slides 58 – 61)
- Forward Looking Capital Budget Spending (Slides 63 – 68)
- Capital Budget Summary (Slides 69 – 74)
- Capital Structure and Cash Flow (Slides 75 – 77)

Contents of Presentation *(cont.)*

The following appendices are also included for reference:

- Appendix 1: Other Operating Budget Details
- Appendix 2: Compensation
- Appendix 3: 2024 Deliverables and Select Metrics
- Appendix 4: Cyber Security and CIP Compliance History and Costs
- Appendix 5: 2026 Budget Resources by Functional Area
- Appendix 6: Interest Rate Risk
- Appendix 7: Capital Expenditures Budget Detail
- Appendix 8: Rethinking Workspace at the ISO
- Appendix 9: Emerging Work Allowance & Purchasing Policies and Controls
- Appendix 10: 2026-2029 Pro-Forma Statements
- Appendix 11: New England Wholesale Electricity Costs and Retail Electricity Rates
- Appendix 12: ISO/RTO Financial Comparison
- Appendix 13: 2023 and 2024 Actual to Budget Variance Analysis



EXECUTIVE SUMMARY



Introduction

- The budget for 2026 represents the ISO's commitment to supporting the region as it continues to experience an evolving resource mix and changing customer use patterns; ensuring that markets and grid operations are efficient and reliable
- The budget request represents continued progress on the stakeholder-supported workplan as the ISO operationalizes initiatives undertaken over the past several years
- To ensure a successful grid transition, the ISO must focus on the near-term and what it must do to strengthen reliability today while supporting New England over a longer-term grid transition



2026 Budget Inputs and 2040 Scenario Outlook

- The 2026 ISO-NE budget implements the stakeholder-supported workplan, including items that were previously in development such as, market and energy adequacy initiatives; implementation of cloud modernization initiatives; forecasting/modeling improvements; and FERC directives that are moving from development to becoming operational
- Our review of the long-term/2040 Scenario also supports the near-term workplan and budget
 - Electrification will continue, as well as the decarbonization of the energy sector
 - States are progressing to achieve interim 2030 economy-wide emissions reductions
 - Developments support substantial decarbonization of electric sector by 2040
- Increasing grid complexity, proliferation of behind-the-meter solar (BTMPV) and new grid technologies drive need for progressive market products, enhanced forecasting and IT capabilities



Executive Summary

- The 2026 budget also contains funding for operational costs associated with:
 - Attracting and retaining our highly skilled workforce with competitive salaries and benefits:
 - In recent years detailed compensation review work was completed and targeted increases were made to ensure our salaries were competitive, especially in the areas of System Planning engineers, Market Development economists and analysts, and Information Technology staff
 - We want to remain competitive and continue to develop and retain our existing staff understanding the costs and lost productivity of high turnover
 - Information technology, including staffing and computer service costs for maintenance and support related to the operationalization of market, transmission, and emerging technology initiatives; Information Technology costs include those associated with:
 - Cloud Infrastructure and Data Management costs
 - Software Licensing and Subscription Fees
 - Inflation, Supply Chain Disruptions, and Tariffs
 - Modernization of Legacy Systems and Natural Hardware Refresh Cycles
 - Governance and Compliance Requirements
- The 2026 budget includes “placeholder” funding for Asset Condition Review work that will only be used for this purpose, and if not needed will not be reallocated for use elsewhere



Executive Summary *(cont.)*

- For the 2026 budget, ISO is proposing adding 25 FTEs⁽¹⁾ driven by:
 - IT support for Information and Cyber Security for Cloud Computing transition including architecture, service delivery, and IT forecasting tool support
 - Information Technology and Advanced Technology for bringing ISO-NE developed advanced technologies into the operating environment to increase our situational awareness capabilities and for migration of applications to the cloud
 - System Planning positions for supporting Long-Term Transmission Planning RFPs, NERC and NPCC requirements for energy assessments and planning, long-term forecasting, power system modeling advancements, and Transmission Planning for increased effort to support system assessments with increased penetration of inverter-based resources
 - Program Management positions as a result of increasing capital project work requiring more highly skilled personnel to manage
 - System Operations engineering support for increasing requirements related to new generation interconnections and Electromagnetic Transient (EMT) studies
 - Other positions providing organizational support including Participant Relations and Services, Legal, and Finance

(1) The Proposed 2026 Budget includes 1 additional FTE, compared to the 2026 Preliminary Budget. Funding for the additional position was offset by reductions included in the 2026 Proposed Budget.

THE STRATEGIC PLANNING PROCESS

ISO-NE's integrated business and strategic planning framework



Annual Process – Business and Strategic Planning

ISO-NE is guided by a purposeful and integrated business planning approach that drives focus towards a common target that the entire organization can align behind, with the aim of creating value for ISO stakeholders



Our Guidepost: The ISO New England Vision Statement

The ISO-NE Vision Statement is an explicit statement about our intent to support the states' policy goals to achieve a reliable transition to clean energy, utilizing competitive markets and transmission planning



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

The ISO's Vision represents the company's commitment to work with FERC, the states, and market participants to support the region's grid transition within the limits of our jurisdiction

Our Responsibility to the Region: ISO's Mission

The ISO-NE Mission Statement outlines the core role and responsibilities of the ISO's daily operations



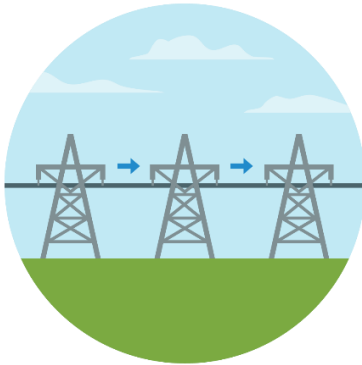
Mission Statement:

Through collaboration and innovation, ISO New England plans the transmission system, administers the region's wholesale markets, and operates the power system to ensure reliable and competitively priced wholesale electricity

Core Functions Within ISO Jurisdiction

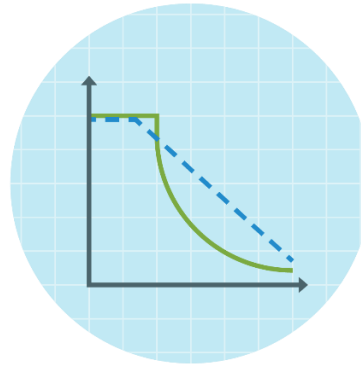
Grid Operation

Coordinate and direct the flow of electricity over the region's high-voltage transmission system



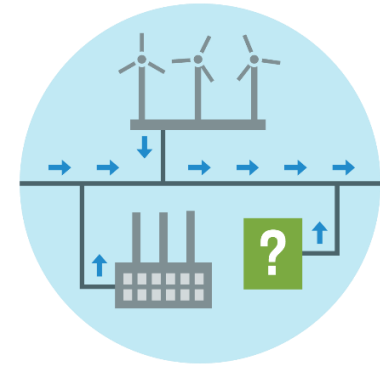
Market Administration

Design, run, and oversee the markets where wholesale electricity is bought and sold



Transmission System Planning

Study, analyze, and plan to ensure the transmission system will be reliable over the next 10 years

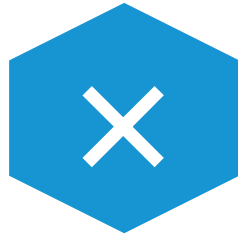


Functions Outside of ISO Jurisdiction

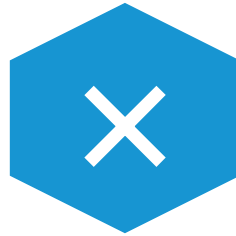
The ISO does not...



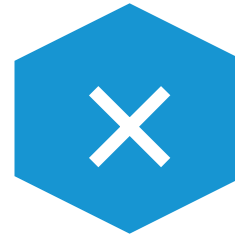
Handle
retail electricity



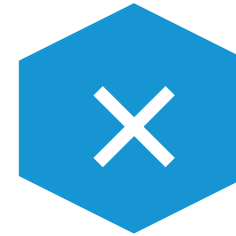
Own power grid
infrastructure



Have a stake in
companies
that own grid
infrastructure



Have
jurisdiction
over fuel
infrastructure



Have control
over siting
decisions



Plan the
resource mix



GRID TRANSITION AND ISO-NE'S BUDGET

The region continues to experience substantial changes on the grid which effect the nature and volume of work for ISO-NE



The 2026 Budget Represents the Ongoing Support of the Stakeholder-Supported Workplan

- The operationalizing of market, transmission, and emerging technology initiatives put in place through 2025 and 2026 requires ongoing support through increased headcount to service new tools and the needed technology stack associated with them
- The resource mix and customer use patterns in New England have and will continue to change independent of federal & trade policy, inflation, or permitting restrictions



Overview of ISO-NE Initiatives to Support the Region as the Grid Transitions

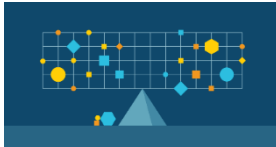
- Continue capacity market reforms to better ensure power system reliability and cost-efficiency as New England's resource mix evolves
- Advance long-term transmission planning to support interconnection of new resources and address evolving system needs
- Collaborate with stakeholders to operationalize Regional Energy Shortfall Threshold (REST) and provide multi-year outlook
- Enhance collaboration with NEPOOL, state agencies, and other stakeholders to ensure inclusive and transparent decision-making
- Inform policymakers about the role of retail market designs in mitigating price volatility and promoting resource development
- Invest in advanced technologies and analytics to improve system operations and planning capabilities to improve forecasting and situational awareness around changing resource mix
- Strengthen cybersecurity measures and infrastructure to safeguard grid reliability
- Develop new framework to conduct independent reviews of asset condition projects



Key Trends Informing Our Budget



More renewable energy and storage
on the New England grid by 2030

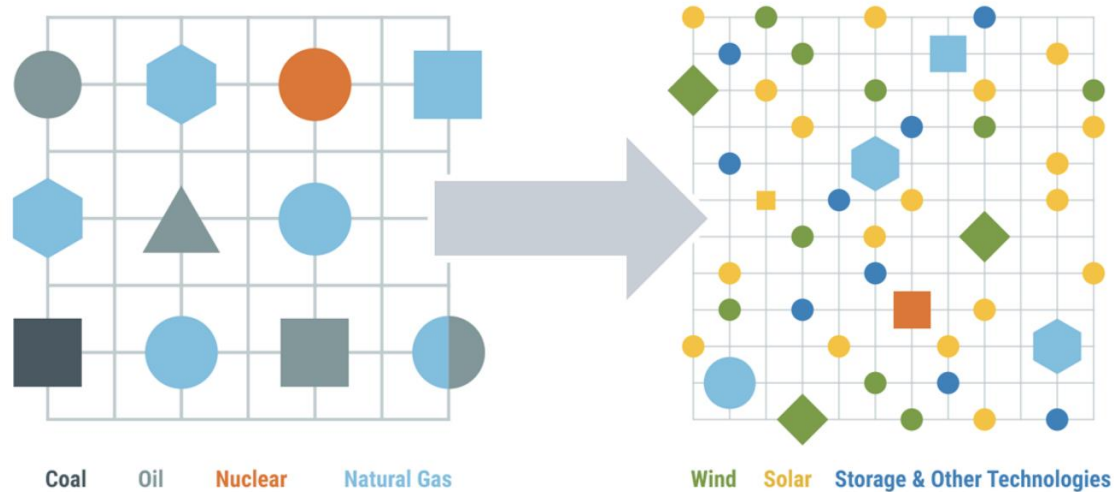


Increasing complexity due to
electrification and growth
of inverter-based resources



New England's seasonal operating risks

Two Dimensions to the New England Energy Transition that Contribute to Increased Grid Complexity by 2040

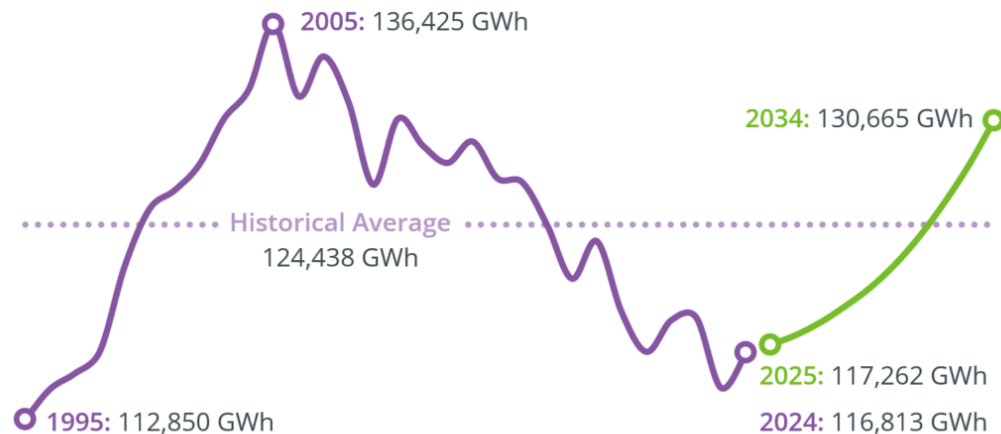


- 1 A shift from centrally dispatched generation to distributed resources
- 2 A shift from conventional generation to weather-dependent renewable generation

Increased Electrification is Expected to Drive Steady Growth in Net Annual Energy Use

Following two decades of decreased net energy via state policies incentivizing solar PV and energy efficiency

Historical and Forecast Net Energy Use

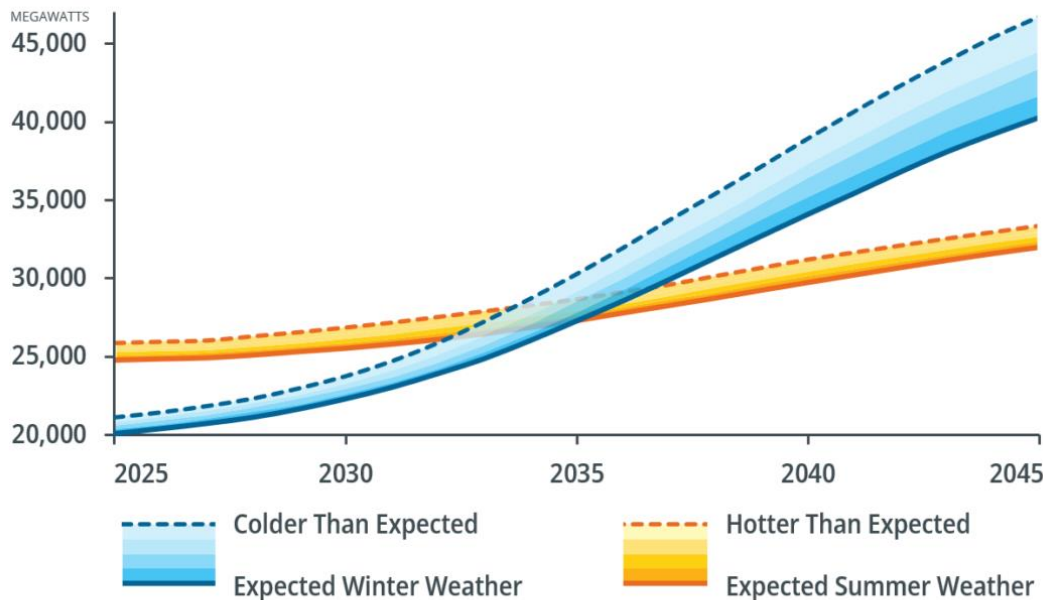


- Net annual energy use in New England grew steadily between 1995 and 2005
- Since 2005, net annual energy use has trended downward mainly due to an increase in energy efficiency
- ISO New England is predicting steady growth in net annual energy use over the next decade

Source: [ISO New England 2024-2033 Forecast Report of Capacity, Energy, Loads, and Transmission](#) (2025 CELT Report) (May 2025)

Changes in Timing of Daily Peaks has Necessitated Advanced Modeling Methodologies

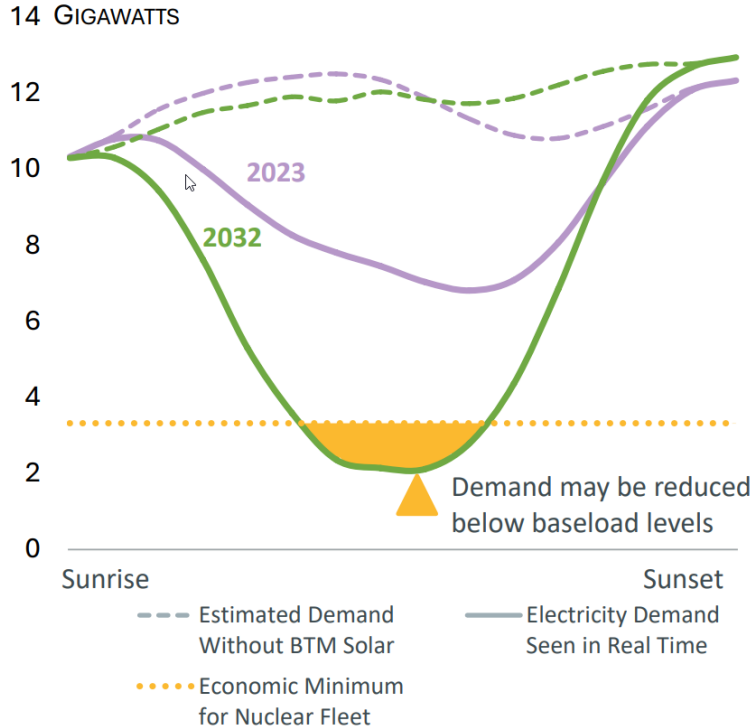
Forecast Summer and Winter Peaks



SOURCE: ISO NEW ENGLAND

- By the mid-2030s, the ISO projects that peak demand will occur during the winter rather than the summer
- The timing of daily peaks is also expected to change coincident to increasing demand
 - Currently, peak demand occurs in the early evening
 - Heating electrification is expected to result in morning peaks during winter
- In the later 2040s, both winter and summer could see peaks around 10 p.m. as overnight electric vehicle charging becomes more of a factor

Small, Distributed Energy Resources Continue to Drive Low-Load Conditions



- New England reached a new low daytime load with no disruption to grid operations
- Preliminary data shows that power system demand fell to 5,318 megawatts (MW) on the afternoon of April 20, 2025
 - It was the fourth year in a row the grid set a record low
 - More than 1,200 MW lower than the previous record of 6,596 MW set in April 2024
- Demand reached a daily peak of ~11,800 MW as solar production waned
- Other resources including natural-gas-fired generators, wind, and hydroelectric facilities supplied more electricity to the grid to meet the evening peak

SUPPORTING THE FOUR PILLARS

ISO Initiatives to bolster the four pillars



Four Pillars of Supporting a Successful Energy Transition

When the ISO looks toward the future, these are the objectives the ISO, states, market participants, and regulators need to advance in order to support the grid transition



1

Significant amounts of clean energy to power the economy with a greener grid in line with States' policy objectives



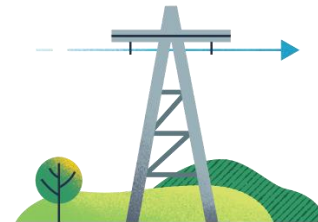
2

Balancing resources that keep electricity supply and demand in equilibrium



3

Energy adequacy a dependable energy supply chain and/or a robust energy reserve to manage through extended periods of severe weather or energy supply constraints



4

Robust transmission to integrate renewable resources and move clean electricity to consumers across New England

Clean Energy Pillar – ISO Initiatives

ISO activities to support clean energy pillar include initiatives across our strategic goals and Implementing FERC Orders

2025

- ISO identifies points of interconnection in NE that can accommodate up to 9600MW of offshore wind without significant upgrades
- Implementing Order 2023 to streamline interconnection queue
- Integrating electromagnetic transient (EMT) tools into operational analyses to better account for storage, solar & wind facilities
- Designing Capacity Auction Reforms (CAR) to appropriately compensate resources for capacity available to address reliability (implementation 2028)
- Order 841 implementation

2026

- Explore enhancing probabilistic forecasting to improve evaluating BTMPV, along with other weather dependent resources
- Implement FERC Order 2222 to promote participation of aggregated distributed resources in wholesale electric markets
- Complete Transitional Cluster Study, per Order 2023



Balancing Resources Pillar – ISO Initiatives

ISO is supporting the balancing resources pillar through innovative market design work

2025

- Implement Day-Ahead Ancillary Services Initiative (DASI) to create pricing incentives for specific energy and reserve capabilities needed for reliability as regional supply and demand transform
- Designing Capacity Auction Reforms (CAR) to appropriately compensate resources for capacity available to address reliability (implementation 2028)
- Complete prompt and deactivation design for CAR – Including final tariff review and vote
- CAR Seasonal/Accreditation
 - Key directional design decisions
 - Potentially preview early design concepts
 - Begin conceptual/detailed design
- Begin CAR directional qualitative impact analyses

2026

- Implement FERC Order 2222 to promote demand response participation in wholesale electricity markets; continue to support operating reserves
- CAR Impact Analysis: Publish estimate of regional cost impacts and revenue effects by resource class
- Complete design of Seasonal Accreditation

Energy Adequacy Pillar – ISO Initiatives

ISO is supporting the energy adequacy pillar through innovative operational and planning analyses, stakeholder outreach as well as exploring potential market design improvements

2025

- Defining an acceptable REST with stakeholders
- Designing Capacity Auction Reforms (CAR) to appropriately compensate resources for capacity available to address reliability (implementation 2028)
- Implementing DASI and begin assessing further market reforms to support flexible reserves for those resources that can respond to operational uncertainty and higher ramp rates
- Evaluate Potential Tie Benefits Winter Modeling Improvements
 - Report to stakeholders in Q3/Q4 2025, in alignment with CAR stakeholder schedule on seasonal tie benefits

2026

- Complete conceptual and detailed design of CAR – Seasonal/Accreditation
 - Tariff review and vote
- Begin discussions on a specific proposal for Flexible Response Services
 - Qualitative and quantitative impact analysis information
- Explore using Probabilistic Energy Adequacy Tool (PEAT) analyses to support outage coordination management

Transmission Pillar – ISO Initiatives

The ISO has completed work on the 2050 Transmission Study, outlining the needs and considerations for the region and is continuing to work with stakeholders regarding transmission.

2025

- ISO identifies points of interconnection in NE that can accommodate up to 9600MW of OSW without significant upgrades
- First Competitive Solicitation for Longer-Term Transmission Planning (LTP) Solution
 - Administer RFP for transmission to integrate Northern Maine
- Transmission Sizing for the Energy Transition
 - Discussions to establish “right-sizing” guidelines are expected to begin after the states and Transmission Owners complete their asset condition process improvements initiative
 - **ISO considering “Asset Condition Reviewer” Role that could inform the “right-sizing” discussion**

2026

- **TBD:** Supporting states and transmission owners on how to handle asset condition list projects
- Longer-Term Transmission Planning Phase 3
 - Stakeholder discussions are targeted to begin after Order 1920 filing, and a “lessons-learned” assessment of completing the First Competitive Solicitation for LTP Solution
- Further Inclusion of Grid Enhancing Technologies (GETs) Into Transmission Planning
- Implement Order 881 for managing transmission line ratings

2026 BUDGET OVERVIEW



Drivers of 2026 Budget Increases

- In 2026, many market and energy adequacy initiatives; FERC orders; cloud modernization initiatives; and forecasting/modeling improvements become operational and require ongoing support
- **Driver:** Salaries for FTE additions necessary for servicing the workplan
- **Driver:** Merit and promotion increases to remain competitive in what is still a tight labor market for the unique, in-demand skill sets needed at the ISO
- **Driver:** Computer services, including support costs for capital projects that have gone into operation; much of these support costs are driven by third party vendor cost increases
- There will continue to be emergent needs associated with the changing resource mix that will require ISO resources to address FERC Orders, increasing system complexity, new markets and technologies



2026 Budget Overview

- The 2026 Proposed Budget reflects the resources needed to support the region as it continues to experience an evolving resource mix and customer use patterns, to continue progress on the stakeholder supported workplan, and to continue to attract and retain our highly skilled workforce to carry out this important work
- The net revenue requirement with prior year true-ups is an increase of \$3.1M or 1.0% year-over-year
 - The proposed 2026 revenue requirement, before true-up is \$330.0M, an increase of 7.7% over 2025
 - Included in the above amounts is a \$1M “placeholder” funding for Asset Condition Review work that will only be used for this purpose, and if not needed will not be reallocated for other uses

Note: Throughout the presentation some schedules may appear inconsistent due to rounding.

2026 Budget Overview (cont.)

Changes Compared to Preliminary (Top-Down) Budget presented in June

- The proposed 2026 budget presented today is the bottom-up detailed budget (prepared with input from each ISO business unit and refinements to preliminary estimates), compared to the top-down budget presented in June (that included preliminary estimates); the detailed bottom-up budget resulted in a \$0.9 million decrease compared to the preliminary top-down version:
 - Decreases included changes in Salary and Overhead estimates with savings related to lower new hire salaries, lower incentive compensation, and other small \$ estimate refinements with some offset as a result a lower budgeted vacancy rate for 2026; and lower Depreciation Expense due to changes in planned capital projects and/or \$ amounts and estimated completion date
 - Increases were largely for Professional and Legal Services including funding for research and implementation of enhanced workforce security best practices, Capacity Auction Reforms support, Transmission Planning work, and external regulatory counsel fees

Resources to Manage the Changing Resource Mix and Continue to meet Operational Needs for 2026

There are two main factors, in addition to the change for the revenue requirement true-up, impacting the 2026 ISO budget and revenue requirement.

1. Adding resources to directly address work related to the changing resource mix/customer use patterns and for other support areas
 - Includes additional investment for Capacity Auction Reforms, maintenance and support of new market features and applications, and information technology (IT) investment to address cybersecurity, and the transition to cloud-based infrastructure
2. Attracting and retaining staff and other operational increases:
 - Attracting and retaining our highly-skilled workforce with competitive salaries and benefits
 - On-going support for servicing new tools and the needed technology stack, for IT infrastructure and licensing, and inflationary and various other costs
3. Net change in the annual revenue true-up

Factor	% Increase	\$ Amount	\$KWh Rate	Average Monthly Consumer Cost Impact *
Changing Resource Mix/Customer Use Patterns	5.4 %	\$17,026,400	\$ 0.00014	\$ 0.11
Attract/Retain Staff and Operational Increases	2.1%	\$ 6,520,800	\$ 0.00006	\$ 0.04
Net Change in Rev Req True-Up	(6.5)%	\$(20,445,300)	\$(0.00017)	\$(0.13)
Total Change in Revenue Req for 2026:	1.0 %	\$3,101,900	\$0.00003	\$0.02

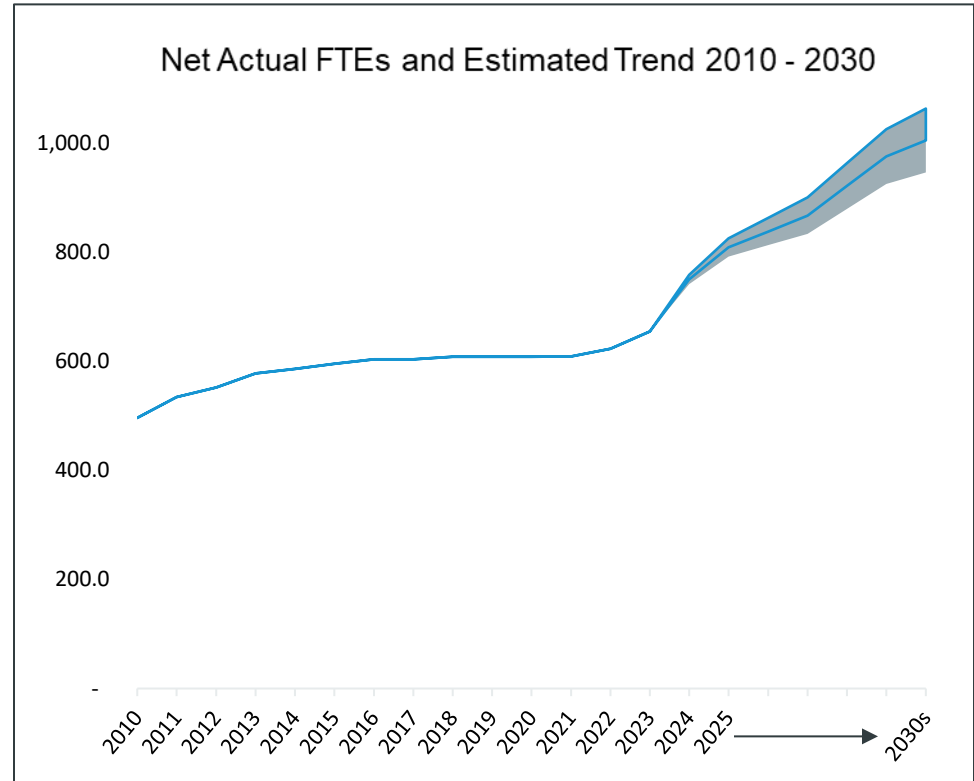
*Average Monthly Consumer Cost Impact is based on average consumption of 750 kWh per month.



After Years of Flat Headcount, in 2023, ISO-NE Began Plan to Increase Hiring to Address the Complexity of the Grid Transition

Electric grid transition driving FTE needs:

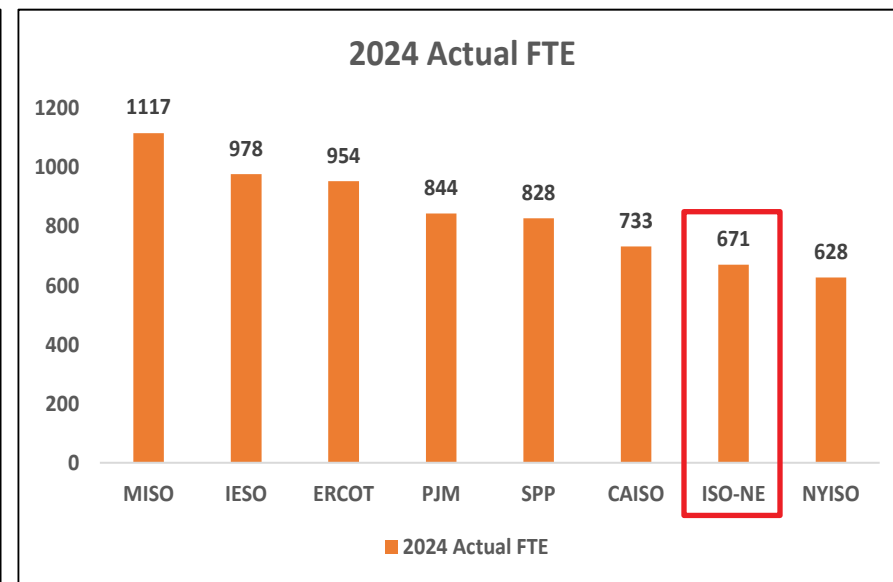
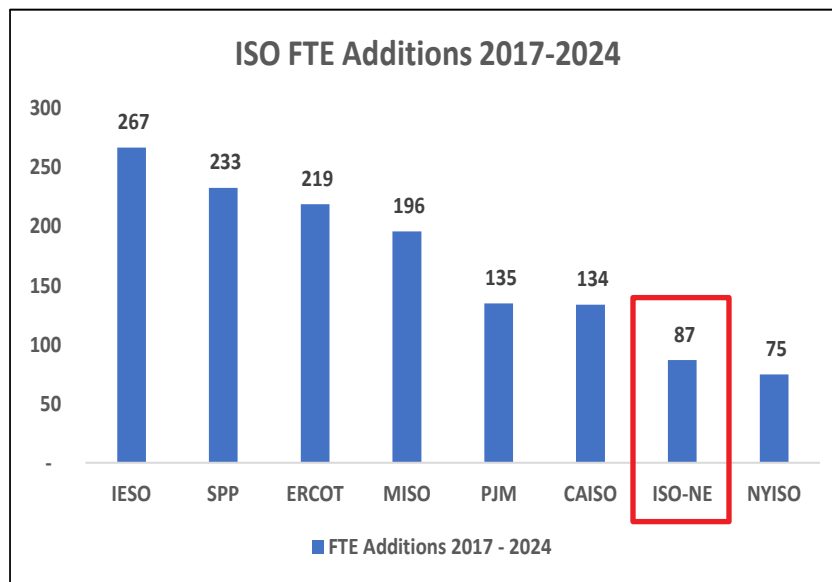
- Increasing number of resources to be interconnected, studied, and incorporated into modeling and forecasting
- New roles for the ISO including assisting states with transmission RFPs
- Increasing compliance needs to address FERC orders, and assess their impacts on operations – 2222, 841, 881, 901, 1920, and 2023
- Emergent needs to collect data for Distributed Energy Resources (DER) to address tripping and low-loads
- New and enhanced skills to work with changing technology stack, new data streams, and operationalizing new applications
- Personnel to communicate increasingly complex information to stakeholders and the public
- Increased support needs to assist the growing and distributed workforce



ISO-NE's Incremental and Actual Headcount in Comparison to other ISO/RTOs'

Other ISOs had already begun ramping up their hiring prior to ISO-NE

ISO-NE is still relatively small compared to other multi-state ISOs



Note: FTE additions and totals are based on actual FTE amounts on 12/31 of the applicable year.

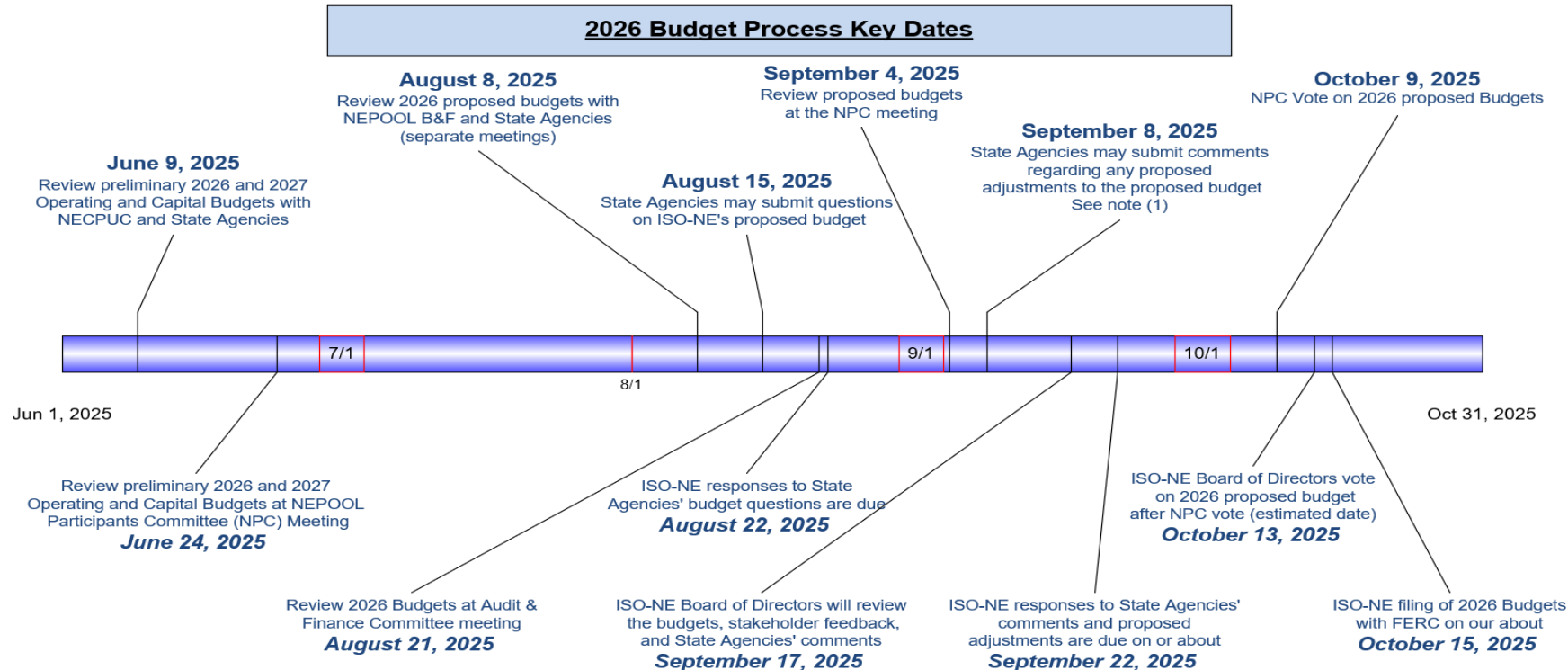


2026 Proposed Capital Budget Overview

The 2026 Capital Budget is also presented in summary form

- The 2026 Capital Budget is consistent with the 2025 Capital Budget at \$42.5M
 - Capital budget increases over the past several years have been driven by three primary drivers as explained in further detail on slides 64 to 68
 - Capital budget spending is expected to increase in the foreseeable future
 - In addition, ISO is considering additional expansion of building space which would be funded by tax-exempt bonds, if approved (See Appendix 8 for additional information)
 - The increased capital spending will result in higher interest expense costs and depreciation expense in future years as capital projects go into service and are included in operating budgets and rates
- The 2026 proposed capital budget of \$42.5M is provided with a list of projects by strategic goal that are currently chartered and on-going or in planning/conceptual design (See slides 70 to 74)
- Detailed project descriptions are presented in Appendix 7

2026 Budget Process – Key Dates



(1) According to the budget settlement agreement, State Agencies must submit comments on the proposed budgets five weeks after the August meeting which is September 12, 2025. However, we are requesting comments by September 8, 2025 to allow for timely distribution to the Board when meeting materials are mailed. This is consistent with the acceleration agreed to in 2015.

2026 Budget – 5 Year Comparison

	%		%		%		%		
(Budget Amounts are in Millions)	<u>2026</u>	<u>Change</u>	<u>2025</u>	<u>Change</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Operating Budget Before Depr and Regulatory Fees	\$281.8	8.3%	\$260.2	10.1%	\$236.3	17.0%	\$201.9	10.6%	\$182.6
Capital Budget	42.5	0.0%	42.5	21.4%	35.0	4.5%	33.5	4.7%	32.0
Total Cash Budget	\$324.3	7.1%	\$302.7	11.6%	\$271.3	15.2%	\$235.4	9.7%	\$214.6
Operating Budget Before Depr and Regulatory Fees	\$281.8	8.3%	\$260.2	10.1%	\$236.3	17.0%	\$201.9	10.6%	\$182.6
Depreciation and Regulatory Fees	48.2	4.2%	46.2	13.8%	40.6	6.1%	38.3	17.9%	32.5
Revenue Requirement Before True-up	330.0	7.7%	306.4	10.7%	276.9	15.3%	240.2	11.7%	215.1
True up	(15.6)		4.8		(3.0)		(14.6)		1.1
Revenue Requirement	\$314.4	1.0%	\$311.2	13.6%	\$273.9	21.4%	\$225.6	4.4%	\$216.1
Forecast – TWWhs (1)	124.7	0.9%	123.6	1.7%	121.5	(0.0)%	121.5	0.1%	121.4
\$/KWh Rate	\$0.00252	0.1%	\$0.00252	11.7%	\$0.00225	21.4%	\$0.00186	4.3%	\$0.00178
Average Monthly Consumer Cost (2)	\$1.89		\$1.89		\$1.69		\$1.39		\$1.34

(1) 2026 and 2025 forecast amounts are based on May 2025 CELT Report (Schedule 1.5.2 - Net Annual Energy - Gross (without reductions)). 2022 through 2024 use weather normalized annual energy without reduction for BTMPV which is an equivalent basis for May 2025 CELT report *Net Annual Energy - Gross (without reductions)*, and is being displayed in this manner due to a change in the 2025 CELT Report presentation of amounts. The May 2025 CELT Report can be found at https://www.iso-ne.com/static-assets/documents/100023/2025_celt.xlsx, and the weather normalized annual energy can be found at https://www.iso-ne.com/static-assets/documents/100023/forecast_data_2025.xlsx (Schedule 5 Weather Normal)

(2) Based on average consumption of 750 kWh per month.

Note: Throughout the presentation some schedules may be inconsistent due to rounding.

2026 Detailed Budget Changes by Strategic Goal



2026 ISO-NE Strategic Goals

The ISO ties its annual budget to resource requirements by Goals, Objectives, and Initiatives

Responsive Market Designs:

Advance the competitive wholesale markets to support the investment and new services required for a reliable energy transition

Progress and Innovation:

Expand capabilities to support increasing grid complexity brought about by new technologies and changes to supply mix and customer use

Operational Excellence:

Focus on high quality business operations, prioritize high impact projects, and mitigate implementation risks

Stakeholder Engagement:

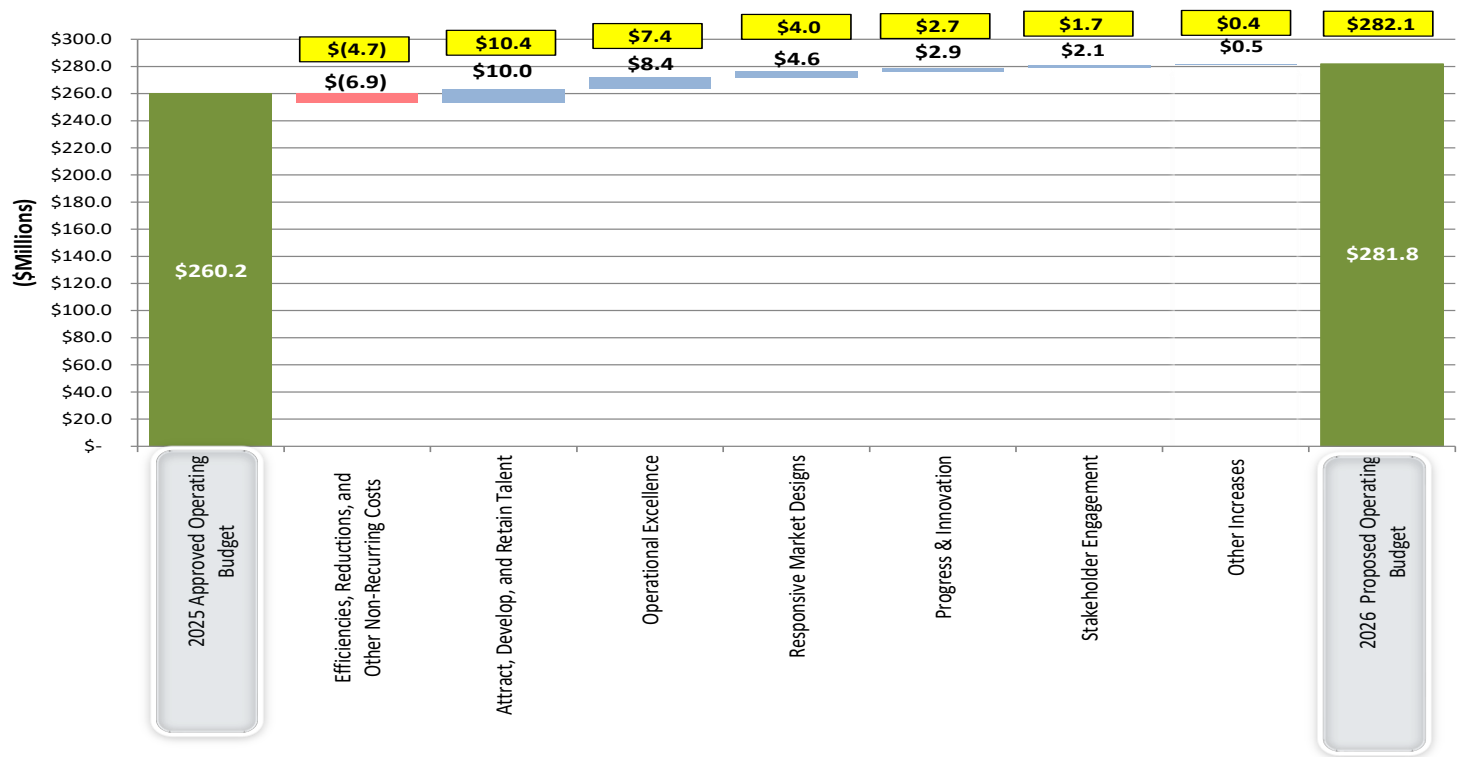
Collaboratively understand and anticipate needs, demonstrate thought leadership through high-quality analysis and communication, and nurture productive relationships with regulators and stakeholders in supporting the four pillars of the clean energy transition

Attract, Develop, and Retain Talent:

Continue to promote our Culture, Mission, Vision, and Goals; develop and position the workforce to support the evolving needs of the organization; recognize and reward employees' success and innovation; tailor programs to retain and attract critical, in-demand skills; and foster an inclusive culture that values diversity of career and life experiences

2026 Budget

Changes in budget by Strategic Goal



Note: Items in yellow above represent the estimate that was included in the 2026 preliminary budget presented in June 2025.

2026 Budget Details

Efficiencies, Reductions, and Other Non-Recurring Costs

Reductions include: (\$6.9M)

- Lower salary rates and related incentive compensation due to employee turnover and retirements
- Reductions for consulting professional fees for 2025 studies or other non-recurring work including:
 - Completion of regional study work with PJM and NYISO for 1,200MW single source contingency limit appropriateness and to determine upgrades required to support 2,000MW single source limit
 - Transmission planning system assessment under NERC Transmission Planning Standard TPL-001
 - Funding of Medium-Term Energy Adequacy related work
 - Wind, Solar, and Generation dataset information that will be obtained via other sources
 - Reduction in Advanced Technology Solutions outside Research & Development support
 - Lower Relocation Expense reimbursement
 - Other miscellaneous reductions
- Reduction for no expected borrowing on working capital funds based on projections for 2026

2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Attract, Develop, and Retain Talent: \$10.0M

- Merit and Promotion increases: for annual merit (4.0%) and for standard and targeted promotion/adjustments (1.5%) (\$6.0M)
- An increase for the reduction of employee vacancy from 6.0% to 5.0% based on projected hiring (\$1.6M)
- Increases in employee benefit costs, primarily for medical trend, and increased number of employees in Defined Contribution Benefit Plan (\$1.5M)
- Employees fees related to the relocation of approximately 90 employees to the Windsor campus (\$0.4M)
- Consulting services, data, and research to support critical HR initiatives (\$0.2M)
- Board of Director search fees to recruit for position scheduled for turnover (\$0.2M)
- Increase in Board of Director retainer fees (\$0.1M)

2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Operational Excellence: \$8.4M

- Computer service and leasing increases for: cyber security (security log management, network detection and response tool, zero trust access and protection, and cloud monitoring); network collaboration software; leasing of servers as part of data center refresh; computing and storage capacity application; licensing for System Planning and Operations applications; and inflationary and vendor increases across our portfolio of computer service products (\$3.7M)
- Funding for 15.0 FTEs* for System Operations and System Planning to address technical challenges and perform system assessments and studies with the continued installation of Inverter Based Resources and for NERC/NPCC requirement responsibilities; for Information and Cyber Security for Cloud Computing transition including architecture, service delivery, and IT forecasting tool support; for project management support due to increased number and sophistication of capital projects; for Finance and Market Credit Risk to support the growth in these areas to support the organization (\$3.0M)
- Consulting support to provide research, recommendations, and implementation of enhanced security best practices for ISO workforce (including senior management) (\$0.5M)
- Increase in regulatory counsel fees for FERC Order filings and responses to supplement ISO-NE Legal staff (\$0.5M)

* FTE totals and related funding on slides 44-49 reflect partial funding for 2026 positions (18.5 FTEs), as well as a partial carryover for 2025 positions (16 FTEs).



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Operational Excellence: *(cont.)*

- Network Operations increases for transition of communication lines to new technologies, for data redundancy, and for inflationary and communication line increases (\$0.3M)
- Data services subscriptions for Market Monitoring utilization and for vendor third party risk assessment (\$0.2M)
- Consultant funds to perform audits or assist ISO-NE Internal Audit group with various engagements including systems and cyber security related work (\$0.2M)



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Responsive Market Designs: \$4.6M

- Funding for 6.5 FTEs* related to this goal includes: Market Development in design of market overhauls including prompt seasonal capacity market, resource capacity accreditation, and flexible response services; Operations Training and Integration to design and support training needs of Operations and Market Administration staff for new market features; Information Technology and Advanced Technology staffing to support and integrate new market features into applications and tools; and Planning and Transmission Services that will continue to be heavily involved with new market designs, identifying enhancements to existing reliability modeling and researching and developing modeling techniques for emerging technologies (\$1.3M)
- Information Technology and System Planning support for resource adequacy and capacity market modeling, which is essential to the redesign of the capacity market under the Capacity Auction Reforms project (\$1.2M)
- Support in Advanced Technology Solutions and Market Development for Capacity Auction Reforms work including gas modeling and other analysis (\$0.9M)
- Increase for nGEM vendor support with the Real-Time Market Clearing Engine application that is higher cost than the legacy Real-Time application (\$0.5M)

* FTE totals and related funding on slides 44-49 reflect partial funding for 2026 positions (18.5 FTEs), as well as a partial carryover for 2025 positions (16 FTEs).



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Responsive Market Designs: *(cont.)*

- Funding for commencement of work on tariff required Net CONE (Cost of New Entry) recalculation (\$0.5M)
- Market Monitoring support for technology assessment and Artificial Intelligence development for use in detection and mitigation of energy market activity (\$0.2M)



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Progress and Innovation: \$2.9M

- Funding for 9.5 FTEs* including Information Technology and Advanced Technology for bringing ISO-NE developed advanced technologies into the operating environment to increase our situational awareness capabilities and for migration of applications to the cloud; System Operations and System Planning positions for forecasting and energy analysis across different timespans as the system's resource mix continues to evolve, for modeling and electromagnetic transient analyses for market and reliability operating limits of Inverter Based Resources, for expansion of both short-term and long-term forecasting needs, and to support the continued growth and development of Power System Computer Aided Design (PSCAD) modeling capability (including database development and maintenance) for inverter-based resources (\$2.3M)
- Computer service-related costs for NERC CIP Synchrophasor compliance (\$0.5M)
- Photovoltaic Data and Forecasting service-related costs (\$0.1M)

* FTE totals and related funding on slides 44-49 reflect partial funding for 2026 positions (18.5 FTEs), as well as a partial carryover for 2025 positions (16 FTEs).



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Changes in budget for Stakeholder Engagement: \$2.1M

- Asset Condition Review work that will only be used for this purpose, and if not needed will not be reallocated for use elsewhere (\$1.0M)
- Funding for 2.5 FTEs* in Participant Relations and Services for project services (gathering, managing, and supporting the assessment of participant requests), to provide technical readiness and real-time support on corporate initiatives (FERC Orders 2222, 881, 2023), and for support on Capacity Auction Reforms to support this multi-component initiative impacting many ISO-NE teams, and coordinating with participants (\$0.6M)
- Funding for 0.5 of an FTE* in Legal to support RFP proposals under Long-Term Transmission Planning (LTTP) rules for which proposals are expected to be made annually (\$0.2M)
- Consulting support for LTTP proposals and other Transmission Planning work (\$0.2M)
- Funding for 0.5 of an FTE* in System Planning to perform economic evaluations in support of the new LTTP process and potential RFP solution reviews as well as to accommodate requests from NESCOE/States for various supporting analyses (\$0.1M)

* FTE totals and related funding on slides 44-49 reflect partial funding for 2026 positions (18.5 FTEs), as well as a partial carryover for 2025 positions (16 FTEs).



2026 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2026 Initiatives

Other Increases: \$0.5M

- Increases in Building Service costs due to cyclical maintenance items that are due for completion in 2026, higher utility expense largely for delivery service fees at Windsor facility, and inflationary and other small increases across line items (\$0.4M)
- Lower forecasted Interest Income due to projecting lower operating cash balance from expected withdrawals under FERC Order 2023 partially offset by higher miscellaneous revenue (\$0.1M)



2026 BUDGET RESOURCING NEEDS



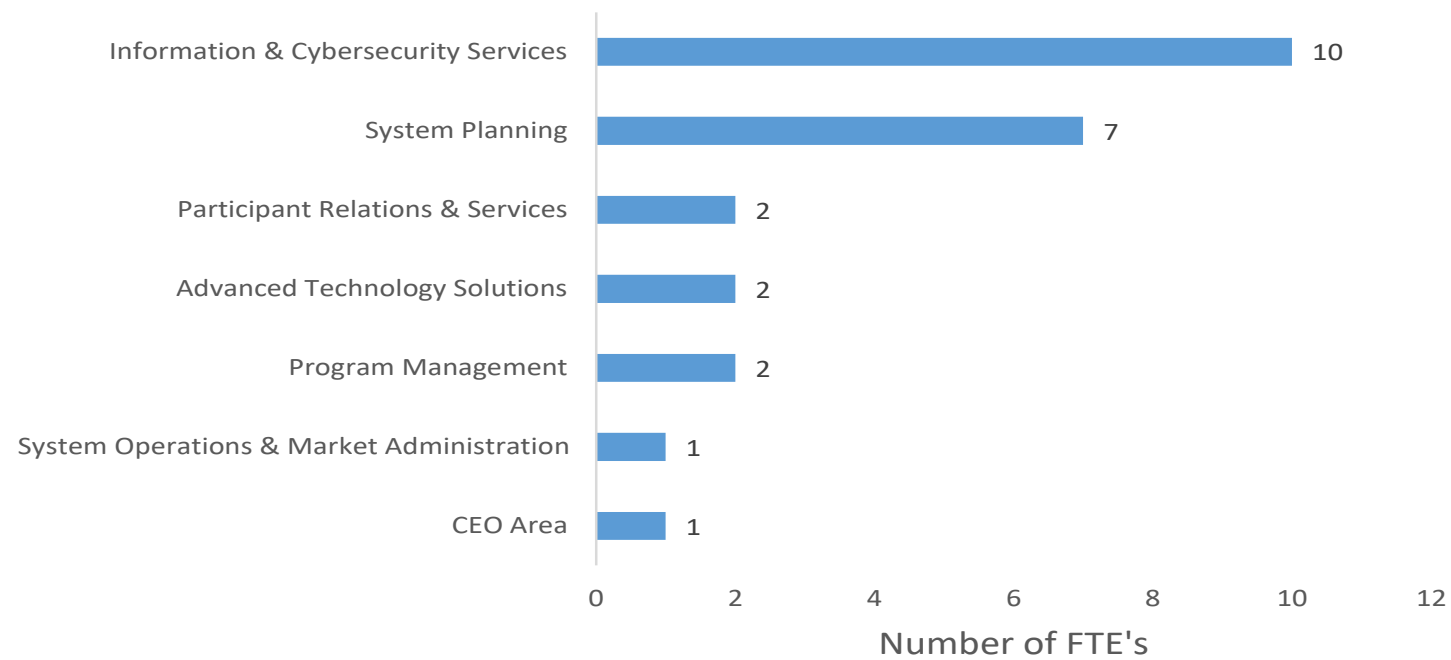
2026 Budget Resourcing Needs

Repurposed Positions

- The ISO evaluates each position that becomes vacant to determine the continued need in that area and for possible repurposing for use in other areas of the organization
 - Since 2018 this has resulted in 48 positions, including 4 to-date in 2025, being repurposed for other work where a more urgent need existed
 - Positions repurposed since 2018 include: 10 for Information Technology for Software Development, Cyber Security, Power System Modeling, Application Support, Infrastructure and Digital Transformation; 8 for System Operations & Market Administration for Energy Security, Asset Registration & Auditing, Control Room Operations, and Operations Training; 7 for Human Resources for recruiting and training support and intern conversion to full time technical roles; 6 for Market Development analysis and market design work; 2 for Advanced Technology Solutions; 2 for Market Monitoring; 2 for Market & Credit Risk; 2 for Participant Support; 2 for Corporate, Media, and Digital Communications; 2 for Finance; 1 for Load Forecasting to replace a contract position; 1 for Resource Studies & Assessments; 1 for External Affairs, 1 for Settlements; and 1 for Corporate Strategy

Requested Additional Headcount for 2026

Summary of FTE adds by department (gross) for 2026 budget



Note: CEO Area headcount additions include those for Legal, Human Resources, and Finance (1 each for a total of 3) less the relinquishing of 2 positions bring net CEO area change to 1 additional FTE



2026 Budget Resourcing Needs (cont.)

In 2026 there are 25 FTE (gross) additions as follows:

10.0 FTEs Information and Cyber Security Services	Clean Energy Pillar(s) (*)	Strategic Goal(s)
Resources to support network infrastructure services supporting Enterprise, Markets and Planning business functions across on-premises and cloud environments, shared infrastructure technologies, IT Technician personnel supporting Control Room Operations, Energy Operating Analytics Team (ATS Applications), Cyber Security, and new market initiative testing (4 FTEs Support the Energy Transition associated with the evolving resource mix)	Energy Adequacy, Clean Energy Resources	Operational Excellence; Responsive Market Designs; Progress and Innovation
7.0 FTEs System Planning		
Resources to support economic evaluations in support of the new Long-Term Transmission Planning process, increased workload due to NERC and NPCC responsibilities, continued response to long-term forecast needs driven by increased complexity, the continued growth and development of PSCAD modeling capability, the development of power flow, stability, and geomagnetic disturbance base cases for various ISO groups, and to continue to meet increasing Transmission Planning responsibilities (7 FTEs Support the Energy Transition associated with the evolving resource mix)	Energy Adequacy; Robust Transmission	Progress and Innovation; Operational Excellence; Stakeholder Engagement; and Responsive Market Design
2.0 FTEs Participant Relations & Services		
Resources to support the Capacity Auction Reforms initiative, and providing stakeholders with better translations of technical information into content they can understand and take action on (2 FTEs Support the Energy Transition associated with the evolving resource mix)	Clean Energy Resources; Energy Adequacy; Balancing Resources; Robust Transmission	Responsive Market Designs; Operational Excellence; Progress and Innovation; Stakeholder Engagement

(*) See the Four Pillars of the Clean Energy Transition on Slide 24



2026 Budget Resourcing Needs (cont.)

In 2026 there are 25 FTE (gross) additions as follows: (cont.)

