

August 27, 2026

VIA E-MAIL

TO: PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES

RE: Supplemental Notice of September 3, 2026 Participants Committee Meeting

Pursuant to Section 6.6 of the Second Restated New England Power Pool Agreement, supplemental notice is hereby given that the September 2026 meeting of the Participants Committee will be held **in person on Thursday, September 3, 2026, at 10:00 a.m. at the Portland Sheraton at Sable Oaks, located at 200 Sable Oaks Dr, South Portland, ME 04106** for the purposes set forth on the attached agenda and posted with the meeting materials at nepool.com/meetings/.

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

Although the NEPOOL room block at the Portland Sheraton is closed, if you are in need of a room, please contact Laura Clark (llark@daypitney.com; 860.275.0695) who may be able to assist you.

Looking Ahead:

- **October Participants Committee Meeting – Portsmouth, New Hampshire.** The October NPC meeting will be held in person on **Friday, October 2, 2026 [NOTE THE CHANGE IN DATE]**, at the **AC Hotel Portsmouth Downtown/Waterfront, located at 299 Vaughan St., Portsmouth, NH**. There are a limited number of rooms available for the evening before the October 2 meeting at the rate of \$279.00 per night, on a first-come, first-served basis through Wednesday, September 9, 2026. Please contact [Laura Clark](#) on or before that cut-off date to secure a room in the block.
- **November Participants Committee Meeting – Boston, Massachusetts.** The November NPC meeting will be held in person on **Thursday, November 12, 2026** at the **Hilton Boston Back Bay, located at 40 Dalton Street, Boston, MA** and will commence following the second of this year's separately scheduled modified Sector meetings with the ISO Board and State officials. There are a limited number of rooms available for the evening before the November 12 meeting at the rate of \$259.00 per night, on a first-come, first-served basis through October 20, 2026. Please contact [Laura Clark](#) on or before that cut-off date to secure a room in the block.

Respectfully yours,

/s/

Sebastian Lombardi, Secretary

FINAL AGENDA

1. To approve the draft minutes of the August 6, 2026 Participants Committee Webex meeting. A copy of the draft minutes, marked to show the changes made since the minutes were circulated with the initial notice, is included and posted with this supplemental notice.
2. To adopt and approve the actions recommended by the Reliability Committee set forth on the Consent Agenda included with this supplemental notice and posted with the meeting materials.
3. To receive summaries of the ISO Board or Board Committee meetings held since the last summaries were circulated. The summaries are included and posted with this supplemental notice.
4. To receive a System and Market Operations Report. The September System and Market Operations Report, reflecting August data, will be circulated and posted in advance of the meeting.
5. To receive a report on the following proposed budgets:
 - a. 2027 ISO-NE Operating and Capital Budgets; and
 - b. 2027 NESCOE budget.

Background materials are included with this supplemental notice and posted with the meeting materials.

6. To consider, and take action, as appropriate, on revisions to the Financial Assurance Policy addressing the treatment of resettlements associated with FERC *Opinion 594* Return on Equity (ROE) refunds. Background materials and a form of resolution are included with this supplemental notice and posted with the meeting materials.
7. To receive a report on current contested matters before the FERC and the Federal Courts. The litigation report will be circulated and posted in advance of the meeting.
8. To receive reports from Committees, Subcommittees and other working groups:

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

Protocols. The NEPOOL general business portions and plenary sessions of the meeting will be recorded, as are all the NEPOOL Participants Committee meetings. NEPOOL meetings, while not public, are open to all NEPOOL Participants, their authorized representatives and, except as otherwise limited for discussions in executive session, consumer advocates that are not members, federal and state officials and guests whose attendance has been cleared with the Committee Chair. All those participating in this meeting must identify themselves and their affiliation at the meeting. Official records and minutes of meetings are posted publicly. No statements made in NEPOOL meetings are to be quoted or published publicly.

