



## **FINAL AGENDA**

**TUESDAY, JUNE 16, 2026**

**9:30 a.m. – 4:30 p.m. General Session\*\*  
(Beacon Ballroom)**

1. To approve the draft minutes of the Participants Committee meetings held on April 30 and May 7, 2026. A copy of each set of draft minutes is included and posted with this supplemental notice. Please provide us with any comments on the draft minutes **on or before 5:00 p.m., Thursday, June 11, 2026**.
2. To adopt and approve all actions recommended by the Technical Committees set forth on the Consent Agenda included with this supplemental notice and posted with the meeting materials. Consent Agenda Item No. 1 has been removed and will be considered as Item 10A (*see below*).
3. To receive remarks from Vamsi Chadalavada, Chief Executive Officer, ISO New England. A summary of the ISO Board and Board Committee meetings held since the last Participants Committee meeting is included with this supplemental notice and posted with the meeting materials.
4. To receive a Systems and Market Operations Report. The ISO's June Systems and Market Operations Report, reflecting May data, will be circulated and posted in advance of the meeting.
5. To receive a report on the ISO's preliminary 2027 and 2028 Operating and Capital Budgets by Kelly Reyngold, Chief Financial Officer, ISO New England. The 2027 Budget Presentation is included with this supplemental notice and posted with the meeting materials.
6. To consider and take action, as appropriate, on changes to Section IV.A and Section IV.B of the Tariff to clarify how the ISO's annual rates, charges, and capital budget (together, the Calendar Year Rates) will be administered if, by January 1, those Calendar Year Rates have not been authorized by the FERC or have not otherwise become effective. Background materials and a draft resolution are included with this supplemental notice and posted with the meeting materials.
7. To consider and take action, as appropriate, on changes to the Pay-For-Performance (PFP) treatment of external transactions during Capacity Scarcity Conditions and settlement calculations, and related revisions to Tariff Sections I, III, the Billing Policy, and the Financial Assurance Policy (FAP). Background materials and draft resolutions are included with this supplemental notice and posted with the meeting materials.

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\* 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.

**\*\*All start and finish times subject to adjustment.**

8. To consider and take action, as appropriate, on changes to cap the PFP Capacity Balancing Ratio at 1.0 and to make related revisions to Tariff Sections I, III, and the FAP. Background materials and draft resolutions are included with this supplemental notice and posted with the meeting materials.
9. To consider and take action, as appropriate, on the ISO’s proposed downward adjustment to the Performance Payment Rate (PPR) and related revisions to Sections III.13.7 and III.15. Background materials, including information on a potential amendment and a request for further assessment of the proposed PPR adjustment, are included with this supplemental notice and posted with the meeting materials.
10. To consider and take action, as appropriate, on Day-Ahead Ancillary Services (DAAS) post-implementation market adjustments in response to recommendations by the Internal Market Monitor (IMM). Background materials and a draft resolution are included with this supplemental notice and posted with the meeting materials.
- 10A. To consider and take action, as appropriate, on changes to the NEPOOL Generation Information System (GIS) and GIS Operating Rules related to marking of Certificates as being transferred under Section 83D of the Massachusetts Act Relative to Green Communities. This item was removed from the Consent Agenda (Consent Agenda Item 1). Background materials, including a memo from Participant representatives proposing to amend the draft resolution to approve the changes, are included with this supplemental notice and posted with the meeting materials.
11. To receive a report on current matters relating to regional wholesale power and transmission arrangements that are pending before the regulators and the courts.
12. To receive reports from other Committees, Subcommittees, and working groups:
  - Markets Committee
  - Reliability Committee
  - Transmission Committee
  - Budget & Finance Subcommittee
  - Membership Subcommittee
  - Others
13. FERC Staff Introductions.
14. To receive an External Market Monitor Report by Dr. David Patton, President, Potomac Economics. A presentation with highlights of the EMM’s 2025 Annual Assessment of the ISO New England Electricity Markets will be circulated and posted following receipt.
15. To transact such other business as may properly come before the meeting.

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**WEDNESDAY, JUNE 17, 2026**

**9:30 a.m. – 12:00 p.m.\*\***

**(Beacon Ballroom)**

16. To receive welcoming remarks from a state official(s) of the State of Rhode Island.
17. To receive an IMM Report from David Naughton, Executive Director, Market Monitoring, including highlights from the IMM's:
  - 2025 Annual Markets Report; and
  - Day-Ahead Ancillary Services Market Assessment.

A copy of the IMM's 2025 Annual Markets Report is included and posted with the composite materials for the meeting. The Day-Ahead Ancillary Services Assessment is included with this supplemental notice and posted with the meeting materials. Further material will be circulated and posted in advance of the meeting.

*Wednesday afternoon has been set aside for separate meetings and organized networking, as desired.*

**THURSDAY, JUNE 18, 2026**

**8:30 a.m. – 12:45 p.m.\*\***

*Thursday, June 18 has been set aside for separate, modified Sector meetings with ISO Board Members, State Officials, and FERC Representatives, as detailed in the Sector meeting schedule included with this agenda.*

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**JUN 9, 2026 DRAFT**

SECTOR/GROUP	8:30–9:45 a.m.	10:00–11:15 a.m.	11:30 a.m.–12:45 p.m.	11:45 a.m.–2:00 p.m.
Generation / Long	State Officials Panel 1 <i>(Beacon D)</i>	ISO Board Panel 2 <i>(Beacon A)</i>	FERC Staff (12:15–12:45) <i>(Hamilton)</i>	Lunch (All)  <i>Rose Island Ballroom</i>
Transmission	State Officials Panel 2 <i>(Beacon B)</i>	ISO Board Panel 1 <i>(Beacon C)</i>	FERC Staff (11:30–12:00) <i>(Hamilton)</i>	
Supplier / Short (LSE)	ISO Board Panel 1 <i>(Beacon C)</i>	FERC Staff (10:45–11:15) <i>(Hamilton)</i>	State Officials Panel 1 <i>(Beacon D)</i>	
Publicly Owned Entity	FERC Staff (8:30–9:00) <i>(Hamilton)</i>	State Officials Panel 2 <i>(Beacon B)</i>	ISO Board Panel 1 <i>(Beacon C)</i>	
AR	FERC Staff (9:15–9:45) <i>(Hamilton)</i>	State Officials Panel 1 <i>(Beacon D)</i>	ISO Board Panel 2 <i>(Beacon A)</i>	
End User	ISO Board Panel 2 <i>(Beacon A)</i>	FERC Staff (10:00–10:30) <i>(Hamilton)</i>	State Officials Panel 2 <i>(Beacon B)</i>	
ISO Board Panel 1	Supplier / Short (LSE) <i>(Beacon C)</i>	Transmission <i>(Beacon C)</i>	Publicly Owned Entity <i>(Beacon C)</i>	
ISO Board Panel 2	End User <i>(Beacon A)</i>	Generation / Long <i>(Beacon A)</i>	AR <i>(Beacon A)</i>	
State Officials Panel 1	Generation / Long <i>(Beacon D)</i>	AR <i>(Beacon D)</i>	Supplier / Short (LSE) <i>(Beacon D)</i>	
State Officials Panel 2	Transmission <i>(Beacon B)</i>	Publicly Owned Entity <i>(Beacon B)</i>	End User <i>(Beacon B)</i>	
FERC Staff	Publicly Owned (8:30–9:00) AR (9:15–9:45) <i>(Hamilton)</i>	End User (10:00–10:30) Supplier/Short (LSE) (10:45–11:15) <i>(Hamilton)</i>	Transmission (11:30–12:00) Generation/Long (12:15–12:45) <i>(Hamilton)</i>	

**ISO Board Panel 1:** Caren Anders, Mike Curran, Craig Ivey, Cheryl LaFleur, Mark Vannoy

**ISO Board Panel 2:** Brook Colangelo, Steve Corneli, Catherine Flax, Mel Williams, and Vamsi Chadalavada

**State Officials Panel 1:** RI PUC Commissioner Karen Bradbury, RI PUC Staff Todd Bianco, CT PURA Chairman Thomas Wiehl, CT DEEP Deputy Commr. Andy Frank, CT DEEP Staff Eric Annes, ME PUC Commr. Patrick Scully, ME DOER Staff Bob Snook, MA DPU Commr. Liz Anderson, MA EEA Asst. Secretary Austin Dawson, NH PUC Commr. Mark Dell’Orfano (virtual), NH DOE Staff Bruce Blair, NH DOE Staff Dan Phelan, VT PUC Chair Ed McNamara, NESCOE Staff Jeff Bentz, NESCOE Staff Shannon Beale, and NECPUC Exec. Dir. George Twigg

**State Officials Panel 2:** RI PUC Chairman Ron Gerwatowski, CT DEEP Staff Josh Walters, ME PUC Chair Phil Bartlett, ME DOER Staff Celina Cunningham, ME PUC Staff Michael Haskell, MA DPU Chair Jeremy McDiarmid, MA EEA Assistant Secretary Weezie Nuara, MA DPU Staff Gregg Wade, NH PUC Chairman Chris Ellms (virtual), NH DOE Staff Matt Young, VT DPS Commissioner Kerrick Johnson, NESCOE Staff Sheila Keane, NESCOE Staff Nathan Forster, and NESCOE Exec. Dir. Heather Hunt

**FERC Staff:** Eric Jacobi, Noah Schlosser, and Aaron Siskind

## **PRELIMINARY**

Pursuant to notice duly given, a special Webex meeting of the NEPOOL Participants Committee was held beginning at 9:00 a.m. on Thursday, April 30, 2026. 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.

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

## **PURPOSE OF SPECIAL MEETING**

Ms. Bresolin welcomed the Committee to the special meeting that was being held, at the request of a number of Transmission Sector members, to consider and take action on proposed revisions to Attachment F (Appendix A, Worksheet 2) to Section II of the ISO Tariff (Attachment F Revisions), including a proposed new region-wide base return on equity (ROE). She referred members to the background materials circulated in advance of the meeting and posted to the NEPOOL website. Ms. Bresolin explained that the Participating Transmission Owners Administrative Committee (PTO-AC) planned to file later that day on behalf of the Participating Transmission Owners (PTOs) a prospective new ROE (a proposed change to the 9.57% ROE that had been directed by the FERC in its March 19, 2026 Opinion No. 594 (*Opinion 594*)) and was seeking Participants Committee action ahead of that filing. Ms. Bresolin noted for the Committee that the specific ROE % to be proposed in the PTO-AC filing would be identified and included in the motion to support the Attachment F Revisions before that motion was moved. She further indicated that a motion to amend the ROE % was expected to be offered by a Market Participant End User representative.

## **PTO-AC ROE PROPOSAL**

Mr. Nick Gangi, Transmission Committee (TC) Chair, summarized the Participant Processes undertaken to that point. Mr. Gangi explained that, at the April 21, 2026 TC, the PTO-AC had proposed a revision to Attachment F in response to *Opinion 594*. While the revisions struck the 10.57% base ROE rate in the Tariff, no new % was identified at that time; instead the PTO-AC inserted a placeholder for a new base ROE rate to be filled in later, and as part of the PTO-AC's FERC filing. Ultimately, at the April 21 TC meeting, and based on a roll call vote, the TC did not recommend Participants Committee support for the PTO-AC proposal, with a 19.84% vote in favor (that percentage registered by the Transmission Sector reflected an upward adjustment to the Sector voting share based on the lack of Sector Quorum achieved by the Alternative Resources (AR) Sector at the TC meeting).

Ms. Bresolin then introduced and invited Ms. Jackie Hansen, a PTO-AC representative, to make brief remarks on the Attachment F Revisions. Ms. Hansen thanked the Committee for accommodating the PTO's request for the special meeting, and explained that the PTO-AC would make a filing, under Section 205 of the Federal Power Act, following the meeting that day, to revise the going forward region-wide base ROE to reflect, in their view, current economic conditions for transmission assets included in Attachment F. She noted that the 9.57% base ROE established in *Opinion 594* was based on market data from October 2012 and explained that the PTO-AC filing would propose a new base ROE of 11.39%, employing the same methodology as used by the FERC in *Opinion 594* but reflecting current economic conditions. The contemplated effective date for this newly proposed base ROE would be June 30, 2026.

Members then asked clarifying questions. In response to questions regarding when any new ROE might be reflected in rates, Ms. Hansen said that the PTOs' annual 2027 rate filing

would not initially reflect any change from the FERC-directed 9.57% ROE. However, if the new ROE was accepted, the PTOs were not in a position at this meeting to identify how or when the new ROE would then in turn be reflected in rates. The PTO-AC did not have plans to submit additional redlines, other than to insert the 11.39%, and did not believe that the new percentage would be changed based on discussion at the meeting. Ms. Hansen confirmed that the going-forward ROE would be evaluated on its own merits and would not in and of itself impact the refund ordered in the existing ROE proceedings. She added that additional support for the 11.39% would be presented in the FERC proceeding, but not during the special meeting.