2.0 FTEs Advanced Technology Solutions	Clean Energy Pillar(s)	Strategic Goal(s)
Resources to accurately model the protection and controls of Inverter Based Resources in the Electromagnetic domain; and design and develop Capacity Market clearing engine (for prompt seasonal and monthly reconfiguration auctions) as part of CAR project (2 FTEs Support the Energy Transition associated with the evolving resource mix)	Clean Energy Resources; Energy Adequacy	Progress and Innovation, and Responsive Market Designs
2.0 FTEs Program Management		
Resources to support Capital project work that has increased dramatically in the past few years and requires skilled personnel to manage these initiatives (2 FTEs Support the Energy Transition associated with the evolving resource mix)	Clean Energy Resources	Operational Excellence
1.0 FTEs System Operations & Market Administration		
Resources to support the fast-evolving power grid and high penetration of inverter-based renewable resources and address the resulting technical challenges to operating the grid in a reliable and economic manner (1 FTEs Support the Energy Transition associated with the evolving resource mix)	Clean Energy Resources	Operational Excellence
1.0 FTE CEO Area ⁽¹⁾		
Resources in Legal to support on-going RFP submissions under Long-Term Transmission Planning, in Enterprise Learning for a dedicated individual to implement and manage Information Technology and Cyber Security related education that has been identified as a need; and in Finance to augment existing staff in Accounting/Accounts Payable (1 FTE Supports the Energy Transition associated with the evolving resource mix)	Robust Transmission, Other	Stakeholder Engagement, Progress and Innovation, and Operational Excellence

25.0 FTE's Total 2026 Proposed FTE Additions

(1) While 3 FTEs are being included in CEO additions, 2 of the positions are being covered by the reallocation of existing positions within the CEO area



2026 OPERATING BUDGET RISKS



2026 Operating Budget Risks

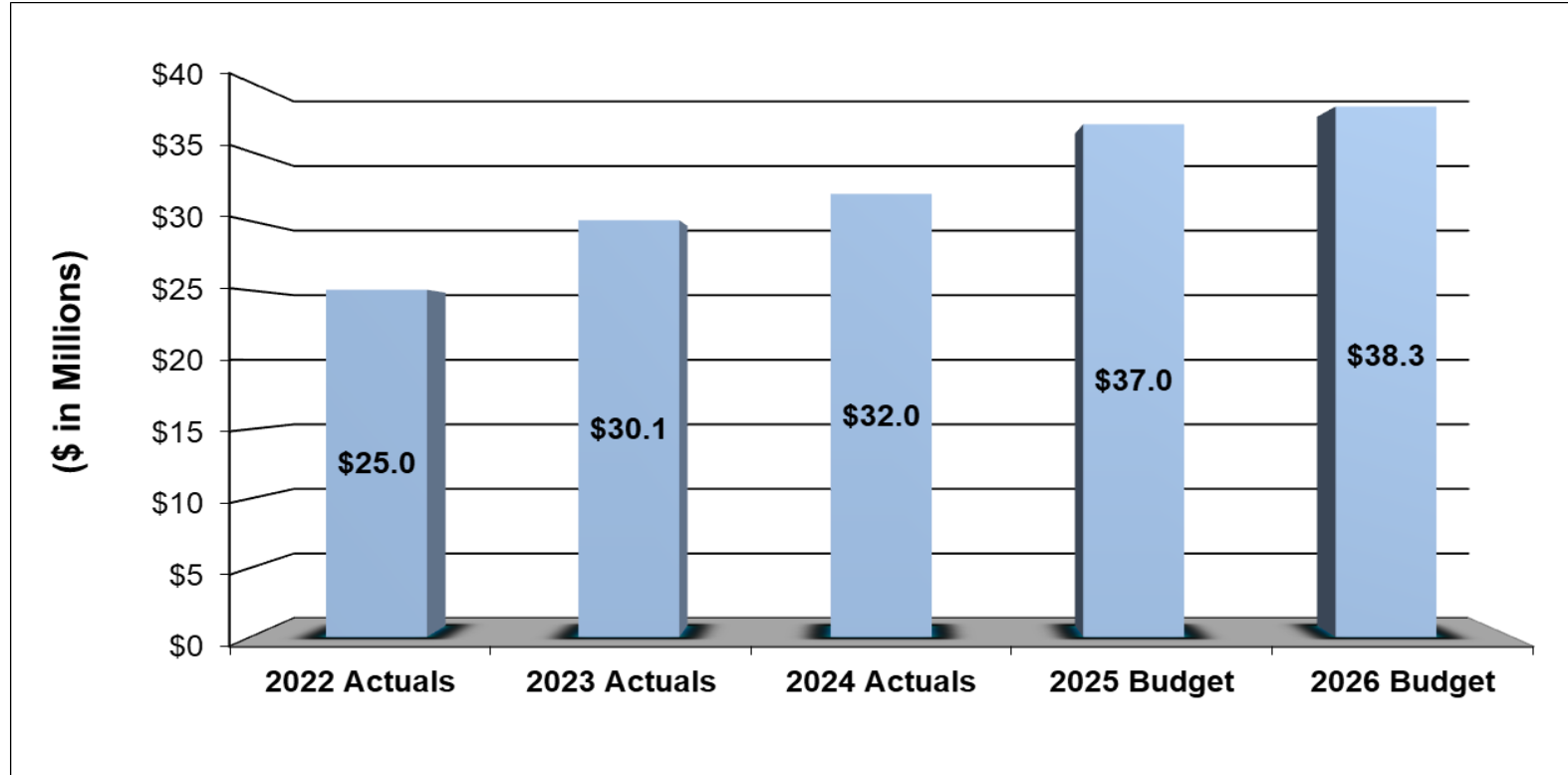
- Additional funding may be required to enhance new models to study extreme weather and contingencies; to conduct new studies related to the integration of variable resources and emerging technologies; for completing requirements on implementing Capacity Auction Reforms; and for long-range transmission planning studies including request for proposals (RFP) process for finding competitive solutions to identified transmission needs in the region
- Resources may be needed as operations evolve (e.g., energy forecasting, load management) due to the changing resource mix
- Information Technology software licensing and maintenance costs, and cloud migration costs may each require additional funding
- Insurance policy renewals may be higher than estimated as ISO is not immune to overall increases from the insurance industry due to recent natural disasters
- Interest Rates may impact the ISO floating rates on tax-exempt debt, pension and post-retirement benefit plans liability costs, and interest income on settlement float balance
- Legal costs from material litigation that may arise during the course of the year would pose a risk to the ISO's ability to operate within the approved budget
- Federal and state policy directives/changing could result in additional cost associated with new requirements
- Workforce sourcing and related pay rates and supply chain disruption may each have budgetary impacts



DEPRECIATION



ISO New England Depreciation



ISO New England Depreciation *(cont.)*

Depreciation expense is an accounting method used to allocate the cost of a tangible or physical asset over its useful life. Below is a table of the ISO's asset classes and depreciable lives.

Asset Class	Depreciable Life
Computer Hardware, Software, and Accessories	3-5 Years
Software Development Costs	3-5 Years
Furniture and Fixtures	7 Years
Machinery & Equipment	7 Years
Building Improvements	Useful life of the improvement
Leasehold Improvements	Useful life of the improvement or remaining life of the lease
Building	25 Years (economic useful life determined during bond offering)
Vehicles	3-7 Years

ISO New England Depreciation *(cont.)*

• The Capitalization Policy – Highlights

- Costs are capitalized once the dollar threshold is met and the item has a useful life exceeding one year
- Interest and fees associated with borrowings that the Company has entered into for the acquisition of assets related to a project that has a material effect on the Company's financial position are capitalized as required by the Accounting of Certain Types of Regulation Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification
- Software development costs are capitalized as required by the Cost of Computer Service Software Development Topic of the FASB Accounting Standards Codification
- The capitalized cost of new hardware or software includes the first year of maintenance for hardware and software
- Time spent on project management and software testing for capital projects and business analysts' time in the Project Management department are capitalized and specifically noted in the Annual Administrative Costs Services and Capital Budget Filing

Questions



Forward Looking Capital Budget Spending



Forward Looking Capital Budget Spending

- The capital budget over the next five years and beyond will continue to support the Company's strategic goals with specific focus on three primary drivers with the fourth wrapping up in 2026:
 - nGem platform (replacing the current market system) set to finish in 2026
 - Major market and reliability related efforts
 - Cyber security
 - IT asset and infrastructure replacement
- In order to achieve these goals, ISO has increased the capital spending over the last few years with spending of \$35M in 2024; \$42.5M in 2025 and remains \$42.5M in 2026 with the potential to increase upwards of \$55M in future years; the capital costs are dependent on various factors, including regulatory orders and approvals and the use of professional services or internal staff
 - The ISO will continue with its current practice of providing a rolling two-year look-ahead window



Forward Looking Capital Budget Spending *(cont.)*

nGEM Platform Replacement (*)

- The nGEM program (next Generation Markets Management) has upgraded the core market software by supporting a system with a growing number and type of grid assets, new and more complex market features, ever multiplying security threats, and advancing IT technologies
 - GE Solutions developed nGEM in collaboration with ISO-NE, MISO, and PJM; the portion of the software upgrade unique to each ISO will be shouldered by each ISO individually
- With the completion of the infrastructure and the day ahead version of the new market clearing engine (MCE) in 2023, the ISO is continuing work on the complex processes for customizing and implementing the next phases, which include the infrastructure and real-time version of the MCE; this work is expected to continue until 2026 with an estimated cost of \$15M; this last phase will wrap up the work on the nGem platform



Forward Looking Capital Budget Spending (cont.)

Major Market and Reliability Related Efforts

- The capital budget supports ISO's market design objectives regarding clean energy, balancing resources, energy adequacy, and robust transmission
- Many of these projects are complex efforts that will have long lead times to complete and have dependencies of stakeholder and regulatory approval; the following projects have been identified for 2026 and beyond but may fluctuate depending on stakeholder/FERC priorities:
 - Significant Capacity Market Reforms: The ISO is currently recommending the move from a forward capacity auction construct to a prompt and seasonal capacity auction construct; this is a substantial scope of work that will better position the ISO to mitigate energy adequacy risks as the power system evolves
 - Capacity Auction Reforms (CAR) is currently proposed in 3 phases over the next 2-3 years: CAR – Prompt/Deactivation; CAR – Seasonal/Accreditation; and CAR – Impact/Analysis
 - Software systems to integrate distributed energy resources into the wholesale markets



Forward Looking Capital Budget Spending (cont.)

Major Market and Reliability Related Efforts (cont.)

- Transmission Line Ratings Enhancements: This project is in response to recent FERC orders and will require substantial IT and database work to collect and appropriately use data in planning and operations
- Market Simulator, 21 Day Energy Simulator, Inverter-Based Resource Modeling: There are various research and development efforts at the ISO that are expected to result in significant improvements to ISO modeling capabilities and situational awareness
- Stakeholder Priorities: The ISO has embarked on an improved prioritization process with stakeholders; each year, the ISO expects stakeholders to highlight three key priorities; some of these priorities will require the development of new software and associated applications
- Other Market Design Projects Identified in the ISO's Multi-Year Work Plan: The ISO plans to continue to make improvements to existing ancillary services, and design new ancillary services products; new ancillary products may include replacement reserves and ramping products
- Based on the complexity of the projects, the ISO expects the cost for market and reliability efforts will range from approximately \$40M - \$60M over the next five plus years

Forward Looking Capital Budget Spending (cont.)

Cyber Security & IT Asset and Infrastructure Replacement

- Capital spending on improvements to cyber security and IT assets and infrastructure will support the ISO's strategic goals of Operational Excellence and Progress and Innovation
- ISO's cyber security maturity level has been a major investment for a few years and will continue over the next 3-5 years; ISO has greatly benefited from these earlier investments and as such is now able to layer improved defense, network segmentation, email and web filtering to improve monitoring, detection, and recovery tools to keep pace with increasingly sophisticated attack threats
- The ISO's transition to a cloud environment began in 2022 and is expected to be a major capital effort over the next several years
 - Reliability of operating a modern system comprised of renewable and storage resources requires the processing, transfer, and storing of vast amounts of data; in multiple phases, the ISO will be implementing cloud-computing infrastructure and virtualization technology to enable more dynamic expansion of computing capability, while maintaining reliability
- The cost for IT and cyber security initiatives will vary depending on the use of professional services or internal staff; the cost will range from approximately \$20M - \$40M over the next several years



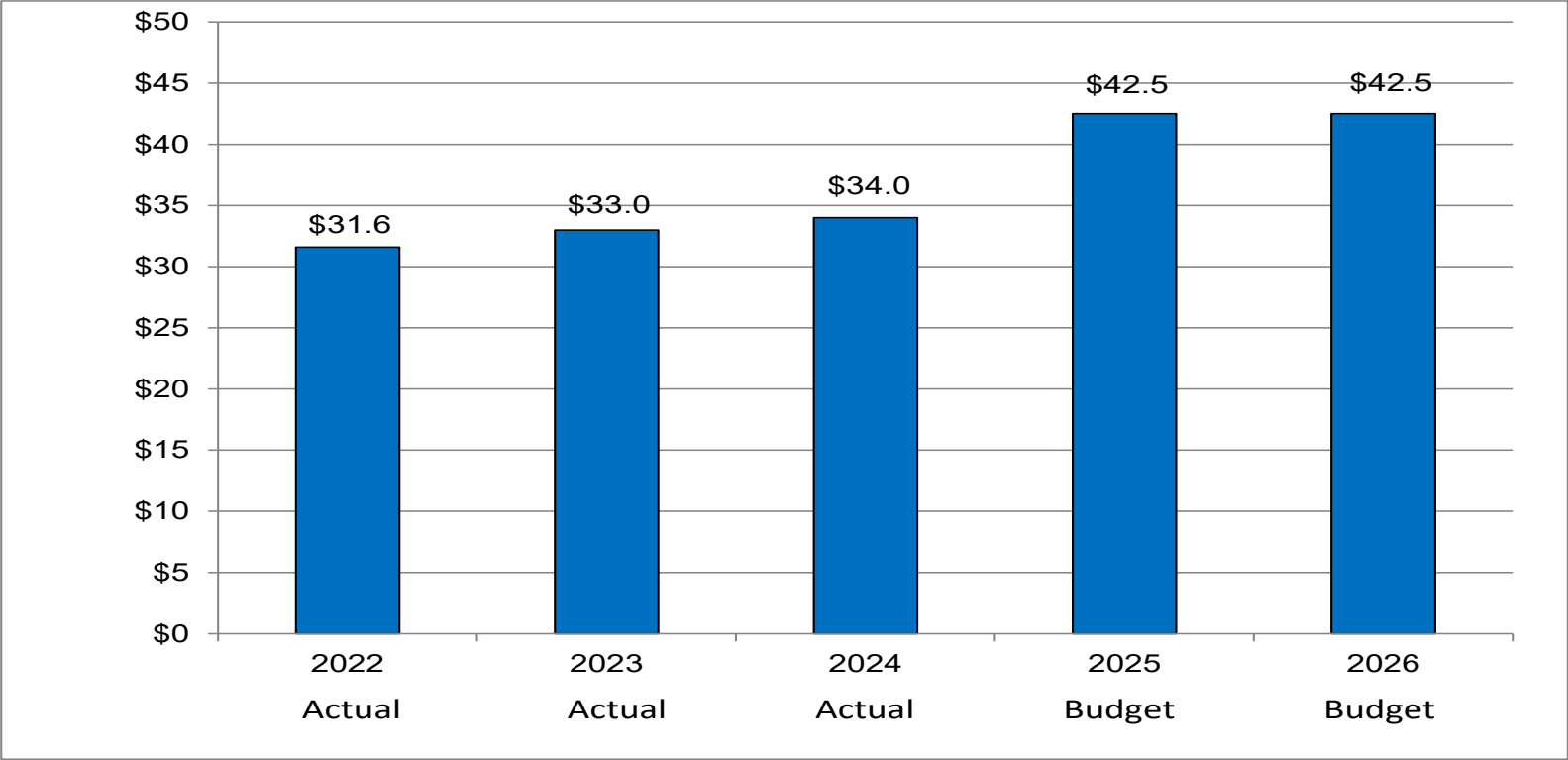
CAPITAL BUDGET SUMMARY



Capital Budget

Historical Comparison Capital Expenditures

Average +/- \$36.7M



Capital Budget

2026 Expenditures

Goal: Responsive Market Designs

Project	2026 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. EMP 3.5 Upgrade - GridOS	\$3.5 M	\$6.9 M	09/2027	Conceptual Design
. GridOS Connect	\$1.5 M	\$2.0 M	12/2026	Conceptual Design
. Storage as Transmission Only Asset (SATOAs)	\$0.5 M	\$1.0 M	10/2026	Conceptual Design
. Enterprise Core Network Refresh	\$0.1 M	\$1.8 M	08/2026	In Development
Total:		\$5.6 M		

Goal: Progress and Innovation

Project	2026 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Single Interval MCE Improvements (SIMI)	\$5.0 M	\$13.2 M	06/2028	Conceptual Design
. nGEM Real-Time Market Clearing Engine Implementation	\$3.2 M	\$14.8 M	05/2026	In Development
. Advanced Technology Initiatives	\$2.0 M	\$4.0 M	12/2027	Conceptual Design
. Day-Ahead Market Simulator (DAMKTSIM)	\$1.8 M	\$1.9 M	12/2026	Conceptual Design
Total: \$		12.0 M		

Capital Budget

2026 Expenditures (cont.)

■ Goal: Operational Excellence

Project	2026 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Distributed Energy Resources - Order 2222	\$2.6 M	\$5.4 M	11/2026	In Development
. MW Dependent Fuel Price Adjustment	\$2.5 M	\$2.6 M	12/2026	Conceptual Design
. Oracle Platform Replacement	\$2.2 M	\$2.8 M	11/2026	In Development
. Atlassian Cloud Migration	\$2.0 M	\$2.4 M	12/2026	Conceptual Design
. Managing Transmission Line Ratings	\$1.0 M	\$8.7 M	12/2026	In Development
. Adoption of NERC CIP Compliance of Synchrophasor Systems	\$1.0 M	\$2.1 M	08/2026	In Development
. Tie Line Telemetry and PCEC Upgrade Phase II	\$0.5 M	\$0.7 M	10/2026	Conceptual Design
. Replace Employee & Pager Application	\$0.5 M	\$0.6 M	12/2026	Conceptual Design
. Solar Do Not Exceed Dispatch Phase III	\$0.5 M	\$0.5 M	12/2026	Conceptual Design
. Circuit Inventory Management Platform Phase II	\$0.5 M	\$0.5 M	10/2026	Conceptual Design
. Internal Market Monitoring (IMM) Datamart Improvement (DI)	\$0.4 M	\$0.6 M	10/2026	In Development
. Operations Document Management System MS 365 Conversion	\$0.3 M	\$0.3 M	10/2026	Conceptual Design
. CIP Electronic Security Perimeter Phase III	\$0.3 M	\$1.1 M	06/2026	In Development
. Energy Management System Communication Front End (EMS CFE) Refresh	\$0.1 M	\$0.8 M	06/2026	In Development
. Voltage Ampere Reactive (VAR) Capability Testing	\$0.1 M	\$0.4 M	03/2026	In Development
. Centralized Application Security	\$0.1 M	\$0.2 M	02/2026	In Development
. Non-Project Capital Expenditures	\$5.5 M	\$5.5 M		
Total:		\$20.1 M		

Capital Budget

2026 Expenditures *(cont.)*

Goal: Stakeholder Engagement

Project	2026 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Order 2023 Interconnection Reforms	\$2.0 M	\$2.1 M	09/2026	Conceptual Design
Total:	\$2.0 M			



Capital Budget

2026 Expenditures Summary

2026 Capital Budget Expenditure Summary

Allocation Category	2026 Budget
Goal:Operational Excellence	\$20.1 M
Goal: Progress and Innovation	\$12.0 M
Goal: Responsive Market Designs	\$5.6 M
Other Emerging Work	\$1.6 M
Goal: Stakeholder Engagement	\$2.0 M
Capital Interest	\$1.2 M
Total:	\$42.5 M

CAPITAL STRUCTURE AND CASH FLOW



Capital Structure

- The ISO increased its working capital line from \$20M to \$40M in March of 2024; the working capital line, which will expire on March 1, 2028, covers the ISO's operational needs and cash flow risks, including lower than projected load driving decreased Tariff collections, a continued increase in budgetary needs over the next 3 - 4 years, and more recently the issuance of FERC Order 2023 which may increase withdrawals of system impact studies
- Capital project costs are largely funded by \$75M in Private Placement Notes that were increased in 2024, from \$50M, and require interest only payments until full payment of principal in 2034
 - As noted in last year's budget materials, the private placement note increase in 2024 was to support increased capital spending, that has occurred over the past several years, and longer lead times to complete projects resulting in a greater period of time from when the ISO spends capital funds to tariff recovery through depreciation expense of these projects
- For the six months ended June 30, 2025, the ISO's total weighted average cost of capital was 4.45%, excluding fees charged on the various debt financing; fees ranged from .075% to .38%

Capital Structure and Cash Flow (cont.)

	2025 Forecast	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast
Cash flows from operating activities:					
Operating Cost Recovery *	\$ 271,432	\$ 275,524	\$ -	\$ -	\$ -
Non Cash Items:					
Depreciation, Amortization & G/L on Disposals	35,341	38,213	43,853	44,660	47,276
Amortization Term Loan Fees	91	129	129	129	129
Chg in Accrued Expenses & Deferred Revenue-Depreciation	(23,057)	-	-	-	-
Interest Expense	(4,254)	(3,639)	-	-	-
Operating Expenses *	(259,341)	(287,972)	-	-	-
Net cash provided by operating activities	20,212	22,255	43,982	44,789	47,405
Cash flows from investing activities:					
Capital expenditures	(42,500)	(42,500)	(44,500)	(46,500)	(48,500)
Net cash used in investing activities	(42,500)	(42,500)	(44,500)	(46,500)	(48,500)
Cash flows from financing activities:					
Net Proceeds/(Repayment) - Revolving Credit Line	-	-	3,000	5,000	4,000
Net Proceeds/(Repayment) - Revolving Capital Credit Line	-	-	-	-	-
Repayment of Principal - Private Placement	-	-	-	-	-
Proceeds - Private Placement	-	-	-	-	-
Repayment of Principal - Tax Exempt Bonds	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
Net cash provided by (used by) financing activities	(3,180)	(3,180)	(180)	1,820	820
Net increase/(decrease) in cash	(25,468)	(23,425)	(698)	109	(275)
Cash & Cash Equivalents on Hand - Beginning of Period	49,960	24,492	1,067	369	478
Change in Cash & Cash Equivalents Available	(25,468)	(23,425)	(698)	109	(275)
Cash & Cash Equivalents on Hand - End of Period	\$ 24,492	\$ 1,067	\$ 369	\$ 478	\$ 203
Debt Maturity Schedule					
Tax Exempt Bond - BCC	1,360	1,360	1,360	1,360	1,360
Tax Exempt Bond - MCC	1,820	1,820	1,820	1,820	1,820
Total Year Repayment	\$ 3,180	\$ 3,180	\$ 3,180	\$ 3,180	\$ 3,180

*= Operating Cost Recovery for 2025 has increased by an under collection in 2023 of \$4,844 which was not amortized in 2024 but included in the 2025 tariff. The over collection of \$15,601 for 2024 will be filed with the 2026 tariff and will be reflected in the Operating Cost Recovery for 2026. The Operating Cost Recovery for 2027-2029 is projected to offset Operating Expenses for 2027-2029. The Operating Cost Recovery amount for 2027-2029 has not yet been established at this point.

Questions



APPENDIX 1: OTHER OPERATING BUDGET DETAILS



Operating Budget Details - Budget Categories

(see next slides for detail on certain categories)

(\$ in thousands)	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Salaries	\$94,438	\$104,324	\$118,815	\$134,822	\$146,441
Burden	30,117	32,993	35,303	39,138	43,009
Professional fees and consultants	19,833	22,200	24,873	27,777	28,468
Building services	3,348	3,339	3,421	3,492	3,869
Rents/leases	696	719	1,145	2,123	2,372
Network Operations	2,958	3,138	3,856	3,936	4,287
Computer services	17,482	20,469	24,115	31,336	36,024
Insurance expense	2,633	2,927	3,262	3,887	3,831
Board of Directors Expense	1,674	1,543	1,528	1,637	1,727
Meetings & Related Expenses	1,015	990	1,606	1,637	1,786
Education & Training	1,062	1,032	1,148	1,433	1,410
Interest Expense	2,249	2,834	3,576	4,571	3,768
Contingency Funds	-	-	-	3,700	3,700
Other Expense	1,931	1,863	2,050	2,469	2,784
Interest Income & Other Revenue	(1,267)	(2,055)	(2,363)	(1,783)	(1,691)
Net Expense before Depreciation and Regulatory Fees (1)	178,169	196,318	222,335	260,175	281,785
Depreciation	25,046	30,056	31,955	36,975	38,252
NPCC and NERC Dues	6,437	7,277	8,048	9,253	9,955
Total ISO Tariff Recovery	\$ 209,652	\$ 233,651	\$ 262,338	\$ 306,404	\$ 329,991
Revenue True-up	1,071	(14,589)	(3,006)	4,844	(15,602)
Revenue Requirement	210,723	219,062	259,331	311,248	314,390
Network Load (GWh)	121,378	121,521	121,489	123,578	124,691
Grid Market Charge \$/KWh	\$0.00174	\$0.00180	\$0.00213	\$0.00252	\$0.00252
Headcount (FTE's) (2) (3)	589.5	614.5	670.5	688.5	733.5

- (1) Net Expense Before Depreciation and Regulatory Fees of \$281.8 million for 2026 agrees to slide 38 of the presentation.
- (2) 2022, 2023 and 2024 reflect December 31 actual headcount for those years. 2025 and 2026 reflect planned headcounts of 746.5 and 777.5, respectively, less vacancy (of 6.0% for 2025 and 5.0% for 2026) and the impact of layering in new positions to account for recruiting and onboarding.
- (3) Funding of \$6.4 million of Salaries and \$2.3 million of Burden exists for 2026 internal capital development and reimbursable study time of ISO-NE Employees. Total Salaries and Burden including these and operating costs equal \$198.7 million.

Operating Budget Details - Budget Categories (cont.)

The following are explanations of budgeted items that are included in the ***Other Expense*** and ***Interest Income & Other Revenue*** lines of the budget details by category (as shown on the previous slide):

- ***Other Expense*** – This line includes Data Services & Office expenses which include subscriptions for industry and general information, professional dues, printing, office supplies and equipment, and postage and courier; this line also includes payment in lieu of taxes, bank fees, and business & license fees
- ***Interest Income & Other Revenue*** – This line includes interest income on accounts, purchase discount (primarily from utility expense), and miscellaneous service revenue

The following are line items that contain budget increases in 2026 which are greater than 5% or \$500,000 and a brief explanation of what is driving the change:

- ***Salaries (\$11.6M or 8.6%)*** – Increases include salary related to annual merit and promotional increases, funding for the addition of 34.5 full-time equivalent positions including funding for 18.5 in 2026 and carryover of 16 FTE's from 2025, and an increase, in this line item, for converting some consulting positions to employee positions (with a corresponding offset in Professional Fees & Consulting); an increase also resulted from the drop in the employee vacancy rate from 6.0% to 5.0% based on projected hiring; partially offsetting these increases were reductions as a result of lower salary rates and related incentive compensation due to employee turnover and retirements
- ***Burden (\$3.9M or 9.9%)*** – Increases for payroll taxes related to noted salary increases including for the additional 34.5 full-time equivalent positions funded in 2026; also contributing to increased expenses is higher employee benefits including those for medical trend (budgeted at 15% increase), and defined contribution and 401K (match) plans due to both higher salaries and increased participants

Operating Budget Details - Budget Categories (cont.)

- Professional Fees & Consulting (\$0.7M or 2.5%) – Professional Fees & Consulting increases include those for Information Technology and System Planning support for resource adequacy and capacity market modeling, which is essential to the redesign of the capacity market under the Capacity Auction Reforms project, a placeholder for Asset Condition Review work, support in Advanced Technology Solutions and Market Development for Capacity Auction Reforms work including gas modeling and other analysis, for work on tariff required Net CONE (Cost of New Entry) recalculation, consulting support to provide research and recommend and implement security best practices for ISO Management in the current environment, and increase in regulatory counsel fees for FERC Order filings and responses to supplement ISO-NE Legal staff; partially offsetting the increases were reductions for 2025 studies or other non-recurring work including completion of regional study work with PJM and NYISO for 1,200MW single source contingency limit appropriateness and to determine upgrades required to support 2,000MW single source limit, for transmission planning system assessment under NERC Transmission Planning Standard TPL-001, funding of Medium-Term Energy Adequacy related work, and various other reductions; this line item also included a decrease related to converting some consulting positions to employee positions (with a corresponding offset in Salaries and Burden lines).
- Building Services (\$0.4M or 10.8%) - Increased costs due to cyclical maintenance items that are due for completion in 2026, higher utility expense largely for delivery service fees at our Windsor facility, and inflationary and other small increases across multiple line items
- Rents/Leases (\$0.2M or 11.7%) – Increase for leasing tranche of blade servers for data center replacements that is more favorable than buying and is part of a multi-year data center refresh
- Network Operations (\$0.4M or 8.9%) – Increases for transition of communication lines to new technologies, for data redundancy, and for inflationary and communication line increases

Operating Budget Details - Budget Categories (cont.)

- Computer Services (\$4.7M or 15.0%) – increases for: cyber security (security log management, network detection and response tool, zero trust access and protection, and cloud monitoring); network collaboration software; computing and storage capacity application; licensing for System Planning and Operations applications; for nGEM vendor support with the Real-Time Market Clearing Engine application that is higher cost than the legacy Real-Time application; costs under NERC CIP Synchrophasor compliance adoption; and inflationary and vendor increases across our portfolio of computer service products
- Board of Director Expense (\$0.1M or 5.5%) – Increase in Board of Director annual retainer fees
- Meetings & Related Expenses (\$0.1M or 9.1%) – Meetings & related expense increase due to higher travel costs, travel for offsite training of additional staff and for new platforms and tools, and to attend participant and industry meetings and conferences
- Other Expense (\$0.3M or 12.8%) – this line includes Data Services & Office Expense increases including data services subscriptions for Market Monitoring fuel price and forecast utilization, for vendor third party risk assessment, and participant credit rating services
- Depreciation Expense (\$1.3M or 3.5%) – Depreciation expense increases primarily driven by 2025 or 2026 project implementations including nGEM Real-Time Market Clearing Engine, Enterprise Resource Planning System Replacement, CIP Electronic Security Perimeter Redesign Phase II, and FERC Order 841; partially offsetting increases in this line item are projects that will be fully depreciated in 2025 or 2026 including nGEM Market Clearing Engine Implementation, nGEM Software Development Parts I and II, nGEM Hardware Phase II, and Security Information & Event Management Log Monitoring Replacement
- NPCC and NERC Dues (\$0.7M or 7.6%) – Increases for both Northeast Power Coordinating Council and North American Electric Reliability Corporation dues assessed to the ISO

Operating Budget Details - Budget Categories *(cont.)*

ISO True-Up Mechanism

Description of True-Up Mechanism:

As set forth in Section IV.A.2.2 of the ISO's Tariff, the 2026 revenue requirement will include an adjustment for deviations between actual collections and expenses for calendar year 2024. In general, the amount of the true-up is added to (in the case of a revenue shortfall) or subtracted from (in the case of a revenue over-recovery) the ISO's total estimated budgeted amounts for the upcoming budget year.

The \$15.6 million true-up amount, that is decreasing the 2026 revenue requirement, is based on the following:

The final 2024 revenue requirement was an over-collection of \$15.6 million, which will decrease the 2026 requirement. The over-collection resulted from higher collections in addition to lower expenses. Specifically, 2024 collections under Section IV.A of the ISO-NE tariff were \$1.0M above what was included in the 2024 budget/tariff filing, while expenses were \$14.6 lower than budgeted. Please see the next slide for further detail and a reconciliation making up the \$15.6 million over-collection.



Operating Budget Details - Budget Categories (cont.)

The following is a reconciliation of the \$15.6 million true-up amount, that is decreasing the 2026 revenue requirement (\$ in thousands):

2024 Revenue Requirement True-Up Reconciliation - ISO New England Inc.
(Dollars in thousands)

	\$ Amounts (credits are savings)	Totals (credits are savings)
<u>Spending Variances (Dollars in thousands):</u>		
Contingencies:		
Board Contingency	\$ (700.0)	
CEO Emerging Work Allowance	\$ (2,000.0)	
Net Savings in Contingencies		\$ (2,700.0)
Salaries and Overheads - Lower than budgeted spending includes for vacancy with a partial offset due to approval for early hiring of some 2025 budgeted positions, for the timing of equity and promotion increases including impact of implementing compensation survey data changes and for merit and promotional funds due to a correction in the allocation of funds to capital development/reimbursable studies, from lower employee pay rates than previous incumbents, for higher internal capital development, for lower Post-Retirement Medical and Dental Contributions based on actuarial updates, and reduced medical due to employee plan elections for 2024.		\$ (4,090.5)
Professional Fees and Consultants - Significant decreases include the reduction of funds for prompt/seasonal capacity market assessment work due to this being accelerated into the second half of 2023, removal of FCM parameter updates and other auction related costs due to the FERC approved two-year auction delay, higher vacancy for consultants augmenting Information Technology staff, and reductions for several System Planning studies due to quotes coming in less than estimated. Increases, partially offsetting the decreases, include the addition of a northeast gas study done in coordination with the Northeast Power Coordinating Council, a study to establish "facility out" transfer capability for operation of the Northern New England power system with the planned New England Clean Energy Connect (NECEC) project, ESG Reporting work that started later than expected in 2023 and carried over to 2024, for consultants to assist with the relocation of some ISO staff from Holyoke to our Windsor campus, funding for a Market & Credit risk consulting, and funding for FinOps managed services that will monitor our cloud operations to increase cloud efficiency in a cost effective manner.		\$ (3,745.8)
Revenues, Other Income - predominantly due to increased interest income as a result of higher than budgeted rates on operating and settlement funds, and interest earned on \$25M inflow from the issuance of the \$75M in private placement debt. The ISO took partial funding of the private placement debt in August because it locked in a rate for the debt that was lower than the cost to borrow on the working capital line. These funds were used to pay down the line of credit and remaining funds were invested in a money market account. Additionally, the Company anticipated a large withdrawal of monies from System Planning deposits as a result of the changes within the FERC Order 2023 but a delay in issuing that order has resulted in higher cash flow and ability to invest those monies into a money market account.		\$ (1,446.8)
Computer Services - decreased expenses include the non-renewal for end-of-life products no longer being utilized and/or being replaced including various data domain, storage hardware, backup analytics, and infrastructure items; savings based on actual quotes on renewals across several products; reduction of as-needed licensing; and savings from an enterprise agreement due to currently not deploying all products available. The reduced costs were partially offset by an increase due to new software maintenance from the 2023 capital purchase of firewall maintenance under the CIP Electronic Security Perimeter Redesign Phase II project; and Amazon Cloud resources due to run rates.		\$ (1,257.6)
Depreciation Expense - reductions due primarily for adjustments in capital project timelines and lower hardware purchases in 2023. Several projects anticipated to be completed and placed into service in 2024 were delayed or restructured into earlier planning or chartered phases, deferring the associated depreciation expense to future periods		\$ (916.2)
Legal Professional Fees - reductions are the result of lower regulatory counsel support due to less than budgeted need to use outside resources		\$ (638.0)
Net Change across all other Expense Lines: Includes line items with variances below \$500 (thousand)		\$ 235.9
Net Savings in Expenses:		\$(14,559.0)
Tariff Collections (over collection): Tariff collections came in 0.4% above plan, due to small variances across load related factors and energy transaction units		\$ (1,042.7)
Total 2024 True-Up		<u>\$(15,601.7)</u>



Operating Budget Details

Professional Fees

(See next slides for details)

	(\$ in Millions)	
	<u>2026</u>	<u>2025</u>
Corporate Center	\$ 7.7	\$ 6.6
Legal	3.8	3.2
Operations	17.0	17.9
Total Professional Fees	\$ 28.5	\$ 27.8



Operating Budget Details

Professional Fees – Corporate Center

NEPOOL PARTICIPANTS COMMITTEE		
OCT 9, 2025 MEETING, AGENDA ITEM #5.8		
	2026	2025
Corporate Center	\$ 7.7	\$ 6.6
Legal	3.8	3.2
Operations	17.0	17.9
Total Professional Fees	\$ 28.5	\$ 27.8

	(\$ in Millions)	
	<u>2026</u>	<u>2025</u>
Benefits and Hiring		
Recruiter Fees and Background Checks	\$ 0.6	\$ 0.4
Relocation	0.4	0.7
Temp Help	0.3	0.3
Compensation Surveys	0.5	0.4
Other Consulting for Pension & Benefits	1.6	1.4
Total Benefits and Hiring	3.4	3.2
Financial Support (Payroll processing, Temp Help, etc.)	0.5	0.4
Security Services	0.5	0.0
Audits (i.e., SOC 1, financial statement, IT systems, federated authentication)	1.5	1.3
Corporate Communications (see following slide)	0.2	0.2
External Affairs (see following slide)	0.5	0.5
Market and Credit Risk Support (Financial Assurance)	0.4	0.4
Strategy, Risk and Operation Compliance (Professional Consulting Support for the Governance/Risk/Compliance tool, Record Storage and Destruction, and Procedure Writing)	0.2	0.2
Market Monitoring and Mitigation - Capacity Auction Workbook Development, Application Support, and Energy Market Consultation	0.6	0.4
Total Included in Budget	\$ 7.7	\$ 6.6

Operating Budget Details

Professional Fees – External Affairs/Corporate Communications

NEPOOL PARTICIPANTS COMMITTEE			
OCT 9, 2025 MEETING, AGENDA ITEM #5.8			
	(\$ in Millions)		
	2026	2025	
Corporate Center	\$ 7.7	\$ 6.6	
Legal	3.8	3.2	
Operations	17.0	17.9	
Total Professional Fees	\$ 28.5	\$ 27.8	

	(\$ in Millions)			
	<u>2026</u>		<u>2025</u>	
State Educational Outreach / Legislative Monitoring	\$	0.3	\$	0.3
Media Relations / General Support		0.2		0.2
Federal Educational Outreach / Legislative Monitoring		0.1		0.1
Total Included in Budget	\$	0.7	\$	0.7

Operating Budget Details

Professional Fees – Legal

NEPOOL PARTICIPANTS COMMITTEE
OCT 9, 2025 MEETING, AGENDA ITEM #5.a

	(\$ in Millions)	
	2026	2025
Corporate Center	\$ 7.7	\$ 6.6
Legal	3.8	3.2
Operations	17.0	17.9
Total Professional Fees	\$ 28.5	\$ 27.8

	(\$ in Millions)			
	<u>2026</u>		<u>2025</u>	
Independent Market Advisor	\$	1.4	\$	1.4
Market Rule and Tariff/OATT Proceedings		1.9		1.4
Labor Matters		0.1		0.1
Other		0.4		0.4
Total Included in Budget	\$	3.8	\$	3.2

Operating Budget Details

Professional Fees – Operations

	2026	2025
Corporate Center	\$ 7.7	\$ 6.6
Legal	3.8	3.2
Operations	17.0	17.9
Total Professional Fees	\$ 28.5	\$ 27.8

	(\$ in Millions)	
	<u>2026</u>	<u>2025</u>
Information Technology (SMS/SAS/EMS/CAMS Support, Network Model and Model-On-Demand, Energy Management System Support, Software License Management & Reporting Support, Website Support, Cyber Security and Vulnerability Testing, Desktop and Database Services Support, RTU and NX9/NX12 Network Model Support, and other Temp Help)	\$ 10.5	\$ 10.1
FCA and FCM Analysis Support	0.2	0.2
Asset Condition Reviewer, Transmission Planning / Non-Transmission Alternatives, Interconnection Studies, Short Circuit Analysis, Integrating Emerging Technologies and Distributed Generation into Load Forecasting, and Model Administration Support	1.5	3.4
Market Development for Net CONE (Cost of New Entry) recalculation and Project Management	1.9	1.3
Capacity Auction Reforms	0.9	1.2
Project Management (Impact Analysis, R&D, Project Work and Initiatives)	1.8	1.5
System Operations Support (New England Clean Energy Connect Project)	0.0	0.3
Participant Support and Training	0.1	0.1
Total Included in Budget	\$ 17.0	\$ 17.9

Operating Budget Detail

2026 Budget for Board Compensation

2026 Original Budget (1)

• Annual retainers for Board Committee membership (2) (\$125K/Board Member)	\$1.1M
• Annual retainers for Chair positions (2) (\$40K Chairman and \$10K Committee Chair)	\$0.4M
Total Board Compensation (3)	<u>\$1.5M</u>
• Meetings and Travel Expenses	\$0.2M
Total Board of Directors Expenses	<u><u>\$1.7M</u></u>

- (1) The budget contemplates 9 members for 2026 not including the CEO who is the 10th member of the Board
- (2) Effective Feb 15, 2024, the Board of Directors compensation structure has transitioned from a meeting fee structure to a retainer only structure. The revised policy eliminates all references to meeting fees and now specifies the annual retainers for Board Committee membership and Chair positions
- (3) Board Compensations are evaluated using independent surveys, similar to process used for determining executive compensation

APPENDIX 2: COMPENSATION



Process for Establishing Salary Budget Increases

- ISO-NE contracts with Mercer, an independent compensation consulting firm to provide job specific benchmark data to inform our market competitiveness. This data provides insight into median pay and relative pay ranges for similar jobs in the national market enabling us to evaluate our salaries relative to companies with whom we compete for talent
 - Initial evaluation complete in 2025 with planned annual updates
- ISO-NE reviews comprehensive salary budget planning data compiled by nationally-recognized compensation consulting firms
 - These surveys are typically published later in the fall and reflect planned salary budget increases of over 2,300 employers, including more than 100 utility companies
- ISO-NE will also review expected salary increases of other ISOs/RTOs

Process for Establishing Salary Budget Increases *(cont.)*

- Merit Increases
 - Merit pools are the percentage of total employee salaries that companies intend to use for broad-based salary increases in the coming year
 - At ISO-NE, this pool funds the annual performance-based increases for eligible non-bargaining unit employees
 - Individual percentage increases vary based on employees' performance, with some receiving less than and some receiving more than the budget percentage
- Promotion and Adjustment Increases
 - Promotion and adjustment equity pools are used to fund promotions and base salary adjustments required to attract and retain talent throughout the year
 - At ISO-NE, this pool funds all promotions and any required salary adjustments required to remain competitive so that we can attract and retain the talent required to achieve our objectives

Process for Establishing Salary Budget Increases *(cont.)*

- In 2022, to address competitive challenges related to the grid transition and evolving resource mix, particularly those specified on Slides 96 and 97, ISO engaged a compensation consulting firm to conduct more discrete, 1-for-1 job-specific benchmarking to establish competitive rates of pay for our highly skilled and in-demand workforce
- Supplementing the salary budget survey data with job-specific benchmarking allows us to better ensure that we are providing competitive rates of pay to our current employees, as well as attracting the necessary talent to be successful in the future
- Initial job specific benchmarking will be complete in 2025 and will be updated each year going forward to ensure our salary budget supports our ability to maintain competitive rates of pay
- A summary of the survey results and managements' recommendation is presented to the Compensation and Human Resources Committee of the Board of Directors for approval

Competitive Challenges

- As described in industry literature and shared with NEPOOL in the past, ISO-NE and utility employers face significant challenges associated with the retirement of a seasoned, technical workforce
 - Approximately 19% of the ISO-NE workforce is retirement-eligible
- The significant increase in demand for System Planning Engineers as a result of continued high levels of regional and interregional transmission expansion planning, large volumes of new generation and data center interconnection activity and overall resource adequacy concerns, has influenced salary requirements for these roles requiring higher pay to attract and retain this talent
- Addressing the grid transition and evolving resource mix is impacting all aspects of industry nationwide, leading to a tight labor market and inflation on new and existing employees' compensation expectations



Competitive Challenges *(cont.)*

- One third of ISO-NE's workforce is comprised of IT professionals who are in increasingly high demand
 - Software development and cyber security skills are the most sought after as organizations invest in newer, faster technology and mobile networks; compensation for these professionals is escalating
- This competition will only intensify as the region becomes increasingly involved with new and emerging technologies
 - More employees, with different skill sets will be needed to address the volume of market design changes and operational/planning complexities
 - Major investments in new technologies to create and support the core business applications and processes, including increased computational capacity to deal with increased grid complexity, will require the requisite staff to complete this work
- For all of these reasons, it is essential that we maintain competitive compensation; doing so is a cost-effective measure that will help prevent additional turnover and ensure the Company does not experience vacancies that will hinder implementation of major initiatives or impact efficient operation of its systems and markets

Competitive Challenges *(cont.)*

- With our current job specific competitive position for many specialized roles still lagging the market median, the limited national survey information currently available, and insights from other ISO's, we are currently budgeting 4.0% for merit and 1.5% for promotions and adjustments for 2026

Merit and Promotion/ Adjustment History	2022	2023	2024	2025	2026
Merit	3.0%	4.0%	4.0%	4.0%	4.0%
Promotion/Adjustments	0.5%	1.75%	4.0%	2.0%	1.5%
Total	3.5%	5.75%	8.0%	6.0%	5.5%



Executive Compensation

- As a tax-exempt organization, ISO-NE's Board of Directors is required by the Internal Revenue Code Section 4958 to ensure that executive compensation falls within a reasonable range of compensation practices among functionally comparable positions at similarly-situated organizations, both taxable and tax-exempt
- ISO-NE's Board of Directors contracts with Mercer, an independent compensation consulting firm, to study each executive's total compensation for "reasonableness"
 - The analysis includes examining data from other ISOs, utilities, and as appropriate, the general industry
 - Considerations such as the complexities of the markets, the significance of maintaining the grid, and the multi-billion dollars in settlements handled by ISO-NE are also factored into the review
 - Following its analysis, Mercer issues a Reasonableness Opinion
- The Mercer Reasonableness Opinion has consistently concluded that ISO-NE's executive compensation is within the appropriate competitive range

Executive Compensation *(cont.)*

- The Compensation and Human Resources Committee of the Board of Directors and the full Board of Directors review the Mercer Reasonableness Opinion and use it to finalize their decisions regarding each executive's compensation
- Executive compensation is reported in ISO-NE's annually filed IRS Form 990
 - This public filing is required for all tax-exempt companies and depicts officer compensation in detail
 - In addition to annual compensation, the data includes incremental increases in accrued pension benefits and other potential future compensation not yet received by the executive
- 2026 Budget for Executive Salaries \$5.4M
 - Executive Salaries comprise the base salaries of the officers on the IRS Form 990



Pension and Defined Contribution Benefit Plans in 2026

- Defined Contribution Pension Plan: In 2014, ISO-NE changed its retirement plan offering from a Defined Benefit Pension Plan (Pension Plan) to a Defined Contribution Pension Plan (DC Plan) for employees hired after 12/31/13 and closed its Pension Plan to new participants; the DC Plan provides predictable cost and reduced balance sheet liability, with no investment risk and minimal cost volatility for ISO-NE



Pension and Defined Contribution Benefit Plans in 2026 (cont.)

- Defined Benefit Pension Plan: Consistent with the 10-year approach adopted in 2016, the 2026 Pension Plan expense will follow a level funding approach, rather than including the expense amount as calculated under FASB's Compensation – Retirement Benefits (ASC Topic 715)
 - The level funding approach will reduce the year over year volatility of the Pension Plan expense while still providing reasonable assurance that the Pension Plan is sufficiently funded
 - The level funding amount for the 2026 Pension Plan is unchanged at the \$10,000,000 level
 - In 2024 ISO's actuaries, Segal Consulting performed a detailed Asset Liability Modeling ("ALM") study to refresh the original analysis with current economic conditions; the study results confirmed the Company's level funding approach and the amount of level of funding was still appropriate
 - The Pension Plan expense that is included in the 2026 budget is \$10,000,000 compared to the projected FAS expense of \$5,300,000

Pension and Defined Contribution Benefit Plans in 2026 *(cont.)*

The table below identifies the number of active ISO-NE employees, at each year-end, that are included in the Defined Benefit Pension Plan and the Defined Contribution Plan:

Date	Defined Benefit Pension Plan	Defined Contribution Plan
12/31/2022	306	286
12/31/2023	287	339
12/31/2024	275	394

Note: The Defined Benefit Pension Plan was closed to employees hired or rehired after December 31, 2013.



Postretirement Medical Benefit Plan in 2026

- In 2014 ISO-NE looked at making changes to its benefit plan offerings; to better align with the industry, the decision was made to close the Postretirement Benefit Plan to new hires, effective January 2016; in addition, a modification was made to the criteria for when this benefit could start for those employees in the plan prior to January 1, 2016; the age and years of service requirements were increased, thereby reducing future benefits that could be paid
- Consistent with previous years' budgets, ISO-NE's actuaries prepared estimated 2026 Financial Accounting Standards (FAS) Expense for the Postretirement Benefit Plan
- Actuaries utilized the FTSE Pension Discount curve, and reflected the change in discount rates as of May 31, 2025 to estimate the discount rate used in the calculation of the Postretirement Benefit Plan; current rates approximate the forward curve rates
 - Discount Rates Selected Postretirement Benefit Plan 5.45%
 - Salary Scale assumption (weighted Avg.) 3.00%
 - Projected 2026 annual earnings rate 6.00% (approximately)
- The calculated FAS expense amount for the Postretirement Benefit Plan of \$883,000 is included in the 2026 budget

Operating Budget Details

Staffing - Salary and Benefits Costs

The \$15.5M increase in salary and burden costs is driven by the following factors:

2026 Merit & Promotion - (budgeted 5.5% increase (4.0% merit and 1.5% promotion/adjustments), which was approved by the Board Compensation and Human Resources Committee)	\$	6.0
Salary Impact of Funding for 34.5 Additional FTEs ⁽¹⁾		7.9
Decrease in Vacancy Rate (from 6.0% to 5.0%)		1.6
Salary Rate Changes		(2.5)
Other Salary Changes including conversion of former consultant positions to FTEs		0.9
Total Salary Impact	\$	13.9
Change in Employee Benefit Costs	\$	1.5
Total Salary and Burden Increase	\$	15.5

(1) The 2026 budget includes the recruitment of 25 additional positions with funding for 18.5 full-time equivalents, in addition to the carryover of deferred funding of 16 positions from the 2025 budget.

Operating Budget Details

Staffing – Authorized, Budgeted, and Actual Headcount

The following is historical full-time equivalent (FTE) headcount information:

<u>Year</u>	<u>Authorized total FTE's</u>	<u>Budgeted FTEs</u>	<u>Actual FTEs (1)</u>	<u>Budgeted Vacancy %</u>	<u>Actual Average Vacancy</u>
2016	603.5	585.5	572.5	3.0%	3.8%
2017	603.5	585.5	583.5	3.0%	4.1%
2018	608.0	587.5	584.5	3.4%	3.9%
2019	608.0	583.5	587.0	4.0%	3.5%
2020	608.0	583.5	577.5	4.0%	3.8%
2021	608.0	583.5	573.5	4.0%	4.1%
2022	622.5	593.0	581.5	4.0%	5.8%
2023	654.5	614.5	625.5	5.0%	4.9%
2024	698.5	644.5	670.5	5.0%	3.6%
2025	746.5	688.5	707.5	6.0%	5.4%
2026 ^{(2) (3)}	777.5	733.5	N/A	5.0%	N/A

(1) Actual FTEs is the number as of December 31st for each year with the exception of 2025 which represents the number as of June 30th

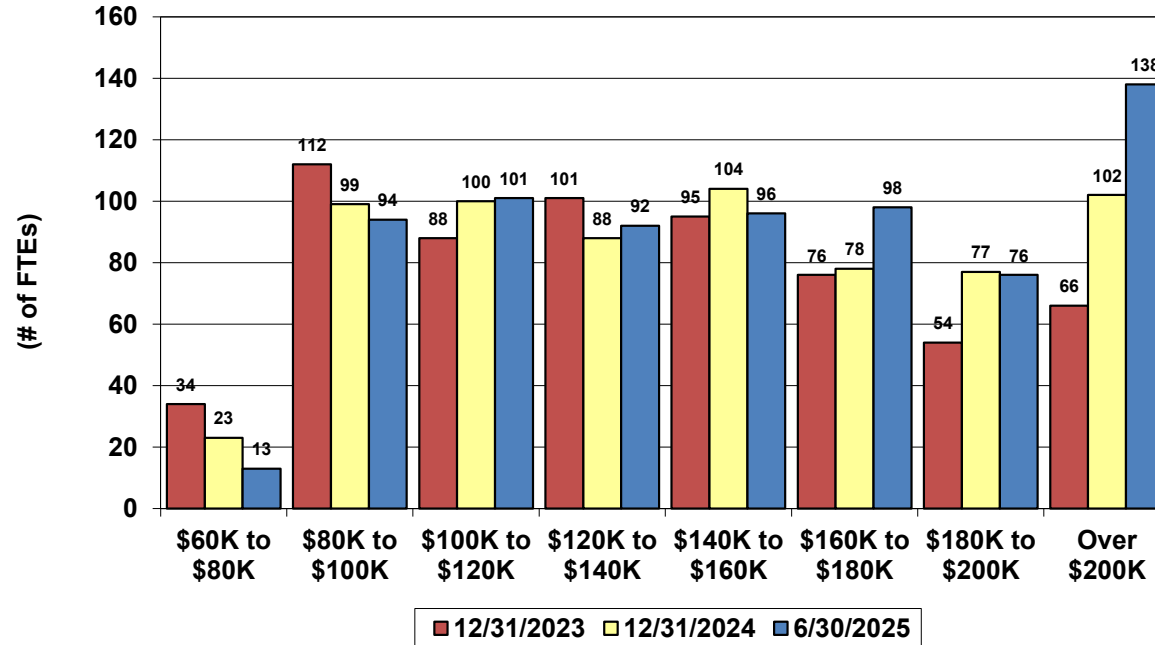
(2) The 2026 budget includes the recruitment of 25 additional positions, with funding for 18.5 full-time equivalents with onboarding expected to occur throughout the year. All other existing positions have been budgeted with an estimated 5.0% vacancy.

(3) The 2026 budget includes the conversion of 6 FTE consultant positions to ISO-NE employees (FTE's) with no overall \$ impact on the 2026 budget (compared to 2025)



Operating Budget Details

Staffing – Number of Employees by Salary Band



Operating Budget Details

Staffing - Salary and Benefits Cost Comparison

The following provides actual Salary and Benefit related costs compared to budget for the two most recent completed years, 2024 and 2023, by component (\$ in Thousands):

<u>Description</u>	2024			2023		
	Actual Expense	Approved Budget	Incr/(Dec)	Actual Expense	Approved Budget	Incr/(Dec)
Salaries and Wages - Base	\$ 96,767.0	\$ 100,893.7	\$ (4,126.7)	\$ 85,725.0	\$ 85,304.6	\$ 420.4
Salaries and Wages - Overtime	3,367.9	2,763.5	604.4	3,210.5	2,662.6	547.9
Salaries and Wages - Incentive/Bonus	18,680.2	18,482.8	197.4	15,389.0	14,224.8	1,164.2
Employee Benefits - Pension ⁽¹⁾	12,943.5	12,117.3	826.2	11,905.2	11,149.2	756.0
Employee Benefits - Post-Ret Benefits	614.0	961.4	(347.4)	739.2	927.8	(188.6)
Employee Benefits - Health Insurance	8,787.9	8,931.3	(143.4)	8,468.3	8,473.4	(5.1)
Employee Benefits - Dental Insurance	540.5	537.1	3.4	523.6	508.5	15.0
Employee Benefits - 401(K) Match	3,977.5	4,079.3	(101.8)	3,342.4	3,567.0	(224.6)
Salary Burden - Payroll Taxes	7,847.1	8,714.7	(867.7)	7,346.4	7,205.8	140.7
Other Benefit/Burden <\$200K	592.4	727.8	(135.4)	667.9	678.4	(10.6)
Total Salaries & Burden Expense	\$ 154,118.0	\$ 158,209.0	\$ (4,090.9)	\$ 137,317.5	\$ 134,702.1	\$ 2,615.3

(1) Pension costs include funding for both the Defined Benefit and Defined Contribution plans.