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August 6, 2026 Minutes



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RESOLVED, that the Participants Committee approves the preliminary minutes of the August 6, 2026 Webex meeting, as circulated in advance of this meeting, with additional non-material clarifications, as the final minutes of the August 6, 2026 Webex meeting.

PRELIMINARY

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held by Webex beginning at 10:00 a.m. on Thursday, August 6, 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.

APPROVAL OF 2026 SUMMER MEETING MINUTES

Ms. Bresolin referred the Committee to the preliminary minutes of the 2026 Summer Meeting, as circulated and posted in advance of the meeting, ~~with additional non-material clarifications~~. Following motion duly made and seconded, the preliminary minutes of that meeting were unanimously approved, with additional non-material clarifications, ~~as circulated~~, 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 approved unanimously, with abstentions by Cross-Sound Cable (CSC) and Mr. Lamson noted.

Addressing their support for the Asset Condition Reviewer (ACR) item, members and State officials praised the collective efforts of the ISO, Transmission Owners, and stakeholders, emphasizing the collaborative and productive NEPOOL stakeholder process that shaped and

improved the design. Many noted the importance of the ACR role and framework and expressed optimism that it would promote a more holistic and robust review of transmission proposals, provide needed clarity on proposed asset condition projects, and help guide transmission investment more efficiently and strategically. Participants also looked forward to ACR implementation in 2027 and the benefits it would deliver for the region.

ACR CONFORMING CHANGES TO TARIFF § IV.A

Mr. Tom Kaslow, Budget & Finance (B&F) Subcommittee Chair, referred the Committee to the materials circulated and posted in advance of the meeting related to conforming changes to Schedule 1 to Section IV.A of the Tariff to fund implementation of the ACR function (ACR Funding Changes). He explained that the ISO's costs to implement the ACR function that had just been supported by way of the Consent Agenda would be recovered pursuant to Section IV.A of the Tariff ~~(~~the Tariff Section that generally provides for the recovery of system planning administrative costs associated with transmission planning and related activities~~)~~.

Mr. Kaslow reported that the ISO presented the ACR Funding Changes at the June 5, 2026 B&F Subcommittee meeting, with no opposition or concerns with the ACR Funding Changes expressed by any member present at the Subcommittee meeting.

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports the revisions to Tariff Section IV.A, Schedule 1, as reflected in the materials circulated to this Committee in advance of this meeting, together with such non-substantive changes as may be approved by the Chair of the Budget & Finance Subcommittee.

Without question or discussion, the Committee approved the motion unanimously, with abstentions by Mr. Lamson and CSC (which attributed its abstention to the resulting budget increase).

ISO BOARD & BOARD COMMITTEE SUMMARIES

Ms. Bresolin then referred the Committee to the ISO Board & Board Committee Summaries, which had been circulated and posted in advance of the meeting. There were no questions or comments from the Committee on the summaries.

ISO SYSTEM & MARKET OPERATIONS REPORT

Mr. Stephen George, ISO Vice President of System & Market Operations and Capital Projects, referred the Committee to the August System & Market Operations Report (Report), which had been circulated and posted in advance of the meeting. He highlighted several Report enhancements, first introduced in the June 2026 Report, as summarized on slide 7 of that Report, and encouraged Committee feedback to support further simplification and improvement. He then reviewed Report highlights (noting that data in the Report was through July 29, 2026), which included: (i) the Peak Hour for July 2026, with 25,832 MW of Revenue Quality Metered (RQM) Data, occurred on July 2, 2026 during the hour ending at 7:00 p.m.; (ii) July averages for Day-Ahead Hub Locational Marginal Price (LMP) (\$68.35/MWh), Real-Time Hub LMP (\$54.95/MWh), and natural gas prices (\$2.75/MMBtu); (iii) Energy Market value for July 2026 was \$930 million, up 72% from June 2026 and down 6% from July 2025; (iv) Ancillary Markets value (\$20 million) was down 41% from July 2025 and up from \$1 million in June 2026; (v) average Day-Ahead cleared physical energy during peak hours as a percentage of forecasted load was up from both June 2026 and July 2025; (vi) Net Commitment Period Compensation (NCPC) payments for July totaled \$3.8 million (representing 0.4% of July's monthly Energy Market value), comprised of (a) \$3.8 million in First Contingency payments (including \$1 million in Dispatch Lost Opportunity Costs, \$343,000 in Rapid Response Pricing Opportunity Costs, \$127,000 paid to resources at external locations and \$8,000 paid to Real-Time Deviations), and