Addressing questions as to what rate applied, and by whom the rate was set, Ms. Hansen confirmed that the base ROE percentage applied to the Pool Transmission Facilities (PTF) asset rate, which an ISO representative confirmed was solely within the purview of the PTOs to set and was used as an input to the Annual Revenue Requirement. The timing of consideration of the Attachment F Revisions was similarly driven by the PTOs, who wished to have the rates be in effect as of July 1 and not push any later into that period as a result of consideration at a later, regularly-scheduled Participants Committee meeting. In response to further questions, Ms. Hansen said that the new ROE would not impact other applicable incentives or adders under the Tariff.

The following main motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports the Attachment F Revisions, as proposed by the PTO-AC, together with such non-substantive changes as may be agreed to after the meeting by the Chair of the Participants Committee.

***Market Participant End User Amendment***

A Market Participant End User representative then made a motion to amend the main motion, which was duly seconded, so as to set the base ROE at 9.57% (reflecting the same % as directed in *Opinion 594*) in lieu of the PTO-AC's proposed 11.39% base ROE.

Those supporting the motion to amend focused on the very limited opportunity to review or discuss the PTO-AC-proposed change to the FERC-directed ROE and viewed the motion to amend the ROE to 9.57%, therefore, as an appropriate replacement for the placeholder. Others, with similar reservations as to the sufficiency of time to evaluate the End User representative's proposed alternative, indicated they would abstain on the motion to amend. Transmission Sector members noted their opposition to the motion to amend.

Without further discussion, the motion to amend was voted and was determined, by a show of hands, to have failed.

***Unamended Main Motion (PTO-AC Proposal)***

Members then addressed the PTO-AC Proposal (the proposed 11.39% ROE).

A member of the Publicly Owned Entity Sector, acknowledging that business conditions had changed since those conditions underlying the FERC-established ROE rate, expressed disappointment with the missed opportunity to have a conversation in good faith and potentially reach consensus on a new base ROE rate. He encouraged the TOs to look for opportunities to engage in collaborative discussion.

Others expressed concern with considering and voting on a proposal with minimal notice and information. Echoing those sentiments, a NESCOE representative noted that the PTO-AC's request for stakeholders to form an opinion and vote on an ROE proposal that lacked specificity could undermine the FERC's respect for the region's decision-making predicated on a strong and

respectful stakeholder process. She added that, although NESCOE does not participate in NEPOOL voting, it objected to the PTO-AC's request for an advisory vote on what had been a blank proposal until just minutes before. She stated that the request was particularly concerning because it would directly affect New England consumers' costs. The NESCOE representative concluded that the TC vote the prior week, in which no stakeholder other than the Transmission Owners supported the proposal, was an inevitable outcome for a proposal that was not ripe for consideration.

Following a member's request for a roll call vote, the unamended main motion, including the PTO-AC's proposed base ROE of 11.39%, was then voted and was not approved. The unamended main motion failed with a 16.67% vote in favor (Generation Sector – 0%; Transmission Sector – 16.67%; Supplier Sector – 0%; AR Sector – 0%; Publicly Owned Entity Sector – 0%; and End User Sector – 0%) (*See Attachment 2*).

There being no other business, the meeting adjourned at 9:58 am.

Respectfully submitted,

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Sebastian Lombardi, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN THE SPECIAL APRIL 30, 2026 WEBEX MEETING**

<b>PARTICIPANT NAME</b>	<b>SECTOR/GROUP</b>	<b>MEMBER NAME</b>	<b>ALTERNATE NAME</b>	<b>PROXY</b>
Acadia Center	End User	Joe LaRusso		
Advanced Energy United	Assoc. Non-Voting		Alex Lawton	
Ashburnham Municipal Light Plant	Publicly Owned Entity		Matt Ide	
AVANGRID (CMP/UI)	Transmission	Alan Trotta	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		Matt Ide	
Braintree Electric Light Department	Publicly Owned Entity	Dave Cavanaugh		
Chicopee Municipal Lighting Plant	Publicly Owned Entity		Matt Ide	
Clear River Electric and Water District	Publicly Owned Entity		Dave Cavanaugh	
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw		
Connecticut Office of Consumer Counsel	End User		Jamie Talbert-Slagle	
Conservation Law Foundation	End User	Phelps Turner		
Constellation Energy Generation (Constellation)	Supplier	Andy Gillespie		
Cross-Sound Cable Company (CSC)	Supplier			Jeff Iafrati
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Dartmouth Power Associates, L.P.	Generation	Sarah Yasutake		
Dominion Energy Generation Marketing, Inc.	Generation	Wes Walker		
Elektrisola, Inc.	End User			Bill Short
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Eversource Energy	Transmission		Dave Burnham	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Fiscal Alliance Foundation, Inc.	End User	Paul Craney		
Gabel Associates, Inc.	Supplier	Sarah Yasutake		
Galt Power, Inc.	Supplier		Jeff Iafrati	
Garland Manufacturing Company	End User			Bill Short
Generation Bridge Companies	Generation		Steve Kirk	
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Granite Shore Companies	Generation			Bob Stein
Green Oceans	End User		Lauren Knight	
Groton Electric Light Department	Publicly Owned Entity		Matt Ide	
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc. (HQUS)	AR-RG	Louis Guilbault	Bob Stein	
Hammond Lumber Company	End User			Bill Short
Harvard Dedicated Energy Limited	End User			Doug Hurley
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		Matt Ide	
Hudson Light and Power Department	Publicly Owned Entity			Dave Cavanaugh
Hull Municipal Lighting Plant	Publicly Owned Entity		Matt Ide	
Icetek Energy Services, LLC	AR-LR	Doug Hurley		
Industrial Energy Consumer Group	End User		Todd Griset	
Industrial Wind Action Group	End User	Lisa Linowes		
Ipswich Municipal Light Department	Publicly Owned Entity		Matt Ide	
Lamson, Jon	End User	Jon Lamson		
Littleton (MA) Electric Light and Water Dept.	Publicly Owned Entity		Dave Cavanaugh	
Long Island Power Authority (LIPA)	Supplier		Bill Killgoar	
Maine Public Advocate's Office	End User	Drew Landry		Susan Chamberlin
Maine Skiing, Inc.	End User		Todd Griset	
Mansfield Municipal Electric Department	Publicly Owned Entity		Matt Ide	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN THE SPECIAL APRIL 30, 2026 WEBEX MEETING**

<b>PARTICIPANT NAME</b>	<b>SECTOR/GROUP</b>	<b>MEMBER NAME</b>	<b>ALTERNATE NAME</b>	<b>PROXY</b>
Marble River, LLC	Supplier	John Brodbeck		
Marblehead Municipal Light Department	Publicly Owned Entity		Matt Ide	
Mass. Attorney General's Office (MA AG)	End User	Jackie Bihrlé	Jamie Donovan	
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity	Matt Ide		
MDC – The (CT) Metropolitan District	Publicly Owned Entity		Dave Cavanaugh	
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Midcoast Regional Redevelopment Authority	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
New England Power (d/b/a National Grid)	Transmission	Tim Brennan	Tim Martin	
New England Power Gens. Assoc. (NEPGA)	Assoc. Non-Voting	Bruce Anderson		
New Hampshire Electric Cooperative	Publicly Owned Entity			Brian Forshaw
New Hampshire Office of Consumer Advocate	End User	Matthew Fossum		
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
NRG Business Marketing, LLC	Supplier	Ben Griffiths		
Nylon Corporation of America	End User			Bill Short
Pawtucket Power Holding Company	Generation	Dan Allegretti		
Paxton Municipal Light Department	Publicly Owned Entity		Matt Ide	
Peabody Municipal Light Department	Publicly Owned Entity		Matt Ide	
PowerOptions, Inc.	End User			Doug Hurley
Princeton Municipal Light Department	Publicly Owned Entity		Matt Ide	
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
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		Matt Ide	
Saint Anselm College	End User			Bill Short
Shell Energy North America (US), L.P.	Supplier	Jeff Dannels		
Shipyard Brewing LLC	End User			Bill Short
Shrewsbury Electric & Cable Operations	Publicly Owned Entity		Matt Ide	
South Hadley Electric Light Department	Publicly Owned Entity		Matt Ide	
Sterling Municipal Electric Light Department	Publicly Owned Entity		Matt Ide	
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Taunton Municipal Lighting Plant	Publicly Owned Entity	Nick Parrotta	Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned Entity		Matt Ide	
Vermont Electric Company	Transmission	Frank Etori		
Vermont Energy Investment Corporation	AR-LR			Doug Hurley
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw
Versant Power	Transmission	Dave Norman		
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity	Dave Cavanaugh		
Wakefield Municipal Gas & Light Department	Publicly Owned Entity		Matt Ide	
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		Matt Ide	Dan Murphy
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
ZTECH, LLC	End User			Bill Short

**SPECIAL APRIL 30, 2026 WEBEX PARTICIPANTS COMMITTEE MEETING  
VOTE ON ATTACHMENT F REVISIONS (BASE ROE)**

**TOTAL**

Sector/Group	Vote
GENERATION	0.00
TRANSMISSION	16.67
SUPPLIER	0.00 <sup>1</sup>
ALTERNATIVE RESOURCES	0.00
PUBLICLY OWNED ENTITY	0.00
END USER	0.00
<b>% IN FAVOR</b>	<b>16.67</b>

**GENERATION SECTOR**

Participant Name	Vote
Dartmouth Power Associates	A
Dominion Energy Generation Mktg	A
FirstLight Power Management, LLC	A
Generation Bridge Companies	O
Granite Shore Power Companies	A
NextEra Energy Resources, LLC	A
Pawtucket Power Holding Co.	A
IN FAVOR (F)	0
OPPOSED (O)	1
TOTAL VOTES	1
ABSTENTIONS (A)	6

**ALTERNATIVE RESOURCES SECTOR**

Participant Name	Vote
<b>Renewable Generation Sub-Sector</b>	
ENGIE Energy Marketing NA, Inc.	O
H.Q. Energy Services (U.S.) Inc.	A
<b>Load Response Sub-Sector</b>	
Icetec Energy Services, LLC	O
Vermont Energy Investment Corp.	A
IN FAVOR (F)	0
OPPOSED (O)	2
TOTAL VOTES	2
ABSTENTIONS (A)	2

**TRANSMISSION SECTOR**

Participant Name	Vote
Avangrid (CMP/UI)	F
Eversource	F
National Grid	F
Rhode Island Energy	F
VELCO	A
Versant Power	F
IN FAVOR (F)	5
OPPOSED (O)	0
TOTAL VOTES	5
ABSTENTIONS (A)	1

**SUPPLIER SECTOR**

Participant Name	Vote
Constellation Energy Generation	A
Cross-Sound Cable Company	A
Gabel Associates, Inc.	A
Galt Power, Inc.	A
LIPA	A
Marble River, LLC	X <sup>1</sup>
NRG Business Marketing, LLC	O
Shell Energy North America (US) LP	A
IN FAVOR (F)	0
OPPOSED (O)	1
TOTAL VOTES	2
ABSTENTIONS (A)	6

<sup>1</sup> [note: A vote in favor by a Supplier Sector Participant was incorrectly registered during the meeting. The Supplier Sector Participant voting in favor was, as a result of an ongoing Financial Assurance Default at the time of the vote, suspended from voting on matters before the Participants Committee (see

Financial Assurance Policy Section III.B.2.c). The vote tabulation included as Attachment 2 to these minutes has been revised to reflect the removal of that vote, with the Supplier Sector total in favor reduced to 0% and the overall vote in favor reduced to 16.67%.]



## **PRELIMINARY**

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Thursday, May 7, 2026, at the Delamar in West Hartford, Connecticut. 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.

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

## **EXECUTIVE SESSION**

### **VOTE ON SLATE OF CANDIDATES FOR ISO BOARD**

Ms. Bresolin indicated that discussion of the proposed slate of candidates for the ISO Board would proceed in executive session. She then introduced Mr. Brook Colangelo, ISO Board Member and Chairman of the Joint Nominating Committee (JNC), who joined this portion of the meeting to present and answer any questions regarding the JNC-recommended slate and the process undertaken to identify that slate. Following general comments on the JNC process, Mr. Colangelo identified the candidates, referring to the materials that were circulated to the Committee's members and alternates in advance of the meeting. Mr. Colangelo then left the meeting.