APPENDIX 3: 2024 DELIVERABLES AND SELECT METRICS



ISO Tracks Metrics to Monitor Progress and Efficiency in Upholding its Regional Responsibilities

- To carry out the ISO's mission and keep track on its strategic goals, the organization tracks a number of metrics to gauge progress; those metrics are listed in the subsequent slides
- ISO-NE Five Strategic Goals:
 - Responsive Market Designs
 - Progress and Innovation
 - Operational Excellence
 - Stakeholder Engagement
 - Attract, Develop, and Retain Talent



Mission Statement:

Through collaboration and innovation, ISO New England plans the transmission system, administers the region's wholesale markets, and operates the power system to ensure reliable and competitively priced wholesale electricity

Delivering Market Initiatives to Address the Changing Resource Mix – Responsive Market Designs

These 2024 deliverables address the clean energy and balancing resources pillars

Capacity Auction Reforms (CAR)

- Successfully pivoted to secure stakeholder support for significant capacity market reforms to align with the evolving resource mix
 - Filed capacity market structure proposals with the Commission in April, with a focus on transitioning to a prompt, seasonally-based market
 - Secured broad support for delaying the forward capacity auction by two years (approved in May)
 - Completed substantial internal work, including inter-departmental task teams, GE contracting, and modeling system-wide gas supply constraints for winter
- Conducted five months of stakeholder discussions, ensuring key elements are included in the 2028 auction design
- **2025:** Plan to Complete prompt and deactivation design for CAR – Including final tariff review and vote

Ancillary Services

- Advanced Day-ahead Ancillary Services Initiative (DASI), completing factory-acceptance testing and ongoing automated testing for MCE; Filed and received approval for Tariff changes to support DASI's implementation
- **2025:** Commenced implementation of DASI and begin assessment of further market reforms to support flexible reserves for those resources that can respond to operational uncertainty and higher ramp rates

2024 Initiatives to Enhance the ISO's Ability to Integrate Emerging Grid Technologies – Progress and Innovation

These 2024 deliverables address the clean energy and balancing resources pillars

Real-Time Market Clearing Engine (RT MCE)

- Delivered the preliminary RT MCE as part of the Next Generation Electricity Market (nGEM) initiative
 - In 2023, implemented nGEM Day Ahead Market Clearing Engine (MCE) as a critical step in transitioning the market clearing system from legacy to modern technology
 - In 2024, GE delivered a stand-alone version of RT MCE for initial debugging and testing, which was later integrated with Market Database and Market Operator Interface.
 - The RT MCE will support the ISO's Real-Time Unit Commitment (RTUC) mode and provide a foundation for final deployment and integration by the end of 2024

Electromagnetic Transient (EMT) Modeling for Inverter-Based Resources (IBRs)

- Developed a guideline for the EMT modeling process and model repository to facilitate reliable integration of inverter-based resources (IBRs) into the grid

EMT Modeling for IBRs *Cont'd*

- The guideline outlines best practices for conducting EMT studies, especially for generation interconnections and operational analyses
- Focused on the need for EMT studies due to the complex controls of IBRs and their reliability challenges
- System Planning is also developing a system to collaboratively manage EMT model data throughout the lifecycle of IBR projects, involving Generator Owners, Transmission Owners, and ISO Staff
- 2025:** Integrating electromagnetic transient (EMT) tools into operational analyses to better account for storage, solar & wind facilities

Improving Operational Efficiency

Improving the ISO's technology infrastructure to support the changing resource mix and ensuring compliance with regulatory mandates

Infrastructure/Compliance and Regulatory Improvements

- Sandbox Installation for Order 881 Compliance
 - **2025:** Completed the installation of the "Limit Exchange Portal" for implementing ambient-adjusted ratings as required by Order 881 for transmission system operation
- Assessment of Tie-Line Benefits Methodology
 - **2025:** Completed an assessment of the current tie-line benefits methodology, concluding that no changes to the existing methodology were necessary
- Successfully completed the refresh of foundational network infrastructure supporting enterprise and market IT and business functions

Cloud Computing and Migration to MS 365

- Completed a Cloud Transformation project focused on Office 365 adoption and cloud desktops:
 - **2025:** Delivered the implementation design for Office 365 features, with the pilot phase initiated for cloud desktops
 - Engaged in migration efforts for technologies like Active Directory, Exchange, SharePoint, and network file storage to a centralized cloud offering, reducing infrastructure costs and improving employee productivity
- Microsoft 365 Service Adoption Project
 - Including integration of new cybersecurity tools
- Executed a pilot to explore the viability of using cloud virtual desktops

Delivering Increased Reliability to ISO Stakeholders

2024 deliverables focused on improving energy adequacy, enhancing the ability to manage extreme weather events, and increasing transparency in energy reliability assessments across regional systems

Interconnection Queue and Energy Adequacy

- Order 2023 Compliance: addressed the interconnection queue backlog and filed rules for extended term/longer-term transmission planning as part of Order 2023 compliance
 - **2025:** Implementing Order 2023 to streamline interconnection queue
- Energy Adequacy Promotion
 - Led efforts within NERC to develop a new standard for Energy Reliability Assessments, improving transparency regarding energy adequacy risks across neighboring areas
 - Supported NPCC's New England/New York Gas Electric Study, providing PEAT-based studies to inform the analysis
 - Implemented the second year of the Inventoried Energy Program, contributing to efforts aimed at ensuring reliable energy supply amidst decreasing reserve margins and increasing intermittent resources
 - **2025:** Evaluate Potential Tie Benefits Winter Modeling Improvements
- Regional Energy Shortfall Threshold (REST) Initiative
 - Completed the work on defining a "regional energy shortfall threshold" to assess energy adequacy during extreme weather
 - Developed dual metrics for REST, focused on both the magnitude and duration of energy shortfalls, using a "conditional expectation" approach to better estimate high-impact tail risks
 - Estimated a "manageable" energy shortfall of 245,000 MWh over 72 hours during extreme weather and used this as a reference point for defining minimum manageable metrics
- **2025:** Defining an acceptable REST with stakeholders
- **2025:** First Competitive Solicitation for Longer-Term Transmission Planning (LTP) Solution

Key Metrics – Responsive Market Designs

Goal: Advance the competitive wholesale markets to support the investment and new services required for a reliable clean energy transition

- Wholesale energy market is structurally competitive
 - Operating reserve margins remain relatively high
 - Residual Supply Index (RSI) scores meet expectations
 - Energy market mitigation is relatively infrequent
 - Markups in RT and DA markets were close to zero or negative
 - In 2024, withheld economic capacity relatively low
- Wholesale capacity market structurally competitive
 - RSI and Pivotal Supplier Test scores: no pivotal suppliers
 - Overall competitiveness increased with decrease in SENE zonal load forecast & increase in import capability limit

Key Metrics – Progress and Innovation

Goal: Expand capabilities to support increasing grid complexity brought about by new technologies and changes to supply mix and customer use

- Improve day-ahead load forecasting accuracy
 - Average accuracy for peak hours of the month meets ISO's standards, but average accuracy across all hours of month does not. See Monthly COO report to NEPOOL for detail
- Enhance programs to incorporate state policy objectives
 - Reflect state energy efficiency goals; PV and electrification growth in long-term forecasting methodology. See NEPOOL Load Forecast Committee & Planning Committee working groups
 - In 2025, ISO began implementing a project to enhance longer-term transmission planning program
- Interconnect and register new resources to meet FERC established timeframes
 - Order 2023 Reporting metrics (to be implemented)
 - Streamlined DER process through transferring all distribution system interconnection to state processes

Key Metrics – Operational Excellence

Goal: Continuously improve operations and processes, with a focus on prioritizing project scope and implementation, business results, and continuity of reliable operations

- Maintain NERC Standards compliance
 - Operate bulk electric system reliability, e.g., within frequency limits; to avoid instability, cascading outages or uncontrolled separation
 - Maintain accurate planning models and update planning studies
 - Oversee facility interconnection studies
- Accurately settle markets with no errors
 - Administer hourly market operations with minimal LMP corrections and zero provisional DAM results adjustments
 - Maintain IT uptime and ensure business continuity
- Continuous assessments of cyber security threats and risks against CIP Standards; NIST Framework; DHS Known Exploited Vulnerabilities; phishing attempts
- Maintain accurate quarterly budget forecasts, comparing projected costs/revenues against actual financial results

Key Metrics – Stakeholder Engagement

Goal: Collaboratively understand and anticipate needs, demonstrate thought leadership through high-quality analysis and communication, and nurture productive relationships with regulators and stakeholders, including the public, in supporting the four pillars of the clean energy transition

- Address public policy concerns
 - Assess regional policy requests
 - Administer stakeholder prioritization process
 - Hired for position to focus on environmental policies and community outreach in 2024
- Annually survey stakeholder satisfaction with ISO services
 - Overall service quality
 - Market Participant training course satisfaction
- Over past several years, ISO has delivered products responsive to New England States' 2020 Vision and policy initiatives:
 - Request to evaluate clean energy pricing (Pathways report)
 - Updated economic planning study methodology
 - Request to conduct longer-term transmission planning (Future Grid Reliability Study; 2050 transmission study)
 - Enhancement to longer-term transmission planning process
 - Technical support on States' RFP efforts

APPENDIX 4: CYBER SECURITY AND CIP COMPLIANCE HISTORY AND COSTS



Cyber Security and CIP Compliance

- Background

- Information technology has become an indispensable tool for efficiently and reliably operating the increasingly complex regional power system, administering the billion-dollar markets where wholesale electricity is bought and sold in New England, and engaging and collaborating with our stakeholders
- The energy sector faces significant risk of attempted cyber intrusion; ISO-NE is committed to making sure power grid and market operations remain secure and will continue to build on our already extensive process controls, advanced detection and response systems, and redundancy in systems and control centers
- Our Security Operations Center monitors the ISO-NE environment and multiple new state-of-the-art cyber security capabilities were deployed in 2022, including best in class endpoint detection and response, network detection and response, software vulnerability detection, and cyber threat hunting
- A prominent corporate objective requires all ISO-NE employees to participate in annual cyber security training; ISO-NE has tightened security controls for cyber assets and visitors to ISO facilities in compliance with revised NERC CIP cyber security standards
- ISO-NE developed and implemented a third-party cyber security risk management program that includes compliance with CIP-013 related to Supply Chain Cyber Security Risk

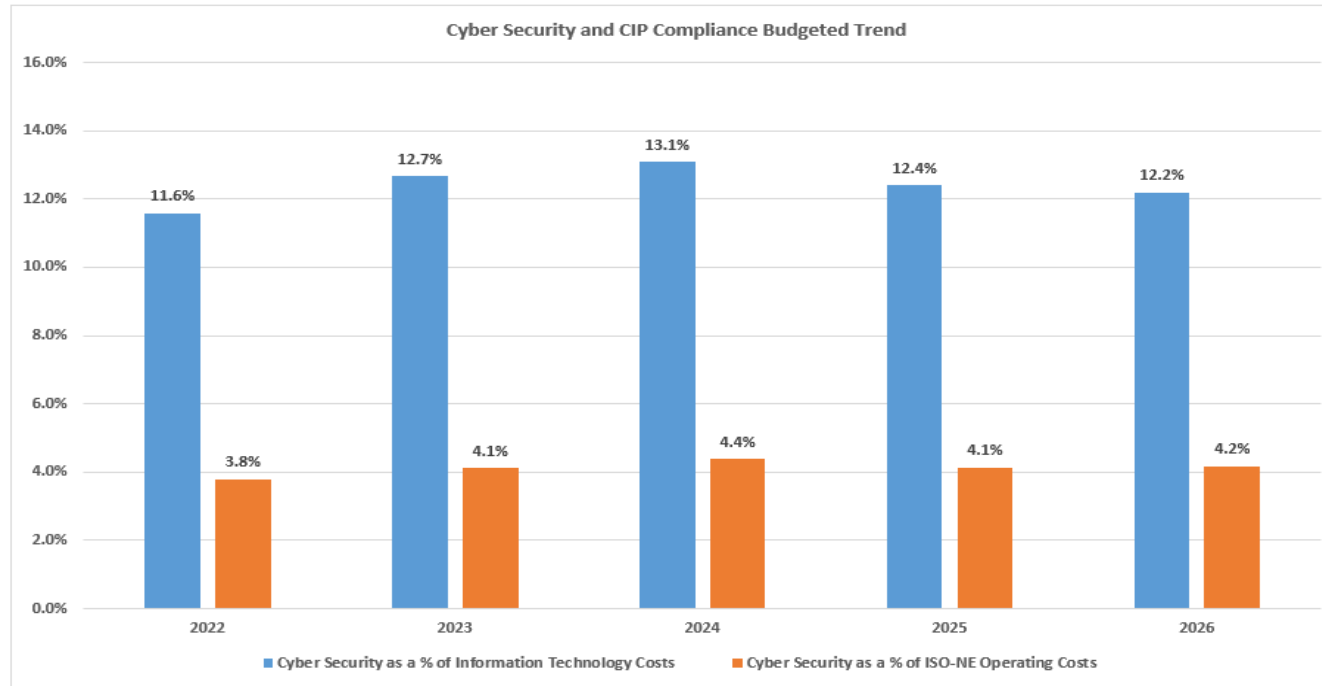


Cyber Security and CIP Compliance *(cont.)*

- A CIP and Systems Compliance Operations Group provide day-to-day support of highly complex infrastructure and cybersecurity compliance functions required by North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) standards - Version 5
- During 2022 ISO-NE also procured additional software to enhance our capability to visualize, detect, and respond to threats and vulnerabilities from industrial control systems and technology that interfaces with the physical world (e.g., distributed control systems, SCADA); and software to improve ISO-NE's ability to recognize and block phishing attempts, as these attempts have increased exponentially and become more sophisticated in the past several years; additional alerts and automations to increase the reach and productivity of Security Operations Center staff continue to be developed
- During 2023 ISO-NE began to incorporate “immutable” technology that prevents modifications to data written to disk for both enterprise storage applications and system backups providing greater resiliency and protection for ransomware-style attacks; in the same year, ISO-NE deployed a technology framework to identify and fix known vulnerabilities more rapidly and to protect applications from emerging threats
- In June 2024, ISO-NE completed its periodic NERC CIP compliance audit with NPCC resulting in zero potential non-compliance (PNC) items, zero areas of concern (AOC), and four positive observations shared jointly with the Operations review
- In 2025, ISO-NE extended the adoption of “immutable” storage technology to include all servers and workstation backups and even protects active storage for some key services

Cyber Security and CIP Compliance *(cont.)*

To ensure robust cyber security defenses against ongoing sophisticated threats and to ensure compliance with CIP standards, ISO-NE has increasingly invested in these areas which have trended higher of our Information Technology and Overall Operating Expense Budgets



APPENDIX 5: 2026 BUDGET RESOURCES BY FUNCTIONAL AREA



2026 Budget Resources By Functional Area

ISO-NE provides a vast array of services to market participants and the New England region. Slides 124 through 148 include a description of the most significant services by area and provide the costs for Salaries and Burden, Professional Fees, and Computer Services for each area. Below is a reconciliation of the costs for each area and other support costs that make up the 2026 Operating Budget.

<u>Area/Item</u>	<u>Amount</u> <u>in millions</u>	<u>Area/Item</u>	<u>Amount</u> <u>in millions</u>
System Operations & Market Administration	36.8	Rents & Leases	2.4
System Planning	25.2	Network Operations	4.3
Market Development	13.4	Computer Services	36.0
Settlements	7.1	Data Services & Office Expenses (1)	2.5
Information Services	64.0	Insurance Expense	3.8
Program Management, Adv Tech Solutions, and NEPOOL Relations	18.9	Board of Directors Expense	1.7
Market Monitoring & Mitigation	7.4	Meetings & Related Expense	1.8
Legal Services	9.3	Education & Training	1.4
External Affairs and Corporate Communications	6.2	Taxes, Permits, Licenses & Fees (1)	0.3
Compliance, Risk Management, Finance, and Internal Audit	15.6	Interest Expense	3.8
Human Resources	9.8	CEO Emerging Work Allowance and Board Contingency	3.7
CEO and COO and Support Staff	3.4	Interest income, purchase discount, cost center income	(1.7)
Building Services	4.8		
		Total Operating Budget	\$ 281.8

(1) Comprises the \$2.8 million total of *Other Expense* on Slide 80

2026 Budget Resources By Functional Area (cont.)

The table below lists full-time equivalent (FTE) headcount by area. The *20XX Budgeted FTEs* represent estimated net headcount by area after the budgeted vacancy % is applied. Actual vacant positions will vary by area.

	2023	2023	Positions	2024	2024	Positions	2025	2025	Positions	2026	2026
	Total	Budgeted	Filled	Total	Budgeted	Filled	Total	Budgeted	Filled	Total	Budgeted
Area	FTEs	FTEs	12/31/2023	FTEs	FTEs	12/31/2024	FTEs	FTEs	6/30/2025	FTEs	FTEs
System Operations & Market Administration	137.0	128.5	134.0	138.0	127.5	135.0	147.0	135.5	146.0	148.0	139.0
System Planning	70.0	65.5	73.0	85.0	78.5	81.0	94.0	87.0	86.0	102.0	96.0
Market Development	29.0	27.0	24.0	33.0	30.5	24.0	35.0	32.5	29.0	35.0	33.0
Settlements	35.0	33.0	33.0	35.0	32.5	35.0	35.0	32.0	35.0	35.0	33.0
Information Services	193.0	181.0	181.0	200.0	185.0	200.0	217.0	200.0	204.0	231.0	219.0
Prog Mgt, Adv Tech Solutions, & NEPOOL Relations	58.5	55.0	54.0	64.5	59.5	61.5	70.5	65.0	68.5	76.5	71.5
Market Monitoring & Mitigation	21.0	19.5	19.0	21.0	19.5	19.0	21.0	19.0	20.0	22.0	21.0
Legal Services	18.0	17.0	18.0	18.0	16.5	17.0	19.0	17.5	19.0	20.0	19.0
Ext Affairs and Corp Comm	21.0	19.5	18.0	23.0	20.5	23.0	25.0	23.0	22.0	24.0	23.0
Compliance, Risk Mgt, Finance & Internal Audit	44.0	41.5	45.0	47.0	43.5	46.0	50.0	46.0	49.0	50.0	48.0
Human Resources	18.0	17.0	17.0	24.0	22.0	19.0	23.0	21.0	19.0	24.0	21.0
CEO and COO Support Staff	5.0	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.0	5.0	5.0
Building Services	5.0	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.0	5.0	5.0
Totals	654.5	614.5	626.0	698.5	644.5	670.5	746.5	688.5	707.5	777.5	733.5

Budgeted Vacancy %'s are as follows: 2023 and 2024 is 5.0%; 2025 is 6.0%; 2026 is 5.0%.



2026 Budget Resources By Functional Area (cont.)

The table below lists expense \$'s and full-time equivalent (FTE) amounts for outside consultants by area with Information Services broken out separately for Cyber Security and Compliance. Actual amounts are reflected for 2023 and 2024, current forecasted amounts for 2025, and proposed budget amounts for 2026.

Area	2023		2024		2025		2026	
	Expense	FTE Equiv	Expense	FTE Equiv	Expense	FTE Equiv	Expense	FTE Equiv
\$ amounts in thousands								
System Operations & Market Adm.	\$ 732.2	5.2	\$ 1,176.7	8.1	\$ 250.7	1.7	\$ -	-
System Planning	2,530.4	12.3	3,274.0	15.3	3,181.9	14.3	2,715.4	11.7
Market Development	2,062.3	8.4	1,463.2	5.8	1,294.0	4.9	2,686.9	9.8
Settlements	-	-	-	-	-	-	-	-
Information Services	5,513.4	26.5	6,278.7	29.0	8,772.7	39.0	7,925.6	33.9
Info. Services - Cyber Security	1,724.9	8.3	2,745.1	12.7	3,091.6	13.7	2,580.4	11.0
Prog Mgt, Adv Tech Solutions, & NEPOOL Relations	1,717.2	7.0	1,196.6	4.7	2,799.3	10.5	1,046.5	3.8
Market Monitoring	1,776.1	9.2	1,655.2	8.2	2,260.5	10.8	2,061.0	9.5
Legal Services	956.7	3.5	1,287.9	4.6	1,803.7	6.2	2,377.0	7.8
Ext Affairs & Corp Comm	726.9	3.8	601.5	3.0	610.3	2.9	691.9	3.2
Compl., Risk Mgt, Finance & Int Audit	2,105.1	10.2	2,910.9	13.6	3,215.0	14.5	3,003.9	13.0
Human Resources	2,354.2	9.1	2,283.6	8.4	2,822.6	10.0	3,379.4	11.6
CEO & COO & Support	-	-	-	-	-	-	-	-
Building Services	1.0	-	-	-	-	-	-	-
Total	\$ 22,200.4	103.5	\$ 24,873.4	113.3	\$ 30,102.1	128.4	\$ 28,468.0	115.2

Note: Outside consulting in the capital budget is done per project and not by functional area. Consultant spending on all capital projects totaled \$13,793.6 or approximately 67 FTEs for 2023 and \$15,491.1 or 75 FTEs for 2024. Budgeted/forecasted amounts for 2025 or 2026 cannot be provided since several projects are in the Planning/Conceptual Design phase and their specific requirements have not been fully established.

2026 Budget Components By Functional Area (cont.)

System Operations & Market Administration – 148.0 FTEs

Salaries (fully burdened) \$ 36.8M

Professional Fees \$ 0.0M

System Operations is responsible for the 24/7/365 reliable and efficient operation of New England’s Bulk Electric System (BES) and coordination with NERC Reliability Coordinators. System Operations provides near term engineering and outage coordination services, market transaction management as well as wind, solar and load forecasting services, and asset commitment services. The control room performs all Reliability Coordination (RC), Balancing (BA), and Transmission Operation (TOP) services under the NERC Standards for the New England Participants.

Market Administration is responsible for the day-to-day operations of the wholesale electricity markets in New England as well as the completion of asset registration, new generation coordination, and asset capability auditing. This includes developing market operating procedures to ensure compliance with FERC requirements. In addition, System Operations & Market Administration performs training, project integration, and analytical and auditing services for the corporation and its participants.

Description

- Control Room Operations – Around the clock operation of the BES and ISO real-time markets. This includes the Reliability Coordination, Balancing Authority and Transmission Operator for the New England Region including services for 400 Generating Stations and 9000 miles of transmission assets. Develop the New England Operating Plan including forecasting load, as well as resource scheduling, contract management, dispatch services and transmission operations services for the New England Participants.



2026 Budget Components By Functional Area

System Operations & Market Administration (cont.)

Description

- Design, Develop and Deliver Engineering Operating Guides and Studies - Design, develop, and deliver engineering operating guides, studies, and services regarding voltage, stability, and thermal constraints for use by the Company and Local Control Centers to reliably and efficiently operate the BES.
- Transmission & Generation Outage Coordination - Includes both short-term and long-term outage scheduling and coordination services looking out 2 years.
- Training – The Operational Performance, Training & Integration (OPTI) group provides new and ongoing training and simulation for system operators (+160 hours per year, per operator), Designated Entities, and all Local Control Center Operators on an ongoing basis.
- Procedure and Process Development and Maintenance - All ISO Operating Procedures, Master Local Control Center Procedures, Control Room Operating Procedures, System Operating Procedures, Transmission Operating Guides, Operating Manuals, and the Open Access Same-Time Information System (OASIS). This activity includes the committee approval processes at the RC, MC, PC, and MLCC.
- Integration - OPTI provides corporate project support for the department which consists of development, integration, and testing of market design changes into system and market operations; this includes development and maintenance of business procedures and operating manuals to ensure continuous compliance with the ISO New England Transmission, Markets, and Services Tariff.
- Gas-Electric Coordination and Energy Assessments - Coordination and information sharing with gas pipelines, energy analysis across different years, seasons and in real-time based on information gathered from fuel surveys and pipelines, establishing operating plans to deal with different system conditions, and communicating with stakeholders and regulators on a regular basis regarding all fuel types.

2026 Budget Components By Functional Area

System Operations & Market Administration (cont.)

Description

- NERC/NPCC/FERC Compliance - Ensure operational compliance with new and existing federal, regional, and New England Standards. Review and update processes, procedures, and training to ensure compliance.
- NERC/NPCC/NATF and ISO Committee - System Operations represents the ISO on national, regional, and New England task forces.
- Reliability Coordination- System Operations implements all reliability coordinating agreements with Hydro Quebec, NYISO, and New Brunswick System Operator and staffs the coordinating committee(s) to maintain the agreements.
- Market Administration – Administers the Hourly and Monthly markets including Day-Ahead, Financial Transmission Rights (FTR), Forward Reserve and Forward Capacity annual and monthly reconfiguration markets; administering the Forward Capacity Auctions and supporting related FERC filings; and Real-Time price monitoring and finalization.
- Asset Registration – Performs the tasks associated with the registration of assets as defined in the New England Markets, such as Generation, Loads, Tie Lines, Asset Related Demand, Demand Response Assets, Alternative Technology Regulation Resources, and On-Peak and Seasonal Peak Demand Resources.
- Auditing – Performs the tasks associated with the various types of audits as defined in the New England Markets, such as Passive On-Peak and Seasonal Peak Demand Resources, Active Demand Response Assets, Generation CCA (Establish & Seasonal) and Dual Fuel Audits, Blackstart, Claim 10/30, Reactive Power. In addition perform the continuous review of meter data quality for Demand Response Assets and periodic review of Measurement and Verification documentation for On-Peak and Seasonal Peak Demand Resources.
- New Gen Coordination – Manages and performs the tasks associated with the new generation coordination, modeling changes to existing generators and node activations/deactivations processes.

2026 Budget Resources By Functional Area

System Planning – 102.0 FTEs (5.5 FTEs are allocated to reimbursable studies)

Salaries (fully burdened)	\$ 22.5M
Professional Fees	\$ 2.7M

System Planning is responsible for development of the Regional System Plan, implementing the regional transmission planning process, administration of the interconnection process, developing findings for allocating transmission costs, interregional planning with our neighbors, preparation of the load forecast, and supporting New England’s capacity markets. A more detailed breakdown of services is provided below.

Description

- Transmission Planning Studies – Ensure compliance with federal and regional reliability criteria as it pertains to planning of the New England Power System. Support regional transmission owners in state siting proceedings for major transmission projects. Develop and execute long-range transmission planning studies in conjunction with the states (e.g., 2050 Study). Issue and support RFP’s for competitive transmission per FERC Order 1000 and the Long Term Transmission Planning Process.
- Capacity Market Administration – Includes reviewing show-of-interest applications; qualifying new resources (generation, demand resources, and imports); supporting administration of the Capacity Auctions and supporting related FERC filings; assist with reliability analysis in review of retirement requests, de-list bids, reconfiguration auctions, and bilateral contracts.
- Network Modeling and Eastern Interconnection Planning Collaborative (EIPC) – Model Roll-up and Evaluation (contingency analysis and/or transfer analysis); participation in all levels of the EIPC structure including Technical Team, Economic Analysis Working Group, Coordination Committee, and Executive Committee. Support EIPC in management of the Multi-regional Modeling Working Group process.
- Attachment K Economic Studies – Carry out the regional economic planning process as described in Attachment K.

2026 Budget Resources By Functional Area

System Planning (cont.)

Description

- Load Forecast - Develop annual hourly profile net demand across the ten-year planning horizon and work with the Load Forecast Working Group to review and refine the forecasts.
- Solar PV Forecast - A similar process for state investments in distributed generation is now in place, and an annual forecast of solar PV across the ten-year planning horizon is developed annually.
- Electrification Forecast – Annually develop a forecast that predicts the increase in demand due to the adoption of air-source heat pumps (ASHPs) in the winter months and use of electric vehicles. This forecast is incorporated into the ten-year load forecast used for the FCM and transmission planning.
- Installed Capacity and Local Sourcing Requirements - Develop the regional Installed Capacity Requirement, and Zonal Local Sourcing Requirement and Maximum Capacity Limit values that establish the requirements within the Forward Capacity Market. These values are reviewed within the NEPOOL committee structure; advisory input is provided by the Reliability Committee and Participants Committee, and the values are subsequently filed with FERC.
- Interconnection Process – Administer interconnection process for generators, elective transmission upgrades and regional network loads, in accordance with FERC Order No. 2023 requirements. Review and enhance generator interconnection policies and practices; continue to support state agencies on their RFPs for energy resources.
- Regional System Plan - Initiate a biennial planning report that documents all regional and interregional planning activities, and identifies resources and transmission facilities needed to maintain the reliable operation of New England's bulk electric power system over a ten-year horizon. ISO administers much of the regional planning process through interaction with the Planning Advisory Committee. Continue regional dialogue on Grid Transformation.

2026 Budget Resources By Functional Area

System Planning (cont.)

Description

- Interregional Planning - Participate in joint planning activities with NYISO and PJM through the Inter-Area Planning Stakeholder Advisory Committee stakeholder process. This process results in development of a periodic report of activities in the Northeast Coordinated System Plan. This process has been updated in compliance with FERC Order 1000. Active participation in various NERC committees and standard drafting teams, and provide leadership to the EIPC.
- Compliance - Active involvement in NERC and NPCC Committees and related activities in support of compliance with established federal and regional reliability standards and interregional planning activities.
- Training - Support ISO-led training activities for the Forward Capacity Market, State Regulator, and Market Participant training on the overall System Planning Process, and State Regulator Training on Transmission Planning criteria and analysis.
- Other - Conduct ten-year forecasting of seasonal peak demand and energy requirements and support operations daily forecast models including the solar PV forecast; support regional dialogue on strategic planning issues through various types of system operations analysis; develop annual marginal emissions report; process and maintain Generating Availability Data System database; monitor and evaluate emerging state and federal environmental and renewable energy standards; support the North American Energy Standards Board standards development process; and support individual state planning activities.

2026 Budget Resources by Functional Area

Market Development & Settlements - 70.0 FTEs*

Salaries (fully burdened)**	\$ 17.8M
Professional Fees	\$ 2.7M

Market Development & Settlements is responsible for the design and development of Wholesale Electricity Markets and Wholesale Markets Strategy, Demand Resources Strategy, reporting and analysis of market results, and the settlement of all ISO-administered markets, programs, and fees consistent with the ISO Tariff.

Description

- Market Assessment – Development of enhancements to the current markets and introduction of new markets and market products to address existing problems or emerging issues identified by ISO staff, the market monitors, stakeholders, and FERC.
- Support Market Change Recommendations – Support recommended changes in materials presented to stakeholders and in filings with FERC; support internal ISO implementation teams in designing new and enhanced markets and products.
- Tariff Updates and Compliance – Analysis of necessary updates to the ISO New England Transmission, Markets, and Services Tariff.
- Demand Response and Distributed Energy Resources – Development of market designs that enable Demand Response Resources and Distributed Energy Resource Aggregations to provide all wholesale services they are technically capable of providing.
- Market Analysis and Reporting – Designing, developing, and issuing weekly and monthly reports and public data files detailing market activities and outcomes, including load cost reports; delivering data and producing analyses of market activity requested from market participants, states, FERC, and other government officials.

*Note: Amounts and FTEs include Market Development & Settlements noted on slide 124 – 126



2026 Budget Components By Functional Area

Market Development & Settlements *(cont.)*

Description

- Market Settlements – Settlement of all Market Participant obligations, charges, and fees in the ISO-administered markets and ISO Tariff, including: the Day-Ahead and Real-Time markets, Bilateral energy transactions, Forward Transmission Rights Markets, Congestion Revenue accounting, Net Commitment Period Compensation Payments and charges, all market-based and OATT-based Ancillary Services, the Forward Capacity Market credits and charges, and other charges and payments due under the Open Access Transmission Tariff.
- Market Participant Settlement Support – Conduct timely analysis, investigation, and resolution of individual market participant inquiring about ISO invoices, statements and bills.
- Audit and Compliance Settlements Support – Extensive support for internal and external annual audits of the ISO's Market Settlement systems and execution, to ensure confidence in the ISO-administered markets and all participants' credits/charges.
- Training - Support ISO-led training activities for Market Participants and federal and state regulators on the ISO-administered markets, new market designs, project integration, participant settlement obligations, and participants' Market Information System reports.

2026 Budget Resources By Functional Area

Information and Cyber Security Services – 231.0 FTEs (23.0 FTEs are allocated to the capital budget)

Salaries (fully burdened)* \$ 53.5M

Professional Fees \$ 10.5M

The ISO's Information and Cyber Security Services group is responsible for the information and data integrity of the organization as well as all information systems functions, including data centers, technical service centers, cyber security, production scheduling, software development, and systems operations. Total IT license and maintenance fees support 1,703 product versions, 1,502 servers (including cloud resources), 1,497 desktop systems, 1,198 network devices, and 512 appliances.

Description	Amount (\$ in Millions)

Information Technology (IT) Energy & Markets Applications - (51.0 FTEs)

Staff perform the following functions:

- Markets and Energy Management System Support including:
 - Power System Network Modeling and Maintenance
 - Includes NX9 (Transmission) and NX12 (Generation) Systems
 - Energy Management Systems Maintenance and Support
 - Includes Inter-Control Center Communications Protocol (ICCP)

See following slide

*Note: Direct Information Services costs for Internal Capital Development are included in the Capital Budget. The Information Services costs noted on Slides 135 through 139 only include operating costs.



2026 Budget Resources By Functional Area

Information Services *(cont.)*

Description	Amount (\$ in Millions)

Information Technology (IT) Energy & Markets Applications, *(cont.)*

- Markets Applications Maintenance and Support
 - Includes Day-Ahead and Real-Time Energy Markets, Financial Transmission Rights (FTRs), the Testing and Training Simulator Environment (TTSE), the Dispatcher Training Simulator (DTS), and Synchrophasor Monitoring.
- Software and Maintenance support for Market Administration and Market Monitoring.

Total IT Energy & Markets Applications:

\$ 13.8M



2026 Budget Resources By Functional Area

Information Services *(cont.)*

Description	Amount (\$ in Millions)
Information Technology (IT) Architecture and Enterprise Applications (88.0 FTEs)	
• Enterprise Architecture, Solutions Architecture, and Technology Evaluation and Selection • Data Architecture, Data Governance, Data Warehousing, Business Intelligence and Data Analytics • Software Development and Maintenance for Settlements, Forward Capacity Markets, Market Monitoring and External Web • Software Maintenance and Support of applications supporting Finance/Payroll, Risk Management, Human Resources and Market Administration • Software Maintenance and Support of applications supporting Change Management, Access Management and Enterprise Workflow systems • Digital Transformation, Cloud Platform Engineering, Cloud Migrations and Application of Artificial Intelligence	
Total IT Architecture and Enterprise Applications:	\$ 23.1M



2026 Budget Resources By Functional Area

Information Services (cont.)

Description	Amount (\$ in Millions)
Information Technology (IT) Management and Cyber Security (36.0 FTEs)	
Staffing and Consultants perform the following functions:	
• Direct Management of Infrastructure & Service Delivery, Cyber Security, and Software Testing (including change management) • Cyber Security, including: – Policy and Procedure Development – Controls Assessment – Security Compliance & Reporting – Virus/Malware Response & Reporting – Intrusion Monitoring & Response – Identity and Access Management – Security Software Tools Maintenance & Support – Critical Infrastructure Protection Compliance & Monitoring – Security Metrics Collection & Reporting – Change Control Testing & Reporting – Security Awareness & Training, Software Change Management, and Quality Assurance Control • Software Testing Control	
Total IT Management and Cyber Security:	\$ 12.3M



2026 Budget Resources By Functional Area

Information Services *(cont.)*

Description	Amount (\$ in Millions)
Information Technology (IT) Infrastructure Services and Service Delivery (56.0 FTE)	
• Networking & telecommunications services supporting Enterprise, Market & Planning functions • Network & telecommunications services supporting Reliability functions for regional Control Centers & Market Participants • Data center services • Microsoft and AWS public cloud services • Unix & Windows operating system management services • Server & storage management services • Backup & recovery infrastructure services • Desktop workstation hardware/software for workforce & Control Room • Audio/video collaboration services for internal workforce and external stakeholder meetings • 24/7 Network Operations Center (NOC) monitoring and Control Room IT support at both Control Centers	
Total IT Infrastructure Services and Service Delivery:	\$14.9M
Total Information and Cyber Security Services Staffing and Consulting:	\$64.0M



2026 Budget Resources By Functional Area

Program Management, Advanced Technology Solutions, and Participant Relations & Services – 76.5 FTEs
(10.0 FTEs are allocated to the capital budget)

Salaries (fully burdened)*	\$ 17.9M
Professional Fees	\$ 1.0M

The Program Management Office (PMO) is responsible for oversight and management of the Capital Budget. PMO and Advanced Technology Solutions are responsible for implementing program and system changes for the broad range of services and related applications that run the New England bulk electric power system, the wholesale electricity markets, and other supporting ISO New England Systems. The Participant Relations & Services (PRS) Department is responsible for leading the company's engagement, training, and support of industry stakeholders on proposed changes to and implementation of ISO's planning, operational, and market initiatives.

Description

- Evaluation of New Projects – Review and determine need and possible solutions for proposed emerging work requirements to be presented to senior management for approval.
- Project Management – Develop formal processes and procedures for the evaluation of capital project work including the value of proposed projects and determination of impacted business users; develop project scope and necessary resources; development and ongoing analysis of project budget, timeline, progression, risks and opportunities; and ensure proper project testing and business user acceptance.

*Note: Direct Project Management costs for Internal Capital Development are included in the Capital Budget. The cost noted above only include operating costs.



2026 Budget Resources By Functional Area

Program Management, Advanced Technology Solutions, and Participant Relations & Services (cont.)

Description

- Business Analysis and Product Management – Work with all business units to assess and review issues and opportunities for improvement, and manage implementation issues identified under the Corrective Action/ Preventative Action program to minimize disruption to business and system process.
- Advanced Technology Solutions – Develop both short-term and long-term solutions for market and system technology improvements, market clearing models to implement various market designs and improve market efficiency, algorithms and tools to improve system reliability, auction clearing software for forward capacity market, and simulation software.
- PRS: NEPOOL Relations - Leads the ISO's engagement with market participants and other stakeholders to collaborate on ISO's projects for market designs and reliability improvements. Administers the NEPOOL Technical Committees and related working groups, and serves as the ISO's primary liaison for NEPOOL members.
- PRS: Participant Support & Solutions – Manages and supports user experiences in the ISO markets, transmission planning processes, and other business functions to resolve industry stakeholder issues.
- PRS: Participant Training Services – Develops and delivers the ISO's external training programs for industry stakeholders to participate in all ISO systems and do business within ISO New England's footprint.
- PRS: Project Services – Develops and coordinates internal and external plans, work flows, and information on corporate projects across multiple departments to integrate the ISO's market, planning, and operations initiatives. Regularly publishes updated reports to industry stakeholders on corporate initiatives.

2026 Budget Resources By Functional Area

Market Monitoring & Mitigation – 22.0 FTEs

Salaries (fully burdened) \$ 5.3M

Professional Fees \$ 2.1M

Market Monitoring is a FERC-mandated function of each Regional Transmission Organization (RTO). Per FERC, RTO Market Monitors must report directly to the Board of Directors to assure independence from management.

Description

The ISO's Internal Market Monitoring area is responsible for:

- Analysis of and report to stakeholders, FERC, and ISO Management on market performance.
- Administer market power mitigation and other mitigation provisions in the Tariff.
- Monitor for and identify instances of rule violations (including uncompetitive participant behavior), investigate and refer potential violations to FERC Office of Enforcement.
- Identify issues with current and proposed market design and provide recommendations for improvement.

Additionally, ISO-NE retains an External Market Monitor that also reports to the Board of Directors on its review of market outcomes and market design changes. External Market Monitor funding is included in the Legal and Professional Fees budget; however for purposes of Functional Area presentation it is included in the Market Monitoring & Mitigation amount above.



2026 Budget Resources By Functional Area

Legal Services - 20.0 FTEs

Salaries (fully burdened)	\$ 6.9M
Legal Fees	\$ 2.4M

The ISO New England Legal Services budget includes funding for staff attorneys, a paralegal, support staff, and external counsel to augment ISO Legal staff or for use where a particular expertise is needed.

Description

Both internal and external counsel cover work for:

- Development of market rule, Tariff and operating/planning procedure changes; support for the stakeholder process; and related regulatory and appellate litigation.
- Support for the market monitoring department.
- Tracking federal and state legal developments.
- Negotiating interconnection agreements and supporting the qualification of new assets.
- Refining the financial assurance and billing policies.
- Filing and supporting the administrative and capital funding tariffs.
- Advising on finance, tax, intellectual property, and contract matters.
- Handling labor, employment, and ERISA matters.
- Support for NERC and NPCC rulemakings and other compliance support.
- Responsible for corporate governance, including support for the Board of Directors and standing committees.



2026 Budget Components By Functional Area

External Affairs and Corporate Communications - 24.0 FTEs

Salaries (fully burdened) \$ 5.5M

Professional Fees \$ 0.7M

ISO New England's External Affairs and Corporate Communications are responsible for outreach to and communications with public officials, consumer representatives, the media, ISO employees, and the general public.

Description

The Department:

- Responds to media and proactively communicates regional electric grid and wholesale markets information to media outlets.
- Develops ISO publications (e.g., Regional Electricity Outlook, Regional System Plan) and conference presentations.
- Builds awareness of the ISO among key audiences, the media and general public.
- Manages Web Design, Web Content, ISO Newswire, the ISO App and social media.
- Informs public officials on the performance and needs of the power system and wholesale markets.
- Manages emergency and crisis communications to public officials, stakeholders, and the media, including the status of the power system during abnormal and emergency situations.
- Facilitates state feedback on the transmission system and wholesale market design.
- Monitors state and federal policy initiatives, to inform the market development and system planning process.
- Manages the Consumer Liaison Group, including meetings, presentations and the annual report.
- Manages internal employee communications, including the company's intranet.
- Assists other departments with communications materials (e.g., Human Resources recruitment marketing).
- Assesses environmental policies and advises company on implications and conducts outreach to community groups.



2026 Budget Resources By Functional Area

Compliance, Strategy, Risk Management, Finance/Market and Credit Risk, and Internal Audit - 50.0 FTEs

Salaries (fully burdened) \$ 12.6M

Professional Fees \$ 3.0M

Reliability & Operations Compliance, Enterprise Risk Management, Finance, and Internal Audit provide services in support of the ISO's mission as described below.

Description

- Compliance – Works to ensure compliance with FERC approved tariffs; NERC and NPCC compliance, certifications, and audits; and coordination with and support of national and regional compliance reliability standard-setting authorities and related committees.
- Enterprise Risk Management – Programs and processes include corporate-level risk identification, assessment, monitoring and reporting; support of corrective action programs and Operation Excellence activities; Business Process Documentation Standards and Change Management; Records Management and Retention policy; Business Continuity planning; Corporate Strategy; Tariff change coordination; and information governance.
- Finance/Market and Credit Risk – Responsible for payroll administration, procurement, accounts payable, budgeting and forecasting, accounting, financial statement and financial filings, corporate tax reporting, treasury, cash management, capital adequacy, settlement billing and cash clearing, development and administration of the Financial Assurance Policy; financial reporting; and Insurance Program Management.
- Internal Audit - Conducts and coordinates audits and reviews across the organization, at key vendors, and at LCC's to ensure compliance with company policy and a sound system of internal controls, maintain certifications for market system changes, and meet assurance requirements for external parties. Audits conducted by internal staff include internal controls and compliance audits in the areas of operations, IT and cyber security, system development projects, and adherence to company finance and human resources administrative policies. Coordination activities for external audits and reviews include the System and Organization Controls (SOC 1) engagement, the Financial Statements Audit, the Benefits Plans Audits, and market system software certifications.

2026 Budget Resources By Functional Area

Human Resources - 24.0 FTEs

Salaries (fully burdened) \$ 6.4M

Professional Fees \$ 3.4M

The ISO's Human Resource group is tasked with attracting, hiring, developing, and retaining the company's uniquely qualified and highly skilled workforce.

Description

- Designs, benchmarks, and administers human resource programs and policies, including those for employee engagement, performance, development, compensation, benefits, recognition, and employee issue resolution to foster a positive, engaging, and productive work environment for all employees as well as ensuring compliance with all state and federal requirements.
- Supports workforce planning and recruits for all talent needs inclusive of marketing, sourcing, interviewing, facilitating offers, background checks, and onboarding.
- Designs and delivers industry-specific, leadership, and professional learning opportunities to ensure that all talent is developed in support of company goals, succession plans, and business continuity. Learning opportunities include formal training, projects and experiences, partnerships with industry groups and universities, individualized coaching, and tuition reimbursement.
- Supports organizational effectiveness through the alignment of goals, scorecards, performance, and rewards with strategy and culture. Consults on enhancing company culture, engagement, team performance, structure, and leadership effectiveness.
- Manages human resource systems and tools to ensure they can deliver the necessary capability, effectiveness, and reporting for the company.
- Consults as a key advisor on work environment including, safety, security, business resiliency, and employee experience.

2026 Budget Resources By Functional Area

Building Services

\$4.8M

Building Services includes funding for physical security including compliance with relevant NERC standards and building services for both the Holyoke and Windsor campuses including: utilities, maintenance, upkeep, cleaning, landscaping, snow, and trash removal.

Description	Amount (\$ in Millions)
• Salary and benefits – 5.0 FTEs	\$ 0.9
• Utilities	1.7
• Repairs and Maintenance, Cleaning Services, Snow Removal, Landscaping, and Trash Removal	1.3
• Security	0.9
Total Building Services	\$ 4.8

Description

CEO, COO, and Support Staff – 5.0 FTE’s

Salaries (Fully Burdened)

\$3.4M



2026 Budget Resources By Functional Area

Meetings & Related Expenses and Education & Training

\$3.2M

Includes travel, meals, lodging, incidentals, and course/seminar fees (where applicable) for stakeholder meeting costs, travel for regulatory meetings (FERC/NERC/NPCC), state agency meetings, technical and general training costs, attendance at industry and other conferences, education reimbursement, and offsite ISO-sponsored market training for participants.

Description	Amount (\$ in Millions)
• <u>Corporate Training</u> – Enterprise wide training programs including supervisory leadership development, professional development, Power System Engineering Program, and business skills.	\$ 0.2
• <u>Technical and NERC Certification Training</u> – NERC certification training and other job required training for the development, administration, or maintenance of IT Systems.	0.6
• <u>Industry and Other Conference Attendance</u> – Attendance to speak, or provide industry expertise, attend joint ISO/RTO conferences, and attend other miscellaneous conferences.	0.4
• <u>Regulatory</u> – Travel and related expense for regulatory meetings and support including FERC, NERC, NPCC, and state agencies.	0.4
• <u>Stakeholder Meetings</u> – Travel and related expense for ISO employees to attend stakeholder meetings throughout the region.	0.3
• <u>Market Training</u> - Costs for offsite ISO sponsored market participant training classes. Includes facility and equipment rental and meals for participants. These costs are fully reimbursed by participant attendance fees (fees are included in Interest Income and Other Revenue line).	0.1
• <u>Education Reimbursement</u> – Reimbursement for employment related degree programs approved by the Human Resources department and other job-related certification exams approved by the employees' manager.	0.2
• <u>Other</u> – Includes miscellaneous travel reimbursement and employee service recognition.	1.0
Total Meetings & Related Expenses and Education & Training	\$ 3.2M



APPENDIX 6: INTEREST RATE RISK



Interest Rate Risk

- Fluctuating interest rates can have an impact on the costs of the ISO in several ways. Specifically, the ISO earns interest on the settlement funds it collects from market participants, pays a floating interest rate on its tax-exempt bonds, and uses assumptions on interest rates to establish liabilities and costs for its pension and post-retirement benefit plans
 - ISO-NE earns interest on the settlement account float
 - Interest income rates are also dependent on market conditions with rate fluctuations impacting the effectiveness of the settlement float hedge; during the majority of 2020-2021, the interest income rates have exceeded floating debt rates; since 2022 we have seen multiple rate increases with the rise in tax exempt debt outpacing interest income rates. As of June 30, 2025, the tax-exempt debt rate is 2.4% and settlement float rate is 2.1%
 - These costs could exceed what's predicted on Slide 80
 - Unlike the interest rate that is currently lower than the tax-exempt debt rate, the average float in the settlement account is higher than the outstanding principal of the tax-exempt debt therefore has been an effective hedge against interest expense rates.
 - ISO-NE pays a floating interest rate on its tax-exempt bonds
 - ISO-NE utilizes interest rate assumptions in establishing liabilities and related costs for its postretirement benefit plans (See Slide 104)

APPENDIX 7: CAPITAL EXPENDITURES BUDGET DETAIL



Capital Budget – 2026 Capital Projects Schedule

(\$'000's)

Capital Projects - Approved Charters

- . nGEM Real-Time Market Clearing Engine Implementation
- . Distributed Energy Resources - Order 2222
- . Oracle Platform Replacement
- . Managing Transmission Line Ratings
- . Adoption of NERC CIP Compliance of Synchrophasor Systems
- . Internal Market Monitoring (IMM) Datamart Improvement (DI)
- . CIP Electronic Security Perimeter Redesign Phase III
- . Voltage Ampere Reactive (VAR) Capability Testing
- . Energy Management System Communication Front End (EMS CFE) Refresh
- . Enterprise Core Network Refresh
- . Centralized Application Security

Sub Total Projects with Approved Charters

Planning/Conceptual Design [2]

- . Single Interval MCE Improvements (SIMI)
- . EMP 3.5 Upgrade - GridOS
- . MW Dependent Fuel Price Adjustment
- . Advanced Technology Initiatives
- . Order 2023 Interconnection Reforms
- . Atlassian Cloud Migration
- . Day-Ahead Market Simulator (DAMKTSIM)
- . GridOS Connect
- . Storage as Transmission Only Asset (SATO)
- . Replace Employee & Pager Application
- . Circuit Inventory Management Platform Phase II
- . Tie Line Telemetry Replacement
- . Solar Do Not Exceed Dispatch Phase III
- . Operations Document Management System MS 365 Conversion
- . Long-term FTRs [3]
- . Other Emerging Work Projects

Sub Total Planning/Conceptual Design

- . Non-Project Capital Expenditures
- . Capitalized Interest & Loan Fees

Total Capital Expenditures

Project-To-Date	Current Year (2025) Cost to Complete [1]	2026 Cost to Complete	Future Year Cost to Complete	Total Project Costs	Estimated Complete Date
10,193.0	1,355.6	3,203.6	-	14,752.2	05/26
281.7	2,427.2	2,642.7	-	5,351.6	11/26
25.8	612.4	2,157.4	-	2,795.6	11/26
7,332.8	369.1	1,000.0	-	8,701.9	12/26
734.3	345.2	994.6	-	2,074.1	08/26
2.1	172.9	387.0	-	562.0	10/26
36.2	775.7	293.6	-	1,105.5	06/26
3.1	252.4	144.5	-	400.0	03/26
264.4	381.8	108.2	-	754.4	06/26
154.4	1,593.5	48.0	-	1,795.9	08/26
30.0	113.9	38.7	-	182.6	02/26
19,057.7	8,399.8	11,018.3		38,475.9	
187.7	12.3	5,000.0	8,000.0	13,200.0	06/28
-	400.0	3,500.0	3,000.0	6,900.0	09/27
27.1	72.9	2,500.0	-	2,600.0	12/26
-	-	2,000.0	2,000.0	4,000.0	12/27
129.3	11.7	2,000.0	-	2,141.0	09/26
338.4	41.6	2,000.0	-	2,380.0	12/26
55.9	44.1	1,800.0	-	1,900.0	12/26
339.4	159.3	1,500.0	-	1,998.7	12/26
1.5	498.5	500.0	-	1,000.0	10/26
49.0	1.0	500.0	-	550.0	12/26
-	-	500.0	-	500.0	10/26
99.2	50.8	500.0	-	650.0	10/26
-	-	500.0	-	500.0	12/26
30.1	9.9	250.0	-	290.0	10/26
907.5	-	-	-	907.5	TBD
-	-	1,731.7	-	1,731.7	
2,165.1	1,302.1	24,781.7	13,000.0	41,248.9	
2,985.2	3,214.8	5,500.0	-	11,700.0	
578.7	521.3	1,200.0	-	2,300.0	
24,786.8	13,437.9	42,500.0	13,000.0	93,724.7	

[1] The amounts under the "Current Year (2025) Cost to Complete" list only includes those projects with budgeted costs in 2026 and beyond.

[2] The 2026 Budget for Projects in Planning and Conceptual Design is not final. Once the project scope and timeline have been determined the budget will be finalized

[3] The Long-term FTRs project was been indefinitely deferred pending the development of appropriate credit requirements.

Capital Budget

2026 Expenditures/Major Projects in Development

nGEM Real-Time Market Clearing Engine Implementation

\$3.2M

ISO-NE's Market Management System (MMS) is based on GE Grid Solution's suite of market applications known as the Next Generation Markets (nGEM) program. GE is redeveloping the Market Clearing Engine (MCE), a central component of the MMS.

Pursuant to a separate capital project, the Day-Ahead MCE has been developed and is in production. The nGEM Real-Time Market Clearing Engine (RT MCE) project will build on the Day-Ahead MCE to develop and deploy the Real-Time MCE, including ISO-NE customizations.

As part of this project, two of the legacy RT MCE study modes (the Real-Time Unit Commitment (RTUC) and Coordinated Transaction Scheduling Pricing Engine (CTSPE) functions) will be replaced and continue the transition from Energy Management System to Market Management System interfaces. The nGEM RT MCE project will provide performance improvements by enabling more intensive market clearing formulations; eliminate reliance on .CSV flat files for communication of data between the MCE and other parts of the MMS; and enhance installation, patching, and upgrades of MCE's in ISO infrastructure.

The target completion date for this project is May 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Distributed Energy Resources - Order 2222

\$2.6M

FERC's Order 2222 requires that independent system operators and regional transmission organizations remove barriers to the participation of distributed energy resource aggregations (DERAs) in wholesale electricity markets. In accordance with Order 2222, ISO-NE proposes to expand its current energy market models and add two new energy market participation models for DERAs: Settlement Only Distributed Energy Aggregation, and Demand Response Distributed Resource Aggregation. Additionally, the introduction of a new resource type, Distributed Energy Capacity Resource, will allow DERAs to participate in the Forward Capacity Market.

Compliance with Order 2222 will span two projects. The first project, Forward Capacity Market Order 2222, which was completed in February 2024, implemented the necessary software changes to support the qualification and participation of Distributed Energy Capacity Resources in the Forward Capacity Market. The FERC Order 2222 project will include the software changes to allow for the integration of DERAs in the wholesale markets and operations systems and any remaining compliance obligations of the Order.

The targeted completion date for this project is November 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Oracle Platform Replacement

\$2.2M

The ISO's Oracle Platform license is nearing its end of life. The Oracle Platform Replacement project will update the ISO's license to the latest version and bring in Oracle Exadata servers with the Cloud@Customer technology. Oracle Exadata is a pre-configured, integrated hardware and software system optimized for running Oracle databases that will enhance the work our database management team is able to do.

The project scope includes configuring and migrating data to Oracle Exadata; readying our data center, deploying to virtual machines, implementing network support, and integrating with other necessary software; and testing of migrated data by various IT groups and impacted business units.

The targeted completion date for this project is November 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Managing Transmission Line Ratings

\$1.0M

Order 881 included obligations and compliance requirements for transmission providers and public utility transmission owners with respect to transmission line ratings in order to ensure wholesale rates more accurately reflect the cost of the wholesale service being provided.¹

ISO-NE will implement various Order 881 requirements as part of the Manage Transmission Line Ratings project, including implementation of a new GE product for submission of line ratings and other system improvements to the Real-Time and Day-Ahead energy markets and the network model application which provides authorized users an entry system with real-time access to one-line diagrams.

As part of this project, GE will provide four deliverables: a Limit Exchange Portal (LEP), which serves as an exchange portal to allow submission of new ratings and query of current/resolved ratings; an enhanced EMS to address Order 881 compliance requirements; network modeling customizations, including modifications to various forms and customizations; and customizations to support WebFG modeling, which is the software used for modeling one-line diagrams.

The targeted completion date for this project is December 2026.

¹ See Managing Transmission Line Ratings, Order 881, 177 FERC ¶ 61,179 (2021), P. 28.



Capital Budget

2026 Expenditures/Major Projects in Development

Adoption of NERC CIP Compliance of Synchrophasor Systems

\$1.0M

Phasor Measurement Units (PMUs) are essential for monitoring real-time grid dynamics. This is increasingly important as the electrical grid faces more uncertainties, operates closer to stability limits, and integrates more inverter-based resources at unprecedented levels. Although the ISO has made significant progress in adopting synchrophasor technology in both planning and operations, the organization has not fully utilized its potential in real-time operations due to Critical Infrastructure Protection (CIP) requirements.

The Adoption of NERC CIP Compliance of Synchrophasor Systems project aims to enhance the infrastructure related to synchrophasor applications and ensure they adhere to NERC CIP compliance protocols. Doing so will help the ISO utilize the full potential of synchrophasor technology in real-time operations while maintaining compliance with the necessary security standards.

The targeted completion date for this project is August 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Internal Market Monitoring (IMM) Datamart Improvement (DI)

\$0.4M

The Internal Market Monitoring (“IMM”) department performs analysis on power and energy market data to identify possible misconduct or rule violations by market participants that may compromise the efficiency or distort the outcomes of the markets. To perform these tasks, IMM is required to work with data across the ISO enterprise, managed by Operations and System Planning. The IMM Datamart allows analysts to pull data together more efficiently. This initiative will add subject matter on physical withholdings, external markets, and external transactions to improve the data within the Datamart and reduce the amount of external data that needs to be imported, making this process more effective and efficient.

The targeted completion date for this project is October 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

CIP Electronic Security Perimeter Redesign Phase III

\$0.3M

This project will improve the Critical Infrastructure Protection (CIP) compliance of the ISO's Electronic Security Perimeter (ESP) networks and will enhance the ISO's overall network security posture. While these changes are primarily focused on meeting specific CIP requirements, they also align with general industry best practices that will result in the ISO's network infrastructure being more resilient to failure, recovery, and change. This project will focus on the hardware, network, and virtual environment foundation for the production ESP network. This project is a continuation of the network modernization efforts started in CIP ESP Phases 1 & 2 and will bring the production ESP network into parity with the integration ESP network.

The targeted completion date for this project is June 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Voltage Ampere Reactive (VAR) Capability Testing

\$0.1M

Reactive resources must perform periodic reactive capability auditing. Currently, reactive capability auditing data is submitted by participants to the ISO in excel spreadsheets via email. Without a centralized data repository, the audit test data is then further disseminated through email to multiple ISO departments involved in the data review process. The lack of a centralized data repository accessible by ISO staff and external participants with the appropriate validations leaves the ISO vulnerable to audit findings and billing errors.