(b) \$3,000 in Second Contingency payments (there were no voltage payments in July), and (c) \$37,000 in Distribution payments; and (vii) a Forward Capacity Market (FCM) value of \$77 million.

Mr. George proceeded to highlight and summarize information related to two July events – a July 1-3 heatwave (which he noted, averaging 93.4°F, was the hottest three-day stretch since June 23-25, 2025) (July Heatwave) and four days (July 14-18) when the region experienced smoke cover from Canadian wildfires (Wildfire Smoke). With respect to the July Heatwave, he explained that, given projections for continued heat and minimal capacity surplus the following day, the ISO declared M/LCC-2 (an Abnormal Conditions Alert) on July 1 at 5:00 p.m. Throughout the July 2 operating day, generation resources performed well, net imports averaged roughly 1,680 MW (2,500 MWh during the peak hours), retail demand response programs (initiated from 5-8:00 p.m.) contributed to a 400-500 MW reduction in load, and the ISO cancelled the M/LCC-2 Alert at 10:00 p.m. on July 3. He reported that peak system load reached 25,361 MW on July 2 during the hour ending at 7:00 p.m. (roughly 800 MW below the June 24, 2025 peak load), marking the second-highest load since August 2018. He noted that load numbers were likely a bit lower than they might otherwise have been given the 4th of July holiday at the end of thate week.

In response to questions and comments, Mr. George clarified that Control Area temperatures were expressed as a 23-city weighted average (weighted by each city's load contribution; the underlying city data was not published externally). He identified differences between the circumstances underlying the July 2, 2026 and June 24, 2025 events, including lower reserve requirements, additional capacity, and higher flows over Phase 2 in 2026, and the challenges with predicting whether the higher 2025 reserve requirement might have led to a

capacity deficiency during the July Heatwave. He confirmed that load numbers were very sensitive to slight variations when temperatures and dew points were high, particularly in major New England load centers (with each 1°F temperature increase resulting in roughly 500 MW of additional load).

Mr. George then addressed the Wildfire Smoke that impacted the region on July 14-18. He explained that the smoke reduced solar irradiance, decreasing photovoltaic (PV) generation and increasing demand – particularly given the prevalence of behind-the-meter PV in the region. He said that July 15 was the day most impacted, with load 4,000 MW below what was forecasted at certain hours throughout the day. The smoke centered over areas with significant PV and load centers like Boston and Hartford. Mr. George reported that the ISO continued to work on improving weather, PV and load forecasts to account for smoke events, though it remained challenging, due to the infrequent and variable nature of the smoke patterns, to predict where and how smoke would impact the region. In response to a question, Mr. George indicated that weather and PV vendors were incorporating smoke impacts into their models, but as with cloud forecasting, progress was slow, and the temperature impacts of smoke cover were the most challenging to identify and accurately predict.

Responding to a question regarding NCPC uplift impacts due to load forecast error, Mr. George said that there were only two supplemental commitments of small resources on July 2, 2026, but otherwise there were very few supplemental commitments throughout July. He noted that NCPC values were relatively very low (particularly when compared to the monthly Energy Market value). Although minimizing NCPC remained an ISO focus, Mr. George acknowledged that, on days where conditions were uncertain due to smoke, PV, and temperature variations, some NCPC would likely be inevitable.