The slate was then discussed in executive session among members and alternates, with initial comments on the candidates offered by the NEPOOL representatives who participated in the JNC efforts. While there were no concerns with the slate presented, some members identified their continuing concerns with voting on Board candidates by way of a slate, rather

than by individual candidate. Other members noted the benefits to the candidate search and overall satisfaction with the results of the slate voting approach as required under the Participants Agreement. Following further discussion, the following motion was duly made, seconded and approved by more than the 70% Vote required for approval, with the vote accomplished by confidential written ballot:

RESOLVED, that the Participants Committee endorses the slate of candidates for the ISO Board that has been recommended by the Joint Nominating Committee and presented to the Participants Committee in executive session at this meeting.

Members were advised that the election of the slate would officially be taken by the ISO Board, likely at the Board's next regularly-scheduled meeting later that month, with the results of that action to be announced publicly promptly thereafter. Until that time, members were cautioned to keep confidential the composition of the slate, particularly the identity of the candidate proposed for a first term.

### **GENERAL SESSION**

Following a short recess, the Committee came out of executive session at 10:30 a.m. and was joined by ISO representatives, State officials and guests. Ms. Bresolin welcomed the members, alternates, State officials (including three Commissioners from Connecticut's Public Utilities Regulatory Authority -- Vice-Chairman David Arconti and Commissioners Janice Beecher and Holly Cheeseman), and guests who were present.

Before proceeding to the first general session agenda item, Ms. Bresolin briefly summarized meetings that she and Mr. Lombardi had had the week before with FERC Chairman Swett and Commissioner LaCerte, the purpose of which was to provide an introduction to NEPOOL and the New England stakeholder process. The meetings also included a preview of

several filings expected to come before the FERC in the next few months. Ms. Bresolin characterized the meetings, as well as the feedback on New England's efforts, as positive.

### **APPROVAL OF APRIL 9, 2026 MEETING MINUTES**

Ms. Bresolin referred the Committee to the preliminary minutes of the April 9, 2026 meeting, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of that meeting 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. Following motion duly made and seconded, the Consent Agenda was unanimously approved, with an abstention by Mr. Lamson noted.

### **ISO SYSTEMS & MARKET OPERATIONS REPORT**

Mr. Stephen George, ISO Vice President of System & Market Operations and Capital Projects, referred the Committee to the May System & Market Operations Report (Report), which had been circulated and posted in advance of the meeting. Noting that data in the Report was through April 29, 2026 unless otherwise noted, Mr. George reviewed Report highlights, which included: (i) the Peak Hour for April 2026, with 15,021 MW of Revenue Quality Metered (RQM) Data, occurred on April 2 during the hour ending at 8:00 p.m.; (ii) April averages for Day-Ahead Hub Locational Marginal Price (LMP) (\$45.89/MWh), Real-Time Hub LMP (\$45.50/MWh), and natural gas prices (\$2.31/MMBtu); (iii) Energy Market value for April 2026

was \$439 million, up from \$400 million in April 2025; (iv) Ancillary Markets value (\$2.5 million) was down from \$7.3 million in April 2025; (v) average Day-Ahead cleared physical energy during the peak hours as a percentage of forecasted load was 99.4% during April, down from 99.7% during March; (vi) Net Commitment Period Compensation (NCPC) payments for April totaled \$2.8 million (representing just 0.6% of April's monthly Energy Market value), comprised of (a) \$2.7 million in First Contingency payments (including \$609,000 in Dispatch Lost Opportunity Costs, \$276,000 in Rapid Response Pricing Opportunity Costs, and \$3,000 paid to Real-Time Deviations), (b) \$117,000 in Second Contingency and less than \$1,000 in voltage payments, and (c) \$30,000 in Distribution payments; and (vii) a Forward Capacity Market (FCM) value of \$88.8 million.

Mr. George highlighted a few additions to the Report that would be updated and included in future reports. The first was a chart that illustrated how, on a daily basis, temperatures departed from normal, with the gray "Mean Departure" line representing a rolling average starting on day one and recalculated each day (the April 2026 average temperature was 1°F warmer than normal). He also highlighted that, in response to member requests for additional visibility into wind and solar forecast errors, links were added to the ISO website where forecast information is updated monthly (typically by the 15th of the month) and those links would be included in monthly reports going forward.

Mr. George also noted that, on May 1, as announced at the April Reliability Committee meeting, the Ten-Minute Reserve Requirement was lowered from 120% (where it had been for the last ten years) to 115% of the largest single contingency on the system. The ISO planned to evaluate that Requirement through the fall, and review with the Reliability Committee any further modifications to that Requirement before the start of the Winter period. That evaluation

would potentially take into account a number of things, including ISO performance and response to operational contingencies, and the performance of resources that will reach commercial status (e.g. large-scale batteries and offshore wind).

In response to members' questions, Mr. George explained why Real-Time exports had been curtailed on a couple of days in April (to avoid reserve deficiencies at or around the peak hour that would have been occurred given exports exceeding those planned for in Day-Ahead clearing, combined with load running above forecast). He also confirmed that, due to planned and force outages, generation outages reached approximately 10,000 MW in April, but were accommodated through the outage coordination process, which maintained sufficient supply to meet demand, even in the face of somewhat volatile weather conditions. April NCPC payments were attributable to a combination of transmission and generation outages, in particular the need to ensure sufficient generation in the east to balance west-to-east flows. Noting that the load forecasting metric for the peak hour had been met, but the all-hours metric had not been met, in April, Mr. George assured members that the ISO's three behind-the-meter photovoltaic (PV) forecasters continued to refine their processes and protocols (with particular focus on the art and science of forecasting cloud cover) and the ISO continued to look for ways to improve its forecasts.

Turning to transmission outages, Mr. George stated that, while there were planned transmission outages throughout May, most were to be of short duration (1 day or less), and not worth specifically calling to members' attention. Mr. George noted plans to add to future monthly reports a slide identifying impactful transmission outages, which members said would be a welcome enhancement.

In response to a question about Day-Ahead Ancillary Services (DAAS) results, Mr. George replied that he would at a future meeting provide clarification as to which cost would most closely resemble the total \$/MWh that a customer would see on their bill. He also encouraged members to provide feedback on other potential refinements to the ISO's DAAS reporting.

## **LITIGATION REPORT**

Mr. Lombardi referred the Committee to the May 6, 2026 Litigation Report that had been circulated and posted before the meeting. Mr. Lombardi highlighted a request for rehearing filed by the New England Transmission Owners of the FERC's *Opinion 594*, which reduced the base return on equity (ROE). Recalling the discussion and vote on the PTO-AC's proposed changes to the base ROE at the April 30 special Participants Committee meeting the week before, he confirmed that the proposal was filed with FERC on April 30. Mr. Lombardi stated that NEPOOL would submit a pleading providing additional information about the accelerated process that NEPOOL undertook to consider the changes and the vote taken at the April 30 meeting. In response to a question, Mr. Lombardi, after a brief explanation of the protocol followed by Counsel for filings of this nature, including Participant officer guidance and feedback, clarified that the comments in the ROE proceeding would be procedure-focused and fact-based, identifying the process undertaken to get to the votes and the position ultimately taken by the Committee at the meeting.

## **COMMITTEE REPORTS**

*Markets Committee (MC)*. Mr. Ben Griffiths, MC Vice-Chair, reported that the next MC meeting would be a three-day meeting, from May 12-14, 2026, at the Framingham Renaissance.

He noted that the agenda was expected to be quite full, including votes on Pay-for-Performance (PFP) revisions, including two stakeholder amendments; discussions on a multitude of Capacity Auction Reforms: Seasonal/Accreditation (CAR-SA)-related topics, including natural gas-fired resource contract requirements and demand curves, and stakeholder presentations on resource accreditation.

**Reliability Committee.** Mr. Frank Etori, the RC Vice-Chair, reported that the next RC meeting would be held on Thursday, May 21, 2026, also at the Framingham Renaissance. He said that discussion would include operating and planning procedure updates for Storage as a Transmission-Only Asset (SATO), *Order 881* and *Order 2023*-related issues, discussion on Power System Simulator for Engineering (PSS/E) Version 36, and several CAR-SA presentations addressing tie benefits, capacity zone formation, and distributed energy capacity resources.

**Transmission Committee (TC).** Mr. Dave Burnham, TC Vice-Chair, reported that the next TC meeting would be held on May 28, 2026, and if held in person, at the Milford Doubletree. He reported that the agenda was still being developed, but he expected further discussion of the asset condition project (ACP) reviewer subject, including potential Participant amendments to the ISO's ACP reviewer framework.

**Budget & Finance Subcommittee (B&F).** Mr. Tom Kaslow, B&F Chair, reported that the B&F would convene on May 8, 2026. He noted that the agenda would include several "regular" budget reports, as well as amendments to the Financial Assurance Policy (FAP) associated with external transactions and PFP-related balancing ratio changes.

**Membership Subcommittee.** Mr. Brian Thomson, the Membership Subcommittee Chair, reported that the next Membership Subcommittee meeting would be held virtually on May 11,

2026. He expected the Subcommittee to take action on one application and one termination request.

### **ADMINISTRATIVE MATTERS**

Mr. Lombardi introduced Ms. Laura Clark, who recently joined the NEPOOL team and would be assisting with all Committee administrative matters. He reminded members who had not done so already to register for the June 16-18, 2026 Summer Meeting in Newport, Rhode Island, which was expected to be well attended. Ms. Bresolin added that the Summer Meeting was likely to be quite busy, with votes on both DAAS and PFP changes, and detailed reports from both the external and internal market monitors, in addition to a full slate of modified Sector meetings with the ISO Board, and representatives from the New England States and the FERC.

Ms. Bresolin announced that Ms. Maria Gulluni, ISO New England's General Counsel, would be receiving later that evening the Leadership Award from the New England Women in Energy and the Environment (NEWIEE), recognizing Ms. Gulluni for her 25-year career in the industry, her leadership, and her dedication to advancing equity and mentoring young professionals. On behalf of NEPOOL and its members, she congratulated Ms. Gulluni for the well-deserved recognition.

There being no other business, the meeting adjourned at 11:07 am.

Respectfully submitted,

---

Sebastian Lombardi, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN THE MAY 7, 2026 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Acadia Center	End User	Joe LaRusso (W)		
Advanced Energy United	Assoc. Non-Voting		Alex Lawton (W)	
Bath Iron Works Corporation	End User			Bill Short
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh		
BP Energy Company	Supplier			Jose Rotger
Braintree Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
Brookfield Renewable Trading and Marketing LP	Supplier	Aleks Mitreski (W)		
Central Maine Power/UI	Transmission	Alan Trotta	Jason Rauch (W)	
Chester Municipal Light Department	Publicly Owned Entity			Brian Forshaw (W)
Clear River Electric	Publicly Owned Entity		Dave Cavanaugh	
CLEAResult Consulting, Inc.	AR-DG	Tamera Oldfield (W)		
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Conn. Municipal Electric Energy Cooperative	Publicly Owned Entity	Brian Forshaw (W)		
Conn. Office of Consumer Counsel	End User	Claire Coleman	Jamie Talbert-Slagle	
Conservation Law Foundation	End User	Nick Krakoff (W)		
Constellation Energy Generation, LLC	Supplier	Andy Gillespie (W)		
Cross-Sound Cable	Supplier		Jose Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Dartmouth Power Associates, L.P.	Generation		Sarah Yasutake (W)	
Dominion Energy Generation Marketing, Inc.	Generation	Wes Walker (W)		
DTE Energy Trading, Inc.	Supplier			Jose Rotger
Earthjustice	End User		Ada Statler (W)	
Elektrisola, Inc.	End User			Bill Short
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Eversource Energy	Transmission		Dave Burnham	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Fiscal Alliance Foundation, Inc.	End User			Lisa Linowes (W)
Gabel Associates, Inc.	Supplier	Sarah Yasutake (W)		
Galt Power, Inc.	Supplier	Jose Rotger		
Garland Manufacturing Company	End User			Bill Short
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Granite Shore Companies	Generation			Bob Stein
Green Oceans	End User		Lauren Knight (W)	
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc.	AR-RG	Louis Guilbault (W)	Robert Stein	
Hammond Lumber Company	End User			Bill Short
Harvard Dedicated Energy Limited	End User			Doug Hurley (W)
High Liner Foods (USA) Incorporated	End User		Bill Short	
Hingham Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Hudson Light and Power Department	Publicly Owned Entity			Dave Cavanaugh
Industrial Wind Action Corp	End User	Lisa Linowes (W)		
Lamson, Jon	End User	Jon Lamson (W)		
Littleton (MA) Electric Light and Water Dept.	Publicly Owned Entity		Dave Cavanaugh	
Maine Public Advocate Office	End User			Susan Chamberlin (W)
Mass. Attorney General's Office	End User	Jacquelyn Bihle	Jamie Donovan	Chris Modlish
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Co.	Publicly Owned Entity			Brian Forshaw (W)
MDC – The (CT) Metropolitan District	Publicly Owned Entity		Dave Cavanaugh	
Mercuria Energy America, LLC	Supplier			Jose Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Midcoast Regional Redevelopment Authority	Publicly Owned Entity		Dave Cavanaugh	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	