The VAR Capability Testing project will implement a new external facing reactive capability auditing application accessible by both external participants and ISO staff that will support participant submission of audit data results to a centralized data repository with appropriate validations and versioning, basic internal ISO workflow for reviewing and approving/rejecting audit results, and participant visibility to submitted data and to audit results as determined by the ISO.

The targeted completion date for this project is March 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Energy Management System Communication Front End (EMS CFE) Refresh \$0.1M

The Energy Management System Communication Front End (EMS CFE) Refresh project will upgrade the hardware and software platforms supporting the ISO's Energy Management System (EMS) and Communication Front End (CFE) platforms, which support real-time operation of the regional power grid and market systems.

The EMS CFE Refresh project will replace aging server infrastructure that is nearing end of life and modernize software environments to ensure system reliability, maintainability, and performance. As part of the project scope, approximately 37 new physical servers and 32 virtual servers will be deployed across development, integration, and production environments. These upgrades are necessary to improve system performance and support future scalability.

The EMS CFE Refresh project will also involve updating the underlying technology framework to align with current internal standards, reduce maintenance demands, and enhance overall system compatibility and efficiency.

The targeted completion date for this project is June 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Enterprise Core Network Refresh

\$0.1M

The Enterprise Core Network Refresh is a multi-phase effort that will modernize the ISO's enterprise core network, which serves as the backbone for the ISO's market and business operations. The current infrastructure will be replaced with a more secure, scalable, and resilient network architecture designed to support evolving operational needs and industry best practices. This project will be executed in four strategic phases.

The first phase will focus on upgrading the optical transport layer by replacing legacy Dense Wavelength Division Multiplexing (DWDM) systems with a modern platform. Key activities will include reviewing and finalizing the new topology, deploying new equipment, and retiring outdated infrastructure.

The second phase will involve preparing physical and logical infrastructure at ISO's campuses, which will include evacuating outdated cabling and installing new single-mode fiber, and reconfiguring key intermediate distribution facilities. It will also cover the groundwork for transitioning to the refreshed network by preparing data center spaces and routing paths for the new core infrastructure.

The third phase will execute the transition to the new core network and will include migrating to the new fiber backbone, interconnecting legacy and modern infrastructure to ensure seamless cutover, relocating critical equipment, and migrating applications and services with minimal disruption.

The final phase will focus on fully decommissioning legacy campus and data center infrastructure that was replaced during earlier phases. This will include updating system documentation, revising disaster recovery, and conducting a lessons-learned review to inform future infrastructure initiatives.

Through these four phases, the ISO will enhance the performance, security, and sustainability of its enterprise network while improving its ability to support business continuity and growth.

The targeted completion date for this project is August 2026.



Capital Budget

2026 Expenditures/Major Projects in Development

Centralized Application Security

\$0.1M

Cyber security risk in application security has become more complex and multifaceted because of increased application complexity, threats sophistication, and technological advancements. As a result, the ISO has begun using a new tool to provide a more dynamic and integrated approach to application security by embedding security measures directly into the application development lifecycle.

The Centralized Application Security project will integrate the new platform into all ISO applications allowing full use of instrumentation technology to detect vulnerabilities and threats from within applications, offering more accurate and efficient protection.

The targeted completion date for this project is February 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Single Interval MCE Improvements (SIMI)

\$5.0M

ISO-NE's Market Management System (MMS) is based on GE Grid Solution's suite of market applications known as the Next Generation Markets (nGEM) program. GE is redeveloping the Market Clearing Engine (MCE), a central component of the MMS. A separate capital project, the nGEM Real-Time Market Clearing Engine (RT MCE) project, will develop and deploy the Real-Time MCE, including ISO-NE customizations. During the first phase of the nGEM RT MCE project, which will go into production in 2026, two of the legacy RT MCE study modes (the Real-Time Unit Commitment (RTUC) and Coordinated Transaction Scheduling Pricing Engine (CTSPE) functions) will be replaced and continue the transition from Energy Management System to Market Management System interfaces.

The nGEM Single Interval MCE Improvements Project (SIMI) will continue the efforts from Phase I and fully transition the remaining seven Real-Time study modes to the nGEM MCE platform.

At the conclusion of this project, ISO-NE will be performing all production Day-Ahead and Real-Time market clearing using the nGEM version of the MCE, allowing for the retirement of the classical MCE and its underlying infrastructure.

The targeted completion date for this project is June 2028.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

EMP 3.5 Upgrade - GridOS

\$3.5M

ISO-NE's Energy Management System (EMS) relies on GE's suite of Energy Management Platform (EMP) applications. Customization to GE's EMP software are necessary in order to meet the business requirements of ISO-NE's System Operations and Market Operation groups. GE released a new version of its EMP application (EMP 3.5) in Q3 2025 and ISO-NE must upgrade to GE's latest platform to continue receiving support. The upgrade will involve significant effort to port ISO-NE's customized software to the new EMP platform.

The targeted completion date for this project is September 2027.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

MW Dependent Fuel Price Adjustment

\$2.5M

ISO-NE is proposing changes to the energy market mitigation rules that govern the fuel price adjustment (FPA) process. These changes, known as “MW-dependent FPAs,” will allow resources to reflect up to two different fuel prices in their cost-based reference levels, which will improve the accuracy of energy market mitigation and enhance energy market efficiency.

The MW Dependent Fuel Price Adjustment project involves updating ISO-NE’s energy market software to allow participants to submit an FPA with one or two fuel prices and to allow for participants to specify how the requested price(s) apply to their supply offer. The software enhancements will address issues raised in the May 5, 2023, FERC Show Cause Order.

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Advanced Technology Initiatives

\$2.0M

The Advanced Technology Initiative (ATI) project is a supplement to the recently completed nGEM development program with GE, the ISO's Markets Management System (MMS) vendor. ISO plans to continue partnering with GE on an extended basis to improve and enhance functionality within the MMS. The initial focus of this partnership is anticipated to be the implementation of time-coupled functionality within the nGEM Market Clearing Engine. Time-coupled functionality offers more advanced mathematical formulations for market clearing. This gives the ISO another tool to handle market clearing complexities (e.g., proliferation of storage resources). The time-coupled functionality will first be implemented in a standalone version of the MCE for a limited-bus model and Day-Ahead Market (DAM) study modes. Eventually, the time-coupled functionality will be implemented in the integrated MCE application and be available for DAM and Real-Time Market clearing, though this product work will require a phased approach and take 1-2 years to complete.

The targeted completion date for this project is December 2027.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Order 2023 Interconnection Reforms

\$2.0M

FERC issued Orders 2023 and 2023-A which implement significant reforms to generator interconnection procedures and agreements to ensure that interconnection customers can interconnect to the transmission system in a reliable, efficient, transparent, timely, and fair manner. The Interconnection Request Tracking Tool (IRTT) is the current external facing application through which interconnection customers submit and manage Interconnection Requests, and through which the ISO communicates with interconnection customers throughout the interconnection process.

The Order 2023 reforms dramatically change the manner in which the ISO administers the interconnection process, as well as how interconnection customers are expected to participate in that process, which necessitates significant updates to the IRTT or alternatively, the purchase and configuration of a commercial interconnection life cycle management application. Additionally, a new Commercial Readiness Deposit, cost allocation methodology and withdrawal penalties will also necessitate new processes in Market & Credit Risk and Finance, and interactions with System Planning.

The targeted completion date for this project is September 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Atlassian Cloud Migration

\$2.0M

Jira, an Atlassian project management application currently utilized is maintained on several on-premise ISO servers and databases. Because these applications are on-premise, there is an associated overhead in maintaining and updating them. ISO support teams spend a significant amount of time supporting application patching, reviewing and monitoring security vulnerabilities, and upgrading the underlying infrastructure. Moving these application workflows to a cloud environment will help the ISO gain operational maintenance efficiencies and provide ISO support staff greater access and visibility across all Jira ticketing systems that the ISO uses.

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Day-Ahead Market Simulator (DAMKTSIM)

\$1.8M

The Internal Market Monitoring (IMM) group requires the development of an application capable of modelling and simulating Day-Ahead Market behavior to effectively assess market performance and market competitiveness and to evaluate the impacts of uncompetitive or manipulative participant behavior on market outcomes. The complexity of the market clearing process and market interactions require such a tool to perform robust data analyses. The application will allow IMM to run simulations based on historical data and to develop counterfactual scenarios while simulating the associated market outcomes. Once available, ISO expects to utilize the Day-Ahead Markets Simulator to analyze and report upon the performance of the Day-Ahead Ancillary Services market.

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

GridOS Connect

\$1.5M

In 2026, ISO-NE will start upgrading the Energy Management System (EMS) to GE Vernova's EMP3.5 Platform. EMP3.5 introduces advanced network and generation features, including voltage ride-through contingency analysis, constrained power group monitoring, and Distributed Energy Resource (DER) forecasting integration. These capabilities are essential for ensuring grid stability as ISO-NE transitions to an evolving energy future.

An early adoption of GridOS Connect, which is GE Vernova's comprehensive software suite designed for managing electric grids, will aid in accelerating the implementation of EMP3.5. It integrates data analytics, artificial intelligence, and advanced grid management tools to optimize grid operations, enhance reliability, and support the transition to renewable energy sources. GridOS Connect is a new integration layer that will allow ISO-NE to access distributed data in their existing architecture.

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Storage as Transmission Only Asset (SATOA)

\$0.5M

In October 2023, FERC approved a proposal from ISO-NE, which enables electric storage facilities to be planned and operated as transmission only-assets to address system needs identified in the regional system planning process. The rules allow transmission companies to own and maintain energy storage assets for supporting the transmission system. These assets are called Storage as Transmission Only Assets (SATOAs).

SATOAs are different from energy storage assets that participate in the ISO-NE's wholesale markets in that they serve a transmission function only. Unlike energy storage assets, SATOAs are selected as transmission solutions through the regional system planning process administered by ISO-NE, and are subject to ISO-NE's operational authority. They do not participate in the wholesale markets other than for limited purposes specified in the rules. This project will integrate the operation of SATOAs into ISO-NE's operation applications.

The targeted completion date for this project is October 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Replace Employee & Pager Application

\$0.5M

The access rights and employee request applications are essential for managing identity and access within the organization. These applications allow workforce members to model, request, approve, and implement access to various information technology assets, such as servers, systems, shared drives, and badged physical access. To adhere to industry best practices and to address several recommendations from ISO-NE staff, these systems required new functionality.

Phase I of the project, known as Identity and Access Management Phase I, involved purchasing and implementing the necessary hardware and software to update the current access rights process.

Phase II, known as Identity and Access Management Phase II, focused on integrating the new hardware and software with ISO-NE systems. This phase also implemented new authorization roles and added features to protect the system from unauthorized access.

The Replace Employee & Pager Application project is the third phase and will replace the current employee and pager applications, develop one or more new applications to enhance system capabilities, and identify potential automation efficiencies.

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Circuit Inventory Management Platform Phase II

\$0.5M

The ISO-NE IT Communications Projects team (ITComms) requires a centralized platform for Communications and Information Management (CIM) that meets the everyday needs of the ITComms team and facilitates the sharing of telecom data with other departments within the organization.

When complete in November 2025, Phase I of the Circuit Inventory Management Platform project will acquire and implement a centralized platform, ensuring it is tailored for optimal use by the ITComms team and capable of effectively integrating and distributing telecom data across the organization. Completion of this project will allow for enhanced collaboration, streamlined processes, and improved overall efficiency in managing communications and information.

The second phase of the Circuit Inventory Management Platform project will include integrating the centralized platform, being implemented in Phase I, and the ISO's Customer and Asset Management System to share data back and forth between the two applications and with multiple business units at the ISO. This will include building data bridges and changing the underlying data structure to improve how data is shared between the applications.

The targeted completion date for this project is October 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Tie Line Telemetry Replacement

\$0.5M

Tie line telemetry is a key input for calculating area control error which is critical to the ISO's ability to balance generation and load in New England. System Operations' current audio tone transmitter and receiver equipment that supports the instantaneous tie line telemetry reached its end-of-life status in June 2022 and there is limited ability to procure replacement parts. In addition, the existing tie line telemetry system lacks redundancy which is inconsistent with other systems used for reliability by ISO-NE System Operations. The project will replace the existing analog system with a fully redundant digital system.

The targeted completion date for this project is October 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Solar Do Not Exceed Dispatch Phase III

\$0.5M

The amount of solar energy generation in New England is growing and expected to continue increasing. Integrating these solar resources requires developing rules, processes, forecasts, and tools to incorporate them into the Do-Not-Exceed (DNE) dispatch processes.

In Phase I, GE enhanced ISO-NE's Renewable Plan (Rplan) software. This allows Market Participants to submit medium- and long-term data on future power generation availability. The upgrades support the inclusion of solar power forecasts, alongside wind forecasts from multiple vendors.

In Phase II, remote terminal units (RTU) were installed and tested at solar units to support DNE dispatch signals. Additionally, several applications, including PWRFLOW and RTGEN were also updated to support the new DNE functionality.

To accommodate the anticipated growth of solar resources, further development is needed. This involves aligning ISO-NE internal applications with changes from the initial project phases. In Phase III, updates are planned for TARA Case Builder, STOCM, Jasper Reports, and the Operator Training Simulator (TTSE).

The targeted completion date for this project is December 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Operations Document Management System MS 365 Conversion

\$0.3M

The Operations Document Management System is a SharePoint based application used by the System Operations department to manage the lifecycle of documents that are referenced by the Control Room Operators, ISO-NE Employees, and Local Control Center employees. These documents include ISO New England Operating Procedures, Master/Local Control Center Procedures, ISO New England System Operating Procedures, Transmission Operating Guides, ISO New England Control Room Operating Procedures, and Temporary Operating Guides.

The document repository and its workflows are currently at end of Microsoft support and need to be updated. Due to system limitations, the existing workflows cannot be migrated directly to the version of SharePoint Online and must be rewritten in accordance with the business requirements.

The targeted completion date for this project is October 2026.



Capital Budget

2026 Expenditures/Major Projects in Conceptual Design

Non-Project Capital Expenditures

\$5.5M

Non-Project capital expenditures fund external and internal capitalized labor necessary to program Change Requests (CRs)(\$3.0M); non-project related hardware purchases (\$2.0M); and Building Improvements, Machinery & Equipment, and Furniture & Fixtures (\$0.5M).

Other Emerging Work

\$1.7M

This category is primarily intended to address emerging work requests during 2026 that result from operational needs, compliance obligations, or stakeholder feedback.

Refer to the following slide for further detail on Non-Project Capital Expenditures.



Capital Budget

2026 Non-Project Capital

The budget forecast for each of the non-project capital categories is informed by historical level expenditures and an assessment of planned investments for the upcoming year. The budgeted expenses for Non-Project Capital Expenditures, like the ISO-NE operating budget categories, are zero-based each year. The 2026 amounts and description of funding included for each category is provided as follows:

- **\$3.0 million – Change Requests:** Annually, ISO-NE’s Information Services (“IS”) department addresses several hundred small requests to improve existing software infrastructure. The IS department deploys a combination of ISO-NE internal employees, consultants, and vendors to address the list of open change requests. Each year, the forecasted budget is reviewed to ensure the resources dedicated to this effort are not in conflict with slated major projects.
- **\$2.0 million – Non-Project Hardware:** ISO-NE has a critical investment in servers, storage, networking, and monitoring systems in our data center environment that support ISO-NE’s critical roles of Grid Operation, Market Administration, and Power System Planning; as well as general corporate needs. ISO-NE is required to ensure that existing deployed infrastructure is current with vendor established end-of-support and end-of-life timelines. These continual refresh activities are essential to ensure ISO-NE data center services remain supported with security and maintenance contracts, as well as meet IT reliability service levels. In 2026, ISO-NE will continue to replace and upgrade IT Infrastructure as required. Projects include: (1) to continue refreshing ISO-NE’s virtualization server infrastructure to replace servers reaching end-of-life; (2) replace aging storage infrastructure supporting database and virtualization workloads; and (3) upgrades to the network security infrastructure that support remote access, including firewall replacements and security controls integration.
- **\$0.5 million - Building Improvements, Machinery & Equipment, and Furniture & Fixtures:** Annually, ISO-NE’s Building Services department invests in the upkeep and upgrading of ISO-NE’s Holyoke and Windsor facilities. The 2026 budget funding includes replacement of the Heating, Ventilation, and Air Conditioning (HVAC) units over the Holyoke Campus Control room.



Capital Budget

Resource Allocation for 2026 Projects with Approved Charters

The following projects included in the 2026 budget have approved charters with specific funding requirements established. For each project the breakdown of costs and full-time equivalent (FTE) positions is provided by year and between internal labor and outside consultants. Amounts include actual and future forecast/budget.

Capital Projects - Approved Charters	2023 and Prior Actual				2024 Actual				2025 Actual & Remaining Forecast (1)				2026 Budget			
	Int Labor \$	FTE Equiv	Consult \$'s	FTE Equiv	Int Labor \$	FTE Equiv	Consult \$'s	FTE Equiv	Int Labor \$	FTE Equiv	Consult \$'s	FTE Equiv	Int Labor \$	FTE Equiv	Consult \$'s	FTE Equiv
. nGEM Real-Time Market Clearing Engine Implementation	\$ 510,245	2.3	\$ 2,386,865	8.8	\$ 325,803	1.5	\$ 2,686,226	9.9	\$ 470,967	2.2	\$ 3,441,226	12.7	\$ 181,664	0.8	\$ 3,021,949	11.2
. Distributed Energy Resources - Order 2222	-	-	-	-	-	-	-	-	1,045,606	4.8	1,663,340	6.2	1,515,280	6.9	1,127,400	4.2
. Oracle Platform Replacement	-	-	-	-	12,896	0.1	-	-	250,544	1.1	22,000	0.1	1,492,918	6.8	60,000	0.3
. Managing Transmission Line Ratings	38,830	0.2	109,050	0.4	465,153	2.1	3,118,615	11.5	775,192	3.5	1,923,295	7.1	790,000	3.6	210,000	1.0
. Adoption of NERC CIP Compliance of Synchrophasor Systems	9,820	0.0	-	-	47,780	0.2	-	-	206,852	0.9	144,658	0.5	102,665	0.5	215,500	0.8
. Internal Market Monitoring (IMM) Datamart Improvement (DI)	-	-	-	-	-	-	-	-	97,601	0.4	77,400	0.3	247,695	1.1	139,320	0.6
. CIP Electronic Security Perimeter Redesign Phase III	-	-	-	-	-	-	-	-	131,358	0.6	95,600	0.4	293,572	1.3	-	-
. Voltage Ampere Reactive (VAR) Capability Testing	-	-	-	-	-	-	-	-	193,358	0.9	62,150	0.2	92,836	0.4	51,656	0.2
. Energy Management System Communication Front End Refresh	-	-	-	-	-	-	-	-	168,469	0.8	77,731	0.3	68,944	0.3	39,300	0.1
. Enterprise Core Network Refresh	-	-	-	-	-	-	-	-	63,577	0.3	68,463	0.3	43,000	0.2	5,000	0.0
. Centralized Application Security	-	-	-	-	-	-	-	-	97,873	0.5	46,017	0.2	35,191	0.2	3,519	0.0

Assumptions for FTE Equiv = Int Labor Fully Burdened = \$105/hr., Consultants = \$130/hr.

(1) 2025 includes actual results through August as well as the remaining forecast for the rest of the year. Actual amounts through August are: nGEM Real-Time Market Clearing Enging Implementation - \$2,556.6K; Distributed Energy Resources - Order 2222 - \$281.7K; Oracle Platform Replacement - \$12.8K; Managing Transmission Line Ratings - \$2,344.4K; Adoption of NERC CIP Compliance of Synchrophaser Systems - \$83.4K; Internal Market Monitoring (IMM) Datamart Improvement (DI) - \$2.1K; CIP Electronic Security Perimeter Redesign Phase III - \$36.2K; Voltage Ampere Reactive (VAR) Capability Testing - \$3.1K; Energy Management System Communication Front End Refresh - \$28.5K; Enterprise Core Network Refresh - \$121.5K; Centralized Application Security - \$30.0K

(2) The above amounts exclude hardware and/or software amounts of: nGEM Real-Time Market Clearing Implementation - \$1,727.2K; Oracle Platform Replacement - \$957.2K; Managing Transmission Line Ratings - \$1,271.7K; Adoption of NERC CIP Compliance of Synchrophasor Systems - \$1,346.8K; CIP Electronic Security Perimeter Redesign Phase III - \$585.0K; Energy Management System Communication Front End Refresh - \$400.0K; Enterprise Core Network Refresh - \$1,615.9K

APPENDIX 8: RETHINKING WORKSPACE AT THE ISO



Overview

- The primary office space for the ISO workforce in Holyoke has remained materially the same for approximately twenty years
- The ISO's Holyoke Campus was designed and built in 2003 - 2007; it was designed to support a headcount of 560
 - Holyoke campus currently has 603 work points (offices and workstations) plus 35 collaboration spaces and 564 parking spaces, including visitor parking
- The ISO's Windsor Campus was built in 2012 and has a seating capacity for 150
- Continued maintenance on aging building (facilities workplan)



FTE Data

Current authorized headcount
Work points (offices and workstations) at Holyoke

746.5
603

	Fully					
	Total	Remote	Ctrl Rm	Holyoke	Windsor	
Employees as of March 2025	687	43	22	513	109	BCC (74 Sys Planning & 35 IT/OPTI)
Open Positions, per staffing rpt 3-25-25	60	0	0	51	9	
	747	43	22	564	118	
Interns working spring 2025	6			6		
Interns over summer	25			25		
Consultants - 83 active staff augmentation assuming 50% hybrid vs fully remote.	41			41		
As of end of 2025	819	43	22	636	118	
Less 6% budgeted vacancy				-38		
Max seating needed at peak days, in the office for 2025				597		
As of end of 2025	819	43	22	636	118	
Expected increase in Headcount in 2026	24			17	7	
As of end of 2026	843	43	22	653	125	
Less 5.5% budgeted vacancy				-36		
Max seating needed at peak days, in the office for 2026				617		
As of end of 2026	843	43	22	653	125	
Bring System Planning back onto one campus				81	-81	
Estimated increase in Headcount by 2028/2029	60			60		
As of end of 2028/2029	903	43	22	794	44	
Less 5% budgeted vacancy	-42			-40	-2	
Max seating needed at peak days, in the office for 2028/2029	796			754	42	

Challenges with the current Holyoke campus

- ISO believes there is a need to address a redesign or new build at the Holyoke campus to accommodate the larger workforce needed to meet the region's needs
- Several factors had triggered a review on how we utilize office space in Holyoke
 - Current seating constraints (e.g., limited seating space for authorized headcount increases for certain Departments; increasing need for collaborative working spaces)
 - Expectation of continued strategic growth in the workforce in the near term and the next 5-10 years
 - Parking constraints associated with growth
 - Newer workforce and need to be on campus for training and collaboration
 - Many current and future projects contain complex designs with cross functional team involvement
 - We conducted a preliminary study that accounted for 900 employees (leaving the parking constraint unsolved) that would take approximately 2-3 years either renovating existing building to an activity-based concept or developing a new building, both at a cost estimate of \$50M; by deferring this effort for a couple of years, we would expect the cost estimate to increase

Changes made since 2024

- First Stage is complete
 - Leased the adjacent property to the Holyoke campus – quickly solves for the parking constraints (significant open land exists) and offers a hedge on utilizing the building itself
 - Lease was signed on July 2024; annual cost approximately \$225,000, included in the 2025 budget
 - Lease contains an option to purchase
 - Completed environmental testing to ensure the land was usable
 - Develop and update annually a 3-year Facilities Plan that will evolve to meet the organizations needs; consider steady ongoing improvements and refurbishment of the buildings over a span of many years
 - Relocated approximately 80 employees in the System Planning department to the Windsor campus; the Windsor facility will be able to accommodate System Planning near-term growth
 - Some investment was required at the Windsor campus such as upgrades to add audio visual capabilities in conference rooms, upgrades to wireless technology, the replacement of the current guard building, and updates to the kitchen facilities; we incurred additional cost to cover mileage and other miscellaneous expenses for employees required to move
 - Reprogram the Holyoke Campus with the vacancy of approximately 80 employees

Potential Next Steps

ISO believes that the integrated nature of the work promotes the need for one campus and collaboration is one of our five core values

- Second Stage
 - Engage architects/engineering firm to develop pricing and plans for the adjacent property to the Holyoke campus (if the lease purchase option is executed)
- Third Stage
 - Obtain tax-exempt bond financing for construction of building
 - Tax-exempt bond for Holyoke campus for \$45.5M will expire in February 2032; the building construction is amortized over the life of the bonds and collected via depreciation for which the collection is used to pay the principal payments
 - Payment for the proposed new building (estimated cost of \$50M) would begin when the building is completed and in production, and therefore would not impact revenue requirements until such time
 - While there will be a temporary increase in depreciation from the time the new building goes into production until 2031, the long run net impact to the revenue requirement will be relatively small

APPENDIX 9: EMERGING WORK ALLOWANCE & PURCHASING POLICIES AND CONTROLS



Emerging Work Allowance

- ISO New England does not have “equity” or reserves to utilize but must fund unforeseen and newly defined work that arises after the budget is established
- The CEO Emerging Work Allowance (the Fund) is used to fund requests for required activities that were not specifically funded in the original budget and changes to initial cost estimates
- A risk is recorded on the Risks and Opportunities Report (R&O Report) when (i) unbudgeted new work is identified, or (ii) when staff becomes aware that budgeted work may exceed the original estimate; likewise, when potential savings on a budgeted item are anticipated, an opportunity is identified
- The R&O report contains information about the item and the probability of the occurrence of the item and is updated at least monthly

Emerging Work Allowance – Process for Deposits and Withdrawals

- Purpose of This Process: 1. Accuracy: Ensuring that the financial forecast remains up to date and realistic as circumstances evolve. 2. Financial Oversight: Ensuring that any movements of funds (deposits or withdrawals) are justified and documented properly. 3. Transparency & Accountability: Establishing a clear process for reviewing and approving financial decisions that impact the company's budget and cash flow.
- During the quarterly updates to the forecasts, cost center managers review the current forecast to determine the continued accuracy of their forecasts for the subsequent six months and will integrate into their updated forecasts highly probable risks or savings that may have been previously identified on the R&O report or may be newly defined
- An explanation is required by the cost center manager for why amounts are being deposited to the Fund (from savings identified) or why there is a need for a withdrawal from the Fund
- All information pertaining to potential deposits to the Fund or withdrawals from the Fund, stemming from the updated quarterly forecast, is compiled and the detail is reviewed by the budget team and the Director, Accounting for reasonableness and/or the need for additional explanation and approved by the CFO and CEO



Purchasing Policies and Controls

- The Company has established a Purchasing Policy with guidelines to follow when committing the funds of the ISO to any vendor, including the placing and handling of purchase orders, requests for proposals and quotes, contracts, and approval limits
- The Purchasing Department is responsible for all purchasing decisions related to materials, equipment, and services
- The Purchasing Department works to minimize costs of purchased goods and services where possible, while maximizing quality
- All purchases require a fully approved purchase order unless a specific exception is noted in the Purchasing Policy (e.g., utility bills and regulatory fees); regardless of whether a purchase is exempt from the purchase order requirement, a rigorous review of the validity and accuracy of the charges is performed
- The Purchasing Department is the only department authorized to purchase goods and/or services for the ISO and all contracts must be approved by the ISO legal department (with limited exceptions)
- The Purchasing Policy is available on the ISO's website



APPENDIX 10: 2026-2029 PRO-FORMA STATEMENTS



2026 - 2029 Pro-Forma Budgets

(Dollars in Millions)	2026	2027	2028	2029
Operating Budget ⁽¹⁾	\$291.7	\$314.0	\$323.4	\$333.1
Capital Project Budget	\$42.5	\$44.5	\$46.5	\$48.5
Total	\$334.2	\$358.5	\$369.9	\$381.6
Operating ⁽¹⁾	\$291.7	\$314.0	\$323.4	\$333.1
Depreciation ⁽¹⁾	\$38.2	\$43.9	\$44.7	\$47.3
True-Up	\$(15.6)	\$(1.0)	\$(1.0)	\$(1.0)
Revenue Requirement	\$314.4	\$356.8	\$367.1	\$379.4
TWh Forecast ⁽²⁾	124.7	125.9	127.5	129.2
\$/KWh Rate	\$0.00252	\$0.00283	\$0.00288	\$0.00294

(1) 2027 – 2029 assumes an inflationary increase in Operating costs, however, there is no inflationary increase for interest expense and interest income, and the budgets do not contemplate new mandated activities, or the potential for uncertainties in implementation complexity for existing initiatives (e.g. the new System Planning activities and the Prompt/Seasonal capacity market).

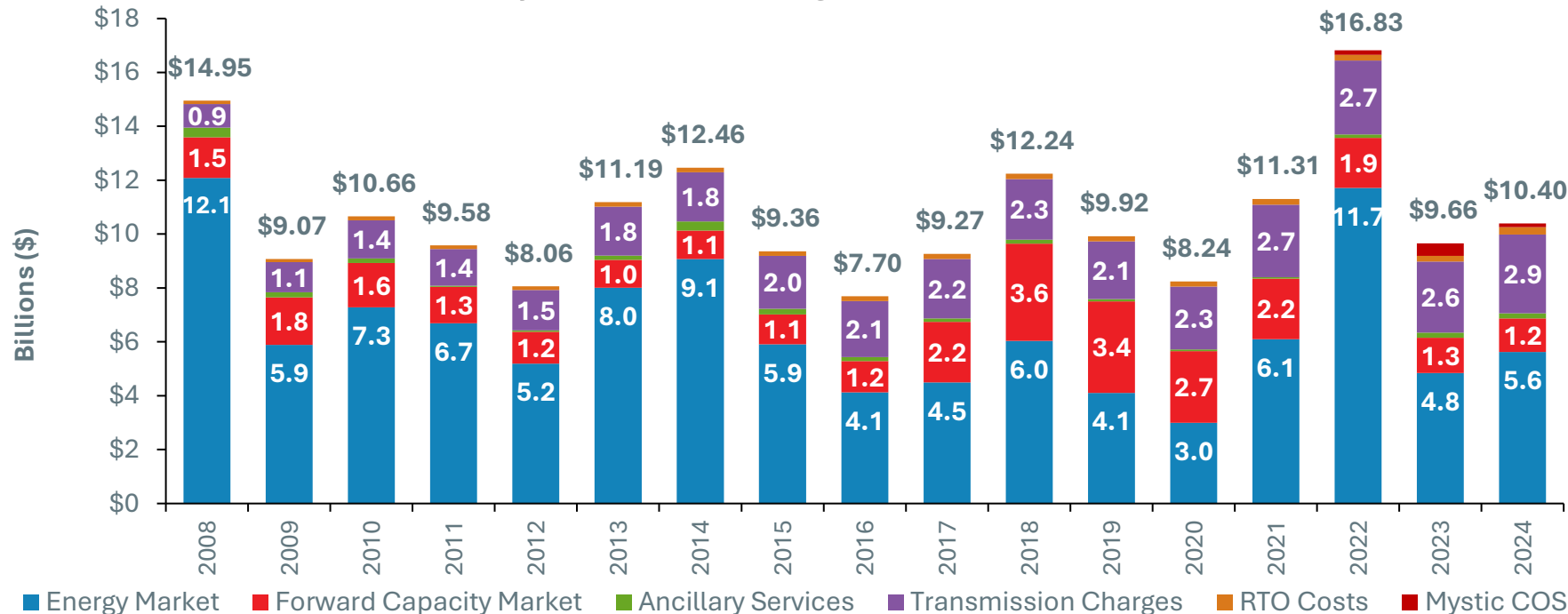
(2) For 2026 – 2029, the May 2025 CELT Report was used.

APPENDIX 11: NEW ENGLAND WHOLESALE ELECTRICITY COSTS AND RETAIL ELECTRICITY RATES



New England Wholesale Electricity Costs*

Annual wholesale electricity costs have ranged from \$7.7 billion to \$16.8 billion



(The total costs for each year include Ancillary Services and RTO costs)

Source: ISO New England; ***2024 data is preliminary and subject to resettlement**

Note: Forward Capacity Market values shown are based on auctions held roughly three years prior to each calendar year.

New England Wholesale Electricity Costs^(a)

	2020		2021		2022		2023		2024**	
	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh
Wholesale Market Costs										
Energy (LMPs)^(b)	\$2,996	2.4	\$6,101	4.8	\$11,712	9.0	\$4,847	3.9	\$5,624	4.4
Ancillaries^(c)	\$62	0.1	\$52	0.0	\$124	0.1	\$183	0.1	\$183	0.1
Capacity^(d)	\$2,662	2.2	\$2,243	1.8	\$1,864	1.4	\$1,308	1.1	\$1,248	1.0
Subtotal	\$5,720	4.7	\$8,404	6.6	\$13,701	10.5	\$6,338	5.1	\$7,054	5.5
Transmission charges^(e)	\$2,331	1.9	\$2,688	2.1	\$2,739	2.1	\$2,640	2.1	\$2,931	2.3
RTO costs^(f)	\$191	0.2	\$216	0.2	\$214	0.2	\$214	0.2	\$275	0.2
	Mystic Cost of Service Agreement				\$173	0.1	\$465	0.4	\$139	0.1
Total	\$8,242	6.7	\$11,308	8.9	\$16,828	13.0	\$9,657	7.8	\$10,399	8.2

(a) Average annual costs are based on the 12 months beginning January 1 and ending December 31. Costs in millions = the dollar value of the costs to New England wholesale market load servers for ISO-administered services. Cents/kWh = the value derived by dividing the dollar value (indicated above) by the real-time load obligation. These values are presented for illustrative purposes only and do not reflect actual charge methodologies. ***The wholesale values for 2024 are preliminary and subject to resettlement.**

(b) Energy values are derived from wholesale market pricing and represent the results of the Day-Ahead Energy Market plus deviations from the Day-Ahead Energy Market reflected in the Real-Time Energy Market.

(c) Ancillaries include first- and second-contingency Net Commitment-Period Compensation (NCPC), forward reserves, real-time reserves, regulation service, and a reduction for the Marginal Loss Revenue Fund.

(d) Capacity charges are those associated with the Forward Capacity Market (FCM).

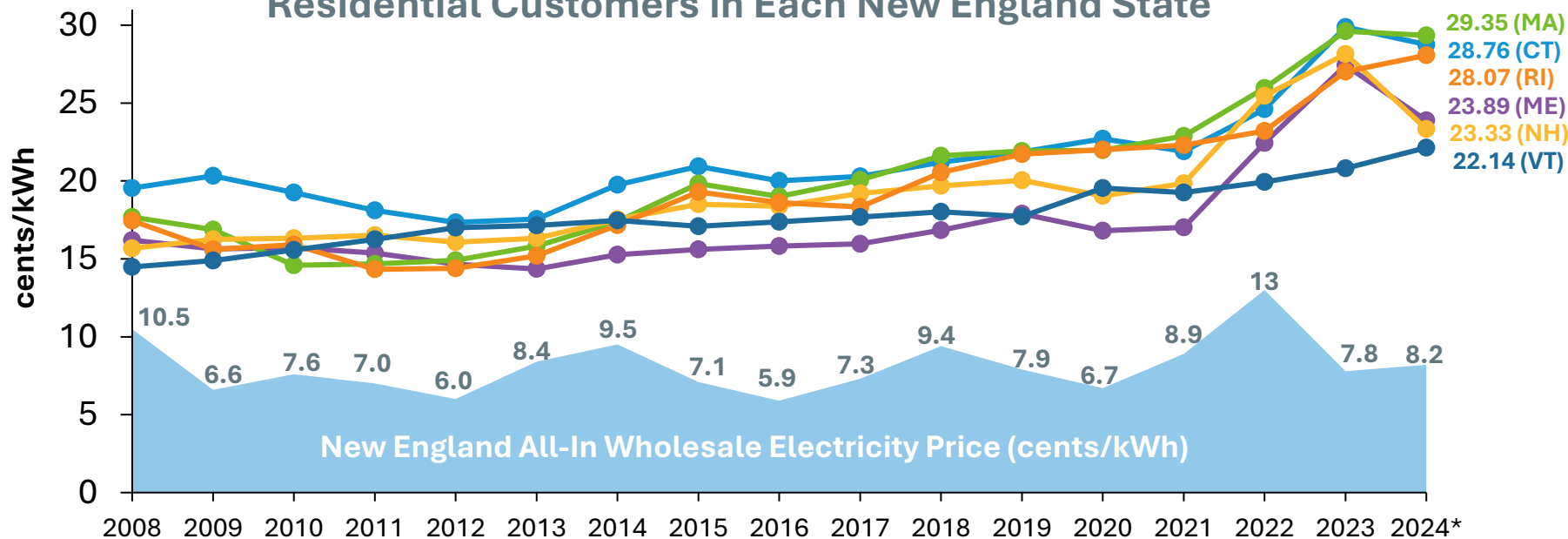
(e) Transmission charges reflect the collection of transmission owners' revenue requirements and tariff-based reliability services, including black-start capability, voltage support, and FCM reliability.

(f) RTO costs are the costs to run and operate ISO New England and are based on actual collections, as determined under Section IV of the *ISO New England Inc. Transmission, Markets, and Services Tariff*.

** 2024 figures are preliminary

Retail Electricity Prices Follow Wholesale Prices, But Are Also Influenced by Individual State Policies

Annual Average Price of Electricity for Residential Customers in Each New England State



Sources: U.S. Energy Information Administration, *Electric Power Annual*, Table 2.10 Average Price of Electricity to Ultimate Customers by End-Use Sector, by State; and U.S. Energy Information Administration, *Electric Power Monthly*, Table 5.6.B Average Price of Electricity to Ultimate Customers by End-Use Sector, by State (Through Dec. 2024); the New England all-in wholesale electricity price is derived by dividing total wholesale electricity costs by real-time load obligation (presented for illustrative purposes; does not reflect actual charge methodologies) *2024 values are preliminary

APPENDIX 12: ISO/RTO FINANCIAL COMPARISON



Financial Results Summary

ISO/RTO Financial Summary - 2024 Actual Results

Operating Expense and Capital Expenditures for Calendar Year 2024, and Outstanding Debt as of December 31, 2024 ⁽¹⁾

(Amounts in Millions)

	ISO-NE ⁽²⁾	PJM	NYISO	CAISO	IESO ⁽³⁾	MISO	SPP	ERCOT
Operating Expense - 2024	\$ 264.6	\$ 498.1	\$ 256.2	\$ 288.5	\$ 299.4	\$ 515.7	\$ 285.6	\$ 330.0
Less: Amortization & Depreciation	(31.6)	(38.7)	(22.1)	(27.4)	(25.6)	(35.0)	(17.8)	(43.6)
Regulatory Fees	(8.0)	(111.4)	(18.3)	-	-	(76.1)	(36.2)	-
Grant Expenses	-	-	-	-	-	-	-	-
Net Operating Expense - 2024	\$ 225.0	\$ 348.0	\$ 215.8	\$ 261.1	\$ 273.8	\$ 404.7	\$ 231.5	\$ 286.5
Other Financial Data								
Capital Expenditures for 2024	\$ 29.6	\$ 45.6	\$ 14.8	\$ 35.1	\$ 79.3	\$ 35.4	\$ 23.4	\$ 48.6
Outstanding Debt as of 12/31/24	\$ 108.3	\$ 2.2	\$ 81.5	\$ 147.9	\$ 277.0	\$ 274.4	\$ 101.3	\$ 2,457.0
Actual full-time equivalent headcount as of 12/31/24	670.5	844.0	628.0	733.0	978.0	1117.0	828.0	954.0

(1) Applicable amounts were taken from each entity's 2024 audited financial statements.

(2) ISO-NE Amortization & Depreciation and Capital Expenditures are presented on a cash-flow basis

(3) Amounts are in Canadian dollars

APPENDIX 13: 2023 AND 2024 ACTUAL TO BUDGET VARIANCE ANALYSIS



ISO New England Actual-to-Budget Variance Analysis for 2023 and 2024

The following pages provide actual-to-budget variance analysis for 2023 and 2024. The information provided includes overall results, a table that breaks down salary into base salaries and wages, overtime wages, incentive or bonus payments, and each employee benefit program with an annual cost greater than \$200,000. Professional fees and consultant costs are stated separately by department, and an explanation is provided for each variance in excess of \$1,000,000.

Amounts in the tables below are in thousands.

2023 (Overall Results)

<u>Description</u>	<u>2023 Actual</u>	<u>2023 Original Budget</u>	<u>Variance Inc/(Dec)</u>
Operating Expense			
Salaries and Overheads	\$ 137,317.5	\$ 134,702.1	2,615.4
Professional Fees & Consulting	19,743.7	21,600.9	(1,857.2)
Professional Fees & Consulting - Legal	2,456.7	3,334.5	(877.8)
Building Services	3,339.2	3,122.5	216.7
Rents & Leases	719.3	897.6	(178.4)
Network Operations	3,138.4	3,269.9	(131.5)
Computer Services	20,469.2	20,397.8	71.5
Data Services & Office Expenses	1,628.0	2,015.1	(387.1)
Insurance Expense	2,927.0	3,140.2	(213.1)
Board of Directors Expense	1,542.9	1,516.5	26.4
Meeting & Related Expenses	989.9	1,272.4	(282.5)
Education & Training	1,032.1	1,326.9	(294.8)
Taxes, Permits, Licenses & Fees	235.3	193.9	41.4
Total Operating Expense	195,539.4	196,790.3	(1,251.0)
Revenues, Other Income	(2,055.4)	(694.4)	(1,361.0)
Operating Expenses net of Revenue	193,484.0	196,096.0	(2,612.0)
CEO Emerging Work Allowance	-	2,000.0	(2,000.0)
Board Contingency	-	700.0	(700.0)
NPCC/NERC Dues & Expense	7,277.3	7,296.4	(19.1)
Interest Expense	2,834.2	3,137.5	(303.3)
Net Expense Before Depreciation	203,595.5	209,229.9	(5,634.4)
Depreciation Expense	30,034.2	30,915.3	(881.1)
Gain/Loss on Fixed Asset Disposal	21.5	60.0	(38.5)
Total Depreciation and Debt Services	30,055.7	30,975.3	(919.6)
Total Expense for ACT Recovery	\$ 233,651.2	\$ 240,205.2	(6,553.9)

2023 (Salaries & Burden)

<u>Description</u>	<u>Actual 2023 Expense</u>	<u>Approved Budget 2023</u>	<u>Incr/(Dec)</u>
Salaries and Wages - Base	\$ 85,725.0	\$ 85,304.6	\$ 420.4
Salaries and Wages - Overtime	3,210.5	2,662.6	547.9
Salaries and Wages - Incentive/Bonus	15,389.0	14,224.8	1,164.2
Employee Benefits - Pension	11,905.2	11,149.2	756.0
Employee Benefits - Post-Ret Benefits	739.2	927.8	(188.6)
Employee Benefits - Health Insurance	8,468.3	8,473.4	(5.1)
Employee Benefits - Dental Insurance	523.6	508.5	15.0
Employee Benefits - 401(K) Match	3,342.4	3,567.0	(224.6)
Salary Burden - Payroll Taxes	7,346.4	7,205.8	140.7
Other Benefit/Burden <\$200K	667.9	678.4	(10.6)
Total Salaries & Burden Expense	\$ 137,317.5	\$ 134,702.1	\$ 2,615.3

2023 (Professional Fees)

<u>Department</u>	<u>2023 Actual</u>	<u>2023 Original Budget</u>	<u>Variance Inc/(Dec)</u>
System Operations & Market Admin.	\$ 732.2	\$ 873.0	\$ (140.8)
System Planning	2,530.4	2,120.6	409.8
Market Monitoring	276.1	730.0	(453.9)
Information Technology	7,238.3	8,944.1	(1,705.8)
Market Development & Settlements	2,062.3	2,047.5	14.8
Human Resources	2,354.2	2,093.7	260.5
Finance Operations	1,050.0	702.6	347.4
Internal Audits	1,056.1	1,032.3	23.8
Corp Comm and Public Affairs	726.9	717.2	9.7
Advance Technology Solutions	1,507.9	1,530.0	(22.1)
All Other	209.3	810.0	(600.7)
Total	19,743.7	21,600.9	(1,857.2)
 Legal Professional Fees	 2,456.7	 3,334.5	 (877.8)
Total Professional Fees	\$ 22,200.4	\$ 24,935.4	\$(2,735.0)

2023 Actual vs. Budget variance explanations for items > \$1,000,000

- Salaries and Overheads were \$2,615,400 higher than the original budget. Significant increases included funding for higher incentive/bonus amounts for retention efforts of employees due to the labor market environment and higher turnover rate experienced in 2023 as well as increased overtime in some departments; these increases were partially offset by higher than forecasted vacancy and lower salary rates for new hires compared to previous incumbents.
- Professional Fees & Consulting were \$2,735,000 lower than the original budget. The Information Technology Segment was \$1,705,800 lower primarily due to Energy Management System and other Information Technology consultant support that was reallocated for capital development work (nGEM and Day-Ahead Ancillary Services Improvements projects), lower rates for two Information Technology positions, and higher than forecasted vacancy for consulting in Information Technology and Participant Relations.
- Because ISO-NE is a non-profit organization with no equity available there is \$2,000,000 of funds (the “CEO Emerging Work Allowance”) built into the budget to cover unknown or unforeseen costs that emerge during the year. Additional funding needs can be created as a result of refined estimates for work, new activities, or changes in accounting estimates. Similarly, to the extent that these changes result in an “under” expenditure, the CEO Emerging Work Allowance is increased. Requests for funds from the Emerging Work Allowance are reviewed by senior management, and require CFO and CEO approval prior to the spending authorization. No actual amounts are charged to this line item as it is only used for budget/forecast purposes.

2024 (Overall Results)

<u>Description</u>	2024 Actuals	2024 Original Budget	Variance Inc/(Dec)
Operating Expense			
Salaries and Overheads	\$ 154,118.1	\$ 158,208.5	(4,090.5)
Professional Fees & Consulting	22,334.4	26,080.1	(3,745.8)
Professional Fees & Consulting - Legal	2,539.0	3,177.0	(638.0)
Building Services	3,421.1	3,430.3	(9.2)
Rents & Leases	1,144.5	780.8	363.8
Network Operations	3,855.9	3,652.1	203.8
Computer Services	24,115.3	25,372.8	(1,257.6)
Data Services & Office Expenses	1,793.2	2,257.3	(464.1)
Insurance Expense	3,261.9	3,393.8	(131.9)
Board of Directors Expense	1,527.6	1,606.5	(78.9)
Meeting & Related Expenses	1,606.4	1,511.4	95.0
Education & Training	1,148.0	1,332.0	(183.9)
Taxes, Permits, Licenses & Fees	256.5	240.4	16.1
Total Operating Expense	221,121.9	231,042.9	(9,921.0)
Revenues, Other Income	(2,363.2)	(917.2)	(1,446.0)
Operating Expenses net of Revenue	218,758.7	230,125.6	(11,367.0)
CEO Emerging Work Allowance	-	2,000.0	(2,000.0)
Board Contingency	-	700.0	(700.0)
NPCC/NERC Dues & Expense	8,047.8	8,052.4	(4.7)
Interest Expense	3,576.5	3,459.1	117.3
Net Expense Before Depreciation	230,382.9	244,337.2	(13,954.3)
Depreciation Expense	31,583.2	32,499.5	(916.2)
Gain/Loss on Fixed Asset Disposal	371.5	60.0	311.5
Total Depreciation and Debt Services	31,954.7	32,559.5	(604.8)
Total Expense for ACT Recovery	\$ 262,337.6	\$ 276,896.7	(14,559.1)

2024 (Salaries & Burden)

<u>Description</u>	Actual 2024 Expense	Approved Budget 2024	Incr/(Dec)
Salaries and Wages - Base	\$ 96,767.0	\$ 100,893.7	\$ (4,126.7)
Salaries and Wages - Overtime	3,367.9	2,763.5	604.4
Salaries and Wages - Incentive/Bonus	18,680.2	18,482.8	197.4
Employee Benefits - Pension	12,943.5	12,117.3	826.2
Employee Benefits - Post-Ret Benefits	614.0	961.4	(347.4)
Employee Benefits - Health Insurance	8,787.9	8,931.3	(143.4)
Employee Benefits - Dental Insurance	540.5	537.1	3.4
Employee Benefits - 401(K) Match	3,977.5	4,079.3	(101.8)
Salary Burden - Payroll Taxes	7,847.1	8,714.7	(867.6)
Other Benefit/Burden <\$200K	592.4	727.8	(135.4)
Total Salaries & Burden Expense	\$ 154,118.0	\$ 158,209.0	\$ (4,090.9)

2024 (Professional Fees)

Department	2024 Actuals	2024 Original Budget	Variance Incr/(Dec)
System Operations & Market Admin.	\$ 1,176.7	\$ 512.5	\$ 664.2
System Planning	3,274.0	4,162.7	(888.7)
Market Monitoring	404.0	794.5	(390.5)
Information Technology	9,023.8	9,509.5	(485.7)
Market Development & Settlements	1,463.2	2,992.5	(1,529.3)
Human Resources	2,283.6	2,493.3	(209.7)
Finance Operations	1,519.0	890.7	628.3
Internal Audits	1,391.9	1,183.5	208.4
Corp Comm and Public Affairs	601.5	671.9	(70.4)
Advance Technology Solutions	641.8	700.0	(58.2)
All Other	554.8	2,169.0	(1,614.2)
Total	22,334.3	26,080.1	(3,745.8)
Legal Professional Fees	2,539.0	3,177.0	(638.0)
Total Professional Fees	\$ 24,873.4	\$ 29,257.1	\$ (4,383.8)

2024 Actual vs. Budget variance explanations for items > \$1,000,000

- Salaries and Overheads were \$4,091,000 lower than the original budget. Significant decreases included higher than forecasted vacancy, timing of equity and promotion increases including impact of implementing compensation survey data changes, lower salary rates for new hires compared to previous incumbents, lower merit and promotional funds due largely to correction in the allocation of funds to capital development/reimbursable studies, lower Post-Retirement Medical and Dental Contributions based on actuarial updates; these decreases were partially offset by increased overtime in some departments, as well as some early 2025 hires.
- Professional Fees & Consulting were \$3,745,800 lower than the original budget. Significant decreases include the reduction of funds for prompt/seasonal capacity market assessment work due to the work previously being accelerated into the second half of 2023, removal of FCM parameter updates and other auction related costs due to the FERC approved two-year auction delay, removal of Medium-Term Energy Adequacy consultant funding, higher vacancy for consultants augmenting Information Technology staff, and reductions in the costs of several System Planning studies due to quotes coming in less than estimated. Increases, partially offsetting the decreases, include the addition of a northeast gas study being done in coordination with the Northeast Power Coordinating Council, a study to establish “facility out” transfer capability for operation of the Northern New England power system with the planned New England Clean Energy Connect (NECEC) project, ESG Reporting work that started later than expected in 2023 and carried over to 2024, funding for consultants to assist with the relocation of some ISO staff from Holyoke to our Windsor campus, and funding for FinOps managed services that will monitor our cloud operations to increase cloud efficiency in a cost effective manner.
- Computer Services were \$1,257,600 lower than the original budget. Decreased expenses include the removal of 2024 maintenance costs for our current Enterprise Resource Planning (ERP) system due to our vendor waiving these fees during the development and conversion to their current platform that is in process as part of the ERP System Replacement project; the non-renewal for end of life products no longer being utilized and/or being replaced including various data domain, storage hardware, backup analytics, and infrastructure items; lower Energy Management and Market System as-needed support; and savings based on actual quotes on renewals across several products. The reduced costs were partially offset by an increase due to new software maintenance from the 2023 capital purchase of firewall maintenance under the CIP Electronic Security Perimeter Redesign Phase II project; a control room recording system being moved from Network Operations to Computer Services, where it is more appropriately classified; and the addition of licensing fees for short-term load forecasting.
- Because ISO-NE is a non-profit organization with no equity available there is \$3,000,000 of funds (the “CEO Emerging Work Allowance”) built into the budget to cover unknown or unforeseen costs that emerge during the year. Additional funding needs can be created as a result of refined estimates for work, new activities, or changes in accounting estimates. Similarly, to the extent that these changes result in an “under” expenditure, the CEO Emerging Work Allowance is increased. Requests for funds from the Emerging Work Allowance are reviewed by senior management, and require CFO and CEO approval prior to the spending authorization. No actual amounts are charged to this line item as it is only used for budget/forecast purposes.

Questions





memo

To: NEPOOL Budget & Finance Subcommittee and Participants Committee

From: Bob Ludlow and Kelly Reyngold

Date: September 22, 2025

Subject: Projected 2026 Revenue Requirement for ISO New England Administrative Cost Tariff Schedules

To help our Participants prepare their 2026 budgets and consistent with information provided in previous years, this memo includes a preliminary indication of ISO-NE's 2026 costs and related tariff schedules. Specifically, the memo includes (1) the estimated 2026 Revenue Requirement, including the final true-up for 2024 and a comparison to the 2025 Revenue Requirement (see Exhibit 1 below), (2) the Draft 2026 Revenue Requirement by activity (see Exhibit 2), and (3) the Draft 2026 Rate Components (see Exhibit 3). Exhibits 2 and 3 are attached and, in their final form, will be part of the ISO's budget filing with FERC. The cost assignment and allocation mechanisms that were utilized in the Draft 2026 tariff schedules were established in accordance with the 2001 settlement and consistent with the assignment and allocation mechanisms that have been used for the last twenty-four years.

Overall Change in Revenue Requirement

As shown in Exhibit 1 below, the overall Revenue Requirement has increased by \$3.1 million year-over-year, from \$311.2M for 2025 to \$314.4M for 2026.¹ The change includes a \$23.6 million increase in the revenue requirement before taking into account the change in prior year true-ups. Prior year true-ups resulted in a decrease of \$20.4M. The 2025 tariff included a \$4.8M revenue requirement increase for the final 2023 true-up, while the 2026 tariff will include a decrease of \$15.6M as a result of the final 2024 true-up.

Draft Exhibit 1				
ISO New England Revenue Requirement By Tariff Schedule 2026 Estimated Amount vs. 2025 Filed Amount				
	Sch 1	Sch 2	Sch 3	Total
2026 Revenue Requirement Before Prior Year True Ups	\$ 68,040,034	\$ 161,098,608	\$ 100,852,848	\$ 329,991,490
2025 Revenue Requirement Before Prior Year True Ups	63,699,206	149,150,469	93,555,211	306,404,886
\$ Increase/(Decrease) from 2025 to 2026	4,340,828	11,948,139	7,297,637	23,586,604
% Increase/(Decrease) from 2025 to 2026	6.8%	8.0%	7.8%	7.7%
2026 Revenue Requirement Prior Year True Ups-Under/(Over) Collect	\$ (2,470,230)	\$ (6,336,845)	\$ (6,794,645)	\$ (15,601,720)
2025 Revenue Requirement Prior Year True Ups-Under/(Over) Collect	2,135,880	(1,038,432)	3,746,122	4,843,571
\$ Increase/(Decrease) from 2025 to 2026	(4,606,111)	(5,298,413)	(10,540,767)	(20,445,291)
2026 Revenue Requirement Including Prior Year True-Ups	\$ 65,569,804	\$ 154,761,763	\$ 94,058,203	\$ 314,389,770
2025 Revenue Requirement Including Prior Year True-Ups	65,835,086	148,112,037	97,301,333	311,248,456
\$ Increase/(Decrease) from 2025 to 2026	(265,282)	6,649,726	(3,243,130)	3,141,313
% Increase/(Decrease) from 2025 to 2026	(0.4%)	4.5%	(3.3%)	1.0%

¹ Minor variances may appear due to rounding among the various presentations and schedules for the 2026 Budgets.

Change in Revenue Requirement by Schedule

Before true-ups in 2026 and 2025, the 2026 Revenue Requirement reflects an overall increase of \$23.6M or 7.7% over the 2025 Revenue Requirement. By tariff schedule, the changes are Schedule 1, a \$4.3M or 6.8% *increase*; Schedule 2, a \$11.9M or 8.0% *increase*; and Schedule 3, a \$7.3M or 7.8% *increase*.

The Tariff Schedule 1 increase of \$4.3M is attributable to:

- Increases that impact all three schedules including: Compensation (merit and promotion/equity) increases, employee benefits for medical trend, and a reduction in budgeted employee vacancy; Information Technology and Advanced Technology Solutions for personnel and products to support the operationalization of market, transmission, and emerging technology initiatives and impacts related to cloud infrastructure and data management, software licensing and subscription fees, inflationary increases, modernization of legacy systems and hardware refresh cycles, and governance and compliance requirements; funding to provide research, recommendations, and implementation of enhanced security best practices for ISO workforce; and an increase in regulatory counsel fees for FERC Order filings and responses to supplement ISO-NE Legal staff.
- Transmission Planning support for RFP processing and long-term studies, and funding for asset condition review work. These increases were partially offset by the non-recurrence, in 2026, for an assessment being done in 2025 under North American Electric Reliability Corporation (NERC) Transmission Planning Standard TPL-001 to establish facility out transfer capability for northern New England and NECEC.

The Tariff Schedule 2 increase of \$11.9M is attributable to:

- Funding for items that impact all three schedules as noted above in the explanation for Schedule 1.
- Funding for items that affect both Schedules 2 and 3, including Market Development design work for flexible response services; Transmission Planning Economic Study related work with the continued installation of Inverter Based Resources and for Northeast Power Coordinating Council (NPCC) and NERC requirement responsibilities; and a full year of Depreciation Expense for the Day-Ahead Ancillary Services Improvements and Day-Ahead Ancillary Services Benchmark Levels projects that had mid-2025 go-live dates.
- Depreciation Expense for mid-2026 go-live of the nGEM Real-Time Market Clearing Engine Implementation project that is allocated to Schedule 2.
- Funding for technical writing and instructional design work for broader and deeper training of new market features and initiatives in 2026.