Turning to upcoming planned transmission and generation outages, Mr. George referred to a slide that highlighted a notable, longer-duration planned outage expected to impact transfer capability, particularly between New England and its neighboring Control Areas. With respect to the outage of a New Brunswick Generator, scheduled to continue through August 12, 2026, transfer capability from New Brunswick to New England was expected to be reduced to 650 MW.

LITIGATION REPORT

Mr. Lombardi referred the Committee to the August 5, 2026 Litigation Report that had been circulated and posted before the meeting. He highlighted the July 23, 2026, FERC technical conference that had focused on potential changes to PJM Interconnection's governance structure and stakeholder processes. He reported that multiple conference participants and subsequent discussions pointed specifically to New England's governance arrangements (including the NEPOOL process, engagement of ISO New England and its Board, and the relationships with NESCOE and NECPUC) as an effective governance model – a meaningful testament to the region's long-standing collaborative process and success. He advised that the FERC invited post-conference comments, seeking direct feedback on the potential reforms discussed at the conference, by August 21, 2026.

Turning to the *New England Large and Co-Located Loads Show Cause Order* (Show Cause Order), Mr. Lombardi reported that, (i) earlier that week, the ISO and the PTOs had requested a 90-day abeyance of the Show Cause Order compliance filing deadline, which, if granted, would result in a deadline of November 16, 2026 -and (ii) on July 20, 2026, the ISO filed its informational report, as directed by the FERC, summarizing New England's resource

adequacy outlook and outlining plans to ensure that adequate generation will be available to serve existing and new large loads. He added that both the abeyance motion and the ISO's informational report were summarized in NEPOOL Counsel memos posted on the Transmission Committee's website and in the Litigation Report.

Mr. Lombardi also highlighted and provided an update on pending filings whose Tariff changes had been considered by the Committee at the 2026 Summer Meeting including: (i) the reduction to the Payment Performance Rate (PPR); (ii) adjustments to the Day-Ahead Ancillary Services (DAAS) market; and (iii) the Balancing Ratio Cap compliance filing.

Continuing, Mr. Patrick Gerity, Assistant Secretary, reported that the FERC had technically accepted the Participating Transmission Owners' (PTOs) April 30, 2026 filing to establish a new base Return on Equity (ROE) (11.39%), suspended ~~that~~the new rate for five months (meaning the new rate would not take effect before the end of November 2026), and had established paper hearing procedures to support its further inquiry into the PTOs' application of the FERC's revised ROE methodology. He said that only one round of comments (due by August 28, 2026) and one round of reply comments (due by September 28, 2026) would be allowed.

Finally, Mr. Gerity highlighted several Federal Power Act Section 203 proceedings, including requested authorizations for a NextEra / Dominion merger, an acquisition by Hull Street Energy of much of FirstLight Power's portfolio, and Vistra's acquisition of Cogentrix (Nautilus Power *et al.*) public utilities. He alerted Participants to the possibility of additional requests of the ISO (from the Department of Justice (DOJ)) for confidential Participant information, given the DOJ's role and responsibilities in reviewing merger activity. He reported

that the FERC had, since the last Report, authorized the Vistra-Cogentrix transaction, relying on its traditional metrics for assessing impacts on competition and determining the transaction as consistent with the public interest.

COMMITTEE REPORTS

Markets Committee (MC). Ms. Emily Laine, MC Chair, reported that the next MC meeting would be held from August 11-13, 2026, with the first two days at the DoubleTree Hotel in Westborough, MA, and the third day to be held by Webex. Discussion for all three days would focus on Capacity Auction Reforms: Seasonal/Accreditation (CAR-SA), with the third day dedicated to Tariff language review.