(W) = Webex

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES  
PARTICIPATING IN THE MAY 7, 2026 MEETING**

<b>PARTICIPANT NAME</b>	<b>SECTOR/GROUP</b>	<b>MEMBER NAME</b>	<b>ALTERNATE NAME</b>	<b>PROXY</b>
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh	
National Grid	Transmission	Tim Brennan (W)	Tim Martin	
New England Power Generators Association	Assoc. Non-Voting	Bruce Anderson	Dan Dolan	
New Hampshire Electric Cooperative, Inc.	Publicly Owned Entity			Brian Forshaw (W)
NextEra Energy Resources, LLC	Generation	Michelle Gardner (W)		
NH Office of Consumer Advocate	End User	Matthew Fossum		
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
NRG Business Marketing, LLC	Supplier	Ben Griffiths (W)		
Nylon Corporation of America	End User			Bill Short
Pawtucket Power Holding Company LLC	Generation	Dan Allegretti		
PowerOptions, Inc.	End User			Doug Hurley (W)
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Rhode Island Energy	Transmission	Brian Thomson	Robin Lafayette	
RI Division (DPUC)	End User		Christy Hetherington	
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Saint Anselm College	End User			Bill Short
Shell Energy North America (US), L.P.	Supplier	Jeff Dannels		
Shipyards Brewing LLC	End User			Bill Short
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	
SYSO Inc.	AR-DG			Alex Worsley
Taunton Municipal Lighting Plant	Publicly Owned Entity	Nick Parrotta (W)	Dave Cavanaugh	
The Moore Company	End User			Bill Short
Union of Concerned Scientists	End User	Susan Muller (W)		
VELCO	Transmission	Frank Etori		
Veolia Flexible Energy Services North America	AR-LR	Doug Hurley (W)		
Vermont Energy Investment Corporation	AR-LR			Doug Hurley (W)
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw (W)
Versant Power	Transmission	Dave Norman	Stephen Johnston	
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity	Dave Cavanaugh		
Vistra (Dyneegy Marketing and Trade, LLC)	Generation	Ryan McCarthy		
Wallingford DPU Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Z-TECH, LLC	End User			Bill Short

(W) = Webex

## CONSENT AGENDA

### REMOVED FROM CONSENT AGENDA; TO BE DISCUSSION ITEM #10A

#### Markets Committee (MC)

*From the previously-circulated notice of actions of the MC's May 12-14, 2026 meeting, dated May 15, 2026.<sup>1</sup>*

#### 1. Changes to the GIS and GIS Operating Rules (MA Section 83D Changes)<sup>2</sup>

Approve proposed changes to the NEPOOL Generation Information System (GIS) and GIS Operating Rules related to marking of Certificates as being transferred under Section 83D of the Massachusetts Act Relative to Green Communities, as recommended by the MC at its May 12-14, 2026 meeting, together with such further non-material changes as may be approved by the Chair of the GIS Operating Rules Working Group.

The motion to recommend Participants Committee support was approved unanimously, with 2 abstentions noted (1 Supplier, 1 End User).

#### Reliability Committee (RC)

*From the previously-circulated notice of actions of the RC's May 21, 2026 meeting, dated May 21, 2026.<sup>3</sup>*

#### 2. Revisions to OP Nos. 3, 4, 7, 12, 14 (including a new Appendix J), 18, and 19 (SATO Conforming Changes)

Support proposed revisions to the following ISO-NE Operating Procedures (OP): No. 3 (Transmission Outage Scheduling), No. 4 (Action During a Capacity Deficiency), No. 7 (Action In An Emergency), No. 12 (Voltage and Reactive Control), No. 14 (Technical Requirements For Assets and Resources), including a new OP No. 14 Appendix J (Storage As Transmission-Only Asset Operator Guide), No. 18 (Metering and Telemetry Criteria), and No. 19 (Transmission Operations), as recommended by the RC at its May 21, 2026 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.

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<sup>1</sup> MC Notices of Actions are posted on the ISO-NE website at: <https://www.iso-ne.com/committees/markets/markets-committee/?document-type=Committee%20Actions>.

<sup>2</sup> APX, Inc., the Generation Information System (GIS) Administrator, estimates that implementing this change to the GIS will take 281 development hours. Under Rule 1.3 of the NEPOOL GIS Rules, changes to the GIS that require 50 hours or more of labor or have an estimated cost to NEPOOL of more than \$30,000 and that in either case are not required to address a change in law or a change in the ISO Tariff must be approved by the NEPOOL Participants Committee.

<sup>3</sup> 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>.

**3. Revisions to OP-16, including its Appendices A, B, C, D, E, G, H, & I (Orders 881/881-A Conforming Changes)**

Support proposed revisions to OP No. 16 (Transmission System Data), including its Appendices A (Explanation of Terms and Instructions for Data Preparation of NX9-A), B (Explanation of Terms and Instructions for Data Preparation of NX9-B), C (Explanation of Terms and Instructions for Data Preparation of NX9-C), D (Explanation of Terms and Instructions for Data Preparation of NX-9D), E (Annual Certification), G (Explanation of Terms and Instructions for Data Preparation of NX-9), H (Explanation of Terms and Instructions for Data Preparation of NX-9H), and I (Explanation of Terms and Instructions for Data Preparation of NX-9 (Other Equipment)), as recommended by the RC at its May 21, 2026 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.

**4. Retirement of OP-17 Appendix B**

Support proposed retirement of Appendix B (Methodology For Developing Load Power Factor Standards) to OP-17 (Load Power Factor and System Assessment), as recommended by the RC at its May 21, 2026 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 one abstention in the Transmission Sector.

**5. Revisions to Planning Procedures Nos. 5-3 & 7 (Order 881 Conforming Changes)**

Support proposed revisions to ISO-NE Planning Procedure (PP) No. 5-3 (Guidelines for Conducting and Evaluation Proposed Plan Application Analyses) and PP-7 (Procedures for Determining and Implementing Transmission Facility Ratings in New England), as recommended by the RC at its May 21, 2026 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.

**6. Revisions to PP-10 (Order 2023 Conforming Changes)**

Support proposed revisions to PP-10 (Planning Procedure to Support the Forward Capacity Market), as recommended by the RC at its May 21, 2026 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.

## Summary of ISO New England Board and Committee Meetings June 16, 2026 Participants Committee Meeting

Since the last update, the Audit and Finance Committee and the Nominating and Governance Committee met on May 20, and the Markets Committee met on May 21. The Board of Directors met on May 20 and 21. All of the meetings were held in Holyoke, Massachusetts.

**The Audit and Finance Committee** reviewed the Company's financial performance against the 2026 budget, and approved the first quarter's unaudited financial statements after management confirmed that all relevant disclosures were included in the financial statements. Next, the Committee discussed the preliminary 2027 operating and capital budgets. The Committee discussed the factors contributing to the increased budgets, including the complexity of various projects, inflationary increases, and the need to invest in artificial intelligence. The Committee also considered the impact on ratepayers of the increase. The Committee reviewed a draft of the Company's 2025 tax return on Form 990. The Committee considered management's proposal to update the Company's purchase order approval levels for management, and agreed to recommend that the Board approve the changes. Finally, the Committee was provided with an update on the potential purchase of land to support a new building, including conference space, in Holyoke.

**The Nominating and Governance Committee** received an update on the conclusion of the Joint Nominating Committee process for 2025 and formally nominated the slate of directors for election in 2026 (Kathryn Guarini, Craig Ivey, and Mark Vannoy). The Committee held a preliminary discussion regarding assignments to Board committees and succession planning for board leadership positions, all in advance of the next Board year that begins on October 1, 2026. The Committee also discussed the orientation program for director-elect, Kathryn Guarini. Next, the Committee discussed issues that are "top of mind" for the Board, in advance of meetings with the NEPOOL sectors in June. In executive session, the Committee reviewed the Board and committees' self-evaluation responses.

**The Markets Committee** was provided with a review from both the Internal and External Market Monitors of market performance in winter 2025-2026. Next, the Committee provided final comments on the Internal Market Monitor's draft annual markets report, which assesses the competitiveness of the wholesale markets and reviews market pricing outcomes. The Committee then received updates on Day-Ahead Ancillary Services and the Capacity Auction Reforms projects.

**The Board of Directors** (acting as the members of the corporation) held its annual meeting of members and elected Ms. Guarini and Messrs. Ivey and Vannoy to the Board of Directors for three-year terms, effective October 1, noting that the slate was previously approved by the NEPOOL Participants Committee at its May 7<sup>th</sup> meeting. The Board then held a strategic planning session, looking ahead five years. The next day, the Board resumed its meeting and received a report from management on current business, and discussed activities related to the Federal Energy Regulatory Commission, federal executive and legislative branches, and the New England states. The Board also received a report from the Chief Financial Officer, and prepared for the upcoming ISO/RTO Council Conference. The Board received reports from the standing committees, and during the Nominating and Governance Committee report, reviewed topics for discussion with the NEPOOL Sectors in June, and an onboarding program for the new director. The Board concluded its meeting with an executive session.

JUNE 16-18, 2026

# ISO New England 2027 and 2028 Preliminary Operating and Capital Budgets

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*NEPOOL Participants Committee 2026  
Summer Meeting*

**Kelly Reyngold**

VP, CHIEF FINANCIAL OFFICER

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# EXECUTIVE SUMMARY

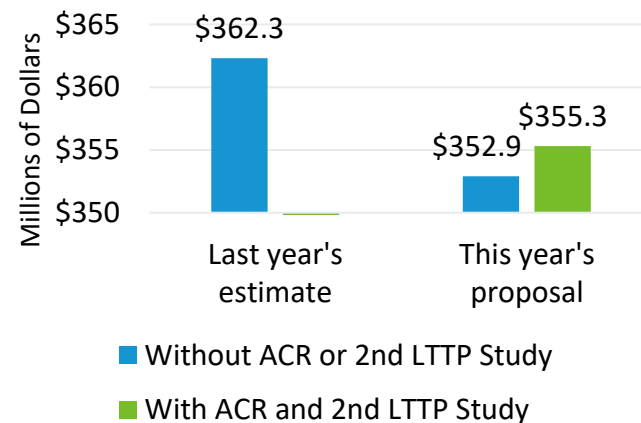
# Executive Summary

- The 2027 ISO-NE budget continues to support the region's needs and evolving grid while reinforcing our commitment to affordability, reliability, and long-term value
- Investments are aligned to deliver high-quality services to the region amid increasing uncertainty in regional supply and demand
  - Continued focus on innovation and agility to respond to such uncertainty
    - Appendix 7 highlights examples of how the ISO is currently leveraging innovation and AI to enhance responsiveness and drive operational performance
- Continued emphasis on operational efficiency and disciplined cost management
- Affordability remains a core lens: balancing necessary investment with cost impacts to stakeholders

# Executive Summary

- The projected 2027 ISO-NE budget, based on assumptions previewed with stakeholders during the 2026 budget cycle, was \$362.3M
  - This budget did not include costs for the permanent Asset Condition (AC) Reviewer role or a second Longer-Term Transmission Planning (LTTP) Study
- The current proposed 2027 ISO-NE budget is \$355.3M and includes costs for AC Reviewer and LTTP
  - Excluding costs for AC Reviewer and LTTP, the proposed 2027 budget is \$352.9M, which constitutes a decrease of \$9.4M or 2.6% from the previously projected budget