The Tariff Schedule 3 increase of \$7.3M is attributable to:

- Funding for items that impact all three schedules as noted above in the explanation for Schedule 1 and items that impact Schedules 2 and 3, as noted above in the explanation for Schedule 2.
- Funding for Market Development design work in 2026 to complete conceptual and detailed design of Capacity Auction Reforms (CAR) Seasonal Accreditation and CAR Impact Analysis.
- Increases in NPCC/NERC dues.
- Funding for commencement of work on tariff required Net Cost of New Entry (CONE) recalculation.

The ISO 2026 Revenue Requirement will be reviewed and voted on at the October 9, 2025 NPC meeting. Should you have any questions regarding the information provided in this memo, do not hesitate to contact us.

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Administration-CEO</u>					
2	12651	Indirect Administrative Support	Total Dir Labor	\$ 13,298,076	\$ 2,865,735	\$ 6,881,754	\$ 3,550,586
3	12652	NEPOOL Committee Support	Total Dir Labor	8,925	1,923	4,619	2,383
4	12653	Adm/Finance/HR - Regional Committee Support	Total Dir Labor	225	48	116	60
5	12654	National Committee Support	Total Dir Labor	22,226	4,790	11,502	5,934
6	12657	Indirect Administrative Support for BCC	Total Dir Labor	1,808,969	389,833	936,142	482,995
7		Total		15,138,422	3,262,330	7,834,133	4,041,959
8							
9		<u>Finance</u>					
10	11601	Payroll Administration	Total Dir Labor	983,679	211,983	509,054	262,642
11	11701	Accounts Payable	Total Dir Labor	362,333	78,083	187,507	96,743
12	11702	Procurement	Total Dir Labor	490,330	105,666	253,746	130,918
13	11901	Settle for Power Transactions	Total Dir Labor	89,092	19,199	46,105	23,787
14	12001	Budgeting and Forecasting	Total Dir Labor	723,495	155,913	374,409	193,173
15	12005	Credit Administration	Total Dir Labor	2,445,911	527,094	1,265,759	653,058
16	12101	Ledger Closing, Financial Statements and Tax Reporting	Total Dir Labor	579,095	124,795	299,682	154,618
17	12201	Treasury and Cash Management	Total Dir Labor	2,843,109	612,690	1,471,309	759,110
18	25554	Generation Information System	Alloc-Fixed	2,726	1,227		273
19	92004	Depreciation Expense 2004 Assets	Alloc-Fixed	43,160	8,988	22,535	11,637
20	92005	Depreciation Expense 2005 Assets	Alloc-Fixed	773,169	163,467	402,125	207,577
21	92006	Depreciation Expense 2006 Assets	Total Dir Labor	568,947	122,608	294,430	151,909
22	92007	Depreciation Expense 2007 Assets	Total Dir Labor	156,427	33,710	80,951	41,766
23	92008	Depreciation Expense 2008 Assets	Total Dir Labor	548	118	284	146
24	92009	Depreciation Expense 2009 Assets	Total Dir Labor	1,230	265	637	328
25	92010	Depreciation Expense 2010 Assets	Total Dir Labor	-	-	-	-
26	92012	Depreciation Expense 2012 Assets	Total Dir Labor	80,431	17,333	41,623	21,475
27	92013	Depreciation Expense 2013 Assets	Total Dir Labor	827,131	178,247	428,040	220,844
28	92014	Depreciation Expense 2014 Assets	Total Dir Labor	73,004	15,732	37,780	19,492
29	92015	Depreciation Expense 2015 Assets	Total Dir Labor	-	-	-	-
30	92016	Depreciation Expense 2016 Assets	Alloc-Fixed	24,623	5,306	12,742	6,574
31	92017	Depreciation Expense 2017 Assets	Alloc-Fixed	204,793	13,222	175,190	16,381
32	92018	Depreciation Expense 2018 Assets	Alloc-Fixed	187,203	454	186,187	562
33	92019	Depreciation Expense 2019 Assets	Alloc-Fixed	248,828	3,787	240,349	4,692
34	92020	Depreciation Expense 2020 Assets	Alloc-Fixed	837,935	45,388	778,639	13,907
35	92021	Depreciation Expense 2021 Assets	Alloc-Fixed	1,756,067	136,432	1,444,947	174,688
36	92022	Depreciation Expense 2022 Assets	Alloc-Fixed	3,880,288	462,288	2,218,212	1,199,788
37	92023	Depreciation Expense 2023 Assets	Alloc-Fixed	8,386,105	1,126,773	4,358,811	2,900,522
38	92024	Depreciation Expense 2024 Assets	Alloc-Fixed	8,251,294	1,044,920	4,487,461	2,718,913
39	92025	Depreciation Expense 2025 Assets	Alloc-Fixed	9,083,835	1,138,581	5,677,606	2,267,648
40	92026	Depreciation Expense 2026 Assets	Alloc-Fixed	2,767,527	425,140	1,666,741	675,646
41	99707	Amortization of Land Recovery	Alloc-Fixed	39,300	2,460	24,170	12,670
42	99995	NPCC/NERC Dues	Alloc-Fixed	9,955,133	-	-	9,955,133
43	99996	Operating Contingency	Total Dir Labor	700,000	150,850	362,250	186,900
44	99996	Operating Contingency	Total Dir Labor	3,000,000	646,500	1,552,500	801,000
45	99998	Payroll & Other Accruals	Total Dir Labor	25,469,336	5,488,642	13,180,381	6,800,313
46		Total		85,836,083	13,067,861	42,083,386	30,684,836
47							
48		<u>Facilities & Security</u>					
49	12664	Building Maintenance	Total Dir Labor	2,982,305	642,687	1,543,343	796,275
50		Total		2,982,305	642,687	1,543,343	796,275
51							
52		<u>Strategy, Risk & Operations Compliance</u>					
53	14806	Employee Development	Alloc-Fixed	25,470	14,149	4,923	6,398
54	14807	NERC RSAW Update and Audit Prep	Alloc-Fixed	1,084,973	542,487	-	542,487
55	14809	ROC - Tariff Compliance	Alloc-Fixed	296,073	88,822	177,644	29,607
56	14816	Support NE Compliance Groups	Total Dir Labor	107,663	23,201	55,716	28,746
57	22704	Record Retention Services	Alloc-Fixed	122,007	40,628	40,628	40,750
58	22705	Corporate Scorecard	Alloc-Fixed	53,833	17,926	17,926	17,980
59	22706	Document Management Services	Alloc-Fixed	120,193	48,077	36,058	36,058
60	22719	Human Performance Improvement	Total Dir Labor	12,819	2,762	6,634	3,423
61	22721	Corp Strategic Risk	Total Dir Labor	776,524	167,341	401,851	207,332
62	23006	Business Continuity Planning	Total Dir Labor	424,645	91,511	219,754	113,380
63	25011	Corrective Action/Preventive Action	Alloc-Fixed	20,138	6,706	6,706	6,726
64		Total		3,044,338	1,043,611	967,840	1,032,887
65							
66		<u>Market & Credit Risk</u>					
67	22714	FAP Analysis	Total Dir Labor	356,366	76,797	184,419	95,150
68		Total		356,366	76,797	184,419	95,150
69							
70		<u>Human Resources</u>					
71	12661	Employee Affairs (Recreation Committee)	Total Dir Labor	88,211	19,010	45,649	23,552
72	12701	Recruiting/Interviewing	Total Dir Labor	1,602,611	345,363	829,351	427,897
73	12702	Intern Expense	Total Dir Labor	333,346	71,836	172,506	89,003
74	12801	Employee Relations	Total Dir Labor	1,750	377	906	467
75	12901	Benefit Administration	Total Dir Labor	2,041,891	440,028	1,056,679	545,185
76	12951	Compensation	Total Dir Labor	1,528,289	329,346	790,890	408,053
77	12961	HR - General	Total Dir Labor	975,249	210,166	504,691	260,391
78	12962	HR - Training	Total Dir Labor	1,822,310	392,708	943,046	486,557
79	13410	Power Training & Development	Total Dir Labor	2,113,357	455,428	1,093,662	564,266
80	13411	Markets Training & Development	Total Dir Labor	529,163	114,035	273,842	141,287
81	13412	People Training & Development	Total Dir Labor	1,690,151	364,227	874,653	451,270
82	13413	Business Skills Training & Development	Total Dir Labor	301,142	64,896	155,841	80,405
83	13414	Technology Training & Development	Total Dir Labor	888,721	191,519	459,913	237,289
84	13602	Enterprise Learning - Cyber Security Training & Documentation Worl	Total Dir Labor	353	76	183	94
85	22311	Employee Development	Total Dir Labor	4,455	960	2,305	1,189
86		Total		13,921,000	2,999,976	7,204,118	3,716,907

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Legal Department</u>					
2	12422	Interconnection Queue	Alloc-Fixed	318,510	-	-	318,510
3	12502	Board of Directors	Total Dir Labor	341,224	73,534	176,583	91,107
4	12508	Energy Markets / Complaints / Rule Changes	Alloc-Fixed	2,181,856	-	2,181,856	-
5	12513	Miscellaneous Labor Matters	Total Dir Labor	151,893	32,733	78,605	40,555
6	12514	NEPOOL Participants Committee	Total Dir Labor	175,232	37,763	90,683	46,787
7	12517	Administrative and Clerical Support	Total Dir Labor	663,562	142,998	343,393	177,171
8	12543	Independent Market Advisor	Alloc-Fixed	1,425,000	-	997,500	427,500
9	12559	General Corporate	Total Dir Labor	2,159,747	465,426	1,117,669	576,653
10	12587	Capacity Market Development	Alloc-Fixed	929,107	-	-	929,107
11	12588	GC- Web Content Management	Total Dir Labor	690,681	148,842	357,427	184,412
12	12606	GC - NERC	Alloc-Fixed	120	54	12	54
13	12611	GC - Ancillary Services Markets	Alloc-Fixed	132,712	-	-	132,712
14	12617	GC - IRC Activities	Total Dir Labor	10,283	2,216	5,321	2,745
15	12619	Compliance	Alloc-Fixed	398,137	159,255	159,255	79,627
16	12622	Open Access Transmission Tariff	Alloc-Fixed	225	-	-	-
17	12627	GC - State Relations/Programs/Task Force Comm	Total Dir Labor	315	68	163	84
18	12631	GC - FERC Order 1000 (Legal Only)	Alloc-Fixed	545,325	-	-	545,325
19	12663	Public Information	Total Dir Labor	2,374,899	511,791	1,229,010	634,098
20	12669	Government Affairs	Total Dir Labor	2,816,398	606,934	1,457,486	751,978
21		Total		15,315,226	2,181,836	8,194,964	4,938,426
22							
23		<u>Internal Audit</u>					
24	15001	Indirect Management Duties	Total Dir Labor	96,193	20,730	49,780	25,684
25	15002	Personnel Management	Total Dir Labor	48,540	10,460	25,120	12,960
26	15003	Budget & Forecasting	Total Dir Labor	32,360	6,974	16,746	8,640
27	15004	Audit Follow-up Activities	Total Dir Labor	16,180	3,487	8,373	4,320
28	15005	Audit & Finance Committee	Total Dir Labor	32,360	6,974	16,746	8,640
29	15006	Internal Audit Business Process Update	Total Dir Labor	16,180	3,487	8,373	4,320
30	15007	Annual Audit Work Plan	Total Dir Labor	462,750	99,723	239,473	123,554
31	15011	Internal Audit Meetings	Total Dir Labor	177,981	38,355	92,105	47,521
32	15013	Indirect Administrative Support	Total Dir Labor	2,700	582	1,397	721
33	15014	GRC Tool Admin and Development	Total Dir Labor	349,325	75,280	180,776	93,270
34	15020	Audit- Internal Audit-Finance	Total Dir Labor	83,602	18,016	43,264	22,322
35	15021	Performance Measurements	Total Dir Labor	16,180	3,487	8,373	4,320
36	15022	Vendor Contracts	Total Dir Labor	16,180	3,487	8,373	4,320
37	15023	Wire Transfers	Total Dir Labor	16,180	3,487	8,373	4,320
38	15028	Audit - Executive Compensation and Expense Reporting	Total Dir Labor	16,180	3,487	8,373	4,320
39	15029	Audit - Payroll	Total Dir Labor	16,180	3,487	8,373	4,320
40	15040	Audit-Operations	Total Dir Labor	258,882	55,789	133,971	69,121
41	15085	Audit - Information Technology	Total Dir Labor	898,502	193,627	464,975	239,900
42	15133	Satellite Operations Reviews	Total Dir Labor	35,356	7,619	18,297	9,440
43	15150	Audit - Internal Audit Other	Total Dir Labor	144,400	31,118	74,727	38,555
44	15161	External Audit- Pension Audit	Total Dir Labor	85,609	18,449	44,303	22,858
45	15162	External Audit- Financial Audit	Total Dir Labor	201,144	43,347	104,092	53,705
46	15165	External Audit - Operations	Total Dir Labor	16,180	3,487	8,373	4,320
47	15166	External Audit -Pricing Module Certification	Alloc-Fixed	26,624	-	26,624	-
48	15176	External Audit - ISO Internet Vulnerability Assessment	Total Dir Labor	14,790	3,187	7,654	3,949
49	15186	External Audit - SSAE 18 Direct Support	Total Dir Labor	32,360	6,974	16,746	8,640
50	25702	External Audit - SSAE 18 Direct Management	Alloc-Fixed	617,433	-	617,433	-
51	28005	Fraud, Waste & Abuse Program	Total Dir Labor	46,580	10,038	24,105	12,437
52	28007	Contractor/Consultant Review	Total Dir Labor	23,780	5,125	12,306	6,349
53		Total		3,800,713	680,259	2,277,626	842,827
54							
55		<u>COO-Adm</u>					
56	19001	NEPOOL Committee Support	Total OPS Labor	114,245	30,618	54,781	28,847
57	19003	National Committee Support	Total OPS Labor	23,229	6,225	11,138	5,865
58	19005	Indirect Supervision/Clerical Support	Total OPS Labor	1,124,971	301,492	539,424	284,055
59	19009	Renewable Resource Integration	Alloc-Fixed	186,595	-	-	186,595
60		Total		1,449,040	338,335	605,342	505,363
61							
62		<u>System Operations & Market Administration</u>					
63	14404	NEPOOL Committee Support	SOA Labor	9,366	3,235	4,348	1,783
64	14405	Indirect Supervision/Clerical Support	SOA Labor	615,570	212,618	285,748	117,205
65	14407	Regional Committee Support	SOA Labor	9,366	3,235	4,348	1,783
66	14408	National Committee Support	SOA Labor	271,990	93,945	126,258	51,787
67	19101	NEPOOL Committee Support	MOA Labor	138,414	-	96,890	41,524
68		Total		1,044,707	313,033	517,591	214,082

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Operations</u>					
2	14001	Generation Dispatch	Alloc-Fixed	4,158,253	-	3,492,932	665,320
3	14002	Transmission Operations	Alloc-Fixed	2,737,851	2,190,281	136,893	410,678
4	14304	Advanced Scheduling and Forecasting	Alloc-Fixed	2,375,043	118,752	1,876,284	380,007
5	14562	Ops - Regional Committee Support	OPS Labor	19,276	5,390	10,671	3,215
6	14563	National Committee Support	OPS Labor	641,968	179,494	355,394	107,080
7	14565	Employee Development	OPS Labor	17,112	4,784	9,473	2,854
8	14582	Ops - Recurring Analysis and Reporting	Total Dir Labor	634,355	136,704	328,279	169,373
9	14586	Ops - Other External Support Meetings	Alloc-Fixed	1,151	-	921	230
10	14589	Ops - OPTI Control Performance Monitor	Alloc-Fixed	634,355	634,355	-	-
11		Total		11,219,364	3,269,760	6,210,846	1,738,758
12							
13		<u>Operational Performance Trng and Integration</u>					
14	14402	Operations Training	Alloc-Fixed	1,713,229	685,291	685,291	342,646
15	14462	OSS - General Systems Operations Support	TSO Labor	636,657	206,086	304,386	126,185
16	14564	Indirect Supervision/Clerical Support	OPS Labor	1,816,725	507,956	1,005,739	303,030
17	14574	OPTI Continuing Training	Alloc-Fixed	634,615	253,846	253,846	126,923
18	14575	Ops - OPTI System Operator Initial Training	Alloc-Fixed	599,542	239,817	239,817	119,908
19	14576	Ops - OPTI Internal/External Operations Training	Alloc-Fixed	634,355	253,742	253,742	126,871
20	14577	Ops - OPTI Training Program Administration	Alloc-Fixed	634,355	253,742	253,742	126,871
21	14579	Ops - OPTI TTSE Maintenance	Alloc-Fixed	634,355	253,742	253,742	126,871
22		Total		7,303,832	2,654,222	3,250,305	1,399,305
23							
24		<u>Operations Support Services</u>					
25	14453	National Committee Support	TSO Labor	370,537	119,943	177,154	73,440
26	14454	Indirect Supervision/Clerical Support	TSO Labor	1,744,935	564,835	834,253	345,846
27	14467	OSS - Nuclear Plant Liaison	TSO Labor	13,687	-	-	13,687
28	14477	Participant project and outage coordination support	Alloc-Fixed	13,687	6,844	-	6,844
29	14756	OSS - Human Performance Improvement Program	Alloc-Fixed	134,484	-	-	134,484
30	18361	Transmission Studies, Operations, OASIS Support	Alloc-Fixed	1,736,184	1,388,947	86,809	260,428
31	18381	Transmission Outage Application - Short Term	Alloc-Fixed	1,376,964	1,101,572	68,848	206,545
32	18382	Transmission Outage Application - Long Term	Alloc-Fixed	1,376,964	-	-	1,376,964
33		Total		6,767,443	3,182,140	1,167,065	2,418,238
34							
35		<u>Market Monitoring</u>					
36	16101	Market Power Monitoring and Mitigation	Alloc-Fixed	6,263,948	-	4,384,764	1,879,184
37	16102	Regulatory Activities	Alloc-Fixed	4,357	-	3,050	1,307
38	16121	FCM Market Monitoring	Alloc-Fixed	31,804	-	-	31,804
39		Total		6,300,109	-	4,387,813	1,912,296
40							
41		<u>Market Administration & Auctions</u>					
42	21901	Day Ahead Price Monitoring	Alloc-Fixed	365,629	-	365,629	-
43	21902	Real Time Price Verification	Alloc-Fixed	548,443	-	548,443	-
44	21904	MA - NEPOOL Committee Support	Alloc-Fixed	741	-	717	23
45	21907	Indirect Supervision/Clerical Support	MA Labor	548,759	-	531,418	17,341
46	21908	Employee Development	MA Labor	228,971	-	221,736	7,235
47	21909	Customer Support	Alloc-Fixed	430	-	416	14
48	21917	Real Time Price Finalization	Alloc-Fixed	182,814	-	182,814	-
49	21915	FTR/Auction Administration	Alloc-Fixed	411,332	205,666	205,666	-
50		Total		2,287,119	205,666	2,056,840	24,613
51							
52		<u>Market Analysis & Settlements</u>					
53	1701	Billing Statements - Energy	Alloc-Fixed	205,646	-	205,646	-
54	1702	Billing Statements - Transmission	Alloc-Fixed	111,758	111,758	-	-
55	1713	Billing Statements - ISO Tariff	Total Dir Labor	11,812	2,545	6,113	3,154
56	1717	Inventoried Energy Program	Alloc-Fixed	6,663	-	-	6,663
57	1718	Mystic COS	Alloc-Fixed	30,287	-	-	30,287
58	1719	FCM Daily	Alloc-Fixed	8,783	-	-	8,783
59	2047	Score Card	STLM Labor	5,149	761	2,508	1,879
60	2048	FCM	Alloc-Fixed	439,156	-	-	439,156
61	2049	Product Testing	Alloc-Fixed	14,840	-	11,872	2,968
62	2051	Legal Support	Alloc-Fixed	3,634	-	1,817	1,817
63	2005	Customer Service	STLM Labor	18,456	2,730	8,990	6,737
64	2007	Admin support - NEPOOL Committees	STLM Labor	15,125	2,237	7,367	5,521
65	2009	Indirect Supervision/Clerical Support	STLM Labor	980,431	145,006	477,568	357,857
66	2010	Employee Development	STLM Labor	216,947	32,086	105,675	79,186
67	2013	FTR Administration	Alloc-Fixed	34,224	-	34,224	-
68	2014	Billing Statements - NCPC	Alloc-Fixed	545,462	-	272,731	272,731
69	2020	Billing Disputes	Total Dir Labor	9,086	1,958	4,702	2,426
70	2021	Analysis & Reporting	Total Dir Labor	802,406	172,918	415,245	214,242
71	2024	ASM Regulation	Alloc-Fixed	143,861	-	-	143,861
72	2025	ASM Locational Forward Reserve	Alloc-Fixed	43,310	-	-	43,310
73	2026	Batch Processing	Total Dir Labor	44,521	9,594	23,040	11,887
74	2032	Billing	STLM Labor	39,373	5,823	19,178	14,371
75	2033	Market Analysis	Alloc-Fixed	71,400	-	71,400	-
76		Total		3,802,329	487,417	1,668,076	1,646,836

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Market Operations Support Services</u>					
2	3000	Hourly Settlements Support	Alloc-Fixed	241,569	-	120,784	120,784
3	3002	Monthly Settlements Support	Alloc-Fixed	328,265	164,133	-	164,133
4	3003	MOSS - Market Analysis Support	Alloc-Fixed	13,420	-	13,420	-
5	3004	MOSS - Asset Registration and Auditing Support	Alloc-Fixed	13,420	-	13,420	-
6	3006	Customer Service	Alloc-Fixed	230,911	-	230,911	-
7	3008	Admin Support	Alloc-Fixed	416,572	-	416,572	-
8	3009	Indirect Supervision (Principal Analysts only)	Alloc-Fixed	53,682	-	53,682	-
9	3010	Employee Development	Alloc-Fixed	64,516	-	64,516	-
10	3017	Project MAS (Market Analysis & Settlements)	Alloc-Fixed	448,527	112,132	112,132	224,264
11		Total		1,810,884	276,264	1,025,439	509,181
12							
13		<u>Participant Support & Solutions</u>					
14	16001	Participant/membership support	Alloc-Fixed	9,734	-	4,867	4,867
15	16006	Call Support (Ask ISO)	Alloc-Fixed	1,750,366	455,095	1,155,242	140,029
16	16024	Training Delivery	Alloc-Fixed	6,061	-	3,030	3,030
17	16419	Asset Registration Implemented	Alloc-Fixed	502,740	-	502,740	-
18	16420	Asset Registration Review	Alloc-Fixed	45,704	-	45,704	-
19	16422	Claimed Capability Audits	Alloc-Fixed	548,443	-	548,443	-
20	16432	New Generation Coordination and Registration	Alloc-Fixed	365,629	-	365,629	-
21	16434	QMS/CAPA Process and Procedure Updates	Total Dir Labor	319,925	68,944	165,561	85,420
22		Total		3,548,601	524,039	2,791,216	233,347
23							
24		<u>Participant Training Services</u>					
25	16021	Training Development	Alloc-Fixed	1,558,628	-	779,314	779,314
26	16436	Mkt Trng/Cus Serv Indirect Supervision	Alloc-Fixed	354,645	-	354,645	-
27		Total		1,913,273	-	1,133,959	779,314
28							
29		<u>Planning Services</u>					
30	17101	Analysis	Alloc-Fixed	668,001	-	467,600	200,400
31	17131	Calculate Objective Capability	Alloc-Fixed	692,217	-	-	692,217
32	17403	TCA Application Review	Alloc-Fixed	132,615	-	-	132,615
33	17409	Environmental/Emissions Supp	Alloc-Fixed	125,112	-	-	125,112
34	17503	FCA - New Resource Qualification Support	Alloc-Fixed	437,170	-	-	437,170
35	17504	FCA - Perform Transmission / Topology Assessments	Alloc-Fixed	48,526	-	-	48,526
36	17507	FCA - Auctions & Filings	Alloc-Fixed	91,421	-	-	91,421
37	17508	FCA - Annual Reconfiguration Auction Support/Reliability Reviews	Alloc-Fixed	679,259	-	-	679,259
38	18101	Develop Load Forecast	Alloc-Fixed	948,054	189,611	189,611	568,832
39	18121	Operations Forecast Support	Alloc-Fixed	250,222	50,044	50,044	150,133
40	18131	Other Load Forecasting Activities	Alloc-Fixed	88,151	17,630	17,630	52,891
41	18133	Solar Load Forecast Development	Alloc-Fixed	375,339	75,068	75,068	225,203
42	18134	Electrification Forecasts	Alloc-Fixed	187,667	37,533	37,533	112,600
43	18135	CELT Rep-Res Outage Analysis	Alloc-Fixed	200,465	-	-	200,465
44		Total		4,924,218	369,887	837,487	3,716,845
45							
46		<u>System Planning</u>					
47	18402	Transmission Planning/Economic Studies Initiative	Alloc-Fixed	1,308,466	-	654,233	654,233
48	18531	SP - Indirect Supervision/Clerical Support	Alloc-Fixed	143,776	35,700	25,491	82,585
49		Total		1,452,242	35,700	679,725	736,818
50							
51		<u>Transmission Planning</u>					
52	21660	Stability Case Building	Alloc-Fixed	97,036	-	-	97,036
53	14715	Non DOE Funded/Unallowable	Alloc-Fixed	191,903	-	-	191,903
54	18201	Transmission System Assessment	Alloc-Fixed	8,103,281	8,103,281	-	-
55	18301	NEPOOL Administrative Support - Schedule 1 Tariff	Alloc-Fixed	137,305	137,305	-	-
56	18333	General SIS/FS	Alloc-Fixed	1,326,868	1,326,868	-	-
57	18334	Indirect Supervision/Clerical Support	Alloc-Fixed	1,062,622	1,062,622	-	-
58	18335	Regulatory Activities - NPCC	Alloc-Fixed	260,357	260,357	-	-
59	18336	National Activities	Alloc-Fixed	337,097	337,097	-	-
60	18337	TR - Regulatory Activities	Alloc-Fixed	291,122	291,122	-	-
61	18346	OATT and Oper. Agreement Dev., Adm. and Support	Alloc-Fixed	97,666	97,666	-	-
62	18349	TR - Process CEII Requests	Alloc-Fixed	48,518	48,518	-	-
63	18351	Resource Integration	Alloc-Fixed	795,480	795,480	-	-
64		Total		12,749,258	12,460,318	-	288,939
65							
66		<u>Program Management</u>					
67	801	Program Management - Administration	Total Dir Labor	1,120,098	241,381	579,651	299,066
68	1661	ISO Program Management	Alloc-Fixed	428,784	-	300,149	128,635
69	1665	Product and Test Mgmt.	Total Dir Labor	999,031	215,291	516,999	266,741
70	25003	Emerging Work Initiatives	Total Dir Labor	185,866	40,054	96,186	49,626
71	26125	Real-time Market Clearing Engine Phase I	Alloc-Fixed	4,283	-	4,283	-
72	26133	Day Ahead Ancillary Services	Alloc-Fixed	23,979	-	7,194	16,785
73	26153	CAMS Tech Upgrade	Alloc-Fixed	82,365	-	65,892	16,473
74	26187	Distributed Energy Resources (DER)	Total Dir Labor	14,109	3,040	7,301	3,767
75		Total		2,858,515	499,767	1,577,654	781,094

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Advanced Technology Solutions</u>					
2	21201	Advanced Technology Solutions	Total Dir Labor	5,907,731	1,273,116	3,057,251	1,577,364
3	21203	Employee Development	Total Dir Labor	12,889	2,778	6,670	3,441
4	21207	ATS - Capacity Auction Reforms	Alloc-Fixed	1,131,592	-	-	1,131,592
5		Total		7,052,212	1,275,894	3,063,921	2,712,397
6							
7		<u>Market Development & Settlements Admin.</u>					
8	16607	National Committee Support	Total Dir Labor	19,075	4,111	9,871	5,093
9	19104	Indirect Supervision/Clerical Support	MOA Labor	329,898	-	230,929	98,969
10	21001	Market Development	Alloc-Fixed	1,227,784	-	613,892	613,892
11	21002	Administration	Total Dir Labor	1,116,658	240,640	577,870	298,148
12	21003	Employee Development	Total Dir Labor	125,299	27,002	64,842	33,455
13	21007	Budget/Forecast Support	Total Dir Labor	204,542	44,079	105,850	54,613
14	21010	MD - Day-Ahead Reserve Market	Alloc-Fixed	179,808	-	170,817	8,990
15	21011	Capacity Market	Alloc-Fixed	837,311	-	-	837,311
16	22656	Energy, Reserve, and Regulation Markets	Alloc-Fixed	806,708	-	605,031	201,677
17	22661	Project: DER Participation	Alloc-Fixed	38,096	-	19,048	19,048
18	22662	Flexible Response Services	Alloc-Fixed	2,427,517	-	1,213,758	1,213,758
19	22663	Energy Shortage Pricing	Alloc-Fixed	430,243	-	322,682	107,561
20	22664	Capacity Auction Reforms	Alloc-Fixed	5,447,517	-	-	5,447,517
21		Total		13,190,456	315,831	3,934,593	8,940,033
22							
23		<u>Participant Relations & Services</u>					
24	22602	NEPOOL Committee Meetings & Support	Alloc-Fixed	307,948	-	153,974	153,974
25	22607	NEPOOL Committee Administration	Total Dir Labor	1,640,600	353,549	849,010	438,040
26	22613	PR&S Indirect Supervision	Total Dir Labor	277,945	59,897	143,836	74,211
27	22614	PR&S Project Development	Total Dir Labor	517,762	111,578	267,942	138,242
28		Total		2,744,254	525,024	1,414,762	804,468
29							
30		<u>IT Management</u>					
31	6517	Employee Development - Hardware/Software	Total Dir Labor	81,117	17,481	41,978	21,658
32	6519	Indirect Supervision and Clerical Support	Total Dir Labor	7,486,905	1,613,428	3,874,473	1,999,004
33	6556	Budget Preparation, Tracking & Forecast	Total Dir Labor	324,648	69,962	168,005	86,681
34	6557	Information Technology Committee	Total Dir Labor	14,250	3,071	7,374	3,805
35	22501	Change Management Support	Alloc-Fixed	9,291	4,181	4,181	929
36	22505	Administrative	Alloc-Fixed	428,523	145,698	141,413	141,413
37		Total		8,344,734	1,853,820	4,237,425	2,253,489
38							
39		<u>IT Infrastructure Services</u>					
40	6510	Desktop Support - Hardware	Total Dir Labor	1,113,575	239,975	576,275	297,324
41	6511	Desktop Support - Software	Total Dir Labor	513,760	110,715	265,871	137,174
42	6512	Host Computer - Hardware	Alloc-Fixed	3,851,313	-	2,888,485	962,828
43	6513	Host Computer - Software	Alloc-Fixed	9,919,488	-	7,439,616	2,479,872
44	6514	Networking - Hardware	Total Dir Labor	3,506,147	755,575	1,814,431	936,141
45	6516	Communications	Total Dir Labor	3,937,176	848,461	2,037,489	1,051,226
46	6602	Help Desk Support	Total Dir Labor	207,598	44,737	107,432	55,429
47	6615	Host Computer Monitoring	Alloc-Fixed	1,591,224	-	795,612	795,612
48	6616	Desktop Support	Total Dir Labor	1,350,287	290,987	698,774	360,527
49	6622	CIP & Systems Compliance	Total Dir Labor	2,690,529	579,809	1,392,349	718,371
50	6623	Asset Management	Total Dir Labor	955,350	205,878	494,394	255,079
51	6627	IT - Infrastructure Support Request	Total Dir Labor	4,017,108	865,687	2,078,853	1,072,568
52	6630	IT - Infrastructure Operation Enhancement Effort	Total Dir Labor	683,189	147,227	353,550	182,412
53		Total		34,336,745	4,089,052	20,943,130	9,304,562
54							
55		<u>IT Cyber Security</u>					
56	6539	IT Policy/Procedures Program	Total Dir Labor	125,000	26,937	64,687	33,375
57	6540	Security Compliance and Reporting	Total Dir Labor	4,305,611	927,859	2,228,154	1,149,598
58	6540A	Cyber Security Controls Assessment	Total Dir Labor	4,042	871	2,092	1,079
59	6540D	Intrusion Monitoring and Response	Total Dir Labor	1,787,961	385,306	925,270	477,386
60	6540E	IT System Compliance, Response and Reporting	Total Dir Labor	13,394	2,886	6,932	3,576
61	6541	Security SW Tools Program	Total Dir Labor	2,619,835	564,574	1,355,765	699,496
62	6543	Critical Infrastructure Protection WG (NERC)	Total Dir Labor	41,844	9,017	21,654	11,172
63	6546	IT Internal Audit Support	Total Dir Labor	10,197	2,197	5,277	2,722
64	6547	Cyber Security Training	Total Dir Labor	334,314	72,045	173,007	89,262
65	6548	CIP Compliance & Monitoring	Total Dir Labor	108,193	23,315	55,990	28,887
66		Total		9,350,390	2,015,009	4,838,827	2,496,554

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>IT Architecture & Analytics</u>					
2	6571	DBA Support - MOPS	Total Dir Labor	3,746,667	807,407	1,938,900	1,000,360
3	6581	IT Bridge Support	Total Dir Labor	41,580	8,960	21,518	11,102
4	6591	Data Architect - MOPS	Total Dir Labor	415,704	89,584	215,127	110,993
5	6594	IT Data Analyst	Total Dir Labor	1,028,863	221,720	532,437	274,707
6	6595	IT WEB Application Support	Total Dir Labor	1,841,666	396,879	953,062	491,725
7	6596	IT Data Governance	Total Dir Labor	540,442	116,465	279,679	144,298
8	6597	IT - BI IT Commitments	Total Dir Labor	171,477	36,953	88,739	45,784
9	21706	Enterprise Software Support	Total Dir Labor	2,793,693	602,041	1,445,736	745,916
10	21801	Software Support - Settlements	Alloc-Fixed	1,580,073	-	1,264,058	316,015
11	21802	Software Support - Publishing	Alloc-Fixed	58,876	-	47,101	11,775
12	21803	Software Support - Finance	Alloc-Fixed	710,353	-	568,282	142,071
13	21804	Software Support - Mitigation	Alloc-Fixed	882,345	-	705,876	176,469
14	21805	Software Support - TSO	Total Dir Labor	716,818	154,474	370,953	191,390
15	21806	Software Support - Enterprise	Total Dir Labor	1,990,076	428,861	1,029,864	531,350
16	21807	Software Support - Planning	Alloc-Fixed	1,067,065	-	853,652	213,413
17	21808	Training Delivery to NON-IT	Alloc-Fixed	301,054	-	240,843	60,211
18	21810	IT Issue Resolution	Alloc-Fixed	763	-	611	153
19	21811	Single Sign On Support	Alloc-Fixed	65,718	-	52,574	13,144
20	21812	GADS Support	Alloc-Fixed	148,177	-	118,542	29,635
21	21814	IT - Manual Database Edit	Total Dir Labor	14,496	3,124	7,502	3,870
22	21816	CMS Support	Total Dir Labor	28,280	6,094	14,635	7,551
23	21818	Discoverer Support	Total Dir Labor	81,839	17,636	42,352	21,851
24	21824	FCTS Support	Alloc-Fixed	1,034,072	-	-	1,034,072
25	21825	eTariff Support	Alloc-Fixed	454,010	-	363,208	90,802
26	21830	Annual Software Maintenance for Enterprise Wide Software	Total Dir Labor	559,972	120,674	289,786	149,513
27	21832	GDMA/Gateway Support	Alloc-Fixed	28,113	-	22,490	5,623
28	21834	Federated SSO support	Total Dir Labor	4,576	986	2,368	1,222
29		Total		20,306,769	3,011,860	11,469,895	5,825,014
30							
31		<u>IT Energy Management Systems</u>					
32	21600	Indirect Supervision and Administration	Total Dir Labor	98,141	21,149	50,788	26,204
33	21601	Power System Modeling	Total Dir Labor	455	98	235	121
34	21602	Applications Support	Total Dir Labor	425,530	91,702	220,212	113,616
35	21603	EMS Power System Applications Support	Total Dir Labor	879,335	189,497	455,056	234,782
36	21604	Dispatcher Training Simulator Support	Alloc-Fixed	3,085,041	2,468,033	617,008	-
37	21605	DAM FTR/ARR Support	Alloc-Fixed	3,210,310	642,062	1,926,186	642,062
38	21606	Real-time Market Support	Alloc-Fixed	4,837,583	967,517	2,902,550	967,517
39	21607	Forecast Support	Alloc-Fixed	689,465	137,893	413,679	137,893
40		Total		13,225,859	4,517,950	6,585,714	2,122,195
41							
42		<u>IT Enterprise Applications Development</u>					
43	6518	Employee Development - Software	Total Dir Labor	24,110	5,196	12,477	6,437
44	21701	IT Settlement Application Support	Alloc-Fixed	1,527	-	1,222	305
45	21702	IT Corporate Application Support	Alloc-Fixed	683,091	-	546,473	136,618
46	21707	Application Analysis and Conceptual Design	Alloc-Fixed	377,785	-	302,228	75,557
47	21708	Application Design Evaluation and Selection	Alloc-Fixed	635,392	-	508,314	127,078
48	21709	Technology Evaluation and Selection	Alloc-Fixed	2,185,443	-	1,748,355	437,089
49	21710	Indirect Supervision and Administration	Alloc-Fixed	1,631,042	-	1,304,834	326,208
50	21711	EWR and CAPA Analysis	Alloc-Fixed	85,432	-	68,346	17,086
51	21712	Automated Testing	Total Dir Labor	94,949	20,462	49,136	25,351
52		Total		5,718,773	25,657	4,541,384	1,151,731
53							
54		<u>IT Power System Modeling Management</u>					
55	21650	Indirect Supervision and Administration	Total Dir Labor	325,034	70,045	168,205	86,784
56	21651	Power System Modeling	Alloc-Fixed	2,518,907	1,007,563	1,007,563	503,781
57	21652	System Application Support	Alloc-Fixed	37,053	14,821	14,821	7,411
58	21653	PSMM-TTSE Support	Alloc-Fixed	88,471	70,777	17,694	-
59	21654	NX9 Administration	Alloc-Fixed	266,952	106,781	106,781	53,390
60	21655	ICCP Support	Alloc-Fixed	1,321,224	528,489	528,489	264,245
61	21656	Transmission Project Management	Alloc-Fixed	22,229	17,783	4,446	-
62	21657	Model On Demand Admin	Alloc-Fixed	1,024,589	-	-	1,024,589
63	21658	PSMM- Model on Demand Case Requests	Alloc-Fixed	49,270	-	-	49,270
64	21659	Synchrophasor Applications	Alloc-Fixed	145,147	21,772	21,772	101,603
65	21661	MAS Software Dev and Support	Alloc-Fixed	97,037	-	-	97,037
66		Total		5,895,912	1,838,031	1,869,771	2,188,110
67							
68							
69		Total ISO		\$ 329,991,490	\$ 68,040,034	\$ 161,098,608	\$ 100,852,848

Exhibit 3

Draft 2026 Rate Components (1)

Tariff Schedule	Jan. 1, 2026
Schedule 1	
Network Load (per kW-hour)	\$0.00040
Schedule 2	
TU Bids (Virtual Inc/Dec)	
Submitted	\$0.00500
Cleared	\$0.06000
FTR Bids	
Submitted	\$3.87023
Cleared	\$6.17635
TU's	
Block 1 - 1st 12,500	\$0.86039
Block 2 - Next 27,000	\$0.78217
Block 3 - Over 39,500	\$0.70396
Volumetric	
Block 1 - 1st 250,000	\$0.58201
Block 2 - Next 1,250,000	\$0.52910
Block 3 - Over 1,500,000	\$0.47619
Schedule 3	
R-T NCP Load Obligation	\$0.36072
Export Rate	\$0.80000

(1) From Exh 3, RCL-7, Sch. 3

Responses to Questions from the Connecticut Office of Consumer Counsel (CTOCC)

CTOCC 1 In the last two annual budgets there has been a significant increase in employees. This year, ISO-NE has proposed adding 25 additional positions. For 2023 to date, please provide the number of new positions authorized; the number of new hires; and the number of employees that left the organization.

For 2023 through 7/31/2025 (to-date) the following are amounts for each year:

- 2023
 - 32 new positions authorized ⁽¹⁾
 - 73 new hires ⁽²⁾
 - 37 employees left the organization
- 2024
 - 41 new positions authorized ⁽¹⁾
 - 91 new hires ⁽²⁾
 - 46 employees left the organization
- 2025 (through 7/31/2025)
 - 46 new positions authorized ⁽¹⁾
 - 56 new hires ⁽²⁾
 - 14 employees left the organization

(1) New positions authorized during a budget year are not fully funded during that year due to forecasted staggering of new hires to account for recruiting and onboarding time. 2024 also included the inclusion of 3 consultant positions converted to employees while 2025 also included the inclusion of 2 consultant positions – these conversions resulted in no overall budget impact due to consultant \$'s being reduced in lieu of salary and burden amounts.

(2) Hires included for a given year include those for both positions opening up in the current year and positions that remained unfilled at the end of the prior year.

CTOCC 2 For the period 2023 through the present, provide the end of month levels of authorized employee positions (in FTE's), the level of filled positions (in FTEs) and the vacant level of employees (in FTEs).

See below. Authorized FTEs represent the gross number of FTEs approved during the year; however, funding is reduced to account for forecasted vacancy % on previously-approved positions and recruiting and onboarding time.

<u>Period</u>	<u>Authorized FTEs ^(A)</u>	<u>Filled FTEs</u>	<u>Positions Vacant</u>
Jan-23	654.5	593.5	61
Feb-23	654.5	594.5	60
Mar-23	654.5	593.5	61
Apr-23	654.5	598.5	56
May-23	654.5	603.5	51
Jun-23	654.5	616.5	38
Jul-23	654.5	625.5	29
Aug-23	654.5	625.5	29
Sep-23	654.5	628.5	26
Oct-23	654.5	628.5	26
Nov-23	654.5	629.5	25
Dec-23	654.5	625.5	29
<u>Period</u>	<u>Authorized FTEs ^(A)</u>	<u>Filled FTEs</u>	<u>Positions Vacant</u>
Jan-24	698.5	628.5	70
Feb-24	698.5	631.5	67
Mar-24	698.5	632.5	66
Apr-24	698.5	636.5	62
May-24	698.5	641.5	57
Jun-24	698.5	647.5	51
Jul-24	698.5	665.5	33
Aug-24	698.5	666.5	32
Sep-24	698.5	672.5	26
Oct-24	698.5	670.5	28
Nov-24	698.5	674.5	24
Dec-24	698.5	670.5	28
Jan-25	746.5	673.5	73
Feb-25	746.5	678.5	68
Mar-25	746.5	685.5	61
Apr-25	746.5	685.5	61
May-25	746.5	693.5	53
Jun-25	746.5	707.5	39
Jul-25	746.5	711.5	35

CTOCC 3

While ISO is requesting 25 new FTE's in this year's budget, discuss potential staff reorganizations and restructuring that could potentially lead to reassignments within the ISO organization.

We are not planning any significant reorganizations or restructurings that would lead to reassignments within the organization. However, whenever a job becomes vacant, or there are leadership changes in the organization, we assess the needs of

the organization and adjust accordingly. Specifically, on each Personnel Vacancy Request form (required to fill a new position), the requester is required to determine if another position can be repurposed instead.

- CTOCC 4 Provide a listing of cost containment initiatives performed by ISO over the last five years. Discuss the cost savings realized. Are any of these cost savings projected to continue in 2026?
The 2026 Budget materials include Efficiencies, Reductions, and Other Non-Recurring Costs (slide 42), as well as positions that have been repurposed since 2018 (slide 52). These efforts will continue into 2026.
- CTOCC 5 Slide 30 states: “The net revenue requirement with prior year true-ups is an increase of \$3.1M or 1.0% year-over-year.” Please provide the amount of the true-up and a detailed listing of the items that caused the variance.
Slides 84 and 85 of the 2026 budget presentation include the amount of the true-up being included in this year’s budget (a \$15.6 million reduction) and a detailed listing of the items making up the balance.
- CTOCC 6 Slide 33 provides a graph of forecasted FTE headcounts out into the 2030s. Provide a long-term forecast of costs to meet the salaries and benefits for these employee levels.
The graph on Slide 34 is an illustration based on trends and is dependent on many factors, as noted on this slide, including resources interconnected on the grid, additional responsibilities assumed by ISO-NE, regulatory requirements, and many other factors that may increase the complexity of the ISO’s environment. We can’t provide a reasonably accurate long-term forecast of these costs, as the headcount could vary significantly in its makeup, depending on the relevant challenges. The challenges we may have to meet, and the skills sets required to meet them, vary significantly, and may include: building the capability to operate a power system dominated by inverter-based resources (such as solar, wind, and battery-storage technologies); ramping up and enhancing load forecast modeling to include multi-hour forecasts on highly granular frequencies (minute-level intervals) and update them nearly continuously; managing operations under more frequent extreme weather conditions as the system’s long-standing capacity surplus continues to tighten; increasing the volume and pace of interconnection requests, associated transmission system upgrades, as well as the longer-term transmission studies to address the reliability and policy goals of the states; assessing the existing market structure against the projected needs of the future; and meeting the rapid pace of change on the technology front by continually evolving legacy systems and databases.

As part of the ISO’s annual budget filings we will continue to vet FTE requests and information in the detailed manner we have done in 2026 (slides 52 through 55 and on numerous other slides throughout the presentation).
- CTOCC 7 Slide 34: Please provide the current daily load (GWH) and number of customers served by the ISO listed in these graphs.
We believe that this question is asking about the data used to determine the rate/kwh on Slides 33 and/or 38. The data on those slides is calculated using

the information cited in the footnote on slide 38.

- CTOCC 8 On Slides 7, 31, and 49, ISO-NE refers to the Asset Condition Reviewer placeholder project, for which it has allotted \$1 million in the 2026 budget. Please provide additional information about how ISO-NE expects to spend that money, including itemized accounting for projected staff, outside consulting, and other budget categories that are relevant.
The \$1M in the 2026 budget is to pay outside consultants that will review asset condition projects during the interim phase when the Asset Condition Reviewer (AC Reviewer) is being established. The consultants will also help us develop the framework for the ISO's AC Reviewer function.
- CTOCC 9 Does ISO-NE anticipate that the Asset Condition Reviewer office will be in place and operational within the 2026 budget year? If so, would this new office operate within that \$1 million budget?
The ISO anticipates a FERC filing in the second half of 2026 to operationalize a permanent AC Reviewer function at the ISO. As part of that filing, the ISO will include a budget to staff and operate the function. The costs for the permanent AC Reviewer function will be reflected in the 2027 budget year. Any incremental costs in 2026 associated with the permanent AC Reviewer function will be funded from contingency funds.
- CTOCC 10 Does ISO-NE project the budget for the newly created Asset Condition Reviewer office to cost \$1 million each year in future budget years, or does this represent an initial start-up budget for the office with spending expected to grow in future budget years?
It is premature to speculate on the costs of the permanent AC Reviewer function, but the ISO will provide ample opportunity to all stakeholders in 2026 for a thorough discussion of the scope and associated budget.
- CTOCC 11 In presentations to the Participants Committee, ISO-NE leadership has indicated that the organization is hiring a consultant immediately to assist temporarily with reviewing asset condition projects as well as setting up a permanent asset condition review entity. How much has ISO-NE budgeted for that consultant and where is that spending on a consultant reflected in the 2026 budget?
The ISO has currently budgeted ~\$300K for the 2025 interim phase of the AC Reviewer function. These costs were funded from the 2025 contingency fund. As noted above, the \$1 million in the 2026 budget is earmarked for the AC Reviewer interim-phase consulting work.

Responses to Questions from the Maine Public Utilities Commission

LTPP

How will new FTEs and consulting support for LTPP affect the ISO's timeline on the ongoing LTPP RFP? What other aspects of the LTPP study or RFP process will be affected/accelerated by this additional support?

The additional funding in 2026 associated with LTPP was already assumed in developing the timeline for

the 2025 LTTP RFP. Therefore, the requested funding does not accelerate the projected timeline.

DASI

The implementation of DASI has caused more costs than expected and some elements have been described by suppliers as difficult to hedge. ISO has not budgeted any staff time to DASI in 2026. Please comment on these topics, whether the ISO may consider to [sic] revisiting the design in 2026, and what might trigger a decision to do so.

The ISO has several staff working presently on the analysis and study of the Day-Ahead Ancillary Service market, and we expect this to continue well into 2026. The staff time budgeted for that activity is accounted for within the operating budgets of the specific ISO departments supporting it (primarily Market Development and the Internal Market Monitoring departments). If the ISO's ongoing analyses lead it to conclude that changes to the design or its implementation are appropriate, it would discuss recommended changes and any specific proposals in the normal stakeholder processes for state and stakeholders' consideration and review.

SATOA (storage as a transmission-only asset)

ISO is set to complete the SATOA initiative in October 2026. How will SATOAs start to be incorporated in ISO planning? Will we start to see SATOAs proposed in area Solution Studies?

Beginning September 1, 2026, the ISO will be able to consider SATOAs as a solution to certain identified needs, either through Solutions Studies or as proposed by Qualified Transmission Project Sponsors in response to an RFP. Whether SATOAs are proposed as a solution depends on the nature of the identified system needs and cost-effectiveness.

Interconnection reform

The 2026 budget funds AI for market monitoring and GridOS integration, but not interconnection. Why isn't ISO-NE piloting AI/automation to run or accelerate interconnection studies, as urged by FERC Chair Rosner (who cites MISO's 10-day replication of a two-year cluster study) and as peers like PJM and SPP are pursuing? Has there been any consideration of this?

The ISO continues to look for opportunities to reform and improve its interconnection process and is evaluating a significant upgrade to its Interconnection Request tracking software. The ISO already has a strong history of system studies innovation:

- The ISO has been performing system studies (including interconnection studies) with high speed batch processing using cloud computing since 2016, making it one of the first ISOs to use this technology on a wide scale.
- The ISO has developed in-house and third-party automation tools for performing study runs and analyses for years, allowing the ISO to run and analyze thousands of contingency/case combinations in hours.
- The ISO is an industry leader in running Electromagnetic Transient analyses in its interconnection studies, which has ensured the reliable interconnection of inverter-based generation.

The ISO's interconnection process and practices have some differences that must be considered when evaluating them against other ISOs:

- The MISO example cited replicated Phase 1 of the Definitive Planning Phase (DPP) interconnection process, as described in this [white paper](#). In this phase, initial analyses are performed for all projects requesting interconnection, and exploratory upgrades and cost

estimates are produced. These analyses and exploratory upgrades/cost estimates are then refined in Phase 2 and 3 of the DPP process. This contrasts with the ISO-NE Order No. 2023 compliant interconnection process, where one Cluster Study is run, the output of which includes final analyses and identified upgrades/cost estimates.

- The ISO makes use of consultant services to run large portions of its Interconnection Studies to process Interconnection Requests and use resources as efficiently as possible.

Nonetheless, we continue to observe other ISOs' and RTOs' practices, as well as AI tools generally, and will seek to integrate them where they can improve our existing processes.

Responses to Questions from Various NE State Agencies

- 1) Please provide the latest copy of ISO-NE's FERC Form 1.

Attached

- 2) Please provide the most recent copy of ISO-NE's Form 990.

Attached

- 3) Artificial Intelligence. How does the adoption of artificial intelligence tools or automation impact the 2026 budget, particularly in terms of information technology costs, total headcount, skill requirements and recruiting needs, and how does the ISO anticipate this impacting future budgets.

In 2026, there are slight increases due to artificial intelligence (AI) costs mainly due to the costs associated with AI-enabled development platforms, licensing with Microsoft, and increased cloud spending for various pilot initiatives. We will fund this in 2026 through annually-anticipated user software license growth and budgeted planned increased cloud usage. For later years, we anticipate that there will be increased user license costs in this area as we expand AI-aided development, and so-called "everyday AI" use across the ISO. In addition, as AI pilot initiatives in process now and in the future show efficiencies, this may cause greater increases that will either be covered by annual cloud computing expenditures or called out specifically in the budget process for larger endeavors.

- 4) Executive Compensation. Please explain the process and criteria ISO New England uses to determine compensation for executive-level positions, including how performance metrics and market and industry benchmarks are factored into compensation calculations.

In approving compensation for executives, the Compensation and Human Resources Committee of the Board of Directors (the "Committee") makes recommendations to the Board regarding the performance of the Company and each senior executive against the plan year goals and objectives established under both the short-term incentive compensation plan and the long-term incentive compensation plan. The Committee's recommendations are based on a number of sources, including:

- Evaluations of the Company's performance, requirements and short- and long-range strategic plans as prepared by the Board, Board committees and senior executives
- Evaluations of the performance of each senior executive's performance as prepared by the Board, the Committee and/or senior executives

- Salary and other compensation surveys conducted by an independent human resources and compensation consulting firm retained by the Company to evaluate the reasonableness of the compensation paid to senior executives

The Board reviews the recommendations and material provided by the Committee, and considers the recommendations in light of: the performance, financial condition, requirements, and exempt purpose goals and objectives of the Company; the performance, experience, and responsibilities of each senior executive; and the competitive market for executive talent.

The process is designed to establish that the total compensation of each individual is presumed to be reasonable in accordance with Treasury Regulation § 53.4958-6. In accordance with this Treasury Regulation: (i) each compensation arrangement is approved in advance by the members of the Board and/or the Committee who do not have a conflict of interest with respect to that compensation arrangement (as set forth in Treas. Reg. § 53.4958-6(c)(1)(iii)); (ii) each of the Board and the Committee obtains and relies upon appropriate data as to comparability prior to making its determination regarding a compensation arrangement; and (iii) the basis for the compensation-related determination made by the Board or the Committee is adequately documented concurrently with the making of the determination.

- 5) Incentive Compensation. Please provide copies of the criteria and/or metrics used to determine eligibility for incentive compensation for both executives and nonexecutives.

The ISO has two incentive programs:

- Short term incentive program – all employees are eligible. It is part of the total compensation that is benchmarked annually
- Long term incentive plan– only officers are eligible and it is part of the executive compensation program described in question #4

Incentive program awards are based on both corporate and individual performance. Corporate performance includes metrics tied to ISO NE's Strategic Goals with a number of weighted factors that are objectively measured. The ISO Board of Directors approves the metrics and conducts a final review process prior to payouts. Individual performance includes an annual formal review by an employee's manager with measurements for an employee's major responsibilities and other performance factors based on the employee's position.

- 6) Load/Peak Forecasts. How dependent is the ISO-NE budget on the growth of system load and system peaks (i.e., does the amount of load served through ISO-NE markets impact its expected budgeted costs)? Explain.

The budget reflects specific dollar-value, non-formula rates. From that perspective, it is not dependent on the growth of system load and peaks (except to the extent that such growth increases complexity and drives costs).

- 7) True-Up Mechanism. Describe the true-up mechanism ISO-NE operates under. Does this mechanism work as a contingency should ISO-NE experience cost over runs? Explain. What incentives does ISO-NE have to operate efficiently and cost-effectively during the budget year?

The true-up mechanism is in no way a contingency. It is an adjustment to our annual revenue requirement for deviations between the most recently completed prior year's actual collections and expenses. That said, any deviation in expenses will only be to decrease them, as we cannot

exceed our specific dollar-value filed budget with a filing with FERC. Collections can vary, however, as they are based on billing determinants (e.g., monthly network load). See Section I.E.2 of last year's budget filing at page 20 for a discussion of billing determinants (located at [cap budget and rev tariff sheets for recovery of 2025 admin costs.pdf](#)).

The true-up is described in Section IV.A.2.2 of our FERC-approved Transmission, Markets, and Services Tariff (and explained on slide 84 of the 2026 budget presentation). The annual true-up can reduce or increase our current-year revenue requirement.

ISO-NE is incentivized to operate efficiently and cost-effectively as we have no equity or reserves to fall back on and only contingency funding, which for 2026 represents 1.1% of our overall budget (including a portion for Board Contingency that requires documented approval from the Audit & Finance Committee of our Board of Directors before being used). Again, ISO-NE has never exceeded our budget and cannot do so without a FERC filing. When faced with significant or numerous funding needs, management will prioritize those items that are most needed to continue the effective carrying out of our mission and responsibility.

8) Workplan. How does ISO-NE's process for developing its workplan ensure that it is identifying the appropriate tasks to focus on? Explain.

The work plan represents the ISO's observations of key areas where proposed improvements will best support the power system needs in the upcoming year. The projects often stem from our operational experiences in managing the current and expected mix of resources and the changing composition of demand. As a result, we undertake projects to support our longer-term planning studies, our operational forecasts, and our requirements to maintain and enforce reliability standards on the region's power grid in anticipation of these evolving conditions. The ISO, the IMM, and the EMM are also continually looking at the performance of the markets to see if the underlying structures are incentivizing anticipated outcomes. We consider these assessments when advancing market change projects either through surgical improvements that can fit around other work efforts already in progress, or through more holistic changes, such as the CAR projects, that will take several work plan cycles to complete. FERC orders are also a significant driver for our work plan, as can be seen in the ISO's initiatives to comply with Orders 2023, 881, and 2222, to name a few.

Notably, ISO New England also seeks direct feedback from its stakeholders such as the NEPOOL members and representatives of the New England states so we can understand their topics of interest, which are also synthesized into the ISO's work plan. The recent projects on Long-Term Transmission Planning, Asset Condition Reviews, and REST are recent examples of such coordinated efforts. Finally, the ISO considers the need to make technological advancements within its own systems and on the platforms and architecture that support the power system, which leads to foundational improvement projects such as the nGEM initiatives.