Reliability Committee (RC). Mr. Frank Ettori, RC Vice-Chair, reported that the RC would next meet on August 18-19, 2026 as part of the RC/TC Summer Meeting at the Beauport Hotel Gloucester in Gloucester, MA. He noted that the RC would consider, among other things: (i) changes to Planning Procedures (PP) Nos. 4, 5-1, 5-3, and 5-6; (ii) changes to Operating Procedure (OP) Nos. 14 and 21, together with *Order 2222*- and *Order 881*-conforming OP changes; (iii) capacity zone formation in connection with CAR-SA; and (iv) the ISO's proposed Section 205 filing in response to the FERC's *New England Large and Co-Located Loads Show Cause Order*.

Transmission Committee (TC). Mr. Nick Gangi, TC Chair, reported that, as part of the RC/TC Summer Meeting, the TC would receive updates on: (i) *Order 881* implementation; (ii) ongoing FERC dockets impacting New England; and (iii) the ISO's proposed Section 205 filing in response to the FERC's *New England Large and Co-Located Loads Show Cause Order* (to which the MC would also be invited).

Budget & Finance Subcommittee~~***(B&F)***~~. Mr. Tom Kaslow, B&F Chair, reported that the B&F had two meetings scheduled in August – one the next day (to address the 2027 NESCOE and ISO budgets, as well as the ISO’s capital projects filing for the second quarter of 2026, and other periodic ISO and NEPOOL financial reports) and one on August 25 (to consider Financial Assurance Policy changes related to CAR-SA and to *Opinion 594* resettlements).

Membership Subcommittee. Mr. Brian Thomson, the Membership Subcommittee Chair, reported that the next Membership Subcommittee meeting would be held by Zoom on August 10, 2026 to consider four membership applications and one termination notice.

ADMINISTRATIVE MATTERS

Ms. Bresolin highlighted that the next Participants Committee meeting would be held in person, on September 3, 2026, at the Portland Sheraton at Sable Oaks in Portland, ME. The October Participants Committee meeting, she said, would also be held in person, on Friday, October 2, 2026 (one day later than previously scheduled) at the AC Hotel Portsmouth Downtown/Waterfront in Portsmouth, NH.

There being no other business, the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Sebastian Lombardi, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE AUGUST 6, 2026 WEBEX MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Acadia Center	End User	Joe LaRusso		
Advanced Energy United	Assoc. Non-Voting		Alex Lawton	
Ashburnham Municipal Light Plant	Publicly Owned Entity			Dan Murphy
AVANGRID (CMP/UI)	Transmission	Alan Trotta		
Bath Iron Works	End User			Bill Short
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh		Michael Lazorchak
Boylston Municipal Light Department	Publicly Owned Entity			Dan Murphy
BP Energy Company (BP)	Supplier		Christine Huhgey	José Rotger
Braintree Electric Light Department	Publicly Owned Entity	Dave Cavanaugh		Michael Lazorchak
Brookfield Energy Trading and Marketing LLC	Supplier	Aleks Mitreski		
Canal Marketing LLC	Generation		Bill Fowler	
Chester Municipal Light Department	Publicly Owned Entity		Dan Murphy	
Chicopee Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy
Clear River Electric	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Clearway Power Marketing LLC	Supplier			Pete Fuller
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
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	Nick Krakoff		
Constellation Energy Generation (Constellation)	Supplier	Andy Gillespie	Gretchen Fuhr	Bill Fowler
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Dartmouth Power Associates, L.P.	Generation	Carrie Cullen Hitt		Sarah Yasutake
Dominion Energy Generation Marketing, Inc.	Generation	Wes Walker		
DTE Energy Trading, Inc. (DTE)	Supplier			José Rotger
Elektrisola, Inc.	End User			Bill Short
Emera Energy Services	Supplier			Bill Fowler
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Eversource Energy	Transmission			Steve Allen
Environmental Defense Fund	End User	Jollette Westbrook		
First Point Power	Supplier	Peter Schieffelin	Bryan Amaral	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Fiscal Alliance Foundation, Inc.	End User			Lisa Linowes
Gabel Associates, Inc.	Supplier	Sarah Yasutake		
Galt Power, Inc.	Supplier	José Rotger	Jeff Iafrati	
Garland Manufacturing Company	End User			Bill Short
Generation Bridge Companies	Generation		Steve Kirk	Bill Fowler
Generation Group Seat	Generation		Abby Krich	
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Green Oceans	End User			Lisa Linowes
Groton Electric Light Department	Publicly Owned Entity			Dan Murphy
Grid United LLC	Provisional Member	Mike Spector		
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
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	Michael Lazorchak
Holden Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Holyoke Gas & Electric Department	Publicly Owned Entity			Dan Murphy
Hudson Light and Power Department	Publicly Owned Entity			Dave Cavanaugh
Hull Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy
Industrial Wind Action Corp	End User	Lisa Linowes		