## Proposed Budget: 2027



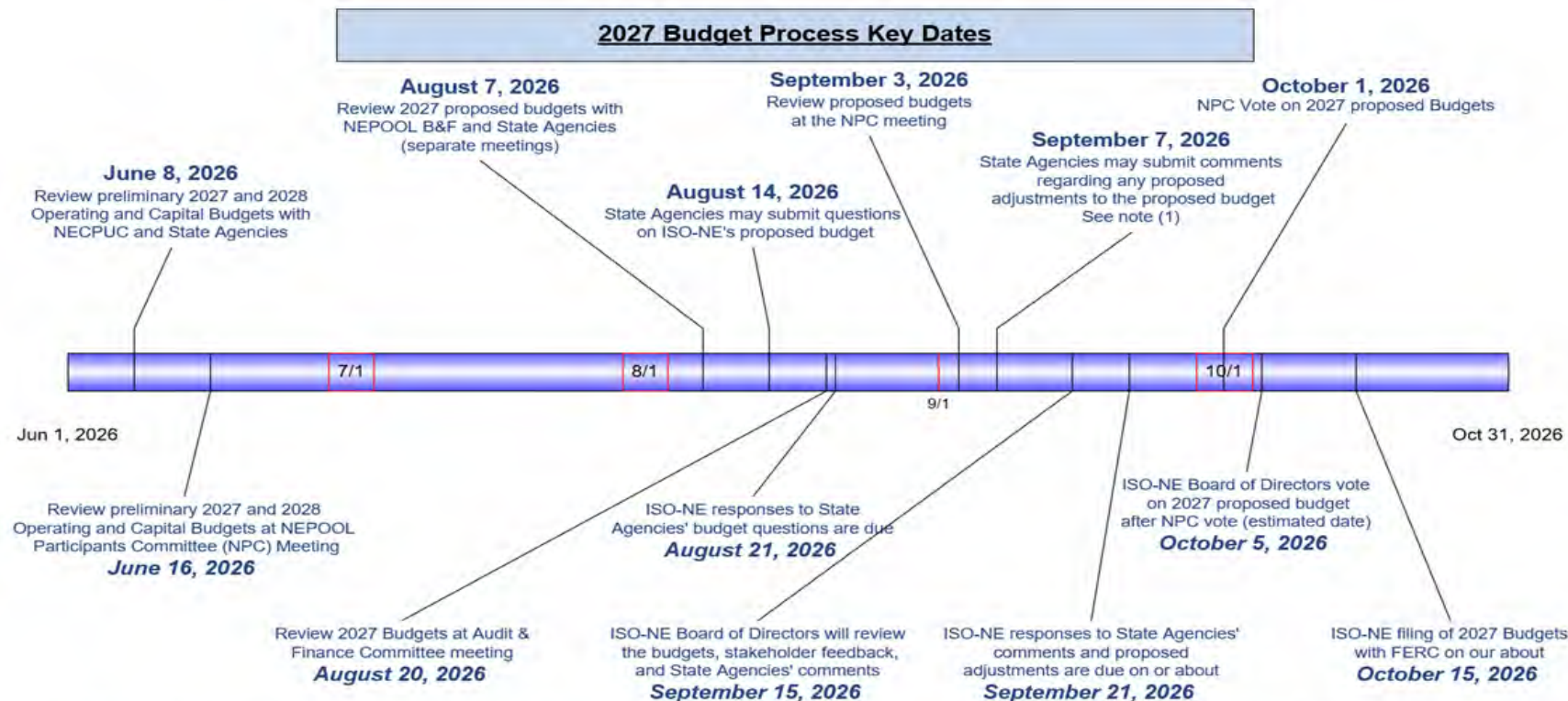
# Executive Summary

- 2027 budget increases, over the 2026 approved budget, are driven by multiple factors:
  - Key external drivers:
    - Changing resource mix and customer demand patterns
    - Ongoing system transformation independent of macro uncertainty
    - Inflationary and price escalation trends
  - Internal drivers:
    - Supporting new systems, markets, and infrastructure
    - Maintaining workforce capabilities
  - Affordability consideration: investments prioritized to maintain reliability and avoid higher long-term system costs

# Executive Summary

- As ISO-NE seeks to offer increasing value to the region, we have allocated, as separate line items, \$2.4M to initiatives requested by the states and other stakeholders:
  - Asset Condition (AC) Reviewer (\$2.2M)
    - Other AC Reviewer related costs, not included in the amount above, for existing ISO staff (e.g. legal, management, and support) will be borne by the company to stand up the AC Reviewer function in 2027
  - Longer-Term Transmission Planning – second study (\$0.2M)
- Monies not spent on these two initiatives will be returned through the true-up process

# 2027 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 11, 2026. However, we are requesting comments by September 7, 2026 to allow for timely distribution to the Board when meeting materials are mailed. This is consistent with the acceleration agreed to in 2015.

# STRATEGIC PLANNING PROCESS OVERVIEW

*ISO-NE's integrated business and strategic planning framework*



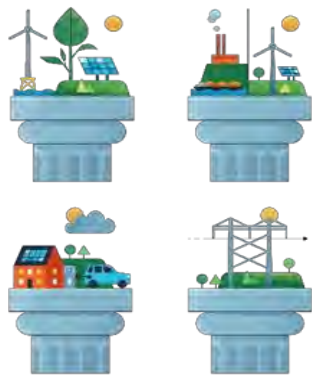
# Annual Process – Business and Strategic Planning

*ISO-NE is guided by a purposeful and integrated business planning approach that drives focus towards a common target that management teams and the entire organization can get 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*

# ISO New England Performs **Three Critical Roles** to Ensure Reliable Electricity at Competitive Prices



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



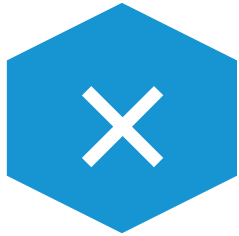
Design, run, and administer the billion-dollar markets where wholesale electricity is bought and sold



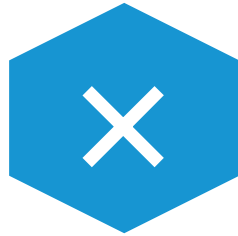
Study, analyze, and plan to make sure New England's electricity needs will be met over the next 10 years

# Functions Outside of ISO Jurisdiction

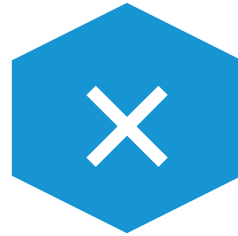
*The ISO does not...*



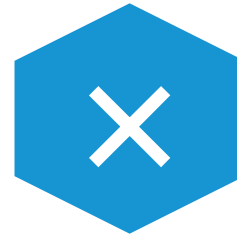
Handle  
retail electricity



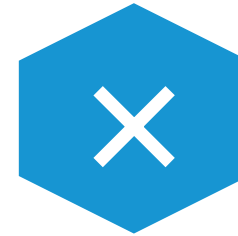
Own power grid  
infrastructure



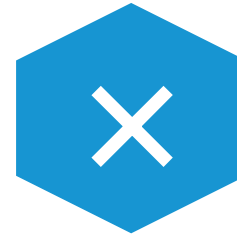
Have a stake in  
companies  
that own grid  
infrastructure



Have  
jurisdiction  
over fuel  
infrastructure



Have control  
over siting  
decisions



Plan the  
resource mix

# 2027 AND 2028 PRELIMINARY BUDGET OVERVIEW

# Our 2027 Strategy Continues to Support the Region's Grid Transition and Drives our Work and Resource Requirements

- Resources to: sustain ongoing operations; advance new market, planning, and regulatory initiatives; invest in technology and innovation
  - Continue capacity market reforms to better align with the region's evolving energy system
  - Continue to design and develop various products and support new in-service projects to administer our mission
  - Invest in AI and analytics to improve forecasting, modeling, and simulation capabilities
  - Continue strengthening cybersecurity defense mechanisms and ISO computer networks and infrastructure to protect against sophisticated threat vectors
- Resources for additional work requested by states and other stakeholders
  - Adoption of the Asset Condition (AC) Reviewer role
  - Advance additional LTTP study to support states' energy policy and address evolving system needs

# 2027 Preliminary Budget Overview

- In preparing the 2027 Preliminary Budget, ISO-NE sought to balance supporting the region's evolving needs, implementing new market, planning, and regulatory initiatives, increasing productivity via technology and analytics, with affordability and cost-discipline
  - The preliminary baseline budget is **\$22.9M or 6.9%** above the 2026 approved budget
    - This reflects an \$9.4M (2.6%) decrease compared to the 2027 budget levels projected based on assumptions previewed with stakeholders during the 2026 budget cycle
  - Incorporating additional AC Reviewer and LTTP services requested by states and other stakeholders increases the preliminary 2027 budget by **\$2.4M** resulting in a total increase of **\$25.3M (7.7%)** over the 2026 approved budget
  - Including both the requested AC Reviewer and LTTP services and prior year true-ups, the 2027 Revenue Requirement reflects a \$33.3M increase

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

# 2027 Preliminary Budget Overview *(cont.)*

- Key drivers supporting the proposed increase represent ongoing support of the stakeholder-supported workplan:
  - Changes in the resource mix and customer use patterns in New England: these changes will continue independent of federal policy, inflation, or local siting and permitting hurdles for new supply resources
  - The implementation and support of various market, transmission, and emerging technology initiatives requires increased headcount to build, maintain, and administer
    - In particular, the CAR project will require incremental resources given the volume of change and new functionality, including seasonal auctions and accreditation
  - Execution of these initiatives depends on maintaining a highly skilled workforce, requiring sustained investment in competitive compensation and benefits
- Included in the 2027 Preliminary Budget are 27 additional FTEs to support existing functions, with 7 more for the AC Reviewer role\*

\*To account for the staggered onboarding of newly budgeted positions, the 2027 Preliminary Budget provides funding for 33.5 additional FTEs, consisting of both proposed 2027 positions and carryover from partially funded 2026 positions.

# Resources for Ongoing Operations, Technology and Innovation, Market and Transmission Initiatives and Stakeholder Requests in 2027

There are four main factors for the change to the 2027 ISO budget (separate from the revenue requirement true-up change):

1. Inflationary and Strategic Staffing to Sustain Operations
  - Workforce compensation and benefits; inflationary pressures that are enterprise-wide, with the greatest concentration in Information Technology; investments in cybersecurity defenses; and additional staffing to support Information Technology, Finance, Human Resources, and regulatory fee increases for Northeast Power Coordinating Council and North American Electric Reliability Corporation
2. Technology and Innovation Resources
  - Artificial Intelligence utilization to drive improved productivity and operations; maintenance and support for new and improved tools for System Planning and System/Market Operations
3. Market and Transmission Initiatives
  - Staff additions for CAR; Economic and Planning Studies; full Net CONE recalculation; new generation interconnection tools; and transmission planning responsibilities
4. New Services/Stakeholder Requests
  - Asset Condition Reviewer; Economic and Planning Studies and additional Longer-Term Transmission Planning efforts

Note: See the following slide for the cost impact of each these factors plus the revenue requirement true-up change

# Resources for Ongoing Operations, Technology and Innovation, Market and Transmission Initiatives and Stakeholder Requests in 2027 *(cont.)*

Factor	% Increase	\$ Amount	\$KWh Rate	Average Monthly Consumer Cost Impact *
Inflationary and Strategic Staffing to Sustain Operations	3.4%	\$ 10,470,300	\$0.00009	\$0.06
Technology and Innovation Resources	2.2%	\$ 6,810,700	\$0.00006	\$0.04
Market and Transmission Initiatives	1.6%	\$ 5,064,100	\$0.00004	\$0.03
New Services/Stakeholder Requests	0.9%	\$ 2,929,600	\$0.00002	\$0.02
Net Change in Rev Req True-Up	2.5%	\$ 7,984,200	\$0.00006	\$0.05
<b>Total Change in Revenue Req for 2027:</b>	<b>10.6 %</b>	<b>\$33,258,900</b>	<b>\$0.00027</b>	<b>\$0.20</b>

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

# 2027 Budget Drivers

- Market Initiatives
  - Capacity Auction Reforms
  - Flexible Response Services and Reserve Products
  - Next-Generation Energy Markets (nGEM) platform
- New/Additional Regulatory Initiatives
  - Longer-Term Transmission Planning
  - Asset Condition Reviewer Role
  - Managing Transmission Line Ratings
  - Grid Enhancing Technologies in Transmission Planning
  - Distributed Energy Resources participation in wholesale energy markets
  - Interconnection improvements
- Forecasting/Modeling Improvements
  - Probabilistic Forecasting Enhancements
  - Inverter-Based Resource (IBR) Integration & Modeling
  - Synchophasor Enhancements for the Future Grid
  - Resource Adequacy and Energy Security Analysis Tools