An important objective of the ISO's annual work plans is to provide an advance signal to stakeholders of anticipated projects the ISO will be undertaking so they can be prepared to engage with the ISO ahead of and during the robust stakeholder process so we can collectively create enduring solutions for a reliable and cost-effective regional power system.

September 8, 2025

Cheryl LaFleur
Chair
Board of Directors
ISO New England
One Sullivan Road
Holyoke, MA 01040

RE: Comments on Proposed 2026 ISO New England Operating & Capital Budgets

Dear Chair LaFleur:

On behalf of the undersigned New England state agencies, we submit our comments regarding the ISO New England (ISO-NE) proposed 2026 Operating and Capital Budgets.

We reiterate our appreciation for ISO-NE's commitment to the budget review process that has been in place since 2013, and which offers the New England state agencies an opportunity to ask questions and provide input on the proposed budgets for ISO-NE. We strongly believe that budgetary review from the state agencies provides an important perspective and balance to the budgeting process, including by helping ensure that cost concerns are factored into the process. We stress, as we did in last year's comments, that ISO-NE's budgetary growth needs to be accompanied by heightened diligence by ISO-NE and those who oversee it to ensure that budgeted amounts are appropriate for the responsibilities involved and the work required, and that the amounts are efficiently and effectively spent.

After three years of double-digit increases to ISO-NE's operating budget (before depreciation and regulatory fees), this year's proposal represents a smaller increase, though still sizable at 8.3%. Indeed, the budget has gone from \$182.6 million for 2022 to \$281.8 million proposed for 2026, a cumulative increase of 54% in 4 years. The level of budgeted FTEs has also significantly increased over this period, from 593 to 733.5, for a cumulative increase of 24%, and payroll has gone from \$124.6 million in 2022 to

Cheryl LaFleur
Chair
Board of Directors
ISO New England
September 8, 2025
Page 2

a proposed budgeted amount of \$189.4 million in 2026, a cumulative increase of 52%. These are significant increases, which, while generally consistent in our view with the additional demands placed on ISO-NE and the need for it to be able to effectively guide, assist, and manage the transition to a cleaner energy system, are noteworthy and underscore our overarching imperative that all budgeted amounts need to be effectively and efficiently used. In particular, the increase in FTEs and in payroll needs to be accompanied with increased oversight/scrutiny to ensure that employee levels, salary increases, and incentive compensation do not rise above that strictly necessary to ensure that the required work gets done and that the necessary talent and skill sets are acquired and retained. We especially note this need for enhanced scrutiny with regard to executive compensation which tends to become untethered from the discipline of the labor market. The review process for such compensation must be rigorous and exhaustive, particularly during this transition time among ISO-NE's senior leadership. We continue to stress that a well-run, well-designed market needs to be in place throughout the transition, and the importance of ISO-NE anticipating and resolving problems that may arise in its ability to manage reliability, and to ensure efficient and competitive markets.

Regarding this year's proposal, we note that the proposal as of August 2025 is \$300,000 less than what was proposed back in June 2025 when presented to NECPUC, for an overall \$21.6 million or 8.3% increase from the 2025 operating budget (before depreciation and regulatory fees). ISO-NE is proposing to keep its capital budget level with last year's amount of \$42.5 million. For the proposed 2026 operating budget, the increase is primarily driven by increases to payroll and computer services and leasing, including IT support. The other significant driver of the increase is inflationary pressure on operating costs. Considering the challenges facing ISO-NE, these increases are understandable.

One area on which ISO-NE could focus more attention is the incorporation of artificial intelligence (AI) and automation. While we understand that use of these tools involves some risk and should be pursued with caution, and that there are costs associated with implementing them, we suggest that when incorporating such tools, ISO-NE consider their potential to produce efficiency gains beyond the costs, including streamlining staffing needs.

Cheryl LaFleur
Chair
Board of Directors
ISO New England
September 8, 2025
Page 3

In our comments on last year’s proposed budget, we noted the lack of a proactive and ongoing assessment of transmission system costs and procedures, including ISO-NE’s insufficient role in the process by which asset condition projects are identified, vetted and priced. We also noted that many of the mechanisms necessary to ensure an efficient wholesale electricity market, such as independent monitoring and competitive processes, should also be utilized to ensure an efficient transmission system. We are therefore heartened and appreciate that ISO-NE’s proposed 2026 budget includes a \$1 million “placeholder” for Asset Condition Review work but continue to stress that we see the transmission system and its transition and expansion as an area requiring greater ISO-NE engagement.

CONCLUSION

We find the proposed 2026 budget proposal appropriate given the increased amount and complexity of the tasks required of ISO-NE as the New England power system transitions to clean energy. We ask that the Board rigorously oversee ISO-NE employee levels, payroll, and executive compensation to ensure that they are no more than necessary and appropriate, and that it encourage ISO-NE to focus on the cost-benefit of incorporating AI and automation where such adoption is appropriate. We continue to ask that the Board carefully consider how ISO-NE can be more proactive and instrumental in planning, guiding, and improving the transmission system expansion.

Respectfully submitted,

Connecticut Public Utilities Regulatory
Authority

Marissa P. Gillett, Chairman
Ten Franklin Square
New Britain, CT 06051

Connecticut Office of Consumer
Counsel

Claire E. Coleman, Consumer Counsel
Ten Franklin Square
New Britain, CT 06051

Massachusetts Department of Public
Utilities

James M. Van Nostrand, Chair
Cecile M. Fraser, Commissioner
Staci Rubin, Commissioner
1 South Station, 3rd Floor

Boston, MA 02110



September 22, 2025

Via Electronic Mail

Marissa P. Gillett, Chairman, Connecticut Public Utilities Regulatory Authority
Claire E. Coleman, Consumer Counsel, Connecticut Office of Consumer Counsel
James M. Van Nostrand, Chair, Massachusetts Department of Public Utilities

Dear State Officials:

Thank you for your letter dated September 8, 2025 outlining your comments on ISO New England's proposed 2026 operating and capital budgets. We appreciate your support for the budgets, and agree that the states' role in reviewing and commenting on the budgets contributes to an efficient and effective process.

We note your request that the Board increase its oversight in light of the growth in ISO-NE's workload and, correspondingly, the budgets. Please be assured that the Board rigorously reviews the budgets and the ISO's compliance with them, as well as the continuing prudence of underlying expenditures. Specifically, the Audit and Finance Committee undertakes an in-depth review of the budgets as they are formulated each year. This year, our bottom-up approach to budgeting, which is intended to meet our organizational goals and only occurs after we engage with stakeholders and the states to identify priorities, allowed us to significantly reduce the preliminary top-down budget that was presented in June.¹ After the budgets are adopted, the Committee reviews budget performance and related financial statements quarterly.

At the same time, the individual committees of the Board review the use of budget dollars within their purviews. For example, the Compensation and Human Resources Committee discusses employee attraction and retention, with an eye on keeping compensation and benefits at levels that are competitive – but do not exceed – what is necessary to develop a workforce that can meet the significant challenges facing us. The Committee also works with outside compensation consultants to ensure that executive compensation meets the same criteria. The Board Markets Committee, meanwhile, is tracking significant work on projects like the Capacity Auction Reforms initiative, and the Information Technology and Cyber Security Committee regularly reviews expenditures on IT-related projects, such as the transition to the cloud.

On the topic of information technology, I want to assure you that ISO-NE is carefully assessing and implementing artificial intelligence. We agree that it has the potential to produce net efficiency gains, and have adopted a process for assessing its use. This process includes risk assessments of

¹ This reduction was in the amount of \$900,000, not \$300,000 as cited in your letter.

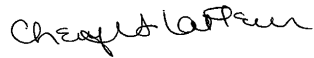
State Agencies
September 22, 2025
Page 2 of 2

data privacy and security, as well as a legal review of intellectual property and licensing terms. Notably, the review also includes cost center management review of budget impact. To date, we have implemented a number of tools that incorporate artificial intelligence. For example, we are currently considering how best to enhance load forecasting using artificial intelligence.

Finally, we appreciate your recognition of our commitment to take on the asset condition reviewer role. We look forward to working with you on this project, along with the many other challenges that face us as a region.

Thank you again for your input and collaboration.

Sincerely,



Cheryl A. LaFleur
Chair, ISO New England Board of Directors



State of Maine

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Heather Sanborn
PUBLIC ADVOCATE

September 8, 2025

Cheryl LaFleur
Chair, Board of Directors
ISO New England
One Sullivan Road
Holyoke, MA 01040

RE: Comments on Proposed 2026 ISO New England Operating & Capital Budgets

Dear Chair LaFleur:

Thank you for the opportunity to comment on ISO New England's 2026 Operating and Capital Budgets proposed. The Maine Office of the Public Advocate (OPA) offers the following comments.

In general, the OPA is disappointed that the increase in this year's proposed operating budget of 8.3% again substantially exceeds inflation. Our concern is that this increase places additional burden on ratepayers already struggling with rising transmission, distribution, and commodity costs.

We recognize that the increase is smaller than in recent years. Further, the proposed 2026 capital budget is flat compared to 2025. Both of these trends may reflect an increased attention to cost management. We urge the Board to redouble its efforts in this regard.

Finally, the OPA understands the complex nature of the tasks that the ISO must undertake to ensure the reliability of the regional electric grid, and the efficiency of regional electricity markets. We particularly appreciate the ISO's ongoing efforts with respect to capacity auction reform and the development of an asset condition reviewer. We are hopeful, though, that in the future such new initiatives can be more fully staffed and funded within existing resources.

Sincerely,

A handwritten signature in black ink, appearing to read "HS", followed by a horizontal line.

Heather Sanborn
Public Advocate

A handwritten signature in black ink, appearing to read "AL", followed by a horizontal line.

Andrew Landry
Deputy Public Advocate



September 22, 2025

Via Electronic Mail

Heather Sanborn, Public Advocate, Maine Office of the Public Advocate
Andrew Landry, Deputy Public Advocate, Maine Office of the Public Advocate

Dear Ms. Sanborn and Mr. Landry:

Thank you for your letter dated September 8, 2025 outlining your comments on ISO New England's proposed 2026 operating and capital budgets.

We acknowledge your observation that our budget increase exceeds inflation. Please be assured that the Board carefully scrutinizes budget increases, and has determined in this case that they are warranted. Our assessment requires us to balance competing considerations, including ratepayer costs and the increasing scope of our responsibilities, many of which reflect requests of the states and stakeholders.

We appreciate your acknowledgment of our attention to cost management and assure you that the Board will continue to rigorously review the ISO's budgets and the continuing prudence of underlying expenditures. For example, this year, our bottom-up approach to budgeting, which is intended to meet our organizational goals and only occurs after we engage with stakeholders and the states to identify priorities, allowed us to significantly reduce the preliminary top-down budget that was presented in June.¹

Finally, we thank you for your recognition of our commitment to take on the asset condition reviewer role. We look forward to working with you on this project, along with the many other challenges that face us as a region.

Thank you again for your input and collaboration.

Sincerely,

A handwritten signature in black ink that reads "Cheryl A. LaFleur".

Cheryl A. LaFleur
Chair, ISO New England Board of Directors

¹ This reduction was in the amount of \$900,000.

5.b

2026 NESCOE Budget



66.67%

To consider, and take action, as appropriate, on the 2026 NESCOE Budget.

RESOLVED, that the Participants Committee supports the Year 2026 NESCOE budget, as presented at this meeting.

Oct 9, 2025
Meeting

New England States Committee on Electricity

2026 Budget Presentation

NEPOOL Budget & Finance Subcommittee

August 8, 2025

REVISED October 2025 PC

Change only to p. 12 to reflect final Network Load factor

The logo for the New England States Committee on Electricity (NESC&E) is displayed within a white circle. The text "NESC&E" is in a bold, yellow, sans-serif font. The ampersand is stylized with a blue lightning bolt shape integrated into it.

NESC&E

Background: Budget Review

Term Sheet Provision: "... the annual review of its [NESCOE's] proposed budgets by at least the NEPOOL Participants Committee will be limited to considerations of accounting and reconciliation, so long as spending remains within the boundaries established by those frameworks..... NESCOE will develop an operating budget recommendation for each year in consultation with NEPOOL, the PTO Administrative Committee and ISO-NE within the boundaries of the then-approved five year budget framework ..."

- ✓ Proposed 2026 budget conforms to:
 - Boundaries of 5-year pro forma (2023-2027) reviewed by Budget & Finance
 - NESCOE commitment not to seek an increase over pro forma budget of more than 10% in any 1 year: 2026 proposed budget is less than 2026 5-year pro forma budget
- ✓ Following calendar year 2024, independent auditor concluded NESCOE books conform to generally accepted accounting principles

Background: Policy Priorities

Term Sheet Provision Governing Identification of Policy Priorities:

“Each year NESCOE will produce a ***Report to the New England Governors*** that will document its accomplishments from the preceding year and its projected policy priorities for the coming two years. This report will include a full accounting of spending by NESCOE during the preceding year and proposed budgets for each of the upcoming two years.”

Consistent with Term Sheet, 2024 *Report to the New England Governors*:

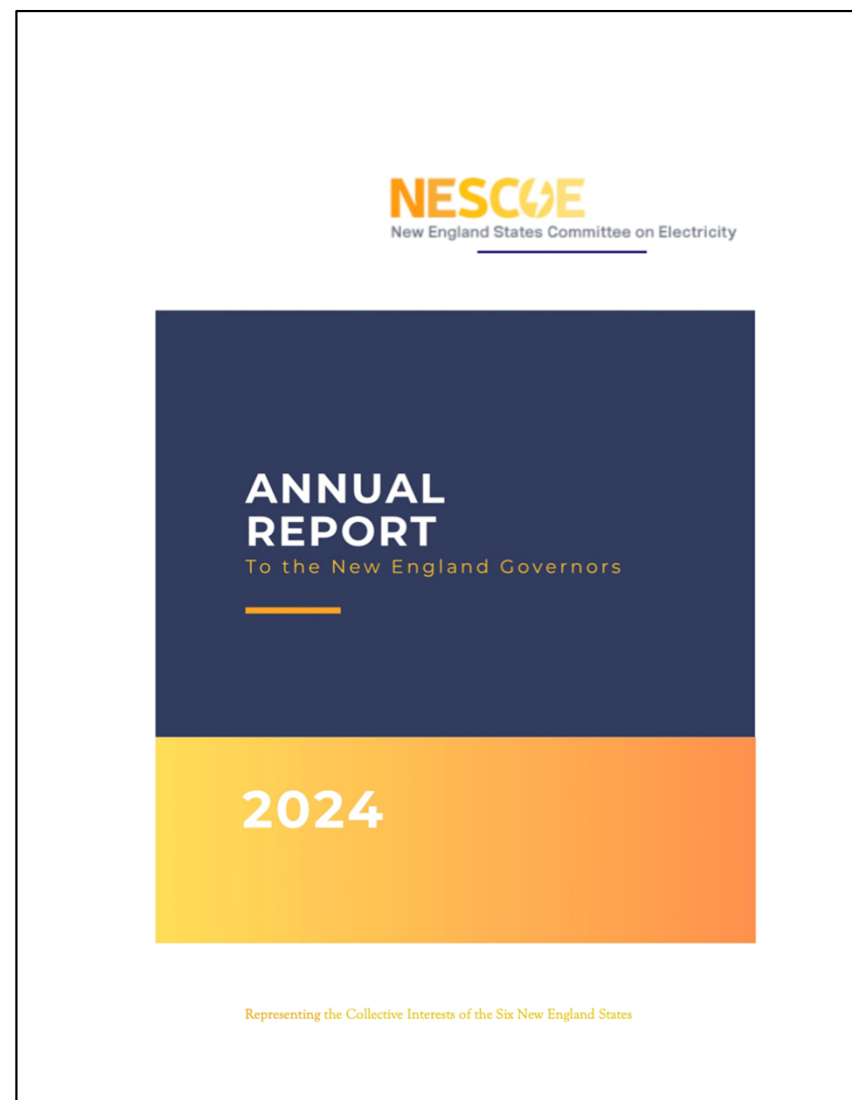
- ✓ Reviewed work in 2024
- ✓ Projected policy priorities
- ✓ Provided spending from prior year
- ✓ Projected budget information for upcoming two years

Projected Policy Priorities

- ✓ NESCOE provided to the Governors the **2024 Annual Report to New England Governors**
- ✓ Report simultaneously released to NEPOOL & ISO-NE & circulated to the Participants Committee
- ✓ NESCOE identified forward looking policy priorities at Section V, pages 16

Report in “Resource Center”

www.nescoe.com



Projected Policy Priorities

Transmission has a strong presence in forward-looking priorities. This includes, but is not limited to:

- ✓ Asset Condition Project Review and Oversight
- ✓ Operationalizing long-term transmission analysis, including evaluating the first solicitation for longer-term transmission solicitation and ways to further enhance longer-term transmission planning
- ✓ Procedures to ensure timely and effective consideration of advanced transmission technologies to get the most out of the existing system and new investments
- ✓ FERC's efforts to reform transmission planning through Order 1920, including state law-based transmission planning and cost allocation.

Wholesale Market Reforms. Continued engagement on capacity market reforms and understanding the market and consumer implications of Day Ahead Ancillary Services design.

Resource Adequacy. Engage in (1) ISO-NE's Economic Studies and provide input into their development, particularly with respect to assumptions about state laws; and 2) ISO-NE's Probabilistic Energy Adequacy Tool analysis, including, for example, providing assumptions and requesting scenarios to assess risks and options as the resource mix evolves pursuant to state laws and policies

NESCOE Organization & Misc.

Employees

- ✓ Retain and attract diversity in academic training, skills; blend of private & public sector experience
- ✓ In 2025, retained experienced staff member at reduced hours

Office Space

- ✓ No office leases at this time; renting meeting space as needed

Other Organization Matters

Technical Consultants

Technical consultants assist NESCOE in the regular course of business in analyzing ISO-NE studies and data.

Continue work with technical consultants to conduct independent analysis to inform state officials' decisions on key issues, including, for example:

- ✓ Wilson Energy Economics
- ✓ MP Energy LLC
- ✓ RLC Engineering
- ✓ Stickney Brook Consulting
- ✓ GDS Associates
- ✓ Oxford Power Systems
- ✓ Daymark Energy Advisors
- ✓ Apex Analytics

Legal Counsel

Litigation is not the primary means by which NESCOE seeks to accomplish its objectives & thus, greater resource and focus has historically, and thus far in 2025, been on technical consulting. Further, while NESCOE produces most legal pleadings and analysis internally, the frequency and type of litigation brought by others influences the extent to which NESCOE engages outside counsel.

- ✓ Primary FERC Counsel: Phyllis G. Kimmel Law Office PLLC

5-Year Pro Forma

Proposed 2026 budget conforms to 2026 budget in 5-year Pro Forma Framework

✓ 2026 Projected Budget in 5-Year Pro Forma:	\$3,065,753
✓ 2026 Proposed Budget:	\$2,731,108
✓ 2025 Budget, for reference:	\$2,707,893

The 2026 Proposed Budget reflects:

- ✓ Continued emphasis on technical consultants (vs. outside legal services)
- ✓ Continued inflationary pressures
- ✓ No office rent or utilities
- ✓ More travel for meetings

5-Year Pro Forma, for reference

NESCOE
PRO FORMA BUDGET 2023-2027*



Expense Category	Year 16 (2023)	Year 17 (2024)	Year 18 (2025)	Year 19 (2026)	Year 20 (2027)
Salaries and Wages					
Salaries	1,311,718	1,377,304	1,446,169	1,518,478	1,594,401
Payroll Taxes	131,172	137,731	144,617	151,848	159,440
Health and Other Benefits	110,098	115,603	121,383	127,452	133,825
Retirement \$401(k)	52,469	55,092	57,847	60,739	63,776
Total, Salaries and Wages	1,605,457	1,685,730	1,770,016	1,858,517	1,951,443
Direct Expenses - Consulting					
Technical Analysis	342,933	353,221	363,818	374,732	385,974
Legal (FERC)	342,933	353,221	363,818	374,732	385,974
Total, Direct Expenses, Consulting	685,866	706,442	727,635	749,464	771,948
General and Administrative					
Rent		12,000	12,360	12,731	13,113
Utilities		2,500	2,575	2,652	2,732
Office and Administrative Expenses	50,000	51,500	53,045	54,636	56,275
Professional Services	41,500	42,745	44,027	45,348	46,709
Travel/Lodging/Meetings	60,000	61,800	63,654	65,564	67,531
Total General and Administrative	151,500	170,545	175,661	180,931	186,359
Capital Expenditures & Contingencies					
Computer Equipment	8,666	8,926	9,194	9,470	9,754
Contingencies	244,682	252,022	259,583	267,371	275,392
Capital Expenditures & Contingencies	253,348	260,948	268,777	276,840	285,145
TOTAL EXPENSES**	2,696,171	2,823,665	2,942,090	3,065,753	3,194,896

*Projected 5% salaries and wages annual adjustment, and projected 3% annual adjustment on all other items. Line items and categories subject to increase greater than, or decrease from, amounts projected.

Any such changes will be subject to review, input, and recommendations by the NEPOOL Participants Committee (and/or its designees).

**At no time during this 5-year period will NESCOE seek a budget increase of more than 10% in any 1 year of more than 30% on a cumulative basis.

2026 Proposed Budget

NESCOE Proposed 2026 Budget

	2026
Salaries and Wages	
Salaries	1,154,640
Payroll Taxes	115,464
Health and Other Benefits	140,000
Retirement §401(k)	46,186
Total, Salaries and Wages	1,456,290
Direct Expenses - Consulting	
Technical Analysis	550,000
Legal (FERC)	200,000
Total, Direct Expenses, Consulting	750,000
General and Administrative	
Rent	-
Utilities	-
Office and Administrative Expenses	54,535
Professional Services	60,000
Travel/Lodging/Meetings	150,000
Total General and Administrative	264,535
Capital Expend. & Contingencies	
Computer Equipment	12,000
Contingencies	248,283
Capital Expend. & Contingencies	260,283
TOTAL EXPENSES	2,731,108

2024 & 2025 Spending & Implications for 2026

Unspent funds in any year credited toward future year

2024 Total Spending: \$1,692,408*

2025 Spending to end of June: \$896,285

2025 Projected Year End: \$2,115,965*

*Cumulative prior years' true up, including 2023, was reflected in the 2025 revenue requirement and rates. The 2024 true up will be reflected in the 2026 revenue requirement and rates (see next slide). Any 2025 true up will be reflected in the 2027 revenue requirements and rates.

2026 Projected Billing Rate

With thanks to ISO-NE for calculations -

2026 Budget: \$2,731,108

Less 2024 True Up: (\$933,127)

Total Revenue Recovery: \$1,797,981

Divided by Total Network Load: ~~222,552,617~~ 223,165,587

~~(total network load from 2025 ISO-NE tariff; no escalation or reduction used in calculation)~~

~~2026 Schedule 5 Estimated Rate \$0.00808 per kW-month~~

Updated 2026 Schedule 5 *Actual* Rate: \$0.00806 per kW-month
based on now finalized 2026 Network Load factor

Thank you.

Questions?

The Nescoe logo is centered within a white circle that has a thin blue border. The circle is positioned on the right side of the slide, overlapping a large blue rectangular area that occupies the right half of the page. The logo itself consists of the word "NESCOE" in a bold, orange, sans-serif font. The letter "O" is replaced by a stylized lightning bolt icon, also in orange.

NESCOE

6

Litigation Report



Oct 9, 2025
Meeting

EXECUTIVE SUMMARY
Status Report of Current Regulatory and Legal Proceedings
as of October 7, 2025

The following activity, as more fully described in the attached Litigation Report, has occurred since the report dated September 3, 2025 (“last Report”) was circulated. New matters/proceedings since the last Report are preceded by an asterisk “*”. Page numbers precede the matter description.

FERC Administrative Developments

FERC Commissioner Nominee Congressional Hearings	Oct 7	Senate confirms as FERC Commissioners: Laura V. Swett , for a term expiring Jun 30, 2030; and David A. LaCerte , for a term expiring Jun 30, 2026

Executive Orders

No Activity to Report

I. Complaints/Section 206 Proceedings

4	NEPGA Balancing Ratio and Stop Loss Allocation Methodology Complaint (EL25-106)	Sep 4-5 Sep 17 Sep 19	NEPGA files second answer; IMM and RENEW file answers Vitol answers NEPGA’s second answer ISO-NE responds to NEPGA second answer and FirstLight comments

II. Rate, ICR, FCA, Cost Recovery Filings

11	Bucksport CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER25-3233)	Sep 8	National Grid intervenes
11	MOPA Formal Challenge to TO’s Annual (2023-24) Transmission Rate Update/Info Filing (ER20-2054)	Sep 18	FERC accepts in part, and denies in part, Maine OPA’s Jan 31, 2024 Formal Challenge to the TO’s 2023 Annual Update Info Filing; Indicated TOs responses due Oct 19, 2025 ; MOPA Supplement, if any, due Dec 18, 2025

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

12	Waiver Request (ISO-NE): Capacity Performance Payment Calculation & Use of Late Payment Account (ER25-3253)	Sep 8 Sep 9	Brookfield submits comments supporting ISO-NE Waiver Request National Grid intervenes

IV. OATT Amendments / TOAs / Coordination Agreements

* 13	PBOP Collections Report (Eversource) (ER26-58)	Oct 7	Eversource files revisions to Appendix A to Attachment F to report on an over-recovery of transmission-related PBOP expenses; comment deadline Oct 28, 2025
13	NECEC Tariff Conforming Changes (ER25-3128)	Oct 1	FERC accepts changes to Sections I and II of the Tariff to support the operation and implementation of the NECEC Transmission Line as an Other Transmission Facility, eff. Oct 7, 2025
13	CMP Att F Appendix A Revisions (ER25-3067)	Sep 22	FERC accepts Revisions, eff. Oct 1, 2025
13	PBOP Collections Report, Attachment F App. A (FG&E) (ER25-3065)	Sep 25	FERC accepts FG&E’s PBOP Collections Report, eff. Oct 1, 2025

14	Attachment H Updates (MEPCO) (ER25-2902)	Sep 9 Sep 10 Sep 19	Emera answers MEPCO's Aug 26 Answer MEPCO answers Emera's Sep 9 Answer FERC accepts MEPCO Attachment H Updates, eff. <i>Sep 20, 2025</i>

V. Financial Assurance/Billing Policy Amendments



No Activity to Report

VI. Schedule 20/21/22/23 Changes & Agreements



15	Schedule 20B-NECEC: Reassignment /Resale of NECEC Transmission Service (ER25-2894)	Sep 16	FERC accepts NECEC's proposed Schedule 20B and grants NECEC's request for waiver of the requirement to file an OATT, eff. <i>Sep 16, 2025</i>

VII. NEPOOL Agreement/Participants Agreement Amendments



16	134th Agreement (ER25-2953)	Sep 4	FERC accepts 134th Agreement ("Associate Non-Voting Participant" Definition), eff. <i>Oct 1, 2025</i>

VIII. Regional Reports



No Activity to Report

IX. Membership Filings



* 16	Oct 2025 Membership Filing (ER25-3571)	Sep 30	New Members: AE-ESS Holyoke, American Power & Gas of RI, Burgess BioPower; Termination: Hudson Energy Services; comment deadline Oct 21, 2025
17	Aug 2025 Membership Filing (ER25-3002)	Sep 25	FERC accepts the following (i) new members: Alpha Generation, Ryegate Associates, and TDI DevCo; and (ii) name changes: ReGenerate Stratton LLC and Clearlight Energy Services LLC
* 17	Suspension Notice – 11772244 Canada Inc. (not docketed)	Oct 1	ISO-NE files notice of <i>Sep 29, 2025</i> suspension of 11772244 Canada Inc. from the New England Markets
* 17	Suspension Notice – Antrim Wind Energy LLC (not docketed)	Sep 25	ISO-NE files notice of <i>Sep 23, 2025</i> suspension of Antrim Wind Energy from the New England Markets

X. Misc. - ERO Rules, Filings; Reliability Standards



* 17	NERC FFT/CE Programs Annual Report (RC11-6-021)	Sep 23	NERC issues annual report on Find, Fix, Track and Report and Compliance Exception programs; comment deadline Oct 8, 2025
18	NERC Reliability Standards Definition Changes (GO, GOP) (RD25-10)	Oct 1	FERC accepts NERC's Definition Changes, eff. <i>Oct 1, 2025</i>
18	Revised Reliability Standard: EOP-012-3 (RD25-7)	Sep 18	FERC approves EOP-012-3 (Extreme Cold Weather Preparedness and Operations) and directs periodic reporting, eff. <i>Oct 1, 2025</i>
19	Order 909/909-A: Revised Reliability Standards: PRC-029-1 and PRC- 024-4 (RM25-3)	Sep 25	FERC issues <i>Order 909-A</i> , denying ACPA/SEIA request for limited clarification of <i>Order 909</i>
19	NOPR: Revised Reliability Standards: CIP-002-7 through CIP-013-3 (Virtualization) (RM24-8)	Sep 18	FERC issues NOPR proposed to approve Virtualization Reliability Standards, and associated definitions, violation risk factors, violation severity levels, implementation plans, and effective dates; comment deadline Nov 24, 2025

20	<i>Order 912</i> : Supply Chain Risk Management (SCRM) Reliability Standards (RM24-4)	Sep 18	FERC issues <i>Order 912</i> , directing NERC to develop and file by May 2027 Reliability Standards that address the sufficiency of responsible entities' SCRM plans and supply chain protections for protected cyber assets, eff. <i>Nov 24, 2025</i>

XI. Misc. - of Regional Interest



21	203 Application: Cricket Valley Energy Center (EC25-116)	Sep 19	FERC authorizes transaction
21	203 Application: CPower/NRG (EC25-102)	Sep 12	NRG supplements its Sep 2 deficiency letter response
22	203 Application: Constellation/Calpine (EC25-43)	Sep 22	FERC issues Allegheny notice, requests for reh'g denied by operation of law; requests will be addressed in a future order
* 23	PURPA Enforcement Petition – Allco Finance Ltd (EL25-117)	Sep 24	Allco requests the FERC initiate an enforcement action against CT DEEP for improper implementation of PURPA; comment deadline Oct 24, 2025
* 23	Facilities (Distrigas) Support Agreement Cancellation - NSTAR/NGrid (ER25-3550)	Sep 29	NSTAR files notice of cancellation of a Facilities Support Agreement between itself and National Grid; comment deadline Oct 20, 2025
* 24	D&E Agreement: PSNH/Kearsarge Grissom (ER25-3407)	Sep 10	PSNH files D&E Agreement (Service Agreement No. IAPSNH-17)
25	Revised Wholesale Distribution Access Tariff: CMP (ER24-2975)	Sep 23	FERC accepts CMP WDAT, eff. <i>Sep 1, 2025</i>
25	Wholesale Distribution Service Agreement: CMP/MRRA (ER25-2705)	Sep 18	FERC accepts Agreement, eff. <i>Sep 1, 2025</i>
26	CMP ESF Rate (ER24-1177)	Sep 15	CMP submits refund report

XII. Misc. - Administrative & Rulemaking Proceedings



* 27	Tech Conf: Wildfire Risk Mitigation (AD25-16)	Sep 10 Oct 1	FERC issues notice of Oct 21, 2025 pm tech conf FERC issues supplemental notice of Oct 21, 2025 pm tech conf
27	Annual Reliability Tech Conf (AD25-8)	Sep 10 Oct 1	FERC issues supplemental notice of Oct 21, 2025 am tech conf FERC issues 2nd supplemental notice of Oct 21, 2025 am tech conf
28	Joint Federal- State Current Issues Collaborative (AD24-7)	Sep 22	FERC issues notice of NARUC's appointment of state commission representatives to the Collaborative for the Aug 28, 2025 through Aug 27, 2026 term; NECPUC representatives will again be MPUC Chairman Phil Bartlett and NH PUC Commissioner Pradip Chattopadhyay
* 28	<i>Order 914</i> : Implementation of EO 14270 (RM25-14)	Oct 1	FERC issues a direct final rule sunseting 53 regulations; comment deadline [30 days after Fed. Reg. publication, which as of the date of this Report has not yet happened]

XIII. FERC Enforcement Proceedings



Electric-Related Enforcement Actions

* 29	NorthWestern (Beethoven Wind Farm) Stipulation and Consent Agreement (IN25-14)	Oct 2	FERC approves Agreement that resolves OE's investigation into whether NorthWestern violated the SPP Tariff (and FERC's Market Behavior rules) by failing to convert its Beethoven Wind Farm from a non-dispatchable to a dispatchable variable energy resource by the required tariff deadline; NorthWestern agreed to disgorge \$32,000 plus interest, pay a civil penalty of \$40,000 , and to submit compliance monitoring reports for 2 years
* 29	LADWP Energy Stipulation and Consent Agreement (IN25-11)	Oct 2	FERC approves Agreement that resolves OE's investigation into whether LADPW violated NERC's Rules of Procedure and FERC regulations during a 2020 WECC audit; LADPW agreed to pay a civil penalty of \$350,000 , to submit compliance monitoring reports for at least 2 years, and to undertake additional mitigation and compliance measures as appropriate

XIV. Natural Gas Proceedings



* 32	Algonquin Cape Cod Canal Pipeline Relocation Project (CP25-552; PF25-4)	Sep 29 Oct 6 Oct 7	Algonquin files Abbreviated CPCN Application Algonquin submits Environmental Assessment NSTAR Electric, NSTAR Gas, NYSEG, Maine Natural Gas intervene

XV. State Proceedings & Federal Legislative Proceedings



No Activity to Report

XVI. Federal Courts



35	<i>Avangrid v. NextEra (NECEC Civil Suit) (D.MA 24-30141)</i>	Sep 22 Oct 6	Anti-Trust Claims dismissed (State Law Claims remain pending) Avangrid and NextEra submit joint request for a second oral argument to cover remaining claims
34	<i>Order 1920: Transmission Planning Reforms (4th Circuit – 24-1650)</i>	Sep 29	Petitioners (Appalachian Voices et al.) submit opening brief
34	<i>Orders 2023 and 2023-A (23-1282 et al.) (consolidated)</i>	Sep 26	Oral argument held before a merits panel comprised of Judges Millett, Walker, and Childs
36	Allco PURPA Enforcement Petition (D.CT 3:25CV01321)	Sep 11	Court issues order granting extension of time, to Nov 3, 2025, to answer Complaint

M E M O R A N D U M

TO: NEPOOL Participants Committee Members and Alternates

FROM: Pat Gerity and Joan Bosma, NEPOOL Counsel

DATE: October 8, 2025

RE: Status Report on Current Regional Wholesale Power and Transmission Arrangements Pending Before the Regulators, Legislatures and Courts

We have summarized below the status of key ongoing proceedings relating to NEPOOL matters before the Federal Energy Regulatory Commission (“FERC”),¹ state regulatory commissions, and the Federal Courts and legislatures through October 7, 2025. In addition, in the opening Section immediately below, we continue to summarize recent Executive Orders issued by the President of the United States and Executive Agency directives related to the energy industry. If you have questions on any of these summaries, please contact us.

Executive Orders

Questions concerning any of the Executive Orders (“EO”) or Agency Directives summarized below can be directed to Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Joan Bosma (617-345-4651; jbosma@daypitney.com).

- **Revolution Wind Stop-Work Order**

On August 22, 2025, the Department of the Interior’s Bureau of Ocean Energy Management (“BOEM”) issued a [Director’s Order](#) (“Stop-Work Order”) to Revolution Wind, LLC to halt all ongoing activities related to the Revolution Wind Project to allow time for BOEM to “address concerns that have arisen during the review that the Department is undertaking pursuant to the President’s Memorandum of January 20, 2025”.² The Stop-Work Order effectively halts the Revolution Wind offshore wind farm project, which was 80% complete. Revolution Wind may not resume activities until BOEM informs it that BOEM has completed its review. Revolution Wind may appeal the Stop-Work Order on or before **October 21, 2025**.

- **Executive Order: Accelerating Federal Permitting of Data Center Infrastructure (EO 14318)**

On July 23, 2025, President Trump issued an EO to facilitate “the rapid and efficient buildout” of Artificial Intelligence (“AI”) data centers and associated infrastructure. The EO directs the Secretary of Commerce to launch an initiative to provide financial support for “Qualifying Projects,” which are defined as data centers and related infrastructure that require over 100 MW of incremental electric load, a commitment of \$500 million or more in capital expenditures, or are otherwise designated as such. All relevant agencies were directed to identify existing National Environmental Policy Act (“NEPA”) categorical exclusions that could facilitate the construction of Qualifying Projects to the Council on Environmental Quality within 10 days; the EO also establishes a presumption that federal financial assistance that is less than half of the total project cost does not constitute a “major Federal action” under NEPA. The Environmental Protection Agency (“EPA”) is tasked with reviewing and revising permitting regulations under the Clean Air Act, Clean Water Act (“CWA”), and other laws to streamline approval processes, and must issue guidance to support the reuse of Superfund and Brownfield sites for data centers by **January 19, 2026**. And, the Army must assess whether a new nationwide permit is necessary under the CWA or

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement (the “Second Restated NEPOOL Agreement”), the Participants Agreement, or the ISO New England Inc. (“ISO” or “ISO-NE”) Transmission, Markets and Services Tariff (the “Tariff”).

² 90 Fed. Reg. 8,363 (Jan. 29, 2025).

Rivers and Harbors Appropriation Act to facilitate the efficient permitting of Qualifying Projects. Additionally, the EO instructs the Departments of the Interior, Energy, and Defense to identify and authorize federal and military lands for qualifying development, including streamlined consultations under the Endangered Species Act for construction of Qualifying Projects over the next 10 years and competitively leasing sites for data centers. The EO also mandates FAST-41 transparency project designation and permitting dashboard integration by **August 22, 2025**.

- **Executive Order: Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources (EO 14315)**

On July 7, 2025, following the recent signing of the One Big Beautiful Bill Act (“OBBB”), President Trump issued an EO directing the Secretary of the Treasury to implement provisions of the OBBB aimed at eliminating federal support for wind and solar energy and directing the Department of the Interior to review and revise any policies that provide preferential treatment to wind and solar energy sources, by **August 21, 2025**. Specifically, the EO requires the Treasury to issue guidance to enforce the OBBB’s termination of Sections 45Y and 48E tax credits, including restricting safe harbor provisions and “beginning of construction” standards. The Treasury is also directed to implement the OBBB’s enhanced Foreign Entity of Concern (“FEOC”) restrictions.

- **Executive Order: Empowering Commonsense Wildfire Prevention and Response (EO 14308)**

On June 12, 2025, President Trump issued an EO to consolidate wildfire programs, develop a technology roadmap, and revise rules to enable more effective wildfire prevention and response through the use of prescribed burns, improved power system practices, and modernized response metrics and satellite data. As it relates to the FERC, the EO directed the FERC to consider by September 15, 2025 rulemakings to establish best practices to reduce wildfire ignition risk from the bulk-power system (“BPS”) without increasing end-user costs. As summarized in Section XII below (AD25-16), the FERC issued on September 10, 2025 a notice of an October 21, 2025 Staff-led technical conference on wildfire mitigation, including cost-effective best practices to reduce the risk of wildfire ignition from the BPS.

- **Executive Order: Reinvigorating the Nuclear Industrial Base (EO 14302)**

On May 23, 2025, President Trump issued an EO directing the U.S. Department of Energy (“DOE”) to accelerate the growth of the U.S. nuclear sector. EO 14302 specifically directs the DOE to facilitate 5 GW of power uprates to existing reactors and the start of construction on ten new large reactors **by 2030**. The DOE Loan Programs Office is directed to prioritize projects including restarts, uprates, new construction, and fuel supply chain improvements. The DOE and the Department of Defense (“DoD”) are to assess the use of closed nuclear sites for military energy hubs. EO 14302 also requests a report and sets timelines for action on nuclear fuel recycling, enrichment, and cooperative procurement, including near-term use of Defense Production Act authorities.

- **Executive Order: Reforming Nuclear Reactor Testing at the Department of Energy (EO 14301)**

Also on May 23, 2025, President Trump issued EO 14301 mandating the DOE revise NEPA regulations by **June 30, 2025** to streamline environmental reviews for reactor testing through new or existing categorical exclusions. EO 14301 also directs the DOE to issue guidance on “qualified test reactors” and establish a pilot program for at least three test reactors outside the National Laboratories by **July 4, 2026**.

- **Executive Order: Ordering the Reform of the Nuclear Regulatory Commission (EO 14300)**

Also on May 23, 2025, President Trump issued EO 14300 directing the Nuclear Regulatory Commission (“NRC”) to overhaul its licensing and fee structures to expedite approvals. EO 14300 specifically mandates final decisions on applications for new reactors within 18 months, and for continued operation of existing reactors within one year, with caps on hourly fee recovery. EO 14300 also directs the NRC to streamline approval of reactor designs already tested and demonstrated by the DOE or DoD, so to focus reviews only on new application-specific risks.

- **Executive Order: Deploying Advanced Nuclear Reactor Technologies for National Security (EO 14299)**

President Trump issued yet another Executive Order on May 23, 2025 directing the DOE, DOD, and the Secretary of State to accelerate the deployment and export of advanced nuclear reactor technologies to meet national security objectives and support rapid growth of advanced nuclear technologies. EO 14299 requires the DOE to designate AI data centers at DOE sites as critical defense infrastructure and to select sites within 90 days for deployment of advanced nuclear reactors to support AI and other national security missions, with the first reactor to be operational within 30 months. The DoD must also commence operation of a nuclear reactor at a domestic military installation by no later than **September 30, 2028**. EO 14299 also directs the Secretary of State to pursue at least 20 new section 123 of the Atomic Energy Act of 1954 Agreements for Peaceful Nuclear Cooperation by the close of the 120th Congress and requires the DOE to review and act on export authorization requests within 30 days of completion.

- **Executive Order: Zero-Based Regulatory Budgeting to Unleash American Energy (EO 14270)**

On April 9, 2025, President Trump issued an EO directing the FERC, along with DOE, EPA, and the NRC, to incorporate conditional sunset provisions into specified “Covered Regulations” that requires these regulations expire after one year unless extended at the agency’s discretion for a period of up to five years. The agencies must provide the public with an opportunity to comment on the costs and benefits of each such regulation prior to its expiration. For the FERC, the EO applies to regulations promulgated under the Federal Power Act (“FPA”), Natural Gas Act (“NGA”), and the Powerplant and Industrial Fuel Use Act. On October 1, 2025, the FERC issued a direct final rule (*Order 914*) and a related NOPR, in response to EO 14270, to sunset 53 regulations identified as outdated or unnecessary. Order 914 establishes a one-year sunset from its effective date (45 days after *Order 914*’s publication in the Federal Register), after which the regulations will be removed from the U.S. Code of Federal Regulations and the FERC will no longer treat them as effective. (see Section XII below).

- **Executive Order: Strengthening the Reliability and Security of the United States Electric Grid (EO 14262)**

On April 8, 2025, President Trump issued an EO directing the Secretary of the DOE to strengthen use of emergency authority under Section 202(c) of the FPA and to implement a new national methodology for assessing electric reliability. The EO requires the DOE to streamline and expedite the issuance of 202(c) emergency orders during forecasted supply interruptions and to develop, within 30 days, a uniform framework for evaluating reserve margins across all FERC-jurisdictional regions. This framework will be used to identify regions with insufficient capacity and determine which generation resources are critical to reliability. The DOE is further directed to use the methodology to prevent the retirement or fuel conversion of any resource over 50 MW that would cause a net reduction in accredited capacity. While FERC is not directly tasked under EO 14262, implementation of its provisions may influence FERC-jurisdictional processes.

DOE Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid (“DOE RA Report”). On July 7, 2025, the DOE released a Report in response to Section 3(b) of EO 14262 (which directed the DOE to develop a uniform methodology for analyzing current and anticipated reserve margins in FERC-regulated regions of the bulk power system). The DOE RA Report provides an assessment of the U.S. grid’s ability to meet projected load growth through 2030 using a deterministic approach that simulates system stress in all hours of the year and incorporates grid conditions and scenarios based on historical data.³ Overall highlights of from the DOE RA Report include conclusions that: (i) the status quo is unsustainable; (ii) grid growth must match the pace of AI innovation; (iii) with projected load growth, retirements increase the risk of power outages by 100 times in 2030; (iv) planned supply falls short, reliability at risk; and (v) old tools won’t solve new problems.

³ The DOE RA Report employs three different 2030 cases: a Plant Closures Case (which assumes all announced retirements occur), a No Plant Closures Case (which assumes no announced retirements proceed and mature additions), and a Required Build Case (which compares impacts of retirements on perfect capacity additions necessary to return 2030 to current level of reliability). In the Plant Closures Case, only New England and NYISO met the reliability thresholds, while all other regions failed. ISO-NE’s peak demand is projected to grow from 28 GW in 2024 to 31 GW by 2030, with capacity rising from 40 GW to 45.5 GW in the No Plant Closures case and to 42.8 GW in the Plant Closures case.

Not New England. The DOE RA Report identifies several regions facing acute reliability issues in the near future, though not New England. The DOE RA Report cites sharp load growth from electrification, AI, and data centers as the key drivers of resource adequacy concerns. Noting the absence of additional AI/data center load growth in New England, the DOE RA Report concludes that no additional capacity in New England would be necessary to meet the study's reliability standards.

Request for Rehearing – DOE RA Report. On August 6, Clean Energy Organizations,⁴ concluding that the DOE RA Report is a rule subject to rehearing, despite being styled as a report, requested rehearing of the DOA RA Report, asserting that the Report “fails to account for [] important aspects of the resource adequacy puzzle.”⁵ Clean Energy Organizations request that DOE “withdraw the Resource Adequacy Protocol or otherwise address the errors contained in it.”

- **Executive Order: Reinvigorating America's Beautiful Clean Coal Industry and Amending EO 14241 (EO 14261)**

Also on April 8, 2025, President Trump issued an EO that (i) reclassifies Coal as a Strategic National Asset (granting coal eligibility for federal support programs, including those under the Defense Production Act and DOE's loan authorities, and directing a review of policies that may discourage coal production, with agencies tasked to revise or rescind such policies within 60 days); (ii) accelerates coal access on federal lands (directing federal agencies to identify coal-rich areas on federal lands, address barriers to mining on federal lands and propose actions to maximize coal mining on federal lands, and prioritize coal leasing and encourage the use of emergency authorities to expedite permitting and environmental reviews, including a push for broader use of categorical exclusions under NEPA. The assessment requires an analysis of the impact the use of coal resources could have on electricity costs and grid reliability); and (iii) aligns coal with emerging industrial needs (positioning coal as a critical resource for emerging industries, directing agencies to assess its potential for powering AI data centers and supporting steelmaking, and calling for accelerated development of coal technologies and commercial applications in advanced manufacturing).

- **Executive Order: Protecting American Energy From State Overreach (EO 14260)**

On April 8, 2025, President Trump issued an EO directing the U.S. Attorney General to identify and challenge state and local laws, regulations, and policies that may act as “illegitimate impediments” to the development, siting, production, investment in, or use of domestic energy resources, and further instructs the Attorney General to stop the enforcement of these state climate-related policies. While the EO does not directly implicate FERC, it may affect regional efforts such as the Regional Greenhouse Gas Initiative (“RGGI”) and other state-led programs. A report detailing the Attorney General's actions and recommended executive or legislative responses was due to the President within 60 days.

I. Complaints/Section 206 Proceedings

- **NEPGA Balancing Ratio and Stop Loss Allocation Methodology Complaint (EL25-106)**

On July 25, 2025, NEPGA filed a complaint in response to the impacts of the events of June 24, 2025, seeking (i) a Balancing Ratio cap at 1.0; and (ii) a revised allocation of the “bonus pool” that gets collected to pay over-performers. In the Complaint, NEPGA proposed, pointing to precedent established in PJM, that the FERC (a) cap the Balancing Ratio at 1.0 and (b) adopt the PJM charge and bonus allocation (instead of charging resources with a Capacity Supply Obligation to make up any bonus revenue shortfall, simply split the bonus pool that gets

⁴ “Clean Energy Organizations” are, for the purposes of this matter, the American Clean Power Association (“ACPA”), Advanced Energy United (“AEU”), and American Council on Renewable Energy (“ACORE”).

⁵ Clean Energy Organizations assert that DOE's analysis “fails to take account of (or simply mischaracterizes) major developments that will affect resource adequacy in the next half-decade and beyond, primarily the pace of new resource development, the retirement of existing resources, and the well-established regulatory and market mechanisms that connect these threads. The [Report] also excludes mention of President Trump's own policies aimed at making the headline outcomes of the [Report] highly unlikely.

collected to pay over-performers). NEPGA asked that the FERC set an immediate refund effective date and requested fast track processing of the Complaint.

Following an unopposed request by ISO-NE for an additional one week to substantively answer the Complaint, answers and comments to the Complaint were due on or before August 21, 2025.⁶ ISO-NE filed its answer, requesting (i) with respect to the PFP stop-loss mechanism cost allocation, the FERC deny the Complaint on the merits; (ii) with respect to the Balancing Ratio, the FERC “take account of ISO-NE’s arguments and narrow concession”, and (iii) provide at least 180 days to file any replacement rate deemed necessary as a result of the Complaint. NEPOOL filed limited comments to provide additional context but taking no substantive position on the Complaint. Comments supporting the Complaint were filed by MMWEC, FirstLight Power, RENEW, LS Power Development, Electric Power Supply Association (“EPSA”), and jointly by Braintree and Taunton. Comments on the Complaint were also filed by NESCOE and the New England Consumer Advocates (“CANE”).⁷ Vitol filed a protest requesting the FERC deny the Complaint. Interventions only were filed by the IMM, AEU, Avangrid (out-of-time), Brookfield, Calpine, CPV Towantic, Dominion, Energy New England (“ENE”), Enel, Eversource, LS Power, ME OPA, National Grid, NextEra, RI Energy, Shell, Vistra, MA DPU, the National Hydropower Association (“NHA”), and Public Citizen.

Since the last Report, the following parties filed answers: **ISO-NE** ((i) answering NEPGA’s second answer, reiterating that, while it would not oppose a FERC order capping the Balancing Ratio at 1.0, it continued to oppose NEPGA’s position that the current stop-loss cost allocation approach is unjust and unreasonable and opposes adopting PJM’s general stop loss approach; and (ii) and asserting that FirstLight’s alternative requests for relief are outside the scope of this proceeding); **NEPGA** (emphasizing broad support for the Complaint, reiterating its argument that holding capacity resources to obligations beyond their committed capability is unjust and unreasonable, and urging the FERC to adopt PJM’s allocation methodology as the replacement rate); **the IMM** (expressing sympathy with NEPGA’s complaint, supporting a 1.0 cap on the Balancing Ratio, and requesting clarification as to how related payments would be allocated); **RENEW** (supporting NEPGA’s proposed reforms to ISO-NE’s PFP cost allocation rules); and **Vitol** (opposing NEPGA’s second answer and requesting that the FERC deny the Complaint, stating that the reforms should be addressed through the stakeholder process).

The Complaint is pending before the FERC. If you have any questions concerning this matter, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Local Transmission Planning Complaint (EL25-44)**

As previously reported, a group of “Consumer Complainants”⁸ filed a complaint on December 19, 2024 against all FERC-jurisdictional public utility transmission providers with local planning tariffs (including ISO-NE and the remaining ISO/RTOs) asserting that their tariffs, which authorize individual transmission owners to plan FERC-jurisdictional transmission facilities at 100 kV and above (“Local Planning”) without regard to whether such Local Planning approach is the more efficient or cost-effective transmission project for the interconnected transmission grid and cost-effective for electric consumers, coupled with the absence of an independent transmission system

⁶ ISO-NE’s preliminary answer also opposed NEPGA’s request for fast track processing. The FERC did not address that opposition in its notice extending the comment period to Aug. 21, 2025.

⁷ The New England Consumer Advocates or “CANE” consist of the: Massachusetts Attorney General’s Office (“MA AG”), Connecticut Office of Consumer Counsel (“CT OCC”), Maine Office of the Public Advocate (“ME OPA”), New Hampshire Office of the Consumer Advocate (“NH OCA”), and Rhode Island Division of Public Utilities and Carriers (“RI Division”).

⁸ “Consumer Complainants” are Industrial Energy Consumers of America, American Forest & Paper Assoc., R Street Institute, Glass Packaging Institute, Public Citizen, PJM Industrial Customer Coalition, Coalition of MISO Transmission Customers, Assoc. of Businesses Advocating for Tariff Equity, Carolina Utility Customers Assoc., PA Energy Consumer Alliance, Resale Power Group of Iowa, Wisconsin Industrial Energy Group, Multiple Intervenors (NY), Arkansas Elec. Energy Consumers, Inc., Public Power Assoc. of NJ, OK Industrial Energy Consumers, Large Energy Group of Iowa, Industrial Energy Consumers of PA, MD Office of People’s Counsel, Pennsylvania Office of Consumer Advocate, Consumer Advocate Div. of the Public Service Commission of WV, and Missouri Industrial Energy Consumers.

planner, “are unjust and unreasonable, having produced inefficient planning and projects that are not cost-effective, resulting in unjust and unreasonable rates for both individual projects and cumulative regional transmission plans and portfolios.” Specifically, the Consumer Complainants asserted that the FERC must mandate (i) revision of local and regional planning tariffs to (a) prohibit individual transmission owner planning of FERC-jurisdictional transmission facilities 100 kV and above; and (b) require exclusive regional planning of all transmission facilities 100 kV and above, utilizing existing *Order 1000* regions; and (ii) that all regional planning must be conducted through an Independent Transmission Planner as described in their Complaint.

Answers, interventions, comments, and protests to the Consumers RTP Complaint were due on or before March 20, 2025⁹ and were filed by, among others, [ISO-NE](#), [New England Transmission Owners](#) (“NETOs”),¹⁰ [AEU](#), [CT OCC](#), [NECPUC](#), [NESCOE](#), [MA AG](#), [NH OCA](#) (supporting the Complaint), [MPUC](#) (urging the FERC to reject the remedies proposed by the Complainants and open its own investigations pursuant to Section 206 of the FPA), [EEL](#), [NARUC](#), [Public Interest Organizations](#),¹¹ and [WIRES](#). Interventions only were filed by more than 100 parties, including NEPOOL. On April 4, 2025, [ISO-NE](#) answered certain comments and reiterated its request that it be dismissed as a respondent to the proceeding. Answer and reply comments were also filed by [Complainants](#) (requesting FERC grant the Complaint and deny the motions to dismiss), [NESCOE](#) (addressing the standard of review that may apply to certain reforms), [MOPA](#) (asking FERC to reject motions to dismiss and open an investigation), [MPUC](#) (requesting FERC accept its motion for to leave to answer and consider its answer), and [AMP](#) (asking FERC to deny motions to dismiss). On May 20, 2025, ISO-NE responded to Complainant’s Answer and the responses of NESCOE, MPUC, and MOPA, again requesting it be dismissed as a respondent to the proceeding as a matter of law and because the Complainants failed to meet their burden under FPA Section 206. On June 30, 2025, [Complainants](#) answered the May 22 answer by “Southeast Respondents”¹² and on July 25, 2025 [ATC](#) answered Complainants April 24, 2025 answer. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Allco PP5 Complaint (EL25-43)**

Still pending is the December 19, 2024 complaint by Allco Finance Limited (“Allco”) asking the FERC to (i) direct ISO-NE to abolish its Planning Procedure No. 5 (“PP5”) procedures by (ii) finding that PP5’s procedures are unjust and unreasonable and unduly discriminatory and/or preferential in violation of section 206 of the FPA; and (iii) find that ISO-NE has violated the FPA by forcing on State jurisdictional interconnections, such as Allco’s, the requirement to pay for transmission level interconnection studies, to pay for Power Systems Computer Aided Design (“PSCAD”) models in connection with such studies, and by causing delays to the execution by distribution utilities of State jurisdictional generator interconnection agreements (particularly for Allco’s 2 MW Winsted solar energy project). ISO-NE answered the Allco PP5 Complaint on January 15, 2025 (as corrected on January 30, 2025). On January 23, 2025, Allco answered ISO-NE’s January 15 Answer. On February 7, 2025, ISO-NE answered Allco’s January 23 Answer and on February 25, 2025 Allco answered ISO-NE’s February 7 Answer. Doc-less interventions only were filed by NEPOOL, Calpine, National

⁹ On Jan. 7, 2025, the FERC granted a motion by EEL/WIRES for an extension of time, extending the comment deadline to Mar. 20, 2025. See Notice of Extension of Time, *Industrial Energy Consumers of America et al. v. Avista Corporation et al.*, Docket No. EL25-44-000, (Jan. 7, 2025).

¹⁰ For purposes of this proceeding, “NETOs” are: Eversource Energy Service Company on behalf of The Connecticut Light and Power Co. (“CL&P”), Public Service Co. of New Hampshire (“PSNH”), and NSTAR Elec. Co. (“NSTAR”, and together with CL&P and PSNH, “Eversource”); Central Maine Power Co. (“CMP”), Maine Elec. Power Co., Inc. (“MEPCO”), and The United Illuminating Co. (“UI”); New England Power Co. d/b/a National Grid; The Narragansett Elec. Co. d/b/a Rhode Island Energy (“RI Energy”); Vermont Electric Power Co., Inc. (“VELCO”) and Vermont Transco LLC (“VTransco”), and Versant Power (“Versant”).

¹¹ “Public Interest Organizations” or “PIOs” are Earthjustice, Natural Resources Defense Council (“NRDC”), Sustainable FERC Project, and the Southern Environmental Law Center.