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE AUGUST 6, 2026 WEBEX MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Ipswich Municipal Light Department	Publicly Owned Entity			Dan Murphy
Lamson, Jon	End User	Jon Lamson		
Littleton (MA) Electric Light and Water Dept.	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Long Island Power Authority (LIPA)	Supplier		Bill Kilgoar	
Maine Public Advocate's Office	End User	Drew Landry		
Mansfield Municipal Electric Department	Publicly Owned Entity			Dan Murphy
Marble River, LLC	Supplier	John Brodbeck		
Marblehead Municipal Light Department	Publicly Owned Entity			Dan Murphy
Mass. Attorney General's Office (MA AG)	End User	Jackie Bihle	Jamie Donovan	Chris Modlish
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Mass. Department of Capital Asset Management	End User		Paul Lopes	
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity		Dan Murphy	
MDC – The (CT) Metropolitan District	Publicly Owned Entity		Dave Cavanaugh	
Mercuria Energy America, LLC	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Midcoast Regional Redevelopment Authority	Publicly Owned Entity		Dave Cavanaugh	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Moore Company	End User			Bill Short
Nautilus Power, LLC	Generation		Bill Fowler	
New England Power (d/b/a National Grid)	Transmission	Tim Brennan	Tim Martin	
New England Power Gens. Assoc. (NEPGA)	Assoc. Non-Voting	Bruce Anderson	Dan Dolan	
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	Michael Lazorchak
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Nylon Corporation of America	End User			Bill Short
Pawtucket Power Holding Company	Generation	Dan Allegretti		
Paxton Municipal Light Department	Publicly Owned Entity			Dan Murphy
Peabody Municipal Light Department	Publicly Owned Entity			Dan Murphy
PowerOptions, Inc.	End User		Zach Gray-Traverso	Doug Hurley
Princeton Municipal Light Department	Publicly Owned Entity			Dan Murphy
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Rhode Island Energy (Narragansett Electric Co.)	Transmission	Brian Thomson		
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Russell Municipal Light Dept.	Publicly Owned Entity			Dan Murphy
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			Dan Murphy
South Hadley Electric Light Department	Publicly Owned Entity			Dan Murphy
Sterling Municipal Electric Light Department	Publicly Owned Entity			Dan Murphy
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Taunton Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy
Veolia Flexible Energy Services North America	AR-LR	Doug Hurley		
Vermont Electric Company	Transmission	Frank Etori		
Vermont Energy Investment Corp.	AR-LR			Doug Hurley
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw
Versant Power	Transmission	Dave Norman	Stephen Johnston	
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity	Dave Cavanaugh		
Vistra (Dynegy Marketing and Trade, Inc.)	Generation	Ryan McCarthy		Bill Fowler

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE AUGUST 6, 2026 WEBEX MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Vitol Inc.	Supplier	Seth Cochran		
Wakefield Municipal Gas & Light Department	Publicly Owned Entity			Dan Murphy
Wallingford DPU Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
West Boylston Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	Michael Lazorchak
Wheelabrator North Andover Inc.	AR-RG		Bill Fowler	
ZTECH, LLC	End User			Bill Short