# 2027 Budget Drivers *(cont.)*

- Digital transformation and technology modernization efforts to improve security, reliability, and efficiency<sup>(1)</sup>
  - The ISO’s transition to a cloud environment continues to be a major effort over the next several years to reduce reliance on in-house data centers, make system deployment more efficient, and enable faster computing performance as data volume grows
  - Utilization of Artificial Intelligence (AI) and Machine Learning (ML) for items such as technology updates, cloud infrastructure provisioning, and developing of comprehensive knowledge databases
    - The ISO has included additional resources for 2027 to begin to scale AI usage
- Remaining competitive in compensation and benefits in what is still a tight labor market for the skillsets needed at the ISO
- Computer Services<sup>(1)</sup> including support costs for new or enhanced systems that have/will become operational in 2026 and 2027
  - nGEM Real-Time Market Clearing Engine
  - CIP Synchronphasor Improvements
  - Cyber Security Log Management, AI-enabled Cyber Security tools, and Cloud Security
  - Impact of moving applications to the cloud (noted above under Cloud Modernization) and SaaS solutions

<sup>(1)</sup> See the following slide for additional details on Cloud Modernization, Computer Service and Information Technology related costs

# 2027 Budget Drivers *(cont.)*

Like many of our peers, ISO-NE has experienced significant growth in Computer Service and Information Technology needs and related costs over the past several years and expects that to continue in 2027. This is driven by:

- AI and ML for software development and innovation
  - Utilization of AI and ML for items noted on the previous slide
  - Other examples include uses such as On-Line Weather Look-Ahead Study to estimate transmission outages under severe weather and pump storage forecast in 21-day Energy Assessment
- Ongoing support for market and operations technologies
  - Including: a software portfolio designed for grid orchestration, integrating energy data, AI-driven analytics, and grid modeling to help utilities manage modern energy complexities; and PEAT license renewal
- Increase in Data Management Costs
  - Organizations are leveraging Infrastructure-as-a-Service (IaaS) to reduce implementation time, enhance operational efficiency, and support innovation
- Software Licensing and Subscription Fees
  - Increases driven by rising software license costs, expanding user bases, and investments in enhanced tools
- Inflation, Supply-Chain Disruptions, and Tariffs
  - Ongoing geopolitical instability and supply chain challenges are contributing to price increases in electronics, machinery, and other IT-related goods

# 2027 Preliminary Capital Budget Overview

The 2027 Capital Budget is also presented in summary form

- The 2027 Capital Budget is \$45.0M which represents a \$2.5M or 5.9% increase over the 2026 capital budget
  - Capital budget increases over the past several years have been driven driven by three primary drivers as explained in further detail in Appendix 3
  - Significant projects expected for 2027 include Capacity Auction Reforms implementation, Single Interval Market Clearing Engine Implementation (transitioning Real-Time study modes to nGEM platform), and EMP 3.5 Upgrade – GridOS (to migrate ISO-NE’s Energy Management System customizations to GE’s Energy Management Platform version 3.5)
- The 2027 proposed capital budget of \$45.0M is provided with a list of projects by strategic goal that are currently chartered and on-going or in planning/conceptual design (see Appendix 4)
- Detailed project descriptions will be presented in August once the final resource requirements are determined

# 2028 Preliminary Budget Overview

2028 Budget amounts are projected as follows (over 2027 Preliminary Budget amounts presented today):

- Net Expense Before Depreciation and Regulatory Fees is \$24.2M or an 7.9% increase, while amounts including Depreciation and Regulatory Fees is a \$31.1M or 8.8% increase

2028 Budget Assumptions include:

- The addition of 25 FTEs, primarily for System Planning (for continued build out of Asset Condition Reviewer team, Resource Adequacy, Transmission Planning, and Generation Interconnections); Information Technology resources to continue servicing new market features and advanced technologies; and for support areas including participant support and training, Human Resources, and Finance
- Merit and promotional/equity annual increases consistent with 2027 amounts (4.5% total)
- Estimated increases based on market or historical trends related to: employee benefits (primarily for health insurance); Computer Services; and Insurance Expense
- Inflationary increases in other lines based on consumer price index indicator for 2028

# 2027 and 2028 Operating Budget Risks

- Additional resources may be needed as the 2027 work plan scope increases based on regulatory and stakeholder initiatives/requests
- Cyber risk is increasingly treated as a balance-sheet issue, with exposure to ransomware-driven downtime, third-party/vendor breaches, regulatory penalties, and critical infrastructure disruptions; risk is expected to intensify through 2027–2028 as AI-assisted attacks increase in frequency and sophistication, driving incremental investment in resilience capabilities, backup systems, identity management, cyber insurance, and incident response retainers
- Technology spend is increasingly unpredictable as AI workloads scale differently than traditional systems, creating exposure to cloud cost. Early-stage AI initiatives are rapidly converting into recurring operating expenses, driving sustained growth in AI usage, data storage, and governance requirements; as a result, software licensing and maintenance, cloud migration, and AI utilization and control frameworks are expected to require incremental and less predictable funding in future budgets
- Insurance policy renewals may be higher than estimated as ISO is not immune to overall increases from the insurance industry due to 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 policies could result in additional cost associated with new requirements
- Workforce sourcing and related pay rates, supply chain disruption, and inflationary pressures may each have budgetary impacts

# APPENDIX 1: 2027 Detailed Budget Changes by Strategic Goal

# 2027 ISO-NE Strategic Goals

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

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## Responsive Market Designs:

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

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## Progress and Innovation:

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

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## Operational Excellence:

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

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## 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

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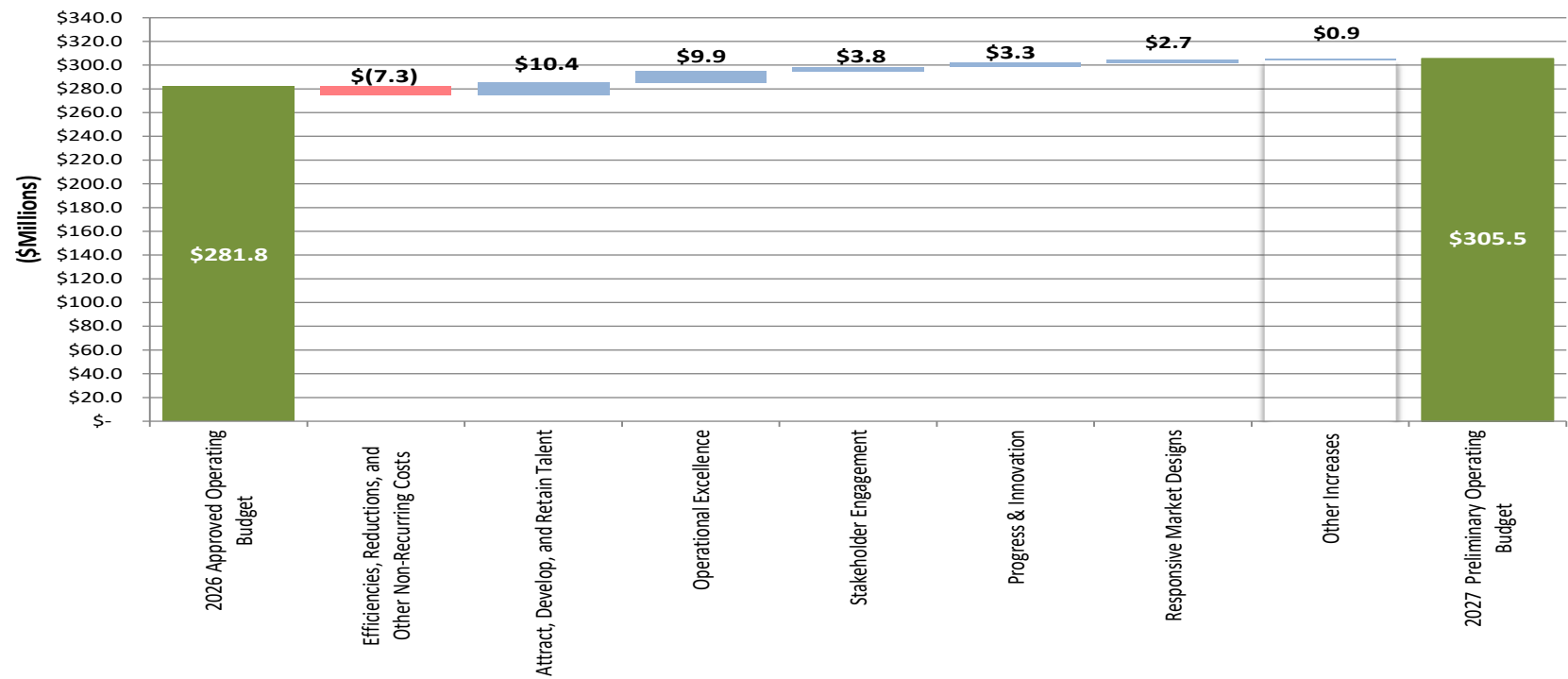
## Attract, Develop, and Retain Talent:

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

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# 2027 Preliminary Budget

Changes in budget by Strategic Goal



# 2027 Preliminary Budget Details

Efficiencies, Reductions, and Other Non-Recurring Costs<sup>(1)</sup>

## Reductions include: (\$7.3M)

- Computer Services reductions driven by retired products and savings achieved through contract renewals (\$3.3M)
- Lower costs for Capacity Auction Reforms design consultant and project management as work moves from the design to development (\$1.6M)
- Lower required contributions reflect favorable investment performance and the impact of a recent pension lift-out, supporting ongoing plan de-risking (\$1.0M)
- Lower salary costs from retirements and backfilling positions with less experienced staff (\$0.5M)
- Elimination of the Holyoke facility land lease in anticipation of a planned purchase prior to 2027 (\$0.3M)
- Reduced reliance on workforce security consulting through the repurposing of an existing FTE (\$0.3M)
- Net favorable impact from changes in interest income and expense, driven by higher settlement balances and lower tax-exempt debt (\$0.3M)

(1) The items identified reflect known, quantifiable reductions. The ISO's budget also incorporates incremental savings from contract negotiations and other cost-avoidance initiatives that are not readily quantifiable. As an example, through the Oracle Platform Replacement project, ISO staff conducted a detailed assessment of database requirements and worked with Oracle to appropriately size the target environment. This effort avoided unnecessary capital investment in excess storage capacity and reduced ongoing cost exposure, saving the Company a few million dollars. Similarly, the ISO maintains active oversight of AWS and broader cloud spend, with dedicated resources monitoring usage and aligning pricing models to demand. These efforts have also delivered several million dollars in savings by ensuring efficient use of cloud resources.

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 5: Attract, Develop, and Retain Talent: \$10.4M

- Merit and promotion increases reflecting a 3.5% annual merit adjustment and 1.0% for standard and targeted promotions and market-based adjustments (\$6.3M)
- Higher employee benefit costs, primarily driven by medical and dental trend increases and growth in participation in the Defined Contribution Benefit Plan (\$2.0M)
- Increase in employee incentive compensation aligned with market data and survey benchmarks, along with enhanced funding for employee recognition programs (\$1.3M)
- Addition of 1.5 FTEs in Human Resources, including a Business Partner to support client groups in employee engagement, change management, workforce planning, employee relations, and organizational design, as well as a partial FTE focused on developing Information Technology training programs (\$0.3M)
- Increased System Planning training investments to support the onboarding and development of newer, entry-level staff and expand proficiency in industry and technology tools (\$0.2M)
- Funding for Human Resources performance management and talent acquisition software platforms (\$0.2M)
- Increase in external recruiting fees to support hiring needs (\$0.1M)

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 3: Operational Excellence: \$9.9M

- Computer services and leasing increases driven by investments in cybersecurity (including security log monitoring and management, email threat detection, threat and risk analytics tools, performance monitoring, and AI-powered platforms); server leasing associated with data center refresh efforts; higher costs to equip staff with laptops and desktops; expanded computing and storage capacity; new or enhanced licensing for System Planning and Operations applications (including power system computer-aided design, forecasting, and simulation tools); and inflationary and vendor-driven price increases across the computer services portfolio (\$4.2M)
- Funding for 13.0 FTEs to support this goal, including System Planning resources to address technical challenges associated with the integration of inverter-based resources, perform system assessments and studies, meet NERC/NPCC requirements, support generator interconnection processes, and advance capacity auction reforms; Information and Cybersecurity roles focused on software testing automation, cloud platform infrastructure, site reliability, and strengthening energy market systems; Market Monitoring staff to address growing market complexity, advanced analytics needs, and increasingly sophisticated market behavior; and additional support roles in Finance, Human Resources, and Facilities & Security (\$2.7M)

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 3: Operational Excellence: \$9.9M *(cont.)*

- Consulting and Professional Fees increases driven by Information and Cybersecurity needs, including advisory and research services, system patching, and higher consultant utilization due to additional hours, a shift toward support over development activities, and reduced vacancies; expanded Internal Audit efforts to conduct additional system-related audits and reviews; Market Monitoring investments to enhance machine learning capabilities; and Transmission Planning support to incorporate and validate distribution data in system models (\$1.8M)
- Network Operations investments to modernize communications with local control centers, enhance tie-line telemetry, and improve ISO workforce communications (\$1.0M)
- Inflationary increases related to Information Technology training subscriptions, as well as higher travel costs for ISO workforce participation in stakeholder meetings and industry conferences (\$0.2M)

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 4: Stakeholder Engagement: \$3.8M

- Funding to establish the AC Reviewer<sup>(2)</sup> team, including 5 FTEs and supporting professional services, to build out and manage this function (\$2.2M)
- Investment in GridUnity, a SaaS, cloud-based platform designed to accelerate energy project interconnections by automating, standardizing, and streamlining the process (\$0.9M)
- Transmission study costs, including a system-wide thermal assessment driven by FERC Order 881 requirements and OATT/Cluster Enabling Transmission Upgrade regional planning studies (\$0.3M)
- Inclusion of funding for potential LTTP study anticipated to be requested in 2027 (\$0.2M)
- Funding for 0.5 FTE in Legal to support annual RFP activities associated with LTTP requirements (\$0.2M)

(2) The buildout of the Asset Condition Reviewer group is expected to occur over the next 3 to 5 years, with FTEs added incrementally throughout this period. The 2027 Preliminary Budget includes 7 planned FTE additions, with funding provided for 5 FTEs to reflect the phased hiring approach and expected onboarding timeline.