¹² Complainants defined “Southeast Respondents” as: Dominion Energy South Carolina, Inc. (“DESC”), Duke Energy Progress, LLC, Duke Energy Carolinas, LLC, and Duke Energy Florida, LLC (together, “Duke Energy”), Louisville Gas and Electric Company and Kentucky Utilities Company (together, “LG&E/KU”), Tampa Electric Company (“TEC”), Florida Power and Light (“FPL”), and Alabama Power Company, Georgia Power Company, and Mississippi Power Company.

Grid, the MA DPU, and Public Citizen. There was no activity in this proceeding since the last Report. As noted, this matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **206 Proceeding: TO Initial Funding Show Cause Order (EL24-83)**

As previously reported, on June 13, 2024, the FERC instituted a Section 206 proceeding finding that the ISO-NE Tariff appears to be unjust, unreasonable, and unduly discriminatory or preferential because it includes provisions for transmission owners to unilaterally elect transmission owner (“TO”) Initial Funding (the funding of network upgrade capital costs that the TO incurs to provide interconnection service to an interconnection customer, with the network upgrade capital costs subsequently recovered from the interconnection customer through charges that provide a return on and of those network upgrade capital costs).¹³ TO Initial Funding, the FERC found, may increase the costs of interconnection service without corresponding improvements to that service, may unjustifiably increase costs such that it results in barriers to interconnection, and may result in undue discrimination among interconnection customers.¹⁴ The FERC also found that there may be no risks associated with owning, operating, and maintaining network upgrades for which transmission owners are not already otherwise compensated.¹⁵ Accordingly, ISO-NE was directed, on or before September 11, 2024, to either: (1) show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential; or (2) explain what changes to the Tariff it believes would remedy the identified concerns if the FERC were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory.¹⁶ The refund effective date for this proceeding is June 24, 2024.¹⁷ A more detailed summary of the *TO Initial Funding Show Cause Order* was circulated to, and was reviewed with, the Transmission Committee.

Interventions were due on or before July 5, 2024 and were filed by the following New England-related parties:¹⁸ NEPOOL, Advanced Energy United (“AEU”), Avangrid, Calpine, CMEEC (out-of-time), EDP Renewables, Eversource, Invenergy, MA AG, National Grid, NESCOE, NextEra, NRDC, PPL, Maine Public Utilities Commission (“MPUC”), Massachusetts Department of Public Utilities (“MA DPU”), American Clean Power Association (“ACPA”), American Council on Renewable Energy (“ACRE”), Edison Electric Institute (“EEI”), Electric Power Supply Association (“EPSA”), RENEW Northeast (“RENEW”), Solar Energy Industries Association (“SEIA”), WIRES, Cordelio Services, and Public Citizen.

NE Response to Show Cause Order (Attaching Substantive Response by NETOs). On September 11, 2024, ISO-NE submitted a response (“NE Response”) explaining that, because the rules identified in the *TO Initial Funding Show Cause Order*¹⁹ fall within the exclusive purview of, and are implemented by, the Participating Transmission Owners (“PTOs”) under the Transmission Operating Agreement (“TOA”) between ISO-NE and the PTOs, it had requested that the PTOs respond to the *TO Initial Funding Show Cause Order* and attached the

¹³ *ISO New England Inc. et al.*, 187 FERC ¶ 61,170 (June 13, 2024) (“*TO Initial Funding Show Cause Order*”).

¹⁴ *Id.* at P 1.

¹⁵ *Id.*

¹⁶ *Id.* at P 2.

¹⁷ Notice of this 206 proceeding was published in the *Fed. Reg.* on June 24, 2024 (Vol. 89, No. 121) pp. 52,454-52,455.

¹⁸ The notice instituting this 206 proceeding was issued in the following four unconsolidated dockets (which resulted in some parties intervening in all four proceedings): EL24-80 (MISO); EL24-81 (PJM); EL24-82 (SPP); and EL24-83 (ISO-NE).

¹⁹ The rules identified in the *Order to Show Cause* were those that establish the methodology to recover costs associated with interconnection-related upgrades, and the related financial obligations of the PTO or the interconnecting party – in New England, set forth in Article 11.3 of the LGIA, Article 5.2 of the SGIA, and Article 11.3 of the ETU IA, as well as Schedule 11 of the OATT.

response of Indicated New England Transmission Owners (“NETOS”)²⁰ to the NE Response. NETOs’ response identified several reasons why the FERC’s proposal is in their view beyond the FERC’s authority and power.

Responses to the September NE Response were due on or before October 25, 2024. Responses from ISO-NE-related parties to this joint proceeding were filed by, among others: [NE TOs](#), [Invenergy](#), [Public Interest Organizations](#), [Public Systems](#), [Clean Energy Associations](#), [EEI](#), [WIRES](#), and the [Harvard Law Initiative](#). Since the last Report, the ISO-NE IMM filed comments in the MISO version of this proceeding to urge the FERC to reject MISO’s request for a broad, and what the IMM asserts is an inappropriately limited, declaration on the authority of an IMM to monitor long-term transmission planning for impacts on the wholesale markets and assumed efficiency improvements to those markets. Each of the regional matters, including the New England-specific docket, remain pending before the FERC.

Federal Court Appeals. On August 30, 2024, certain parties²¹ filed a petition for review of the FERC’s orders in this proceeding in the 8th Circuit, since challenged by the FERC. Developments on the federal court appeals will be reported in Section XVI below. In the meantime, if you have questions on this proceeding, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mczepiel@daypitney.com).

- **Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64)**

There are four proceedings, long pending before the FERC, in which the TOs’ return on equity (“Base ROE”) for regional transmission service has been challenged.

- **Base ROE Complaint I (EL11-66).** In the first Base ROE Complaint proceeding, the FERC concluded that the TOs’ ROE had become unjust and unreasonable,²² set the TOs’ Base ROE at 10.57% (reduced from 11.14%), capped the TOs’ total ROE (Base ROE *plus* transmission incentive adders) at 11.74%, and required implementation effective as of October 16, 2014 (the date of *Opinion 531-A*).²³ However, the FERC’s orders were challenged, and in *Emera Maine*,²⁴ the U.S. Court of Appeals for the D.C. Circuit (“DC Circuit”) vacated the FERC’s prior orders, and remanded the case for further proceedings consistent with its order. The FERC’s determinations in *Opinion 531* are thus no longer precedential, though the FERC remains free to re-adopt those determinations on remand as long as it provides a reasoned basis for doing so.

²⁰ The NETOs, for purposes of this proceeding, are: Eversource; Central Maine Power Company (“CMP”); The United Illuminating Company (“UI”); New England Power Company (“National Grid”); The Narragansett Electric Company (“RI Energy”); Fitchburg Gas and Electric Light Co. (“Unitil”); and Versant Power (“Versant”).

²¹ The parties to the 8th Circuit Appeal are: Ameren Services Co., Ameren Illinois Co., Union Elec. Co. d/b/a Ameren Missouri, Ameren Trans. Co. of IL, American Trans. Co. LLC, Duke Energy Corp., Duke Energy Business Services, LLC, Duke Energy Ohio, Inc., Duke Energy KY, Inc., Duke Energy IN, LLC, Exelon Corp., Atlantic City Elec. Co., Baltimore Gas and Elec. Co., Commonwealth Edison Co., Delmarva Power & Light Co., PECO Energy Co., Potomac Elec. Power Co., Northern Indiana Pub. Svc. Co. LLC, Xcel Energy Services Inc., Northern States Power Co., a MN Corp., Northern States Power Co., a WI Corp., and Southwestern Pub. Svc. Co. (“8th Circuit Parties”).

²² The TOs’ 11.14% pre-existing Base ROE was established in *Opinion 489*. *Bangor Hydro-Elec. Co.*, Opinion No. 489, 117 FERC ¶ 61,129 (2006), *order on reh’g*, 122 FERC ¶ 61,265 (2008), *order granting clarif.*, 124 FERC ¶ 61,136 (2008), *aff’d sub nom.*, Conn. Dep’t of Pub. Util. Control v. FERC, 593 F.3d 30 (D.C. Cir. 2010) (“*Opinion 489*”).

²³ *Coakley Mass. Att’y Gen. v. Bangor Hydro-Elec. Co.*, 147 FERC ¶ 61,234 (2014) (“*Opinion 531*”), *order on paper hearing*, 149 FERC ¶ 61,032 (2014) (“*Opinion 531-A*”), *order on reh’g*, 150 FERC ¶ 61,165 (2015) (“*Opinion 531-B*”).

²⁴ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) (“*Emera Maine*”). *Emera Maine* vacated the FERC’s prior orders in the Base ROE Complaint I proceeding, and remanded the case for further proceedings consistent with its order. The Court agreed with both the TOs (that the FERC did not meet the Section 206 obligation to first find the existing rate unlawful before setting the new rate) and “Customers” (that the 10.57% ROE was not based on reasoned decision-making, and was a departure from past precedent of setting the ROE at the midpoint of the zone of reasonableness).

- **Base ROE Complaints II & III (EL13-33 and EL14-86) (consolidated).** The second (EL13-33)²⁵ and third (EL14-86)²⁶ ROE complaint proceedings were consolidated for purposes of hearing and decision, though the parties were permitted to litigate a separate ROE for each refund period. After hearings were completed, ALJ Sterner issued a 939-paragraph, 371-page *Initial Decision*, which lowered the base ROEs for the EL13-33 and EL14-86 refund periods from 11.14% to 9.59% and 10.90%, respectively.²⁷ The *Initial Decision* also lowered the ROE ceilings. Parties to these proceedings filed briefs on exception to the FERC, which has not yet issued an opinion on the ALJ's *Initial Decision*.
- **Base ROE Complaint IV (EL16-64).** The fourth and final ROE proceeding²⁸ also went to hearing before an Administrative Law Judge ("ALJ"), Judge Glazer, who issued his initial decision on March 27, 2017.²⁹ The *Base ROE IV Initial Decision* concluded that the currently-filed base ROE of 10.57%, which may reach a maximum ROE of 11.74% with incentive adders, was **not** unjust and unreasonable for the Complaint IV period, and hence was not unlawful under Section 206 of the FPA.³⁰ Parties in this proceeding filed briefs on exception to the FERC, which has not yet issued an opinion on the *Base ROE IV Initial Decision*.

October 16, 2018 Order Proposing Methodology for Addressing ROE Issues Remanded in Emera Maine and Directing Briefs. On October 16, 2018, the FERC, addressing the issues that were remanded in *Emera Maine*, proposed a new methodology for determining whether an existing ROE remains just and reasonable.³¹ The FERC indicated its intention that the methodology be its policy going forward, including in the four currently pending New England proceedings (*see, however, Opinion 569-A*³² (EL14-12; EL15-45) in

²⁵ The 2012 Base ROE Complaint, filed by Environment Northeast (now known as Acadia Center), Greater Boston Real Estate Board, National Consumer Law Center, and the NEPOOL Industrial Customer Coalition ("NICC", and together, the "2012 Complainants"), challenged the TOS' 11.14% ROE, and seeks a reduction of the Base ROE to 8.7%.

²⁶ The 2014 Base ROE Complaint, filed July 31, 2014 by the MA AG, together with a group of State Advocates, Publicly Owned Entities, End Users, and End User Organizations (together, the "2014 ROE Complainants"), seeks to reduce the current 11.14% Base ROE to 8.84% (but in any case no more than 9.44%) and to cap the Combined ROE for all rate base components at 12.54%. 2014 ROE Complainants state that they submitted this Complaint seeking refund protection against payments based on a pre-incentives Base ROE of 11.14%, and a reduction in the Combined ROE, relief as yet not afforded through the prior ROE proceedings.

²⁷ *Environment Northeast v. Bangor Hydro-Elec. Co. and Mass. Att'y Gen. v. Bangor Hydro-Elec. Co.*, 154 FERC ¶ 63,024 (Mar. 22, 2016) ("*2012/14 ROE Initial Decision*").

²⁸ The 4th ROE Complaint asked the FERC to reduce the TOS' current 10.57% return on equity ("Base ROE") to 8.93% and to determine that the upper end of the zone of reasonableness (which sets the incentives cap) is no higher than 11.24%. The FERC established hearing and settlement judge procedures (and set a refund effective date of April 29, 2016) for the 4th ROE Complaint on September 20, 2016. Settlement procedures did not lead to a settlement, were terminated, and hearings were held subsequently held December 11-15, 2017. The September 26, 2016 order was challenged on rehearing, but rehearing of that order was denied on January 16, 2018. *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 156 FERC ¶ 61,198 (Sep. 20, 2016) ("*Base ROE Complaint IV Order*"), *reh'g denied*, 162 FERC ¶ 61,035 (Jan. 18, 2018) (together, the "*Base ROE Complaint IV Orders*"). The *Base ROE Complaint IV Orders*, as described in Section XVI below, have been appealed to, and are pending before, the DC Circuit.

²⁹ *Belmont Mun. Light Dept. v. Central Maine Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) ("*Base ROE Complaint IV Initial Decision*").

³⁰ *Id.* at P 2.; Finding of Fact (B).

³¹ *Coakley v. Bangor Hydro-Elec. Co.*, 165 FERC ¶ 61,030 (Oct. 18, 2018) ("*Order Directing Briefs*" or "*Coakley*").

³² *Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154 (2020) ("*Opinion 569-A*"). The refinements to the FERC's ROE methodology included: (i) the use of the Risk Premium model instead of only relying on the DCF model and CAPM under both prongs of FPA Section 206; (ii) adjusting the relative weighting of long- and short-term growth rates, increasing the weight for the short-term growth rate to 80% and reducing to 20% the weight given to the long-term growth rate in the two-step DCF model; (iii) modifying the high-end outlier test to treat any proxy company as high-end outlier if its cost of equity estimated under the model in question is more than 200% of the median result of all the potential proxy group members in that model before any high- or low-end outlier test is applied, subject to a natural break analysis. This is a shift from the 150% threshold applied in

Section XI below). The FERC established a paper hearing on how its proposed methodology should apply to the four pending ROE proceedings.³³

At highest level, the new methodology will determine whether (1) an existing ROE is unjust and unreasonable under the first prong of FPA Section 206 and (2) if so, what the replacement ROE should be under the second prong of FPA Section 206. In determining whether an existing ROE is unjust and under the first prong of Section 206, the FERC stated that it will determine a “composite” zone of reasonableness based on the results of three models: the Discounted Cash Flow (“DCF”), Capital Asset Pricing Model (“CAPM”), and Expected Earnings models. Within that composite zone, a smaller, “presumptively reasonable” zone will be established. Absent additional evidence to the contrary, if the utility's existing ROE falls within the presumptively reasonable zone, it is not unjust and unreasonable. Changes in capital market conditions since the existing ROE was established may be considered in assessing whether the ROE is unjust and unreasonable.

If the FERC finds an existing ROE unjust and unreasonable, it will then determine the new just and reasonable ROE using an averaging process. For a diverse group of average risk utilities, FERC will average four values: the midpoints of the DCF, CAPM and Expected Earnings models, and the results of the Risk Premium model. For a single utility of average risk, the FERC will average the medians rather than the midpoints. The FERC said that it would continue to use the same proxy group criteria it established in *Opinion 531* to run the ROE models, but it made a significant change to the manner in which it will apply the high-end outlier test.

The FERC provided preliminary analysis of how it would apply the proposed methodology in the Base ROE I Complaint, suggesting that it would affirm its holding that an 11.14% Base ROE is unjust and unreasonable. The FERC suggested that it would adopt a 10.41% Base ROE and cap any preexisting incentive-based total ROE at 13.08%.³⁴ The new ROE would be effective as of the date of *Opinion 531-A*, or October 16, 2014. Accordingly, the issue to be addressed in the Base ROE Complaint II proceeding is whether the ROE established on remand in the first complaint proceeding remained just and reasonable based on financial data for the six-month period September 2013 through February 2014 addressed by the evidence presented by the participants in the second proceeding. Similarly, briefing in the third and fourth complaints will have to address whether whatever ROE is in effect as a result of the immediately preceding complaint proceeding continues to be just and reasonable.

The FERC directed participants in the four proceedings to submit briefs regarding the proposed approaches to the FPA section 206 inquiry and how to apply them to the complaints (separate briefs for each proceeding). Additional financial data or evidence concerning economic conditions in any proceeding must relate to periods before the conclusion of the hearings in the relevant complaint proceeding. Following a FERC notice granting a request by the TOs and Customers³⁵ for an extension of time to submit briefs, the latest date for filing initial and reply briefs was extended to January 11 and March 8, 2019, respectively. On January 11, initial briefs were filed by EMCOS, Complainant-Aligned Parties, TOs, Edison Electric Institute (“EEI”), Louisiana PSC, Southern California Edison, and AEP. As part of their initial briefs, each of the Louisiana PSC, SEC and AEP also moved to intervene out-of-time. Those interventions were opposed by the TOs on January 24, 2019. The Louisiana PSC answered the TOs’ January 24 motion on February 12. Reply briefs were due March 8, 2019 and were submitted by the TOs, Complainant-Aligned Parties, EMCOS, and FERC Trial Staff.

Opinion 569; and (iv) calculating the zone of reasonableness in equal thirds, instead of using the quartile approach that was applied in *Opinion 569*.

³³ *Id.* at P 19.

³⁴ *Id.* at P 59.

³⁵ For purposes of the motion seeking clarification, “Customers” are CT PURA, MA AG and EMCOS.

TOs Request to Re-Open Record and file Supplemental Paper Hearing Brief. On December 26, 2019, the TOs filed a Supplemental Brief that addresses the consequences of the November 21 *MISO ROE Order*³⁶ and requested that the FERC re-open the record to permit that additional testimony on the impacts of the *MISO ROE Order's* changes. On January 21, 2020, EMCOS and Complainant-Aligned Parties (“CAPs”) opposed the TOs’ request and brief. No action was ever taken in response to this activity.

Nov 2023 Supplemental Brief. As reported at the December 5, 2024 Annual Meeting, the TOs filed, on November 13, 2024, a “[Motion](#) to File Supplemental Brief Addressing the Inability of the [FERC]’s MISO Methodology to Satisfy the Mandate of the *Emera Maine* Court in these Cases, the Requirements of Section 206, and the Need to Promote Transmission Investment in New England”. On December 13, 2024, WIRES/EEI supported the TOs Motion,³⁷ and CAPs³⁸ replied in opposition to the Motion. On December 20, 2024, the TOs filed an answer to the CAPs’ statements concerning the FERC’s authority to order refunds for the period from when the FERC issues its order on remand back to October 16, 2014.

These matters remain pending before the FERC. If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Joe Fagan (202-218-3901; jfagan@daypitney.com).

II. Rate, ICR, FCA, Cost Recovery Filings

- **Bucksport CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER25-3233)**

On August 19, 2025, Bucksport Generation LLC (“Bucksport”) requested FERC acceptance of its revised rate schedule to allow recovery of eligible Interconnection Reliability Operating Limits (“IROL”) critical infrastructure protection (“CIP”) costs (“CIP-IROL”) under Schedule 17 of the ISO-NE Tariff, effective October 18, 2025. Bucksport seeks to recover \$292,870 of CIP-IROL Costs incurred between April 1, 2023 and March 31, 2025. Comments on Bucksport’s request were due on or before September 9, 2025; none were filed. National Grid intervened doc-lessly. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Transmission Rate Annual (2023-24) Update/Info Filing (MOPA Formal Challenge (ER20-2054-000))**

On September 18, 2025, the FERC accepted in part and denied in part³⁹ the Maine Office of the Public Advocate’s (“MOPA”) formal challenge (“MOPA Formal Challenge”)⁴⁰ to the TO’s 2023-24 Annual Update.⁴¹

³⁶ *Ass’n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569, 169 FERC ¶ 61,129 (Nov. 21, 2019) (“*MISO ROE Order*”), *order on reh’g*, Opinion No. 569-A, 171 FERC ¶ 61,154 (May 21, 2020).

³⁷ Agreeing with the TOs, the WIRES/EEI comments asserted: (i) that the FERC lacks the statutory authority to order refunds outside the 15-month refund period; (ii) the FERC’s claim of remedial authority to correct legal error does not justify retroactive ROE refunds; and (iii) the FERC should accept and give consideration to the NETOs’ supplemental brief and supporting affidavits.

³⁸ “CAPs” are: the Conn. Pub. Utils. Regulatory Authority (“CT PURA”); the Conn. Office of Consumer Counsel (“CT OCC”); Mass. Mun. Wholesale Elec. Co. (“MMWEC”); NH Elec. Coop. (“NHEC”); the RI Div. of Pub. Utils. and Carriers (“RI Div.”); and Eastern Mass. Consumer-Owned Systems (“EMCOS”), who consist of the Belmont Mun. Light Dept. (“Belmont”); Braintree Elec. Light Dept. (“Braintree”); Concord Mun. Light Plant (“Concord”); Georgetown Mun. Light Dept. (“Georgetown”); Groveland Elec. Light Dept. (“Groveland”); Hingham Mun. Lighting Plant (“Hingham”); Littleton Elec. Light & Water Dept. (“Littleton”); Merrimac Mun. Light Dept. (“Merrimac”); Middleton Elec. Light Dept. (“Middleton”); Reading Mun. Light Dept. (“Reading”); Rowley Mun. Lighting Plant (“Rowley”); Taunton Mun. Lighting Plant (“Taunton”); and Wellesley Mun. Light Plant (“Wellesley”).

³⁹ ISO New England Inc., 192 FERC ¶ 61,234 (Sep. 18, 2025) (“*MOPA 2023-24 Annual Rate Update Challenge Order*”).

⁴⁰ In the MOPA Formal Challenge, MOPA asserted that, (i) with respect to the cost of asset condition projects placed into service in 2022, “Identified TOs” (Eversource (CL&P, NSTAR East, NSTAR West, and PSNH); National Grid; MEPCO; Narragansett; and VELCO/VTransco) have refused to answer questions regarding investment policies and practices related to prudence of these investments and (ii) that the Identified TOs’ decision not to respond to these questions violates their obligation under the OATT’s Protocols.

⁴¹ On July 31, 2023, the PTO-AC submitted its annual filing identifying adjustments to Regional Transmission Service charges, Local Service charges, and Schedule 12C Costs under Section II of the Tariff for 2024 (the “2023-24 Annual Update”). The filing reflected the

Specifically, the FERC directed Eversource, National Grid, and MEPCO to respond to Maine OPA's Information Request Questions 1(b)(1) and 1(c)(2), and directed all of the Identified NETOs (Eversource; National Grid; MEPCO; Narragansett ; and VELCO/VTransco) to respond to Question 4,⁴² on or before **October 19, 2025**. In addition, the FERC granted MOPA's request to permit it to supplement the MOPA Formal Challenge, as requested, with regard to the prudence of Identified NETOs' asset condition project costs reflected in the 2023 Annual Update, with such supplement to be filed on or before **December 18, 2025**. Of note, Commissioner Chang's concurrence emphasized stakeholders' fundamental right to transmission planning and investment information through existing formula rate protocols and encouraged transmission owners/planners to proactively share information on transmission projects and planning.

Subject to the information exchange and any MOPA supplement to its Formal Challenge described above, the MOPA Formal Challenge remains pending before the FERC. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

- **ISO-NE Waiver Request: Capacity Performance Payment Calculation and Use of Late Payment Account (ER25-3253)**

On August 20, 2025, ISO-NE requested limited waivers of Market Rule 1 section 13.7.2.6 (Calculation of Capacity Performance Payments), and the Billing Policy, section 3.3(e) (Late Payment Account) to reimburse/make whole Brookfield White Pine Hydro's Harris Hydro Unit 2 ("Harris 2"). ISO-NE explained that Harris 2 was incorrectly assessed a \$68,000 Performance Payment Charge for the June 24, 2025 Capacity Scarcity Condition ("CSC") when ISO-NE manually prevented Harris 2 from running at its EcoMax during the CSC because a non-commercial resource that was not conducting an otherwise permitted commissioning activity was incorrectly permitted to run. ISO-NE proposed the limited waivers to ensure that the charge is excluded from Harris 2's final invoice for that operating day and the amount is returned to Harris 2 through a withdrawal from the Late Payment Account. Comments on this filing were due on or before September 9, 2025. Brookfield filed comments supporting the Request. NEPOOL, Calpine, and National Grid intervened doc-lessly only. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Waiver Request: Interconnection Request Requirements (Evergreen Wind Power II) (ER25-3031)**

As previously reported, Evergreen Wind Power II ("Evergreen") requested, on July 30, 2025, waiver of certain LGIP and Tariff provisions that require a prospective New Capacity Resource to have submitted a valid Interconnection Request seeking Capacity Network Resource ("CNR") Interconnection Service, and to have been assigned a valid Queue Position associated with that request, as of June 13, 2024, as a condition of participating in the Interim Reconfiguration Auction Qualification process ("Evergreen Waiver Request"). Evergreen states that the Waiver Request will allow it to seek qualification of its capacity for participation in the FCM, through participation in the Transitional CNR Group Study. Evergreen explained the circumstances that preceded and

charges to be assessed under annual transmission and settlement formula rates, reflecting actual 2022 cost data, plus forecasted revenue requirements associated with projected PTF, Local Service and Schedule 12C capital additions for 2023 and 2024, as well as the Annual True-up including associated interest. The PTO-AC stated that the annual updates result in a Pool "postage stamp" RNS Rate of \$154.35/kW-year effective Jan. 1, 2024, an increase of \$12.71 /kW-year from the charges that went into effect on Jan. 1, 2023. In addition, the filing included updates to the revenue requirements for Scheduling, System Control and Dispatch Services (the Schedule 1 formula rate), which result in a Schedule 1 charge of \$1.95 kW-year (effective June 1, 2023 through May 31, 2024), a \$0.20/kW-year increase from the Schedule 1 charge that last went into effect on June 1, 2023.

⁴² Question 1(b)(1) requested copies of any written policies that describe the procedures and processes employed to evaluate the need for a particular asset condition project; Question 1(c)(2) requested copies of any documents (or a narrative description if no documents exist) identifying the reasons why those participating in the decision-making process recommended against proceeding with a particular asset condition project; Question 4 related to the existence and employment of safeguards against the placement of asset condition projects into service before they are needed.

resulted in the Waiver Request. Evergreen stated that a waiver would allow ISO-NE to accept Evergreen's updated request for CNR Interconnection Service, and place Evergreen at the back of the Interconnection Queue, lower in priority to all other projects being evaluated in the Transitional CNR Group Study. Given the timing for ISO-NE's issuance of FCA19 qualification notices, Evergreen requested that the FERC act on the Evergreen Waiver Request no later than October 16, 2025. Comments on the Evergreen Waiver Request were due on or before August 20, 2025; none were filed. The Evergreen Waiver Request is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

IV. OATT Amendments / TOAs / Coordination Agreements

- **PBOP Collections Report (Eversource) (ER26-58)**

On October 7, 2025, Eversource filed a report identifying planned collection activity related to the over recovery of post-retirement benefits other than pensions ("PBOP") under Appendix A to Attachment F to the ISO-NE OATT. The report was required to be filed with the FERC because the absolute value of the over-recovery exceeds the threshold identified in OATT Attachment F.⁴³ No changes to the filed rate were sought. The report shows an over-recovery, after interest, of **\$368,462** for CL&P, **\$759,568** for NSTAR East, and **\$179,779** for PSNH. If accepted, the PBOP figures will be used in Eversource's 2025 Annual Updates. Comments on this filing are due on or before **October 28, 2025**. If you have any questions concerning this proceeding, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NECEC Tariff Conforming Changes (ER25-3128)**

On October 1, 2025, the FERC accepted, effective October 7, 2025 as requested, conforming changes to Sections I and II of the Tariff to support the operation and implementation of the New England Clean Energy Connect ("NECEC") Transmission Line as an Other Transmission Facility ("NECEC Tariff Changes").⁴⁴ Specifically, the NECEC Tariff Changes introduce new definitions, including "NECEC Transmission LLC", "NECEC Transmission Line" and "Schedule 20 Service Provider", incorporate the NECEC Transmission Line into Attachment C of the OATT, and make related conforming edits. Unless the October 1 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **CMP Att F Appendix A Revisions (ER25-3067)**

On September 22, 2025, the FERC accepted CMP-proposed revisions to certain worksheets in the transmission formula rate template contained in Appendix A to Attachment F of the OATT.⁴⁵ As previously reported, the revisions will enable CMP to directly assign to the transmission or distribution function, as appropriate, (i) investments made on or after October 1, 2025 and recorded to FERC Accounts 301 through 303 ("Intangible Plant") and 389 through 399.1 ("General Plant", and together with Intangible Plant, "G&I Plant"); and (ii) depreciation reserve, amortization reserve, depreciation expense, and amortization expense associated with directly assigned G&I Plant. The changes were accepted effective as of October 1, 2025, as requested. Unless the September 22 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **PBOP Collections Report, Attachment F App. A (FG&E) (ER25-3065)**

On September 23, 2025, the FERC accepted Fitchburg Gas & Electric's ("FG&E") report identifying planned collection activity related to a **\$132,866** over recovery of PBOP under Appendix A to Attachment F to

⁴³ A Report is required when "the absolute value of [(Cumulative Under/(Over) Recovery, including Current Year interest)] is greater than \$100,000 and the absolute value of [(Cumulative Under/(Over) recovery, including Current Year interest, as a percent of transmission-related PBOP expense)] is greater than 20%. See ISO-NE OATT, Attachment F, Appendix A, Worksheet 9, Note (j).

⁴⁴ *ISO New England Inc.*, Docket No. ER25-3128-000 (Oct. 1, 2025) (unpublished letter order).

⁴⁵ *Central Maine Power Co.*, Docket No. ER25-3067 (Sep. 22, 2025) (unpublished letter order).

the ISO-NE OATT.⁴⁶ The report was required to be filed with the FERC because the absolute value of the over-recovery exceeded the threshold identified in OATT Attachment F.⁴⁷ The report was accepted effective as of *October 1, 2025* and the PBOP figures will be used in FG&E's 2026 Annual Updates. Unless the September 23 order is challenged, this proceeding will be concluded. If you have any questions concerning this proceeding, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **MEPCO Attachment H Updates (ER25-2902)**

On September 19, 2025, the FERC accepted, effective *September 20, 2025*, Maine Electric Power Company's ("MEPCO") revisions to Attachment H of the ISO-NE OATT⁴⁸ to reflect the currently effective MEPCO Grandfathered Transmission Service Agreements ("MGTSAs") under which MEPCO provides transmission service.⁴⁹ In accepting the revisions, the FERC found that the issues related to whether Emera was improperly billed or paid for service not received under the MGTSAs⁵⁰ was outside of the scope of this proceeding (noting Emera's ability to raise its concerns through dispute resolution under the Tariff⁵¹ or a Section 206 complaint). Challenges to the *MEPCO Attachment H Order*, if any, are due on or before **October 20, 2025**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Order 676-K Compliance Filings (ER25-2654; ER25-2657)**

On June 27, 2025, in accordance with *Order 676-K*,⁵² the following *Order 676-K* compliance filings to incorporate, or seek waiver of, the WEQ Version 004 Standards were submitted:

- ♦ *Order 676-K* Compliance Filing (ISO-NE, NEPOOL, CSC: Tariff Schedule 24 and Schedule 18-Attachment Z) (ER25-2654); and
- ♦ *Order 676-K* Compliance Filing (ISO-NE, PTO AC, Schedule 20-A Service Providers: Schedules 20A-Common and 21-Common) (ER23-2657).

Comments on the compliance filings were due on or before July 17, 2025; none were filed. Calpine intervened in each proceeding. The *Order 676-K* compliance filings remain pending before the FERC. If there are questions on any of these compliance filings, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 904 Compliance Filing – Reactive Power Compensation Revisions (ER25-1703)**

On March 19, 2025, ISO-NE and NEPOOL submitted revisions to Schedule 2 of the ISO-NE OATT in compliance with *Order 904* ("Reactive Power Compensation Changes"). The Reactive Power Compensation Changes eliminate compensation for reactive power capability within the standard power factor range of 0.95 leading to 0.95 lagging, while continuing to allow compensation for capability outside that range. The proposed revisions to Schedule 2 of the OATT were supported by the Participants Committee at its March 6, 2025 meeting

⁴⁶ *ISO New England Inc., Fitchburg Gas and Elec. Light Co.*, Docket No. ER25-3065-000 (Sep. 25, 2025) (unpublished letter order).

⁴⁷ A Report is required when "the absolute value of [(Cumulative Under/(Over) Recovery, including Current Year interest)] is greater than \$100,000 and the absolute value of [(Cumulative Under/(Over) recovery, including Current Year interest, as a percent of transmission-related PBOP expense)] is greater than 20%. See ISO-NE OATT, Attachment F, Appendix A, Worksheet 9, Note (j).

⁴⁸ The filing was submitted in accordance with Section II.45.1 of the ISO-NE OATT, which requires MEPCO to periodically review and update Attachment H.

⁴⁹ *Maine Elec. Power Co. and ISO New England Inc.*, 192 FERC ¶ 61,238 (Sep. 19, 2025) ("*MEPCO Attachment H Order*").

⁵⁰ On August 11, 2025, Emera filed comments requesting that the FERC confirm the validity and continued effectiveness of two Emera Grandfathered Transmission Service Agreements ("GTSA") that currently appear to have expired July 31, 2013 and 2014, or alternatively, direct MEPCO to provide refunds to Emera for any period in which Emera paid MEPCO for transmission service that was not available to Emera under the MGTSAs because Attachment H and/or the OASIS was not updated in a timely manner.

⁵¹ See Tariff, § 1.6 (Dispute Resolution) (0.0.0).

⁵² *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-K, 190 FERC ¶ 61,116 (Feb. 19, 2025) ("*Order 676-K*").

(Agenda Item #6). An effective date of 6-12 months from the date of an order accepting the filing, with an actual date to be submitted one month in advance, was requested. Comments on the filing were due on or before April 9, 2025. NEPGA filed supporting comments; doc-less interventions were filed by Calpine, CPV Towantic, MA AG, National Grid, Shell, Vistra, and SEIA. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mzczepiel@daypitney.com).

V. Financial Assurance/Billing Policy Amendments

No Activity to Report

VI. Schedule 20/21/22/23 Changes & Agreements⁵³

- **Schedule 20B-NECEC: Reassignment/Resale of NECEC Transmission Service (ER25-2894)**

On September 16, 2025, the FERC accepted NECEC's proposed procedures for resale and reassignment of point-to-point transmission service over the NECEC Transmission Line (ISO-NE OATT Schedule 20B-NECEC),⁵⁴ effective *September 16, 2025*, as requested.⁵⁵ The FERC also granted NECEC's request for waiver of the requirement to file an OATT, as requested in NECEC's September 2 supplemental filing.⁵⁶ Unless the September 16 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Schedule 21-GMP: Green Mountain Power/Hardwick NITSA Notice of Cancellation (ER25-298)**

On October 30, 2024, GMP submitted a notice of cancellation of the Network Integration Transmission Service Agreement and Local Operating Agreement ("NITSA") with the Village of Hardwick Electric Department ("Hardwick") filed under Schedule 21-GMP. GMP reported that, as of June 30, 2024, Hardwick is no longer taking service pursuant to the NITSA. GMP requested that the FERC grant waiver of its notice requirement⁵⁷ to the extent necessary to permit a requested June 30, 2024 effective date. Comments on this filing were due on or before November 20, 2024; none were filed. As of the date of this Report, the FERC has still not acted on this filing. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Schedule 21-VP: 2022 Annual Update Settlement Agreement (ER20-2054-003)**

Still pending is Versant's August 29, 2023 Joint Offer of Settlement ("Versant 2022 Annual Update Settlement Agreement") between itself and the MPUC.⁵⁸ Versant stated that, if approved, the 2022 Annual Update Settlement Agreement would resolve all issues raised by the MPUC with respect to the 2022 Annual

⁵³ Reporting on the following Time Value Refunds Reports, which have each been pending before the FERC for more than a year and a half, has been suspended and will be continued if and when there is new activity to report: Schedule 21-VP: Versant/Jonesboro LSA (ER24-24); Schedule 21-GMP: National Grid/Green Mountain Power LSA (ER23-2804); and Schedule 21-VP: Versant/Black Bear LSAs (ER23-2035).

⁵⁴ While resale/reassignment terms are generally addressed under Schedules 18 and 20A, NECEC proposed more detailed procedures to provide additional transparency for the NECEC Transmission Line, the U.S. portion of the 1,200 MW interconnection between New England and Québec.

⁵⁵ *NECEC Transmission LLC*, 192 FERC ¶ 61,221 (Sep. 16, 2025).

⁵⁶ *Id.* at PP 2, 22.

⁵⁷ 18 CFR § 35.11 (which permits, upon application and for good cause shown, the FERC to allow a rate schedule, tariff, service agreement, or a part thereof, to become effective as of a date prior to the date of filing or the date such change would otherwise become effective in accordance with the FERC's rules (e.g. 60 days after filing)). FERC policy is to deny waiver of the prior notice requirement when an agreement for new service is filed on or after the date that services commence, absent a showing of extraordinary circumstances.

⁵⁸ Joint Offer of Settlement Regarding Versant Power, Bangor Hydro District Charges.

Update. Although no adverse comments on the Versant 2022 Annual Update Settlement Agreement were filed, this matter remains pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

VII. NEPOOL Agreement/Participants Agreement Amendments

- **134th Agreement (ER25-2953)**

On September 4, 2025, the FERC accepted the One Hundred Thirty-Fourth Agreement Amending New England Power Pool Agreement (the “134th Agreement”), effective as of *October 1, 2025* as requested. The 134th Agreement replaces the definition of “Fuels Industry Participant” with “Associate Non-Voting Participant”. The September 4 order was not challenged and this proceeding is concluded. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

VIII. Regional Reports⁵⁹

- **Capital Projects Report – 2025 Q2 (ER25-3137)**

On August 8, 2025, ISO-NE filed its Capital Projects Report and Unamortized Cost Schedule covering the second quarter (“Q2”) of calendar year 2025 (the “Report”), requesting an effective date of July 1, 2025. ISO-NE is required to file the Report under section 205 of the FPA pursuant to Section IV.B.6.2 of the Tariff. Report highlights included the following new projects: (i) Distributed Energy Resources *Order 2222* Integration (\$5,351,600); (ii) Synchrophasor Systems NERC CIP Compliance (\$2,074,100); (iii) Microsoft 365 Phase II (\$815,800); (iv) Circuit Inventory Management Platform (\$190,700); (v) CAMS High Priority Application Modification Request (“AMR”) Project (\$397,700); (vi) Solver Performance Study (\$346,500); (vii) Centralized Application Security (\$204,600); and (viii) Enterprise Document Library MS 365 Conversion (\$186,700). The CIP Electronic Security Perimeter Redesign Phase II (\$4,760,600) was completed this quarter. Projects with significant budget changes included: CAMS Application Software Technology Upgrade (increase of \$283,800 to \$1,639,600); Identity Access Management Automation Improvements (decrease of \$282,400 to \$476,400); 2025 Issue Resolution (decrease of \$180,000 to \$523,000); and Replace Employee Expense Management System (decrease of \$137,900 to \$289,500). Significant budget changes for projects in planning include a decrease of \$2 million for the nGEM Software Development Part IV project, which is no longer needed due to the program being completed with Part III. ISO-NE’s non-project capital spending budget increased by \$300,000, for a total of \$5.3 million, due to an accelerated repair of the Sullivan North building roof. Comments on this filing were due on or before August 29, 2025. NEPOOL filed comments supporting the Report. National Grid intervened doc-lessly. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

IX. Membership Filings

Questions concerning any of the Membership Filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Oct 2025 Membership Filing (ER25-3571)**

On September 30, 2025, NEPOOL requested that the FERC accept: (i) the following Applicants’ membership in NEPOOL: AE-ESS Holyoke, LLC [Related Person to Agilitas Companies (AR Sector, DG Sub-Sector)]; American Power & Gas of RI, LLC [Related Person to American Power & Gas of MA, LLC (Supplier Sector)]; and Burgess BioPower [Related Person to Berlin Station (Generation Sector Group Member)]; and (ii) the termination

⁵⁹ Reporting on the *Opinion 531* Refund Reports (EL11-66) has been suspended and will be continued if and when there is new activity to report.

of the Participant status of Hudson Energy Services. Comments on this filing, if any, are due on or before **October 21, 2025**.

- **Sep 2025 Membership Filing (ER25-3342)**

On August 29, 2025, NEPOOL requested that the FERC accept: (i) the following Applicants' membership in NEPOOL: energyRe Giga-Projects, LLC (Provisional Member, QTPS); and Janus Power LLC (Supplier Sector); (ii) the termination of the Participant status of Windham Energy Center; and (iii) the corporate name changes of Ictec Energy Services, LLC (f/k/a Ictec Energy Services, Inc.); and Research Power Corporation (f/k/a Centre Lane Trading Ltd.). Comments on this filing were due on or before September 19, 2025; none were filed. This matter is pending before the FERC.

- **Aug 2025 Membership Filing (ER25-3002)**

On September 25, 2025, the FERC accepted: (i) the following Applicants' membership in NEPOOL: Alpha Generation LLC [Related Person to the Generation Bridge companies (Generation Sector)]; Ryegate Associates (AR Sector, RG Sub-Sector, Large RG Group Seat); and TDI DevCo LLC [Related Person to Champlain VT, LLC; and (ii) the corporate name changes of ReGenerate Stratton LLC (f/k/a ReEnergy Stratton LLC); and Clearlight Energy Services LLC (f/k/a Algonquin Energy Services Inc.). Unless the September 25 order is challenged, this proceeding will be concluded.

- **Suspension Notice (not docketed)**

Since the last Report, ISO-NE filed, pursuant to Section 2.3 of the Information Policy, a notice with the FERC noting that the following Market Participant was suspended from the New England Markets on the date indicated (at 8:30 a.m.):

<i>Date of Suspension/ FERC Notice</i>	<i>Participant Name</i>	<i>Default Type</i>
Sep 23, 2025	Antrim Wind Energy LLC	Financial Assurance
Sep 29, 2025	11772244 Canada Inc.	Financial Assurance

Suspension notices are for the FERC's information only and are not docketed or noticed for public comment

X. Misc. - ERO Rules, Filings; Reliability Standards⁶⁰

Questions concerning any of the ERO Reliability Standards or ERO-related rule-making proceedings or filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **NERC FFT/CE Programs Annual Report (RC11-6-021)**

On September 23, 2025, NERC filed its annual report on the Find, Fix, and Track ("FFT") and Compliance Exception ("CE") programs, in accordance with prior orders.⁶¹ Building upon NERC and FERC Staff's annual coordinated review of FFTs and CEs summarized in the last Report, NERC reported that the FFT and CE Programs continue to meet expectations. NERC added that the results of the annual joint review show continued overall improvement in program implementation and significant alignment across the ERO Enterprise, particularly in the

⁶⁰ Reporting on the following ERO Reliability Standards or related rule-making proceedings has been suspended and will be continued if and when there is new activity to report: NERC Report on Evaluation of Physical Reliability Standard (CIP-014) (RD23-2); Order 901: IBR Reliability Standards (RM22-12); and 2024 Reliability Standards Development Plan (RM05-17 *et al.*).

⁶¹ See *N. Am. Elec. Rel. Corp.*, 138 FERC ¶ 61,193 (2012); *N. Am. Elec. Rel. Corp.*, 143 FERC ¶ 61,253 (2013); *N. Am. Elec. Rel. Corp.*, 148 FERC ¶ 61,214 (2014); and *N. Am. Elec. Rel. Corp.*, Docket No. RC11-6-004 (Nov. 13, 2015) (unpublished letter order).

processing and understanding of the risk associated with individual noncompliance. Comments on the Annual Report are due on or before **October 8, 2025**.

- **NERC Reliability Standards Definition Changes (GO, GOP) (RD25-10)**

On October 1, 2025, the FERC approved NERC's proposed revisions to the definitions of "Generator Owner" and "Generator Operator" in its Glossary of Terms⁶² used in the NERC Reliability Standards, to include owners and operators of non-Bulk Electric System Inverter-Based Resources ("IBR") that individually or collectively have an aggregate nameplate capacity of greater than or equal to 20 MVA, connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV.⁶³ The definition changes were approved effective as of October 1, 2025. Unless the October 1 order is challenged, this proceeding will be concluded.

- **Wildfire Prevention, Detection, and Mitigation Best Practices (RD25-9)**

On September 10, 2025, the FERC directed NERC to submit in an informational filing a report on best practices to reduce the risk of wildfire ignition from the BPS on or before **May 1, 2026**.⁶⁴ The report must assess methods such as "vegetation management, the removal of forest-hazardous fuels along transmission lines, improved engineering approaches, and safer operational practices."⁶⁵ The report must also include an assessment of known and emerging technologies that can be deployed to detect and mitigate wildfire in the context of protecting the BPS and its use to provide reliable service to customers. The FERC noted its concurrently issued notice of technical conference on wildfire mitigation (see AD25-16 in Section XII below) and said NERC should consider the testimony from that conference as an input for its informational filing, including in its consideration of the need for new or revised Reliability Standards or alternative further action.

- **Revised Reliability Standard: EOP-012-3 (RD25-7)**

On September 18, 2025, the FERC approved Reliability Standard EOP-012-3 (Extreme Cold Weather Preparedness and Operations)⁶⁶ and directed NERC, for a period of time,⁶⁷ to collect and submit certain information to the FERC.⁶⁸ As previously reported, EOP-012-3 is intended to improve the efficiency and effectiveness of the BPS in future cold weather seasons by providing clarity regarding the criteria for declaring Generator Cold Weather Constraints, shortening timelines for implementing corrective action plans following cold

⁶² The "Glossary" is a comprehensive list that reflects all of the defined terms used in Reliability Standards that have been adopted by the NERC Board of Trustees. The Glossary is updated through the Reliability Standards development process, and changes to the Glossary are sometimes proposed independent of proposed changes to Reliability Standards, as is the case in this proceeding. The Glossary is available on NERC's website.

⁶³ *N. Am. Elec. Rel. Corp.*, Docket No. RD25-10-000 (Oct. 1, 2025) (unpublished letter order).

⁶⁴ *N. Am. Elec. Rel. Corp.*, 192 FERC ¶ 61,212 (Sep. 10, 2025).

⁶⁵ See Exec. Order No. 14308 (Empowering Commonsense Wildfire Prevention and Response), 90 Fed. Reg. 26175 (June 12, 2025), <https://www.whitehouse.gov/presidential-actions/2025/06/empowering-commonsense-wildfire-prevention-and-response/> (Executive Order 14308).

⁶⁶ *N. Am. Elec. Rel. Corp.*, 192 FERC ¶ 61,229 (Sep. 18, 2025) ("EOP-012-3 Order").

⁶⁷ Starting no later than **Oct. 2026** and ending in **Oct. 2034** (EOP-012-3 Order at P 37).

⁶⁸ The FERC directed NERC to submit: (i) for each Regional Entity, anonymized **data on**: (a) the number of submitted Generator Cold Weather Constraint declarations, (b) the number of approved declarations, (c) the aggregate MVA of approved declarations, and (d) a summary of the rationale(s) provided for approved declarations. (EOP-012-3 Order at P 34); (ii) a **narrative analysis addressing** the following issues: (a) whether reliability coordinators, transmission operators, and balancing authorities (or other relevant entities) are timely notified of Generator Cold Weather Constraint declarations and corrective action plan extensions; (b) the reliability impact, if any, of allowing generators 36 months, rather than a shorter time period, such as 24 months, to correct known freeze related issues; and (c) whether the Generator Cold Weather Constraint declarations approval process is consistently interpreted and applied by the CEAs in a timely manner to address the reliability risks presented by extreme cold weather; whether the Generator Cold Weather Constraint declaration criteria in Attachment 1 is adequately defined and clear so that applicable entities understand what is required of them; and the reliability impact on the BPS due to Generator Cold Weather Constraint declarations from each criterion in Attachment 1, in addition to the reliability impact from approved corrective action plan extensions.

weather reliability events, and requiring more frequent review of validated constraints to reflect evolving technologies and operating conditions. Revised EOP-012-3 also includes new requirements for BES generating units entering commercial operation on or after October 1, 2027 to have cold weather capability upon entry, unless a validated constraint applies. EOP-012-3 will go into effect on *October 1, 2025*.

- **Orders 909/909-A: Revised Reliability Standards PRC-029-1 and PRC-024-4 (RM25-3)**

As previously reported, in *Order 909*,⁶⁹ the FERC approved revisions to Reliability Standards PRC-024-4 (Frequency and Voltage Protection Settings for Synchronous Generators, Type 1 and Type 2 Wind Resources, and Synchronous Condensers) and PRC-029-1 (Frequency and Voltage Ride-through Requirements for Inverter-Based Resources), and a definition of “Ride-through.” In *Order 909*, the FERC also directed NERC, on or before August 25, 2026, to clarify documentation requirements for legacy equipment needed to support an exemption request pursuant to Reliability Standard PRC-029-1; to consider whether, and if so how, to address a total of two exception- and exemption-related issues raised by commenters; and to submit an informational filing that assesses the reliability impact of the exemptions to Reliability Standard PRC-029-1. *Order 909* became effective *August 28, 2025*.⁷⁰

Order 909-A (Denying Request for Clarification). On August 25, 2025, ACPA and SEIA (“Associations”) submitted a request for limited clarification (that, to avoid a timing mismatch between a NERC filing deadline and the effective date of the Standard, and related risks or regulatory uncertainty for IBR developers, the FERC encourage NERC to submit its required filing by May 28, 2026, three months before *Order 909* requires). The FERC denied Associations’ request in *Order 909-A*.⁷¹ In denying Associations’ request, the FERC noted that NERC would have the discretion to submit a responsive filing in advance of the August 2026 deadline (which it continued to find reasonable) and also noted that NERC has flexibility to address Associations’ timing concerns through enforcement discretion and other means.⁷²

- **NOPR: Revised Reliability Standards: CIP-002-7 through CIP-013-3 (Virtualization⁷³) (RM24-8)**

On September 18, 2025, the FERC issued a notice of proposed rulemaking (“NOPR”)⁷⁴ proposing to approve 11 modified Critical Infrastructure Protection (“CIP”) Reliability Standards,⁷⁵ and 4 new and 18 modified definitions in the NERC Glossary of Terms,⁷⁶ to facilitate the full implementation of virtualization and to address

⁶⁹ *Reliability Standards for Frequency and Voltage Protection Settings and Ride-Through for Inverter-Based Resources*, Order No. 909, 192 FERC ¶ 61,076 (July 24, 2025) (“*Order 909*”), *clarify. denied*, 192 FERC ¶ 61,246.

⁷⁰ *Order 909* was published in the *Fed. Reg.* on July 29, 2025 (Vol. 90, No. 143) pp. 35,599-35,616.

⁷¹ *Reliability Standards for Frequency and Voltage Protection Settings and Ride-Through for Inverter-Based Resources*, Order No. 909-A, 192 FERC ¶ 61,246 (Sep. 25, 2025) (“*Order 909-A*”).

⁷² *Id.* at PP 6-8.

⁷³ Virtualization is “the process of creating virtual, as opposed to physical, versions of computer hardware to minimize the amount of physical hardware resources required to perform various functions.”

⁷⁴ *Virtualization Reliability Standards*, 192 FERC ¶ 61,228 (Sep. 18, 2025) (“*Virtualization NOPR*”).

⁷⁵ The revised Cyber Security Standards are: CIP-002-7 (BES Cyber System Categorization); CIP-003-10 (Security Management Controls); CIP-004-8 (Personnel & Training); CIP-005-8 (Electronic Security Perimeter(s)); CIP-006-7 (Physical Security of BES Cyber Systems); • CIP-007-7 (Systems Security Management); CIP-008-7 (Incident Reporting and Response Planning); CIP-009-7 (Recovery Plans for BES Cyber Systems); CIP-010-5 (Configuration Change Management and Vulnerability Assessments); CIP-011-4 (Information Protection); and CIP-013-3 (Supply Chain Risk Management).

⁷⁶ The new and/or revised Glossary Terms are: BES Cyber Asset (“BCA”), BES Cyber System (“BCS”), BES Cyber System Information (“BCSI”), CIP Senior Manager, Cyber Assets, Cyber Security Incident, Cyber System, Electronic Access Point (“EAP”); External Routable Connectivity (“ERC”), Electronic Security Perimeter (“ESP”), Interactive Remote Access (“IRA”), Intermediate System, Management Interface, Physical Access Control Systems (“PACS”), Physical Security Perimeter (“PSP”), Protected Cyber Asset (“PCA”), Removable Media, Reportable Cyber Security Incident, Shared Cyber Infrastructure (“SCI”), Transient Cyber Asset (“TCA”), and Virtual Cyber Asset (“VCA”).

the risks associated with virtualized environments.⁷⁷ As previously reported, the proposed CIP Reliability Standards would permit Responsible Entities with more “traditional” architecture to continue with their current configurations. In the NOPR, the FERC seek comments specifically on the proposed replacement of the phrase “where technically feasible” with the phrase “per system capability”, including alternative approaches, which the FERC said would assist it in formulating a possible directive in a final rule.⁷⁸ Comments on the *Visualization NOPR* are due on or before **November 24, 2025**.⁷⁹

- **Order 912: Supply Chain Risk Management (“SCRM”) Reliability Standards (RM24-4)**

On September 18, 2025, almost a year to the day the FERC issued its *SCRM Standards NOPR*, the FERC issued its final rule (*Order 912*)⁸⁰ largely adopting the NOPR’s proposals, directing NERC to develop (i) new or modified Reliability Standards that address the sufficiency of responsible entities’ SCRM plans related to the identification of and response to supply chain risks and (ii) modifications related to supply chain protections for protected cyber assets. Although the FERC declined to direct NERC to require responsible entities to validate data received from vendors, it nonetheless encouraged entities to voluntarily implement this security practice as appropriate.⁸¹ *Order 912* will become effective November 24, 2025.⁸² In response to comments, the FERC directed NERC to submit the new or revised Reliability Standards within 18 months of the effective date.

- **ITCS: Strengthening Reliability Through the Energy Transformation (AD25-4)**

On November 19, 2024, NERC submitted for FERC consideration the Interregional Transfer Capability Study (“ITCS”) directed by the U.S. Congress in the Fiscal Responsibility Act of 2023 (“Fiscal Responsibility Act”). NERC stated that the ITCS is the first-of-its-kind assessment of transmission transfer capability under a common set of assumptions. The ITCS focuses on transfer capability in accordance with the congressional directive, while acknowledging that other processes and pending projects may help support a reliable future grid. The ITCS was not designed to be a transmission plan or blueprint. NERC stated that the ITCS demonstrates that sufficient transfer capability and resources exist at present to maintain energy adequacy under most scenarios, but when calculating current transfer capability and projected future conditions, the ITCS identifies potential energy inadequacy across several transmission planning regions in the event of extreme weather. The ITCS recommends an increase of 35 GW of transfer capability across different regions as technically prudent additions to demonstrably strengthen reliability. The ITCS also recommends region-specific enhancements to transfer capability, “because a one-size-fits all approach across the U.S. may be inefficient and ineffective.”

Comments on NERC’s ITCS were filed by, among others: [AEU](#), [ENGIE](#), [Eversource](#), [Grid United](#), [Invenergy](#), [National Grid](#), [NRG](#), [ACPA/SEIA](#), [ACORE](#), [APPA](#), [EEI](#), [EIPC](#), [EPSA](#), [Public Interest Organizations](#), [Northeast States](#), [NRECA](#), [NASUCA](#), [R Street](#), and [WIRES](#). On March 25, 2025, NERC submitted a reply to clarify certain of the matters raised in those comments on the ITCS.

⁷⁷ The FERC also proposed to approve the associated violation risk factors, violation severity levels, implementation plans, and effective dates for the proposed Reliability Standards, as well as to approve the retirement of the currently effective version of each proposed Reliability Standard.

⁷⁸ *Virtualization NOPR* at P 3.

⁷⁹ The *Visualization NOPR* was published in the *Fed. Reg.* on Sep. 23, 2025 (Vol. 90, No. 182) pp. 45,679-45,685.

⁸⁰ *Supply Chain Risk Mgmt. Reliability Standards Revisions*, Order No. 912, 192 FERC ¶ 61,230 (Sep. 18, 2025) (“*Order 912*”).

⁸¹ *Id.* at P 2.

⁸² *Order 912* was published in the *Fed. Reg.* on Sep. 23, 2025, 2025 (Vol. 90, No. 182) pp. 45,661-45,671.

- **2026 NERC/NPCC Business Plans and Budgets (RR25-5)**

On August 22, 2025, NERC submitted its proposed Business Plan and Budget, as well as the Business Plans and Budgets for the six Regional Entities,⁸³ including NPCC, for 2026. FERC regulations require NERC to file its proposed annual budget for statutory and non-statutory activities 130 days before the beginning of its fiscal year (January 1), as well as the annual budget of each Regional Entity for their statutory and non-statutory activities, including complete business plans, organization charts, and explanations of the proposed collection of all dues, fees and charges and the proposed expenditure of funds collected.⁸⁴ NERC reports that its proposed 2026 funding requirement represents an increase of 4.3% from 2025 with a total budget of \$128.3 million and a total funding requirement of \$128.7 million. The NPCC U.S. allocation of NERC's net funding requirement is \$15.69 million. The NPCC has requested \$26.6 million in statutory funding (a U.S. assessment per kWh (2024 NEL) of \$0.000024) and \$1.2 million for non-statutory functions. NERC proposed to allocate to NPCC \$13.6 million of its 2026 assessment. Comments on this filing were due on or before September 12, 2025; none were filed. This matter is pending before the FERC.