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Consent Agenda



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1. Revisions to OP-8, OP-14 and OP-23 (*Order 2222* Conforming Changes)
2. Revisions to OP-18 and OP-19 (*Order 881* Conforming Changes)
3. Revisions to OP-14 Appendix B (Clarifications, Reference and Figure Label Updates)

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

Sep 3, 2026
Meeting

CONSENT AGENDA

Reliability Committee (RC)

*From the previously-circulated notice of RC actions at the **August 18-19, 2026 RC/TC Summer Meeting**, dated August 19, 2026.¹*

1. Revisions to OP-8, OP-14 and OP-23 (Order 2222 Conforming Changes)

Support revisions to ISO New England Operating Procedure (OP) Nos. 8 (Operating Reserve and Regulation),² 14 (Technical Requirements for Assets and Resources),³ and 23 (Resource Auditing)⁴, as recommended by the RC at the 2026 RC/TC Summer 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.

2. Revisions to OP-18 and OP-19 (Order 881 Conforming Changes)

Support revisions to OP Nos. 18 (Metering and Telemetry Criteria)⁵ and 19 (Transmission Operations)⁶, as recommended by the RC at the 2026 RC/TC Summer 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.

3. Revisions to OP-14 Appendix B (Clarifications, Reference and Figure Label Updates)

Support revisions to Appendix B (Resource Reactive Capability Data Explanation of Terms and Instructions for Data Preparation for ISO Form NX-12D) to OP-14,⁷ as recommended by the RC at the 2026 RC/TC Summer 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.

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

² Revising the definitions of Ten-Minute Non-Spinning Reserve (TMNSR), Ten-Minute Spinning Reserve (TMSR), and Ten-Minute Operating Reserve (TMOR) to include Demand Response Distributed Energy Resource (DRDERA).

³ Revising Sections I.A (adding DRDERAs), II.A (adding a footnote regarding implementation of MOD-026-2), and Section VI (updating the title to include DRDERAs).

⁴ Retiring Appendices D and F and Revising Sections II.A (adding DRDERAs to the scope) and III.B (adding the Demand Response Resource portion of a DRDERA to the scope).

⁵ Revising Section VI.B (to add Step 13 for ratings update via SCADA).

⁶ Revising Sections II.A (to reflect changes to seasonal ratings structure and Long-Term Emergency Rating (LTE) time duration) and II.B (to reflect changes to ambient-adjusted rating use).

⁷ Revising Section III (to clarify Section III.C.4.a.i and update figure labels) and updating references to OP-14.

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ISO Board & Board Committee Summaries

REPORT

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #3

Summary of ISO New England Board and Committee Meetings September 3, 2026 Participants Committee Meeting

Since the last update, the Audit and Finance Committee and the Information Technology and Cyber Security Committee each met virtually on August 20. The Nominating and Governance Committee met on August 24.

The Audit and Finance Committee received an update on the development of the 2027 operating and capital budgets, including a review of the capital structure and a report on budget discussions with stakeholders. The Committee discussed reductions from the first budget iteration, largely resulting from a review of the classification of capital and operating costs and reduced medical plan renewal costs. Next, the Committee conducted its annual review of the Company's liability insurance coverage for officers and directors. The Committee then received a report on the 2026 budget, noting that opportunities outweigh risks and budget spending remains on track. The Committee also received an update on the new building project in Holyoke. Management noted that the Federal Energy Regulatory Commission had approved the Company's filing of Tariff language allowing the current budget to roll over into the next year if the Commission fails to act on the Company's budget. The Committee then approved the second quarter unaudited financial statements after management confirmed that all relevant disclosures from managers were included in the financial statements. The Committee received an update on internal audit activities, as well as highlights of recent external audits. Next, the Committee held an executive session with the Company's Director of Internal Audit. Following that, the Committee held an executive session without management to review the results of its self-evaluation.