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 2: Progress and Innovation: \$3.3M

- Funding for 10.5 FTEs across Information Technology and Advanced Technology Solutions to build out capabilities that formalize and expand the use of Artificial Intelligence and Machine Learning across ISO-NE; support the transition of internally developed advanced technologies into production environments to enhance situational awareness; and advance application migration to the cloud; additional resources are included for Planning Services to address growing demands in load forecasting, economic and environmental studies, and resource adequacy, as well as a Market Monitoring position to expand technical capacity for maintaining, enhancing, and modernizing in-house market monitoring systems (\$2.5M)
- Investment in optimization software supporting the Probabilistic Energy Adequacy Tool (PEAT) to strengthen analytical and planning capabilities (\$0.6M)
- Synchrophasor data management software to handle the high-volume, time-sensitive data generated by PMUs utilized by the ISO; this platform will provide scalable, resilient, and low-latency processing, enabling real-time grid monitoring, analysis, and decision-making (\$0.2M)

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Goal 1: Responsive Market Designs: \$2.7M

- Information Technology computer services maintenance costs associated with GE Vernova's Grid Orchestration Software (\$1.0M)
- Increased funding to support tariff-required Net CONE (Cost of New Entry) recalculation activities (\$1.0M)
- Funding for 3.0 FTEs to support this goal, including Information Technology and Advanced Technology Solutions resources to integrate new market features into applications and tools, and Planning Services staff to support Capacity Requirement and Accreditation and Resource Qualification functions across both pre- and post-CAR implementation phases (\$0.6M)
- Market Monitoring support for energy market risk premium analysis (\$0.1M)

# 2027 Preliminary Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

## Other Increases: \$0.9M

- Insurance policy rate increase (\$0.5M)
- Increases for utility expenses due to higher expected rates at both the Windsor and Holyoke facilities (\$0.3M)
- Inflationary increases for various Building Services including physical security, janitorial, and HVAC and generator maintenance (\$0.1M)

# APPENDIX 2: 5 YEAR BUDGET COMPARISON

# 2027 Preliminary Budget – 5 Year Comparison

	%		%		%		%		
(Budget Amounts are in Millions)	<u>2027</u>	<u>Change</u>	<u>2026</u>	<u>Change</u>	<u>2025</u>	<u>Change</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>
Operating Budget Before Depr and Regulatory Fees	\$305.5	8.4%	\$281.8	8.3%	\$260.2	10.1%	\$236.3	17.0%	\$201.9
Capital Budget	45.0	5.9%	42.5	0.0%	42.5	21.4%	35.0	4.5%	33.5
<b>Total Cash Budget</b>	<b>\$350.5</b>	<b>7.1%</b>	<b>\$324.3</b>	<b>7.1%</b>	<b>\$302.7</b>	<b>11.6%</b>	<b>\$271.3</b>	<b>15.2%</b>	<b>\$235.4</b>
Operating Budget Before Depr and Regulatory Fees	\$305.5	8.4%	\$281.8	8.3%	\$260.2	10.1%	\$236.3	17.0%	\$201.9
Depreciation and Regulatory Fees (1)	49.8	3.3%	48.2	4.2%	46.2	13.8%	40.6	6.1%	38.3
Revenue Requirement Before True-up	355.3	7.7%	330.0	7.7%	306.4	10.7%	276.9	15.3%	240.2
True up	(7.6)		(15.6)		4.8		(3.0)		(14.6)
<b>Revenue Requirement</b>	<b>\$347.6</b>	<b>10.6%</b>	<b>\$314.4</b>	<b>1.0%</b>	<b>\$311.2</b>	<b>13.6%</b>	<b>\$273.9</b>	<b>21.4%</b>	<b>\$225.6</b>
Forecast – TWhs (2)	124.6	(0.0)%	124.7	0.9%	123.6	1.7%	121.5	(0.0)%	121.5
<b>\$/KWh Rate</b>	<b>\$0.00279</b>	<b>10.6%</b>	<b>\$0.00252</b>	<b>0.1%</b>	<b>\$0.00252</b>	<b>11.7%</b>	<b>\$0.00225</b>	<b>21.4%</b>	<b>\$0.00186</b>
<b>Average Monthly Consumer Cost (3)</b>	<b>\$2.09</b>		<b>\$1.89</b>		<b>\$1.89</b>		<b>\$1.69</b>		<b>\$1.39</b>

(1) The 2027 *preliminary* depreciation budget is a placeholder. The 2027 *proposed* budget will result in a detailed review of project budgets and estimated go-live dates for the impact on depreciation expenses.

(2) 2027 Forecast based on May 2026 CELT Report (Schedule 1.5.2 - Annual Net Energy - Gross (without reductions)). All other years based on CELT Report for the applicable year, which can be found on [www.iso-ne.com](http://www.iso-ne.com).

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

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

# APPENDIX 3: 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 :
  - nGem platform (replacing the current market system)
  - 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 \$42.5M in 2025, \$42.5M in 2026, and \$45.0M in 2027 with the potential to increase upwards of \$50M 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

# nGEM Platform

- The nGEM program (next Generation Markets Management) is intended to upgrade ISO's core market software to support 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 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
- Following the scheduled completion of the Real-time Unit Commitment (RTUC) and Coordinated Transaction Scheduling Pricing Engine (CTSPE) functions in the nGEM version of the market clearing engine (MCE) set for mid-2026, the ISO plans to continue with implementation of the next phase
  - The next phase, to be completed under the *Single Interval MCE Improvements* project, includes moving the Unit Dispatch System (UDS) and Location Marginal Pricing Calculator (LMPC) functions to the nGEM MCE; this work is expected to continue through 2028 with an estimated cost of \$13.3M

# Major Market and Reliability Related Efforts

- Many of these projects are complex efforts that will have long lead times to complete with some having dependencies of stakeholder and regulatory approval
- Projects beyond 2027 (see slide 45) reflect emerging market and reliability needs not yet included in the 2027 capital plan and are presented to provide transparency into future system requirements and potential capital pressures beyond the current planning horizon, although these may fluctuate depending on stakeholder and/or FERC priorities
- 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

# Major Market and Reliability Related Efforts *(cont.)*

- Capacity Auction Reforms – Seasonal/Accreditation (CAR-SA) effort; the transition to CAR-SA will require changes to multiple existing software systems including auditing, settlement and financial assurance, as well as new software systems to support the resource adequacy assessment process, the capacity qualification process and new auction clearing mechanisms
- Energy Management Platform (EMP) - Upgrade of the Energy Management System (EMS) and its applications, plus supporting SCADA and modeling systems to stay current with vendor-supported versions

# Major Market and Reliability Related Efforts—beyond 2027

- Uncertainty Reserves - Dynamic operational reserve demand curves for incremental 10- and 30-minute reserves, and a potential new (60- or 90-minute) reserve product, to address operational uncertainties during the operating day
- Multi-interval Dispatch and Pricing (MIDAP) - Objective is to improve ISO's suite of intra-day optimization processes to perform forward-looking dispatch and pricing "in the market," over a time horizon of several hours or possibly the balance of the day
- Efficient Storage Integration and Optimization – Includes a suite of enhancements to storage resources' participation, offer formats, and scheduling/optimization in the markets, all of which will enhance these resources' reliability and efficiency benefits to the region

# Cyber Security & IT Asset and Infrastructure Replacement

- Costs for IT and cyber security initiatives will vary based on the use of internal resources versus professional services, with total spending estimated at approximately \$20M–\$40M over the next several years
- The ISO has invested heavily in cyber security maturity over the past several years and will continue doing so over the next 3–5 years; these investments enable enhanced defenses, network segmentation, and email/web filtering to improve monitoring, detection, and recovery against increasingly sophisticated threats
  - Significant focus on upgrading infrastructure to proactively mitigate future quantum computing threats to legacy cryptographic standards
- The ISO’s transition to a cloud environment began in 2022 and will remain a major capital initiative over the coming years as application cloud migrations accelerate
  - Operating a modern grid with renewable and storage resources requires large-scale data processing and storage; through phased implementation, the ISO will deploy cloud computing and virtualization to support scalable computing while maintaining reliability

# APPENDIX 4: 2027 Preliminary Capital Budget

# Capital Budget

## 2027 Expenditures

**Goal: Responsive Market Designs**

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Capacity Auction Reforms*	\$6.0 M	\$8.0 M	12/2028	Conceptual Design
. EMP 3.5 Upgrade - GridOS	\$4.0 M	\$6.9 M	09/2028	Conceptual Design
. GridOS Connect	\$1.5 M	\$1.9 M	12/2027	Conceptual Design
. Resource Adequacy Assessment & Accreditation	\$1.0 M	\$1.5 M	06/2027	Conceptual Design
. Integrated Market Simulator Usability	\$1.0 M	\$1.1 M	12/2027	Conceptual Design
<b>Total:</b>		<b>\$13.5 M</b>		

\*Capacity Auction Reforms may involve multiple projects, with specific details still under development.

**Goal: Progress and Innovation**

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Single Interval MCE Improvements (SIMI)	\$6.0 M	\$13.3 M	12/2028	Conceptual Design
. Advanced Technology Initiatives	\$3.0 M	\$4.0 M	12/2027	Conceptual Design
. Migration of MIS FTP to Cloud	\$0.1 M	\$0.5 M	04/2027	In Development
<b>Total:</b>		<b>\$9.1 M</b>		

# Capital Budget

## 2027 Expenditures (cont.)

● Goal: Operational Excellence

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Non-Project Capital Expenditures	\$7.5 M	\$7.5 M		
. MW Dependent Fuel Price Adjustment	\$1.2 M	\$2.6 M	08/2027	Conceptual Design
. TTCU Implementation for Resource Outage Coordination	\$0.2 M	\$1.1 M	05/2027	In Development
. Solar Do Not Exceed Dispatch Phase III	\$0.5 M	\$1.0 M	12/2027	Conceptual Design
. Circuit Inventory Management Platform Phase II	\$0.2 M	\$0.7 M	04/2027	Conceptual Design
. Tie Line Telemetry and PCEC Upgrade Phase II	\$0.5 M	\$0.7 M	06/2027	Conceptual Design
. Replace Employee & Pager Application	\$0.5 M	\$0.6 M	12/2027	Conceptual Design
. PowerGADS Update for Capacity Auction Reforms	\$0.5 M	\$0.5 M	06/2027	Conceptual Design
. Next-Gen Electronic Dispatch & Reliability Voice Networks	\$0.3 M	\$0.5 M	05/2027	Conceptual Design
. Enterprise Resource Planning (ERP) Enhancements 2027	\$0.5 M	\$0.5 M	12/2027	Conceptual Design
. EMT Model Repository	\$0.4 M	\$0.5 M	06/2027	Conceptual Design
. CIP Electronic Security Perimeter Network Services	\$0.2 M	\$0.3 M	09/2027	Conceptual Design
<b>Total:</b>		<b>\$12.5 M</b>		

● Goal: Stakeholder Engagement

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Interconnection Request Tracking Upgrade	\$0.2 M	\$2.1 M	03/2027	Conceptual Design
<b>Total:</b>		<b>\$0.2 M</b>		