XI. Misc. - of Regional Interest

- **203 Application: Cricket Valley Energy Center (EC25-116)**

On September 19, 2025, the FERC authorized a transaction pursuant to which certain parties⁸⁵ will indirectly acquire voting interest of 10% or more in Cricket Valley Energy Center ("CVEC") and the right to appoint one or more non-independent directors or managers to the board of one of CVEC or its upstream owners.⁸⁶ When consummated, CVEC will become a Related Person to Bridgewater Power and Burgess BioPower (each in the Generation Group Seat). Pursuant to the September 19 order, Applicants must file a notice within 10 days of consummation of the transaction, which as of the date of this Report has not yet occurred. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: CPower/NRG (EC25-102)**

On June 12, 2025, as amended and supplemented, NRG East Generation Holdings LLC ("NRG East Holdings"), NRG Demand Response Holdings LLC ("NRG DR Holdings"), Lightning Power, LLC ("Lightning Power" and together with NRG East Holdings and NRG DR Holdings, "NRG") and Enerwise Global Technologies, LLC d/b/a CPower ("CPower") (collectively, Applicants) requested authorization for NRG to acquire indirect interests in CPower. Comments on this application were due on or before August 11, 2025.

On July 3, 2025, the PJM IMM submitted a report analyzing the proposed transaction and stating that the transaction, without specific behavioral conditions for emergency and pre-emergency demand resources, will "increase structural market power without any mitigating factors and therefore would not be in the public interest." Without such conditions related to emergency and pre-emergency demand resources, the PJM IMM recommended rejection of the demand side part of the Transaction. The Maryland Office of People's Counsel ("MPC") and the New Jersey Division of Rate Counsel ("Rate Counsel") (together, the "Joint Consumer Advocates") similarly protested the Application, stating that, because the transaction otherwise harms competition, the FERC should only approve the transaction with the PJM IMM's suggested modifications. Since the last Report, NRG

⁸³ The Regional Entities are Midwest Reliability Organization ("MRO"), Northeast Power Coordinating Council, Inc. ("NPCC"), ReliabilityFirst Corporation ("ReliabilityFirst"), SERC Reliability Corporation ("SERC"), Texas Reliability Entity ("Texas RE"), and Western Electricity Coordinating Council ("WECC").

⁸⁴ 18 CFR § 39.4(b) (2014).

⁸⁵ Kiwoom US, PE-US Jiminy OFLEX Blocker, LLC and PE-US Jiminy Aggregator, L.P., Cricket Valley Funding, and Cricket Valley Energy Holdings II LLC ("Applicants").

⁸⁶ *Cricket Valley Energy Center, LLC*, 192 FERC ¶ 62,181 (Sep. 19, 2025).

answered the PJM IMM's and Joint Consumer Advocates' comments. On August 27, the PJM IMM answered NRG's August 7 answer. NRG answered the PJM IMM's August 27 answer on September 2, 2025.

Deficiency Letter Response. On September 2, 2025 (as further supplemented on September 12, 2025), Applicants filed a supplement in response to an August 13 deficiency letter issued by FERC Staff. Comments on that supplement were due on or before September 23, 2025; none were filed. Applicants have asked that the FERC authorize the proposed transaction on or before October 24, 2025. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Burgess BioPower/White Mountain Power (EC25-99)**

On August 13, 2025, the FERC authorized a transaction by which White Mountain Power (an affiliate of, among others, Bridgewater Power and David Energy Supply) will acquire from Burgess BioPower all of the indirect ownership interests of Berlin Station in connection with a plan of reorganization under Chapter 11 of the US Bankruptcy Code.⁸⁷ Pursuant to the August 13 order, White Mountain Power must file a notice within 10 days of consummation of the transaction, which as of the date of this Report has not yet occurred. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Kleen Energy/Alpha Gen (EC25-77)**

On June 13, 2025, the FERC authorized Alpha Gen's acquisition of Kleen Energy.⁸⁸ Alpha Gen's acquisition of Kleen Energy was consummated on August 13, 2025, making Kleen Energy a Related Person to the Generation Bridge Companies.⁸⁹ If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Constellation/Calpine (EC25-43)**

On July 23, 2025, the FERC conditionally authorized⁹⁰ Constellation's acquisition of Calpine, subject to Applicants' commitments to divest certain generation facilities ("Mitigation Plan"), to extend certain pre-existing commitments that apply to the Constellation Applicants and their public utility subsidiaries in PJM market to all Applicants in the PJM market, to abide by the terms of an agreement reached between Constellation and the PJM IMM, and to implement interim mitigation ("Interim Behavioral Mitigation") until the Mitigation Plan is completed. Pursuant to the July 23 order, Applicants must file a notice within 10 days of consummation of the transaction, which as of the date of this Report has not yet occurred. When consummated, Constellation and Calpine will become Related Persons.

On August 22, 2025, two requests for rehearing of the *Merger Order* were filed, one by the Pennsylvania Office of Consumer Advocate; the other by the Public Citizen Petitioners.⁹¹ The Constellation Applicants filed an answer on September 8, 2025, requesting the FERC deny the requests for rehearing. On September 22, 2025, the FERC issued an *Allegheny* notice,⁹² noting that the requests for rehearing may be deemed denied by operation of

⁸⁷ *Burgess BioPower, LLC and White Mountain Power, LLC*, 192 FERC ¶ 62,085 (Aug. 13, 2025).

⁸⁸ *Kleen Energy Systems, LLC and Alpha Generation Kleen GP, LLC*, 191 FERC ¶ 62,163 (June 13, 2025).

⁸⁹ The "Generation Bridge Companies" are: Generation Bridge Connecticut Holdings, LLC; Generation Bridge M&M Holdings, LLC; GB II Connecticut LLC; and GB II New Haven LLC.

⁹⁰ *Constellation Energy Corp. et al.*, 192 FERC ¶ 61,074 (July 23, 2025) ("*Merger Order*").

⁹¹ "Public Citizen Petitioners" are: Public Citizen, PennFuture, Clean Air Council, and Citizens Utility Board.

⁹² The FERC issues an "Allegheny Notice" when it does not act within 30 days after receiving a challenge (a request for clarification and/or rehearing) to a FERC order. An Allegheny Notice confirms that the request is deemed denied by operation of law (see *Allegheny Def. Project v. FERC*, 964 F.3d 1, 2020 WL 3525547 (D.C. Cir. June 30, 2020) (en banc)) and the FERC order is final and ripe for appeal. The FERC has the right, up to the point when the record in a proceeding is filed with a Federal Court of appeals, to modify or set aside, in whole or in part, any finding or order made or issued by it. The FERC's intention to avail itself of its right and to issue a further

law, but noting that the requests will be addressed in a future order.⁹³ If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **PURPA Enforcement Petition – Allco Finance Ltd/CT DEEP (EL25-117)**

On September 24, 2025, Allco Finance Limited (“Allco”) petitioned the FERC to initiate an enforcement action against the Connecticut Department of Energy and Environmental Protection (“CT DEEP”) to remedy what it asserts is CT DEEP’s improper implementation of section 210 of PURPA. Specifically, Allco asked the FERC to remedy violations that (i) permit Eversource to charge a QF for interconnection costs than are higher than the interconnection costs permitted under 18 C.F.R. §292.101(b)(7) and PURPA, and (ii) permit Eversource to allow generators that applied for interconnection after Allco to jump ahead of Allco’s interconnections. Comments on this latest Allco complaint are due on or before **October 24, 2025**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **PURPA Enforcement Petition: Allco Finance Ltd/Connecticut SCEF Program (EL25-81)**

On August 4, 2025, the FERC issued a notice⁹⁴ that it has decided not to act on the PURPA Complaint filed by Allco Finance Limited (“Allco”) related to Connecticut’s⁹⁵ implementation under section 210 of PURPA of its Shared Clean Energy Facility (“SCEF”) Program.⁹⁶ The FERC’s decision not to act means that Allco may itself bring an enforcement action against Connecticut in the appropriate federal district court.⁹⁷ Allco brought that action in Connecticut District Court in *Allco Finance Limited Inc. v. Dykes et al.* (case no. 3:25CV01321) and further reporting will be summarized in Section XIV below. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Facilities (Distrigas) Support Agreement Cancellation - NSTAR/National Grid (ER25-3550)**

On September, 29, 2025 NSTAR filed a notice of cancellation of a Facilities Support Agreement between itself and National Grid (Service Agreement No. DSA-NSTAR-002).⁹⁸ The Agreement provided NEP access to certain NSTAR distribution facilities as a back-up supply to serve National Grid’s retail customer, Distrigas of Massachusetts. NSTAR reported that the Agreement is no longer required because all work under the Agreement has been completed and invoices have been paid. Comments on the notice of cancellation are due on or before **October 20, 2025**. If you have any questions concerning this matter, please contact Joan Bosma (617-345-4651; jbosma@daypitney.com).

order addressing the issues raised in the request (a “merits order”) is signaled by the phrase “and providing for Further Consideration”; the absence of that phrase signals that the FERC does not intend to issue a merits order in response to the rehearing request.

⁹³ *Constellation Energy Corp. et al.*, 192 FERC ¶ 61,183 (Sep. 22, 2025) (“Constellation Merger Order Allegheny Notice”).

⁹⁴ *Allco Finance Limited*, 192 FERC ¶ 61,116 (Aug. 4, 2025).

⁹⁵ For purposes of this proceeding, “Connecticut” is the Connecticut Department of Energy and Environmental Protection (“CT DEEP”), Connecticut Public Utilities Regulatory Authority (“PURA”), and the Connecticut Department of Agriculture (“CT DoA”).

⁹⁶ Allco asserted that CT is improperly implementing PURPA by requiring the following criteria for participation in the Shared Clean Energy Facility (“SCEF”) program: (i) that no more than 10% of the project site contains slopes greater than 15%; (ii) that separate QFs on the same parcel cannot receive a contract even when the total of the two QFs is less than 5MWs; (iii) documentation of “community outreach and engagement” regarding the bid for a contract; (iv) restrictions related to “Prime Farmland” location; (v) a QF cannot have been constructed or started construction; (vi) a workforce development program, and for certain projects a community benefits agreement; (vii) a contract that includes renewable energy credits; and (viii) a bidder must bear costs related to a utility’s voluntarily seeking to re-sell the QF’s energy in the ISO-NE market, if the utility chooses not to use the energy to supply its own customers. Allco argues that the criteria are neither objective nor reasonable and are unrelated to a QF’s commercial viability or financial commitment. Allco further contends that some of CT’s SCEF program requirements violate its constitutional rights. Allco also states that bids it submitted in 2024 and 2025 were rejected on the basis of these unlawful requirements.

⁹⁷ 16 U.S.C. § 824a-3(h)(2)(B).

⁹⁸ FERC accepted the Facilities Support Agreement in Docket No. ER22-1124-000 (April 19, 2022).

- **D&E Agreement: PSNH/Kearsarge Grissom (ER25-3407)**

On September 10, 2025, Public Service Company of New Hampshire (“PSNH”) filed an Engineering, Design and Procurement (“D&E”) Agreement with Kearsarge Grissom LLC (“IC”), designated as Service Agreement No. IA-PSNH-17, with a requested effective date of September 11, 2025. Consistent with ISO-NE Queue Position 1226, the IC proposes to interconnect its 4.99 MW solar generating facility to the 46 kV sub-transmission line between Green Mountain Power’s Maple Avenue B-42 and the 4402 breaker at the Green Mountain Power and National Grid demarcation considered at Bellows Falls. The D&E Agreement allows PSNH to cover the costs to perform necessary engineering and design services related to that interconnection (including applicable overheads and loaders). Comments on this filing were due October 1, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Interconnection Study Agreement Cancellation: PSNH/Wok LLC (ER25-3359)**

On September 3, 2025, PSNH filed a notice of cancellation of an Interconnection Study Agreement (“ISA”) with Wok, LLC pursuant to which PSNH performed certain study services for Wok for a potential load interconnection in New Hampshire. The ISA is no longer required because all work pursuant to the ISA is complete and all invoices for that work paid. A September 4, 2025 effective date was requested for the cancellation notice. Comments on the ISA cancellation were due on or before September 24, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **D&E Agreement: NSTAR/BXP (ER25-3309)**

On August 27, 2025, NSTAR filed a Design & Engineering (“D&E”) Agreement between NSTAR and BXP, Inc. (“BXP”) under which NSTAR will assess and be reimbursed for its work to assess the feasibility and cost to underground two 115 kV transmission lines in Waltham, Massachusetts. An August 28, 2025 effective date was requested. Comments on this filing were due on or before September 17, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **LGIA-ISO-NE/CMP/CPV Saddleback and CPV Canton (ER25-3187)**

On August 13, 2025, ISO-NE and Central Maine Power (“CMP”) filed a Second Revised LGIA with CPV Saddleback Ridge Wind, LLC and a First Revised LGIA with CPV Canton Mountain Wind, LLC to reflect ownership changes and revise certain Appendix details.⁹⁹ A July 30, 2025 effective date was requested for each. Comments on this filing were due on or before September 5, 2025; none were filed. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NSTAR (MMWEC)-HQUS Use Rights Transfer Agreement (ER25-3170)**

On August 13, 2025, NSTAR filed for acceptance an Agreement for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities (“Transfer Agreement”) between itself and H.Q. Energy Services (U.S.) Inc. (“HQUS”). The Transfer Agreement reflects NSTAR’s transfer of transmission capacity Use Rights previously held by the Massachusetts Municipal Wholesale Electric Company (“MMWEC”) on the HQ Interconnection. An effective date of October 31, 2025 was requested. Comments on this filing were due on or before September 3, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

⁹⁹ The FERC accepted the First Revised Saddleback LGIA and Original Canton LGIA in Docket No. ER17-1668 (by letter order dated July 13, 2017).

- **NSTAR (CMEEC)-Vitol Use Rights Transfer Agreement (ER25-3011)**

On July 29, 2025, NSTAR filed for acceptance an Agreement for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities (“Transfer Agreement”) from CMMEC to Vitol. While CMEEC has the contractual right under the Restated Use Agreement to enter into a transfer agreement to transfer its Use Rights to another party, CMEEC is relying on NSTAR to effectuate the transfer since CMEEC does not offer its capacity pursuant to an open access transmission tariff or OASIS page. An effective date of October 31, 2025 was requested. Comments on this filing are due on or before August 19, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Revised Wholesale Distribution Access Tariff: CMP (ER24-2975)**

On September 23, 2025, the FERC accepted an amendment to CMP’s its Wholesale Distribution Access Tariff to implement time-of-use (“TOU”) rates and update the rates to be consistent with CMP’s currently effective state-regulated distribution rates (“Revised WDAT”).¹⁰⁰ The amendment was accepted effective as of *September 1, 2025*, as requested. Unless the September 23, 2025 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **SGIA 2nd Amendment: CMP/Spruce Mountain Wind (ER25-2957)**

On September 18, 2025, the FERC accepted a second amendment to the Interconnection Agreement (“Amended SGIA”) providing the terms and conditions for CMP’s continuing provision of interconnection service to CPV Spruce Mountain Wind, LLC.¹⁰¹ As previously reported, CMP stated that the Amended SGIA: (i) revises the interconnection customer name from Spruce Mountain Wind, LLC to CPV Spruce Mountain Wind, LLC; (ii) updates CPV Spruce Mountain Wind’s contact information; (iii) removes language contained in Article 4.2 of the agreement in conformance with the FERC’s directives in the *RENEW O&M Complaint Order*;¹⁰² and (iv) incorporates up-to-date system diagrams contained in Attachment 3 to the Amended SGIA. The Amended SGIA was accepted effective as of 27, 2025, as requested. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Wholesale Distribution Service Agreement: CMP/MRRA (ER25-2705)**

On August 28, 2025, the FERC accepted, effective *September 1, 2025*, a Wholesale Distribution Service Agreement (“WDSA”) between CMP and Midcoast Regional Redevelopment Authority (“MRRA”).¹⁰³ The WDSA provides the terms and conditions for CMP’s provision of wholesale distribution service to MRRA, which will be directly connected to a CMP distribution circuit, and will take Regional Network Service (“RNS”) and Local Network Service (“LNS”) as a Non-Participant Transmission Customer pursuant to the ISO-NE Tariff and Schedule 21-CMP. Unless the August 28, 2025 order is challenged, this proceeding will be concluded. Unless the September 18, 2025 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Order 676-K Compliance Changes Versant Power (ER25-2566)**

On June 23, 2025, Versant filed revisions to Section 4 of the Versant Power Open Access Transmission Tariff for Maine Public District (the “MPD OATT”), which incorporate by reference certain of the revisions required by *Order No. 676-K*. Versant also requested waiver of certain of the standards that Maine Public District (“MPD”) is unable to meet. Versant requested effective dates of February 27, 2026 and August 27, 2026. Comments on

¹⁰⁰ *Central Maine Power Co.*, Docket No. ER25-2975-000 (Sep. 23, 2025) (unpublished letter order).

¹⁰¹ *Central Maine Power Co.*, Docket No. ER25-2957-000 (Sep. 18, 2025) (unpublished letter order).

¹⁰² *RENEW Northeast, Inc. v. ISO New England Inc. and New England Participating Transmission Owners*, 189 FERC ¶ 61,216 (Dec. 19, 2024) (“*RENEW O&M Complaint Order*”).

¹⁰³ *Central Maine Power Co.*, Docket No. ER25-2705-000 (Aug. 28, 2025) (unpublished letter order).

Versant's *Order 676-K* changes were due on or before July 14, 2025; none were filed. Versant's *Order 676-K* Compliance Changes remain pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Wholesale Distribution Tariff – Versant Power (ER25-2500)**

On June 12, 2025, Versant Power filed a new Wholesale Distribution Tariff (“WDT”) to provide for Versant’s recovery of costs associated with the provision of Wholesale Distribution Service (“WDS”) to customers who own electric energy storage systems (“ESS”) connected to Versant’s distribution system. The WDT allows such customers to utilize Versant’s distribution system when charging their ESS for the purpose of participating in the wholesale (New England) market. A January 1, 2026 effective date was requested. Comments on the Versant Power WDT were due on or before July 3, 2025; none were filed.

Deficiency Letter Response (-001). On August 8, 2025, the FERC issued a deficiency letter directing Versant Power to provide additional information and clarifications on whether ESFs taking service under Subschedule 1 may be dispatched by ISO-NE and, if so, why transmission charges would apply given *Order 841* and ISO-NE OATT exemptions. Versant provided that information in an August 20, 2025 response. Comments on Versant’s response were due on or before September 10, 2025; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Order 904 Compliance Filing: Versant MPD OATT (ER25-1393)**

On February 25, 2025, Versant submitted a compliance filing in response to *Order 904*,¹⁰⁴ proposing revisions to its MPD OATT, effective June 1, 2025. Versant’s filing: (i) revises Schedule 2 to exclude charges for reactive power within the standard power range; (ii) removes related payment provisions from the *pro forma* LGIA and SGIA; and (iii) removes Note 1 from Exhibit 1a in Attachment J. Comments on Versant’s compliance filing were due on or before March 18, 2025; none were filed. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **CMP ESF Rate (ER24-1177)**

On August 4, 2025, the FERC approved the settlement agreement that resolves all issues set for settlement in this proceeding,¹⁰⁵ effective August 4, 2025.¹⁰⁶ CMP was directed to make a compliance filing with revised tariff records in eTariff format on or before September 3, 2025, reflecting that effective date and the FERC’s action in the Settlement Order. CMP submitted that compliance filing on September 3, 2025, with any comments due on or before September 24, 2025; none were filed. On September 15, 2025, CMP submitted a refund report confirming the \$365,000.00 was refunded to Rumford ESS, LLC. Comments to the refund report were due on or before October 6; none were filed. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

¹⁰⁴ *Compensation for Reactive Power Within the Standard Power Factor Range*, Order No. 904, 189 FERC ¶ 61,034 (2024) (“*Order 904*”).

¹⁰⁵ See *Central Maine Power Co.*, 187 FERC ¶ 61,002 (Apr. 1, 2024) (“*CMP ESF Rate Order*”) (accepting, subject to refund and settlement judge procedures, CMP’s rate schedule for distribution services for electric storage facilities (“ESFs”) seeking to participate in the ISO-NE Market (“ESF Rate”)).

¹⁰⁶ *Central Maine Power Co.*, 192 FERC ¶ 61,110 (Aug. 4, 2025) (“*CMP ESF Rate Settlement Order*”).

XII. Misc. - Administrative & Rulemaking Proceedings¹⁰⁷

- **Technical Conf: Wildfire Risk Mitigation (AD25-16)**

On September 10, 2025, the FERC issued a notice that it will convene a Staff-led technical conference on **October 21, 2025** at FERC headquarters (after the tech conf in AD25-8 discussed below) to discuss cost-effective best practices to reduce the risk of wildfire ignition from the Bulk Power System (“BPS”) in response to Executive Order 14308. In an October 1, 2025 supplemental notice, the FERC identified two planned panel discussions – (i) interagency coordination challenges and grid-focused best practices for wildfires (Panel 1); and (ii) leveraging technology to monitor, evaluate, and mitigate wildfire risks (Panel 2). A second supplemental notice will be issued prior to the conference with further details regarding the agenda. The conference will be open to the public and will be transcribed and webcast. Information on this technical conference will also be posted on the [FERC’s Calendar of Events](#) prior to the conference.

- **Annual Reliability Technical Conference (AD25-8)**

Also on the morning of **October 21, 2025**, the FERC will convene its annual Commissioner-led Reliability Technical Conference to discuss policy issues related to the reliability and security of the BPS. In a second supplemental notice issued on October 1, 2025, the FERC attached an agenda that identifies the following two topics for discussion: (i) leadership perspectives on the state of the BPS and priorities (Panel 1); and ensuring reliability with large loads (Panel 2). The technical conference will be open to the public. Advance registration is not required, and there is no fee for attendance. Information will also be posted on the [FERC’s Calendar of Events](#) prior to the conference.

- **Tech Conf: Meeting the Challenge of Resource Adequacy in ISO/RTOs (AD25-7)**

On June 4-5, 2025, the FERC convened a Commissioner-led technical conference to discuss generic issues related to resource adequacy constructs, including the roles of capacity markets in ISO/RTO regions that utilize them and alternative constructs in regions without capacity markets. The conference explored current and impending risks to resource adequacy, including increasing load forecasts and potential resource shortfalls; the effectiveness of capacity markets in ensuring resource adequacy at just and reasonable rates; comparisons between capacity markets and alternative constructs; and the roles and interests of states and other entities with legal authority over resource adequacy. A June 5 panel that addressed Resource Adequacy Challenges in the Northeast RTOs/ISOs included Emilie Nelson (NYISO, Executive Vice President and Chief Operating Officer), Stephen George (ISO-NE, Vice President of System Operations and Market Administration), Adam Evans (NY DPS, Chief of Wholesale and Clean Energy Markets), MPUC Chairman Phil Bartlett, CT DEEP Commissioner Katie Dykes, Michelle Gardner (NextEra Energy Resources, Executive Director Northeast Region), Pallas Lee VanShaick (Potomac Economics), and Sarah Bresolin (NEPOOL Chair).

Panelists pre-filed statements are posted in the FERC’s eLibrary. A recording of the technical conference will be available for 90 days. On June 5, 2025, the FERC invited post-technical conference comments to be filed on or before July 7, 2025. Post-technical conference comments were filed by over 60 parties, including the following: [Acadia Center](#), [Dominion](#), [LS Power](#), [National Grid](#), [NEPGA](#), [NESCOE](#), [Shell](#), [ACPA](#), [AMP](#), [APPA](#), [Concentric](#), [EEL](#), [EPSA](#), [FRS](#), [LPPC](#), [NRECA](#), [TAPS](#), [UCS](#), and [Public Citizen](#).

¹⁰⁷ Reporting on the following administrative and rulemaking proceedings has been suspended and will be continued if and when there is new activity to report: Large Loads Co-Located at Generating Facilities (AD24-11); Annual Reliability Tech. Conf. (AD24-10); Innovations and Efficiencies in Generator Interconnection (AD24-9); and the EQR Filing Process and Data Collection NOPR (RM23-9).

- **Joint Federal-State Current Issues Collaborative¹⁰⁸ (AD24-7)**

Notice of 2025/26 State Commission Representatives. In accordance with the *Appointment Procedure Order*,¹⁰⁹ the FERC gave notice on September 22, 2025 of NARUC's appointment of the state commission representatives to the Collaborative for the August 28, 2025 through August 27, 2026 term. The NECPUC representatives will again be MPUC Chairman Phil Bartlett and NH PUC Commissioner Pradip Chattopadhyay.¹¹⁰

- **Order 914: Implementation of EO 14270 (RM25-14)**

On October 1, 2025, the FERC issued a direct final rule (*Order 914*)¹¹¹ and a related NOPR, in response to Executive Order 14270 ("Zero-Based Regulatory Budgeting to Unleash American Energy") (see Executive Orders Section above),¹¹² to sunset 53 regulations identified as outdated or unnecessary. *Order 914* establishes a one-year sunset from its effective date (45 days after *Order 914*'s publication in the *Federal Register*), after which the regulations will be removed from the Code of Federal Regulations and the FERC will no longer treat them as effective. If "significant adverse comments"¹¹³ are filed within 30 days of publication, the FERC will publish a document that withdraws any such part of this action and will address the comments received in a subsequent final rule as a response to the companion NOPR (RM25-14) or take other action as it may deem appropriate.

- **ANOPR: Implementation of Dynamic Line Ratings (RM24-6)**

On June 27, 2024, the FERC issued an advanced notice of proposed rulemaking ("ANOPR")¹¹⁴ seeking comments on both the need for a dynamic line ratings ("DLRs")¹¹⁵ requirement and proposed framework of DLR reforms to improve the accuracy of transmission line ratings. Proposed reforms would require transmission providers to implement, on all transmission lines, DLRs that reflect solar heating, based on the sun's position and forecastable cloud cover, and on certain transmission lines, DLRs that reflect forecasts of wind speed and wind direction. The FERC seeks comments about whether to reflect hourly solar conditions and wind conditions in all transmission line ratings, how transmission congestion levels and environmental factors could identify locations of

¹⁰⁸ *Joint Federal-State Task Force on Elec. Transmission and Federal and State Current Issues Collaborative*, 186 FERC ¶ 61,189 (Mar. 21, 2024) ("*Order Establishing Collaborative*"). The Collaborative will provide a venue for federal and state regulators to share perspectives, increase understanding, and, where appropriate, identify potential challenges and coordination on matters that impact specific state and federal regulatory jurisdiction, including (but not limited to) the following: electric reliability and resource adequacy; natural gas-electric coordination; wholesale and retail markets; new technologies and innovations; and infrastructure. The Collaborative will be comprised of all FERC Commissioners as well as representatives from 10 state commissions, who will be nominated for and serve one-year terms from the date of appointment by the FERC. The FERC will issue notices announcing the time, place and agenda for each meeting of the Collaborative, after consulting with members of the Collaborative and considering suggestions from state commissions. Collaborative meetings will be on the record, and open to the public for listening and observing. The Collaborative will expire 3 years after its first public meeting, but may be extended for an additional period of time prior to its expiration by agreement of both FERC and NARUC.

¹⁰⁹ *Federal and State Current Issues Collaborative*, 192 FERC ¶ 61,056, at P 3 (July 17, 2025) ("*Appointment Procedure Order*") (explaining that NARUC will fill state commissioner vacancies on the Collaborative without formal FERC appointment and that the FERC will issue periodic notices listing new members).

¹¹⁰ The remaining representatives are: from the Mid-Atlantic Conf. of Regulatory Utils. Comm'rs ("*MACRUC*") Comm'r Kelsey Bagot, VA State Corp. Comm'n and Comm'r Kathryn Zeffuss, PA PUC; from the Mid-America Regulatory Conf. Chair Sarah Martz, IA Utils. Comm'n and Comm'r Stacey Paradis, IL Commerce Comm'n; from the Southeastern Assoc. of Regulatory Util. Comm'rs Comm'r Karen Kemerait, NC Utils. Comm'n and Comm'r Gabriella Passidomo Smith, FL Pub. Svc. Comm'n; and from the Western Conf. of Pub. Svc. Comm'rs Vice Chair Nick Myers, AZ Corp. Comm'n and Chair Brian Rybarik, WA Utilities and Transportation Comm'n.

¹¹¹ *Implementation of the Executive Order Entitled "Zero-Based Budgeting to Unleash American Energy"*, Order No. 914, 193 FERC ¶ 61,002 (Oct. 1, 2025) ("*Order 914*").

¹¹² EO 14270, Zero-Based Regulatory Budgeting to Unleash American Energy (Apr. 9, 2025).

¹¹³ See *Order 914* at P 3.

¹¹⁴ *Implementation of Dynamic Line Ratings*, 187 FERC ¶ 61,201 (Jun. 27, 2024) ("*DLR ANOPR*"). The ANOPR reflects public comments in response to the FERC's February 17, 2022, Notice of Inquiry ("NOI") on DLRs. The NOI, in turn, found its roots in *Order 881*, which required transmission line ratings to reflect ambient air temperatures to improve efficiency in operating transmission lines.

¹¹⁵ DLRs, are transmission line ratings that reflect up-to-date forecasts of weather conditions, such as ambient air temperature, wind, cloud cover, solar heating, and precipitation, in addition to transmission line conditions such as tension or sag.

transmission lines that would most benefit from DLR, and what other technical details of transmission line ratings reflect wind conditions. A more detailed summary of the ANOPR was provided to and reviewed with the Transmission Committee. Comments in response to the ANOPR were due October 15, 2024¹¹⁶ and were filed by nearly 70 parties, including by the following New England parties: [ISO-NE](#), [AEU](#), [Avangrid](#), [Dominion](#), [Eversource](#), [MA AG](#), [National Grid](#), [NESCOE](#), [NextEra](#) (on October 22), [EEI](#), [EPSA](#), [NASUCA](#), [NERC](#), [PIOs](#), [Public Power](#),¹¹⁷ [TAPS](#), and [R Street Institute](#). Nine sets of reply comments were filed, including from: [ISO-NE](#), [DC Energy](#), and the [US DOE](#).

XIII. FERC Enforcement Proceedings

Electric-Related Enforcement Actions

- **NorthWestern (Beethoven Wind Farm) Stipulation and Consent Agreement (IN25-14)**

On October 2, 2025, the FERC approved a Stipulation and Consent Agreement with NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”)¹¹⁸ to resolve OE’s investigation of whether NorthWestern violated the Southwest Power Pool (“SPP”) Tariff (and FERC’s Market Behavior rules) by failing to convert its Beethoven wind farm project (“Beethoven”) from a non-dispatchable variable energy resource (“NDVER”) to a dispatchable variable energy resource (“DVER”) by the required tariff deadline.¹¹⁹ Under the Stipulation and Consent Agreement, NorthWestern to **disgorge \$32,000** plus interest, pay a **civil penalty of \$40,000** to the United States Treasury, and to submit compliance monitoring reports for two years. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **LADPW Stipulation and Consent Agreement (IN25-11)**

Also on October 2, 2025, the FERC approved a Stipulation and Consent Agreement with the Los Angeles Department of Water and Power (“LADWP”) to resolve OE’s investigation of whether, through the submission of False Audit Responses,¹²⁰ LADPW violated NERC’s Rules of Procedure and FERC regulations during a 2020 Western Electricity Coordinating Council (“WECC”) audit.¹²¹ Under the Stipulation and Consent Agreement, Cordova agreed to pay a **civil penalty of \$350,000** to the United States Treasury, to submit compliance monitoring reports for at least two years (a third year at OE’s sole discretion), and to undertake additional mitigation and compliance measures as appropriate related to any Reliability Standards implicated by the Testing Event and any noncompliance associated with the 2020 WECC audit identified by WECC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

¹¹⁶ The ANOPR was published in the *Fed. Reg.* on July 15, 2024 (Vol. 89, No. 135) pp. 57,690-57,716.

¹¹⁷ “Public Power” is: The National Rural Elec. Coop. Assoc. (“NRECA”), the American Public Power Assoc. (“APPA”), and the Large Public Power Council (“LPPC”).

¹¹⁸ *NorthWestern Corp. d/b/a NorthWestern Energy and Beethoven Wind, LLC*, 193 FERC ¶ 61,011 (Oct. 2, 2025).

¹¹⁹ Enforcement determined that (i) based on the date of Beethoven’s executed generator interconnection agreement and commercial operation date, Beethoven was required to have been registered and converted to DVER status as of Oct. 1, 2015; (ii) NorthWestern violated SPP Tariff Attachment AE, Section 2.2(10) from October 15, 2015 until February 1, 2025, on which date it completed conversion of Beethoven to DVER status and registered it with SPP accordingly; and (iii) that NorthWestern violated the FERC’s Market Behavior Rule on Communications (18 C.F.R. § 35.41(b)).

¹²⁰ In response to a routine WECC audit of LADWP, LADWP, with the aid of a third-party auditing consultant, stated that it had been “unable to locate” certain relevant materials and, later, that a quarterly review (which had occurred) had not occurred (the “False Audit Responses”). Certain senior LADWP personnel, including those with responsibilities related to compliance and risk management, were aware of the Testing Event, aware of the omissions in the relevant materials, aware of LADWP’s decision to not provide those materials to WECC during the course of the 2020 WECC audit, and aware of the False Audit Responses that were submitted to WECC instead.

¹²¹ *Los Angeles Department of Water and Power*, 193 FERC ¶ 61,010 (Oct. 2, 2025).

- **American Efficient Show Cause Order (IN24-2)**

As previously reported, the FERC issued on December 16, 2024 a show cause order¹²² in which it directed American Efficient, LLC, its various subsidiary companies,¹²³ and its corporate parents¹²⁴ (collectively, “American Efficient”) to show cause why they should not be found to have violated (i) Section 222 of the FPA and § 1c.2 of the FERC’s regulations through a manipulative scheme and course of business in PJM and MISO that extracted millions of dollars in capacity payments for a purported energy efficiency project that did not actually cause reductions in energy use;¹²⁵ and (ii) provisions of MISO’s and PJM’s Tariffs for failure to satisfy the tariff requirements for participation as an Energy Efficiency Resource (“EER”).¹²⁶ American Efficient was also directed to show cause why they should not (i) **disgorge \$2,116,057 and \$250,937,821**, back to MISO and PJM, respectively (in each case plus interest); (ii) **disgorge additional unjust profits** received between April 2024 and the date of any future FERC order directing disgorgement back to PJM; and (iii) pay a **\$722 million** civil penalty. American Efficient may seek a modification of these amounts consistent with FPA § 31(d)(4).¹²⁷

On March 17, 2025, American Efficient answered the show cause order explaining that American Efficient did not violate a tariff or commit fraud, requesting the FERC dismiss the proceeding and close its investigation without further action. OE replied to American Efficient’s answer on April 15, 2025 and American Efficient subsequently responded to OE’s April 15 reply, supplemented its answer with financial information, and provided updates on some related federal court developments, each of which it asserted weigh against rushing if not issuing a penalty order. Since the last Report, On July 10, 2025, American Efficient filed another letter supporting its position that this “proceeding should be terminated without further action.” This matter remains pending before the Commission. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

Natural Gas-Related Enforcement Actions

- **Rover Pipeline, LLC and Energy Transfer Partners, L.P. (CPCN Show Cause Order) (IN19-4)**

Procedural Schedule Suspended. As previously reported, on May 24, 2022, the Honorable Judge Karen Gren Scholer of the U.S. District Court for the Northern District of Texas (“Northern District”) issued an order staying this proceeding. Consistent with that order and out of an abundance of caution, ALJ Joel DeJesus, who will be the presiding judge for hearings in this matter,¹²⁸ suspended the procedural schedule until such time as the Court’s stay is lifted and the parties provide jointly a proposed amended procedural schedule.

¹²² *American Efficient, LLC et al.*, 189 FERC ¶ 61,196 (Dec. 16, 2024) (“*American Efficient Show Cause Order*”).

¹²³ Affirmed Energy LLC, Wylan Energy L.L.C., Midcontinent Energy LLC, and Maple Energy LLC.

¹²⁴ Modern Energy Group LLC and MIH LLC.

¹²⁵ OE concludes that “[w]hat American Efficient passes off as energy efficiency in its capacity supply offers really is just market research. It buys sales data of energy efficient products from large retailers like The Home Depot, Lowes, and Costco and then figures out how many MWs of electricity would be saved if end-use customers installed those products and used them in accordance with predictive models. It then bids those energy savings into the capacity markets as if it caused the savings. But American Efficient does not cause the energy savings.”

¹²⁶ OE’s Report notes that American Efficient initially cleared 10.6 MWs (worth \$518,000) in an ISO-NE Forward Capacity Auction. When American Efficient sought to expand its Program in ISO-NE from 10.6 MWs to 189 MWs, “ISO-NE and its IMM sent a series of emails and letters critiquing the Program and then disqualified the Company from expanded participation in the FCA. In one of those letters, ISO-NE explained that it never would have qualified any of American Efficient’s capacity if it had understood the true nature of the Program from the beginning.” Similar disqualification occurred in MISO. American Efficient expressly kept information about those disqualifications from PJM and expanded the Program in PJM. No disgorgement with respect to American Efficient’s New England activity is contemplated.

¹²⁷ Under Section 31(d)(4) of the FPA, 16 U.S.C. § 823b(d)(4), the Commission may “compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed . . . at any time prior to a final decision by the court of appeals . . . or by the district court.”

¹²⁸ See *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 178 FERC ¶ 61,028 (Jan. 20, 2022) (“*Rover/ETP Hearings Order*”). The hearings will be to determine whether Rover Pipeline, LLC (“Rover”) and its parent company Energy Transfer Partners, L.P. (“ETP” and

On June 14, 2023, the FERC issued an Order on Presiding Officer Reassignment,¹²⁹ which (i) directed the Chief ALJ to reassign this proceeding to another ALJ not previously involved in the proceeding (i.e., designate a new presiding officer) once the *June 14 Order* takes effect; (ii) held that the *June 14 Order* will take effect once the Northern District clarifies or lifts its stay for the limited purpose of allowing the *June 14 Order* to take effect or the stay is lifted or dissolved such that hearing procedures may resume; and (iii) stated that this proceeding otherwise remains suspended until the Northern District's stay is lifted or dissolved such that hearing procedures may resume.

- **Rover and ETP (Tuscarawas River HDD Show Cause Order) (IN17-4)**

On December 16, 2021, the FERC issued a show cause order¹³⁰ in which it directed Rover and ETP (together, "Respondents") to show cause why they should not be found to have violated NGA section 7(e), FERC Regulations (18 C.F.R. § 157.20); and the FERC's Certificate Order,¹³¹ by: (i) intentionally including diesel fuel and other toxic substances and unapproved additives in the drilling mud during its horizontal directional drilling ("HDD") operations under the Tuscarawas River in Stark County, Ohio, in connection with the Rover Pipeline Project;¹³² (ii) failing to adequately monitor the right-of-way at the site of the Tuscarawas River HDD operation; and (iii) improperly disposing of inadvertently released drilling mud that was contaminated with diesel fuel and hydraulic oil. The FERC directed Respondents to show why they should not be assessed **\$40 million** in civil penalties.

On March 21, 2022, Respondents answered and denied the allegations in the *Rover/ETP CPCN Show Cause Order*. On April 20, 2022, OE Staff answered Respondents' March 21 answer. On May 13, 2022, Respondents submitted a surreply, reinforcing their position that "there is no factual or legal basis to hold either [Respondent] liable for the intentional wrongdoing of others that is alleged in the Staff Report." The FERC denied Respondents' request for rehearing of the FERC's January 21, 2022 designation notice.¹³³ This matter is pending before the FERC.

XIV. Natural Gas Proceedings

For further information on any of the natural gas proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com).

- **NOPR: Removal of Regulations Limiting Authorizations to Proceed with Construction Activities Pending Rehearing (RM25-9)**

On June 18, 2025, the FERC issued a NOPR proposing to remove from its regulations a rule that precludes the issuance of authorizations to proceed with construction activities with respect to natural gas facilities approved pursuant to section 3 or section 7 of the NGA for a limited time while certain requests for rehearing are

collectively with Rover, "Respondents") violated section 157.5 of the FERC's regulations and to ascertain certain facts relevant for any application of the FERC's Penalty Guidelines.

¹²⁹ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 183 FERC ¶ 61,190 (June 14, 2023) ("*June 14 Order*").

¹³⁰ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 177 FERC ¶ 61,182 (Dec. 16, 2021) ("*Rover/ETP Tuscarawas River HDD Show Cause Order*").

¹³¹ *Rover Pipeline LLC*, 158 FERC ¶ 61,109 (2017), *order on clarification & reh'g*, 161 FERC ¶ 61,244 (2017), *Petition for Rev., Rover Pipeline LLC v. FERC*, No. 18-1032 (D.C. Cir. Jan. 29, 2018) ("*Certificate or Certificate Order*").

¹³² The Rover Pipeline Project is an approximately 711-mile-long interstate natural gas pipeline designed to transport gas from the Marcellus and Utica shale supply areas through West Virginia, Pennsylvania, Ohio, and Michigan to outlets in the Midwest and elsewhere.

¹³³ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 179 FERC ¶ 61,090 (May 11, 2022) ("*Designation Notice Rehearing Order*"). The "Designation Notice" provided updated notice of designation of the staff of the FERC's Office of Enforcement ("OE") as non-decisional in deliberations by the FERC in this docket, with the exception of certain staff named in that notice.

pending before the FERC.¹³⁴ The FERC said that the proposal is “to promote and expedite efficient energy development and reduce construction delays resulting from the regulation’s limitation on the issuance of construction authorizations while a rehearing request is pending.” The FERC said that it would continue to consider whether additional protections are warranted in individual proceedings and that the proposal does not modify its case-by-case application of its presumptive stay policy. Comments were due on or before July 24, 2025; nearly 30 sets of comments, from a mix of companies, trade groups and natural persons, were received. This matter is pending before the FERC.

New England Pipeline Proceedings

The following New England pipeline projects are currently under construction or before the FERC:

- **Algonquin Cape Cod Canal Pipeline Relocation Project (CP25-552; PF25-4)**
 - Project to relocate and rebuild the Sagamore and Bourne meter and regulation (“M&R”) stations to continue providing uninterrupted natural gas transportation service to National Grid to supply end users on both sides of the Cape Cod Canal. The proposed Project will not result in new or incremental capacity and is therefore not an expansion of the Algonquin system.
 - Abbreviated Application for a Certificate of Public Convenience and Necessity (“CPCN”) and for Related Authorizations and Order Approving Abandonment (“Application”) filed September 29, 2025. Application includes authorizations to (i) construct, install, own, operate, and maintain approximately 5.24 miles of pipeline; (ii) abandon by removal approximately 0.75 miles of existing pipeline; (iii) abandon by removal 2 existing M&R stations; and (iv) construct, install, own, operate, and maintain 4 new M&R stations.
 - Interventions filed by NSTAR Electric, NSTAR Gas, and New York State Gas & Electric and Maine Natural Gas Co.
- **Iroquois ExC Project (CP20-48)**
 - 125,000 Dth/d of incremental firm transportation service to ConEd and KeySpan by building and operating new natural gas compression and cooling facilities at the sites of four existing Iroquois compressor stations in Connecticut (Brookfield and Milford) and New York (Athens and Dover).
 - Three-year construction project; service now requested for **March 25, 2027**.
 - On March 25, 2022, after procedural developments summarized in previous Reports, the FERC issued to Iroquois a certificate of public convenience and necessity, authorizing it to construct and operate the proposed facilities.¹³⁵ The certificate was conditioned on: (i) Iroquois’ completion of construction of the proposed facilities and making them available for service within **three years** of the date of the; (ii) Iroquois’ compliance with all applicable FERC regulations under the NGA; (iii) Iroquois’ compliance with the environmental conditions listed in the appendix to the order; and (iv) Iroquois’ filing written statements affirming that it has executed firm service agreements for volumes and service terms equivalent to those in its precedent agreements, prior to commencing construction. The March 25, 2022 order also approved, as modified, Iroquois’ proposed incremental recourse rate and incremental fuel retention percentages as the initial rates for transportation on the Enhancement by Compression Project.
 - On April 18, 2022, Iroquois accepted the certificate issued in the *Iroquois Certificate Order*.
 - On June 17, 2022, in accordance with the *Iroquois Certificate Order*, Iroquois submitted its Implementation Plan, documenting how it will comply with the FERC’s Certificate conditions.
 - On October 28, 2024, Iroquois requested an extension of time, until **March 25, 2027**, to construct and place into service its Enhancement by Compression Project (Project) located in Greene and Dutchess

¹³⁴ *Removal of Regulations Limiting Authorizations to Proceed with Construction Activities Pending Rehearing*, 191 FERC ¶ 61,208 (June 18, 2025).

¹³⁵ *Iroquois Gas Transmission Sys., L.P.*, 178 FERC ¶ 61,200 (2022) (“*Iroquois Certificate Order*”).

Counties, New York and Fairfield and New Haven Counties, Connecticut as authorized in the *Iroquois Certificate Order*. (The *Iroquois Certificate Order* required Iroquois to complete construction of the Project and make it available for service within three years of the date of the Order or by March 25, 2025.) Iroquois stated that construction of the Project has been delayed due to pending state permit approvals, specifically air permits from the New York State Department of Environmental Conservation and the Connecticut Department of Energy and Environmental Protection. Iroquois asserts that it has been working in good faith with these agencies and expects to receive approvals for the Project in the near future.

- ▶ Comments on Iroquois' request were due on or before November 15, 2024. Protests and comments were filed by the Sierra Club of Connecticut, Save the Sound, and nearly 20 individual citizens. A number of others requested an extension of time to comment, but those requests have not been (nor should be expected to be) acted on by the FERC.¹³⁶
- ▶ On February 19, 2025, the FERC granted the requested two-year extension of time, to March 25, 2027, to construct the project and place it into service.¹³⁷ The FERC found that Iroquois has worked and continues to work toward obtaining the state permits necessary to enable construction to commence, no bad faith or delay on Iroquois's behalf, and therefore good cause to grant the two-year extension of time to complete construction of the project.¹³⁸

XV. State Proceedings & Federal Legislative Proceedings

No Activity to Report

XVI. Federal Courts

The following are matters of interest, including petitions for review of FERC decisions in NEPOOL-related proceedings, that are currently pending before the federal courts (unless otherwise noted, the cases are before the U.S. Court of Appeals for the District of Columbia Circuit ("DC Circuit")). An "***" following the Case No. indicates that NEPOOL has intervened or is a litigant in the appeal. The remaining matters are appeals as to which NEPOOL has no organizational interest but that may be of interest to Participants. For further information on any of these proceedings, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Order 904: Compensation for Reactive Power Within the Standard Power Factor Range (5th Circuit – 25-60055 et al.) (consolidated)**

Case Title: Leeward v. FERC

Underlying FERC Proceeding: RM22-22¹³⁹

Status: Docketing Statements and Appearance Filed; Briefing schedule not yet established

Appeals of *Order 904* have been transferred to and consolidated in the 5th Circuit Court of Appeals, with 25-60055 as the lead docket. A briefing schedule will issue upon the filing of the administrative record, and will trigger the specific dates for the approved briefing schedule (Procedural Motions (Briefing Notice+14 days); Petitioners' Briefs (Briefing Notice+60 days); FERC's Brief (Petitioners' Briefs+90 days); Response Brief Intervenors

¹³⁶ The FERC will aim to issue an order acting on the request within 45 days. The FERC will address all arguments relating to whether the applicant has demonstrated there is good cause to grant the extension. The FERC will not consider arguments that re-litigate the issuance of the certificate order, including whether the Commission properly found the project to be in the public convenience and necessity and whether the Commission's environmental analysis for the certificate complied with NEPA.

¹³⁷ *Iroquois Gas Transmission System, L.P.*, 190 FERC ¶ 61,112 (Feb. 19, 2025).

¹³⁸ *Id.* at P 15.

¹³⁹ *Compensation for Reactive Power Within the Standard Power Factor Range*, Order No. 904, 189 FERC ¶ 61,034 (Oct. 17, 2024).

in Support of FERC (FERC's Brief+14 days); Petitioners' Reply Briefs (Intervenors' Response Brief+30 days); Deferred Joint Appendix (FERC's reply brief+7 days); and Final Briefs (Joint Appendix+7 days)).

- **Order 1920: Transmission Planning Reforms (4th Circuit – 24-1650)**

Case Title: *Appalachian Voices v. FERC*

Underlying FERC Proceeding: RM21-17¹⁴⁰

Status: Briefing Underway

As previously reported, on July 18, 2024, AEU/ACPA/SEIA and Invenenergy petitioned the DC Circuit Court of Appeals for review of the FERC's *Order 1920*.¹⁴¹ Petitions were also filed in the First, Second, Fourth, Fifth, Sixth, Seventh, Ninth, and Eleventh Circuits. The Judicial Panel on Multidistrict Litigation randomly selected the Fourth Circuit as the Circuit in which to consolidate the petitions for review. The DC Circuit ordered that its cases be transferred to the 4th Circuit. The 4th Circuit lead case no. is 24-1650. On August 26, 2024, the 4th Circuit granted the FERC's motion to hold the petitions for review in abeyance. Since the last Report, Appalachian Voice et al submitted their opening brief. FERC's Response Brief is due January 5, 2026. Looking further ahead, Intervenors in support of FERC may file response briefs by February 4, 2026; Petitioners reply briefs will be due February 25, 2026; the Joint Appendix must be filed by March 4, 2026; and final briefs by March 11, 2026.

- **Orders 2023 and 2023-A (23-1282 et al.) (consolidated)**

Case Title: *Advanced Energy United, et al. v. FERC*

Underlying FERC Proceeding: RM22-14¹⁴²

Status: Oral Argument Scheduled for September 26, 2025

Several Petitioners have challenged *Orders 2023 and 2023-A*. Those challenges were consolidated, with the AEU docket (23-1282) as the lead docket. Briefing is now complete. Oral argument was held **September 26, 2025** before a merits panel comprised of Judges Millett, Walker, and Childs. This matter is now pending before the Court.

- **CASPR (20-1333, 21-1031) (consolidated)****

Case Title: *Sierra Club, et al. v. FERC*

Underlying FERC Proceeding: ER18-619¹⁴³

Petitioners: Sierra Club, NRDC, RENEW Northeast, and CLF

Status: Being Held in Abeyance; Motions to Govern Future Proceedings Due Mar 2, 2026

As previously reported, the Sierra Club, NRDC, RENEW Northeast, and CLF petitioned the DC Circuit Court of Appeals on August 31, 2020 for review of the FERC's order accepting ISO-NE's CASPR revisions and the FERC's subsequent *CASPR Allegheny Order*. Appearances, docketing statements, a statement of issues to be raised, and a statement of intent to utilize deferred joint appendix were filed. A motion by the FERC to dismiss the case was dismissed as moot by the Court, referred to the merits panel (Judges Pillard, Katsas and Walker), and is to be addressed by the parties in their briefs.

Petitioners have moved to hold this matter in abeyance now four times. In the most recent request (filed March 1, 2024) (fourth abeyance request), Petitioners asked the Court to hold this matter in abeyance until March 1, 2026 "in light of the continued delay of the revisions to its capacity market that ISO New England previously asserted were a predicate to eliminating the market impediment that is the subject of the underlying claims

¹⁴⁰ *Constellation Mystic Power, LLC*, 185 FERC ¶ 61,170 (Dec. 5, 2023) ("Second CapEx Info Filing Order"); *Constellation Mystic Power, LLC*, 186 FERC ¶ 62,048 (Feb. 5, 2024) ("Second CapEx Info Filing Order Allegheny Notice").

¹⁴¹ Petitioners for review of *Order 1920* have also been filed in the 1st, 4th, 5th, and 9th Circuits.

¹⁴² *Improvements to Generator Interconnection Procedures and Agreements*, 184 FERC ¶ 61,054 (July 28, 2023) ("Order 2023"); 184 FERC ¶ 62,163 (Sep. 28, 2023) (Notice of Denial of Rehearing by Operation of Law).

¹⁴³ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("CASPR Order").

before the Court”. The Court granted the request on May 12, 2024, ordering the parties to file motions to govern future proceedings by **March 2, 2026**.

- **Opinion 531-A Compliance Filing Undo (20-1329)**
Case Title: *Central Maine Power Company, et al. v. FERC*
Underlying FERC Proceeding: ER15-414¹⁴⁴
Petitioners: TOs (CMP et al.)
Status: Being Held in Abeyance

On August 28, 2020, the TOs¹⁴⁵ petitioned the DC Circuit Court of Appeals for review of the FERC’s October 6, 2017 order rejecting the TOs’ filing that sought to reinstate their transmission rates to those in place prior to the FERC’s orders later vacated by the DC Circuit’s *Emera Maine*¹⁴⁶ decision. On September 22, 2020, the FERC submitted an unopposed motion to hold this proceeding in abeyance for four months to allow for the Commission to “a future order on petitioners’ request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the Commission.” On October 2, 2020, the Court granted the FERC’s motion, and directed the parties to file motions to govern future proceedings in this case by February 2, 2021. On January 25, 2021, the FERC requested that the Court continue to hold this petition for review in abeyance for an additional three months, with parties to file motions to govern future proceedings at the end of that period. The FERC requested continued abeyance because of its intention to issue a future order on petitioners’ request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the FERC. Petitioners consented to the requested abeyance. On February 11, 2021, the Court issued an order that that this case remain in abeyance pending further order of the court. On April 21, 2021, the FERC filed an unopposed motion for continued abeyance of this case *because* the Commission intends to issue a future order on Petitioners’ request for rehearing of the challenged *Order Rejecting Compliance Filing*, and because the remand proceeding in which the challenged order was issued remains ongoing.

On May 4, 2021, the Court ordered that this case remain in abeyance pending further order of the Court, directing the FERC to file a status reports at 120-day intervals. The parties were directed to file motions to govern future proceedings in this case within 30 days of the completion of agency proceedings. The FERC’s last status report, indicating that the proceedings before the FERC remain ongoing and that this appeal should continue to remain in abeyance, was filed on July 16, 2025.

- **Avangrid/NextEra NECEC Civil Suit (D.MA) (Civil Action No. 24-30141-MGM)**
Case Title: *Avangrid, Inc. et al. v. NextEra Energy, Inc. et al.*
Status: Federal Anti-Trust Claims Dismissed; State Law Claims Remain Pending

On November 12, 2024, Avangrid sued NextEra in US District Court for the District of Massachusetts (“D.MA”) claiming NextEra’s illegal use political and regulatory channels to delay or prevent Avangrid from obtaining the approvals needed to construct the NECEC project resulted in damages in excess of \$350 million. Specifically, Avangrid alleged NextEra violations of US (Sherman Act) and MA Anti-Trust laws (alleging actual, attempted, and conspiracy to monopolize the markets) (the “Anti-Trust Claims”), as well as state law violations related to NextEra’s: (i) conspiracy with others (to perpetuate an attack campaign based on false and misleading claims against NECEC using dark money in violation of campaign finance law, and to intervene without basis in NECEC’s permitting process for unlawful purpose), (ii) intentional interference with CMP contracts, (iii) unjust enrichment; and (iv) unfair business practices (together the “State Law Claims”).

¹⁴⁴ *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) (“*Order Rejecting Filing*”).

¹⁴⁵ The “TOs” are CMP; Eversource Energy Service Co., on behalf of its affiliates CL&P, NSTAR and PSNH; National Grid; New Hampshire Transmission; UI; Unitil and Fitchburg; VTransco; and Versant Power.

¹⁴⁶ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) (“*Emera Maine*”).

On September 22, 2025, the presiding US District Judge, Mark Mastroianni, dismissed Avangrid's Antitrust Claims, noting that NextEra's motion to dismiss as to the State Law Claims remains under advisement. On October 6, 2025, Avangrid and NextEra submitted a joint request for a second oral argument to cover the remaining claims after the September 22 order, and Avangrid submitted an unopposed request for a status conference to discuss how to seek relief from the monopolizations claims in the September 22 order (either by seeking leave to amend or request for an appeal).

- **Allco PURPA Enforcement Petition (D.CT) (Case No. 3:25CV01321)**

Case Title: *Allco Finance Limited Inc. v. Dykes et al.*

Status: Federal Anti-Trust Claims Dismissed; State Law Claims Remain Pending

Following a FERC notice¹⁴⁷ that it had decided not to act on Allco's PURPA Complaint related to Connecticut's¹⁴⁸ implementation under section 210 of PURPA of its Shared Clean Energy Facility ("SCEF") Program,¹⁴⁹ Allco brought an enforcement action against Connecticut in federal district court in Connecticut.¹⁵⁰ *Allco Finance Limited Inc. v. Dykes et al.* (case no. 3:25CV01321).

¹⁴⁷ *Allco Finance Limited*, 192 FERC ¶ 61,116 (Aug. 4, 2025).

¹⁴⁸ For purposes of this proceeding, "Connecticut" is the Connecticut Department of Energy and Environmental Protection ("CT DEEP"), Connecticut Public Utilities Regulatory Authority ("CT PURA"), and the Connecticut Department of Agriculture ("CT DoA").

¹⁴⁹ Allco asserted that CT is improperly implementing PURPA by requiring the following criteria for participation in the Shared Clean Energy Facility ("SCEF") program: (i) that no more than 10% of the project site contains slopes greater than 15%; (ii) that separate QFs on the same parcel cannot receive a contract even when the total of the two QFs is less than 5MWs; (iii) documentation of "community outreach and engagement" regarding the bid for a contract; (iv) restrictions related to "Prime Farmland" location; (v) a QF cannot have been constructed or started construction; (vi) a workforce development program, and for certain projects a community benefits agreement; (vii) a contract that includes renewable energy credits; and (viii) a bidder must bear costs related to a utility's voluntarily seeking to re-sell the QF's energy in the ISO-NE market, if the utility chooses not to use the energy to supply its own customers. Allco argues that the criteria are neither objective nor reasonable and are unrelated to a QF's commercial viability or financial commitment. Allco further contends that some of CT's SCEF program requirements violate its constitutional rights. Allco also states that bids it submitted in 2024 and 2025 were rejected on the basis of these unlawful requirements.

¹⁵⁰ 16 U.S.C. § 824a-3(h)(2)(B).

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Admin
Matters

Oct 9, 2025
Meeting