# Capital Budget

## 2027 Expenditures Summary

- 2027 Capital Budget Expenditure Summary

Allocation Category	2027 Budget
Goal: Responsive Market Designs	\$13.5 M
Goal: Operational Excellence	\$12.5 M
Goal: Progress and Innovation	\$9.1 M
Other Emerging Work	\$8.5 M
Capital Interest	\$1.2 M
Goal: Stakeholder Engagement	\$0.2 M
<b>Total:</b>	<b>\$45.0 M</b>

# APPENDIX 5: CAPITAL STRUCTURE



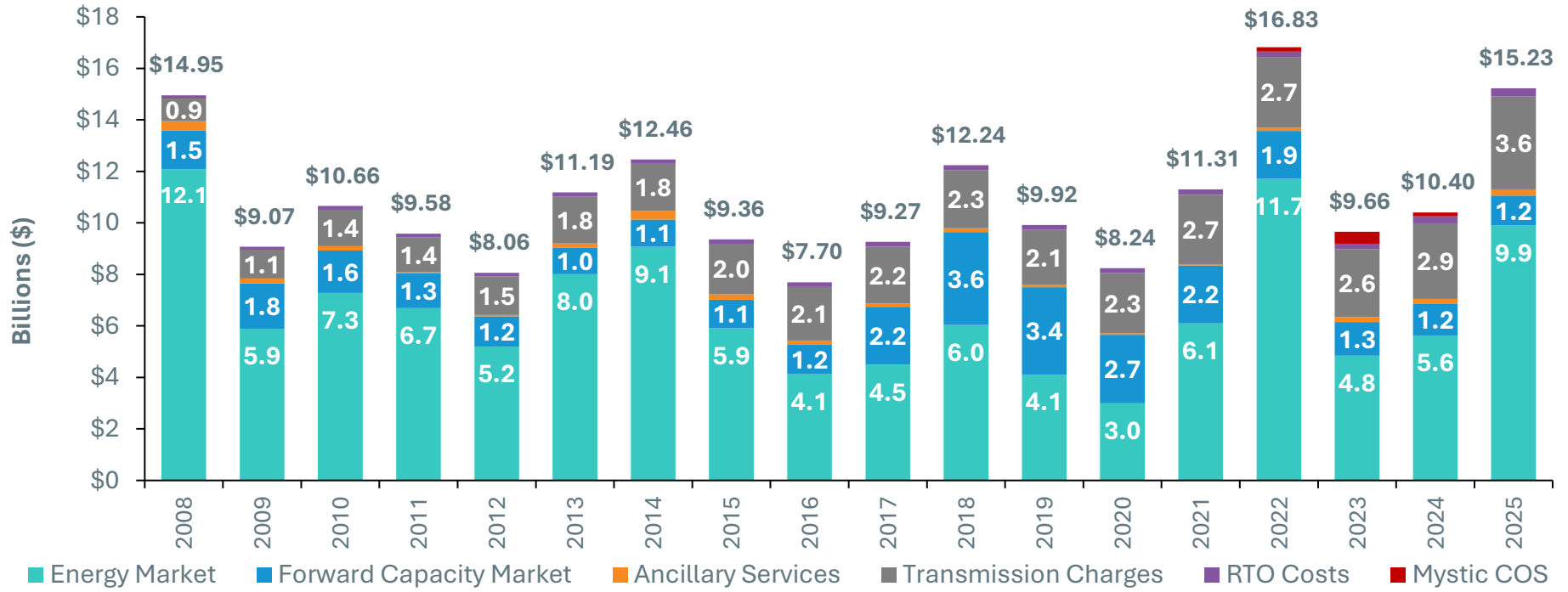
# Capital Structure

- The ISO has a \$40M working capital line; the working capital line, which will expire on March 1, 2028, funds temporary operating cash flow needs arising from the lag between expenditures and revenue collections, as well as periodic annual payments that are expensed evenly throughout the year (e.g., insurance); it also mitigates cash flow risks related to lower-than-expected load and Tariff collections, timing differences in capital project spending, and fluctuations in reimbursable study deposits and withdrawals
- Capital project costs are largely funded by \$75M in Private Placement Notes that went effect in 2024, and require interest only payments until full payment of principal in 2034
- ISO closed on \$60M tax-exempt bonds in April 2026 to fund the construction of a new building on the Holyoke campus; monies have been placed into a money market account to help off-set the interest expense while funds are drawn to pay for the construction; the bonds only require interest payments until the building is fully complete, estimated Q2 2028
- For the three months ended March 31, 2026, the ISO's total weighted average cost of capital was 4.34%, excluding fees charged on the various debt financing; fees ranged from .075% to .38%

# APPENDIX 6: HISTORICAL NEW ENGLAND WHOLESALE AND RETAIL ENERGY COSTS

# 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; \*2025 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<sup>(a)</sup>

	2021		2022		2023		2024		2025*	
	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh	\$ Mil.	¢/kWh
<b>Wholesale Market Costs</b>										
<b>Energy (LMPs)<sup>(b)</sup></b>	\$6,101	4.8	\$11,712	9.0	\$4,847	3.9	\$5,620	4.4	\$9,902	7.7
<b>Ancillaries<sup>(c)</sup></b>	\$52	0.0	\$124	0.1	\$183	0.1	\$186	0.1	\$241	0.2
<b>Capacity<sup>(d)</sup></b>	\$2,243	1.8	\$1,864	1.4	\$1,308	1.1	\$1,248	1.0	\$1,159	0.9
<b>Subtotal</b>	<b>\$8,404</b>	<b>6.6</b>	<b>\$13,701</b>	<b>10.5</b>	<b>\$6,338</b>	<b>5.1</b>	<b>\$7,054</b>	<b>5.5</b>	<b>\$11,302</b>	<b>8.8</b>
<b>Transmission charges<sup>(e)</sup></b>	\$2,688	2.1	\$2,739	2.1	\$2,640	2.1	\$2,934	2.3	\$3,613	2.8
<b>RTO costs<sup>(f)</sup></b>	\$216	0.2	\$214	0.2	\$214	0.2	\$274	0.2	\$314	0.2
	Mystic COS <sup>(h)</sup>		\$173	0.1	\$465	0.4	\$139	0.1	\$0	0.0
<b>Total</b>	<b>\$11,308</b>	<b>8.9</b>	<b>\$16,828</b>	<b>13.0</b>	<b>\$9,657</b>	<b>7.8</b>	<b>\$10,401</b>	<b>8.2</b>	<b>\$15,229</b>	<b>11.9</b>

(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 2025 are preliminary and subject to resettlement.**

(b) Energy values are derived from wholesale market pricing and represent the results of the Day-Ahead (DA) Market plus deviations from the DA in Real-Time. Post March 1, 2025 the DA Market total includes costs associated with the Forecast Energy Requirement.

(c) Ancillaries include first- and second-contingency Net Commitment-Period Compensation (NCPC), Forward Reserves, Real-Time Reserves, Regulation service, and a reduction due to the Marginal Loss Revenue Fund. Post Dec. 2023, this total also includes the Inventoried Energy Program (IEP). The IEP ran through Feb. 2025. Post March 1, 2025, the Forward Reserve total reflects costs associated with the Day-Ahead Ancillary Services Market.

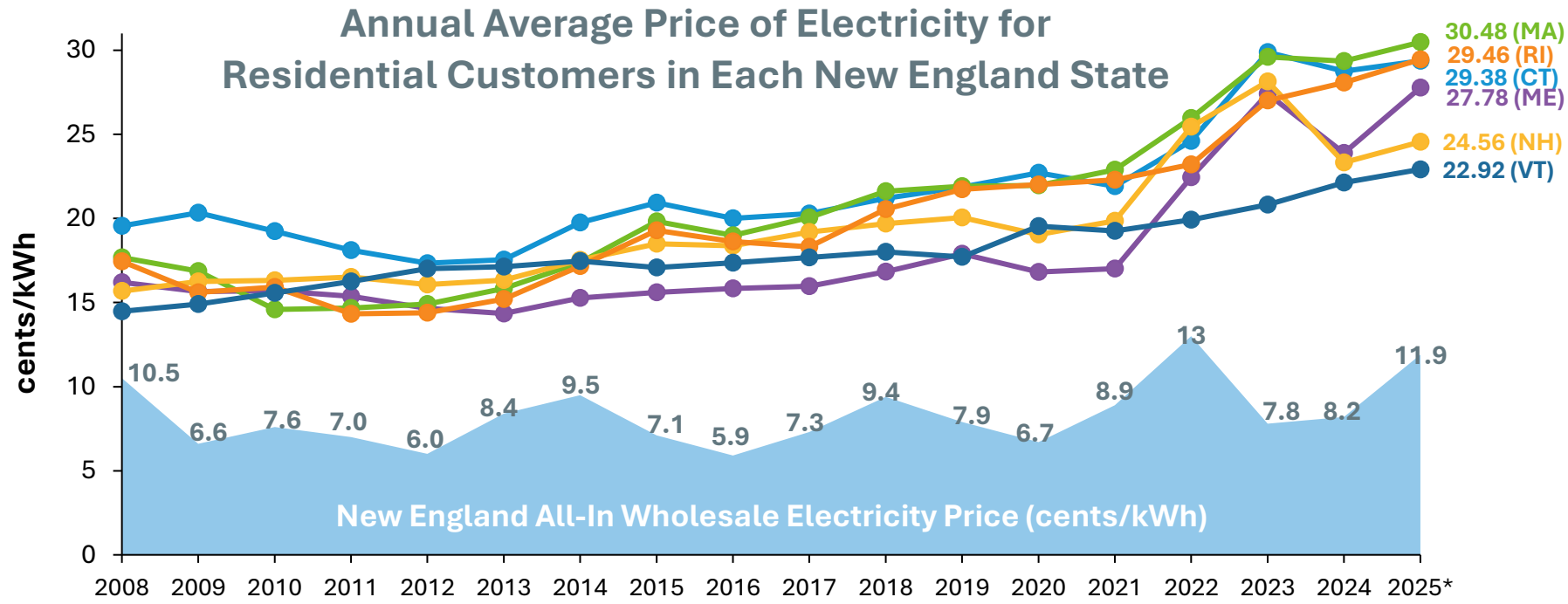
(d) Capacity charges are those associated with the Forward Capacity Market (FCM).

(e) Transmission charges reflect the collection of transmission owners' revenue requirements and tariff-based reliability services, including black start capability, voltage support, IROL CIP, and FCM reliability. In 2025, the cost of payments made to these generators for reliability services under ISO's Open Access Transmission Tariff (OATT) was \$65.4 million. Transmission charge totals for years 2010 forward reflect the refund of Schedule 1 TOUT charges to regional network load.

(g) RTO costs are the costs to 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.

(h) Mystic Cost of Service payments were made through May 2024.

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



**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. 2025); 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) \*2025 values are preliminary

# APPENDIX 7: Examples of Innovation and Use of Artificial Intelligence

# Improve market design fidelity and operational efficiency through advanced simulation and optimization technology

- *Integrated Market Simulator*
  - Develop a unified simulation framework that captures key real-time market and system processes
  - This framework will enable us to evaluate dynamic operating reserve demand curve, multi-interval dispatch and pricing, enhanced energy storage modeling, and market mitigation design.
- *Capacity Market Clearing Engine*
  - Build clearing engines using the latest optimization technology for the seasonal and prompt capacity markets

# Increase business efficiency with agentic artificial intelligence (AI)

- *AI-Driven Workflow Automation*
  - Deploy AI agents to streamline and automate key business processes
- *Interconnection Study*
  - Facilitate interconnection request intake and initial screening, base case creation and maintenance, and support cluster study workflow
  - Accelerate interconnection timelines
  - Enhance consistency and quality control
- *Outage Coordination*
  - Use generative AI to automate outage report generation
  - Reduce manual workload
  - Enable staff to focus on higher-value engineering analysis

# Reliable integration of renewable resources through advanced computing and analytics

- *Transition to risk-based operations*
  - Leverage probabilistic forecasting to quantify uncertainty from renewables
  - Develop probabilistic capacity analysis tools, providing a better picture of system capacity margin for both long-term outage coordination and short-term capacity analysis
  - Develop probabilistic transmission security assessment, evaluating transmission system risk under different renewable scenarios.

# Reliable integration of renewable resources through advanced computing and analytics

- *Monitor system oscillation*
  - Deploy PMU-based oscillation source location (OSL) software in the control room operations.
  - OSL enables us to identify and mitigate system oscillations from inverter-based resources (IBR) and large data center loads.
- *Enhance Electromagnetic Transient (EMT) modeling and simulation*
  - Analyze stability challenges driven by fast dynamics of IBRs
  - Advance EMT model lifecycle management to scale adoption in operations and planning
  - Enable large-scale EMT simulation to support grid-level assessment