The Information Technology and Cyber Security Committee received an update on the Company's cyber security work plan, including activities related to the transition to cloud services and cyber security operations. Next, the Committee reviewed the annual vendor report, which illustrated year over year changes in vendor spending and highlighted key vendors and associated risks. The Committee then discussed plans for the September annual "deep dive" with the full Board, which will focus on a tabletop exercise regarding a ransomware event, and reviewed a draft cyber event handbook for the Board. The handbook is intended to serve as a structured guide for fulfilling the Board's governance responsibilities during a cyber event affecting the organization's systems, operations, or critical infrastructure assets.

The Nominating and Governance Committee met to discuss communications related to the Company's

Sep 3, 2026
Meeting

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The Nominating and Governance Committee met to discuss communications related to the Company's strategic planning process. The Committee considered opportunities to share draft information, as available, ahead of finalization in early 2027.

4

System & Market Operations Report

REPORT

SEPTEMBER 3, 2026 | PORTLAND SHERATON AT SABLE OAKS

NEPOOL PARTICIPANTS COMMITTEE | 8/6/2026
Meeting Agenda Item #4



NEPOOL Participants Committee

System & Market Operations Report – September 2026

Stephen M. George

VICE PRESIDENT, SYSTEM & MARKET OPERATIONS AND CAPITAL PROJECTS



Sep 3, 2026
Meeting

NEPOOL
NEW ENGLAND POWER POOL
Participants Committee



NEPOOL Participants Committee

System & Market Operations Report – September 2026

Stephen M. George

VICE PRESIDENT, SYSTEM & MARKET OPERATIONS AND CAPITAL PROJECTS

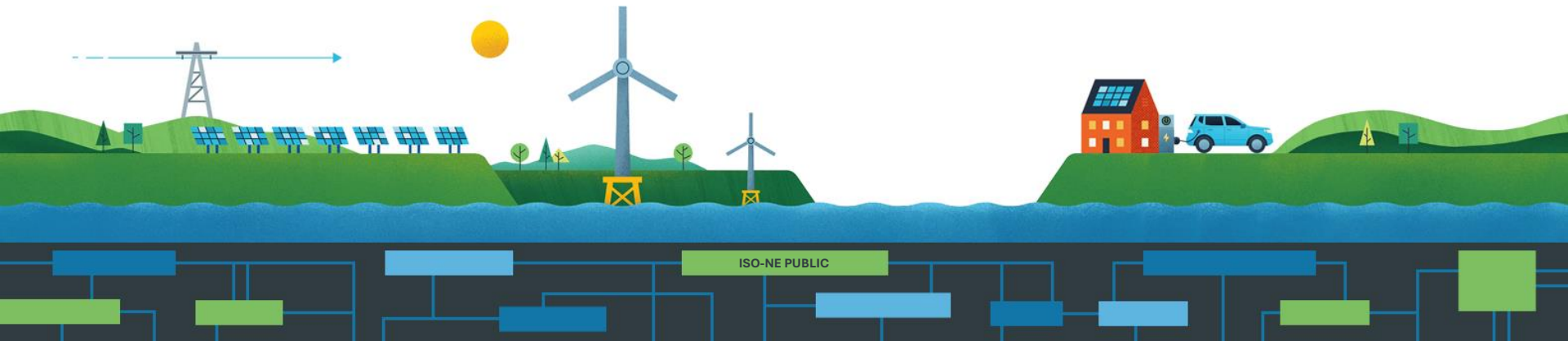
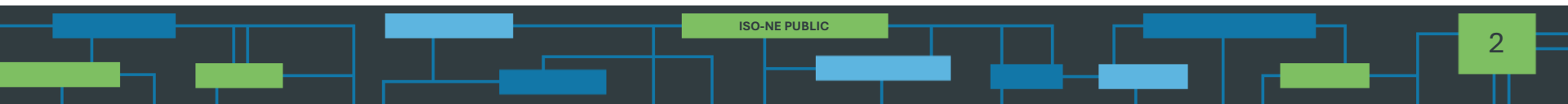


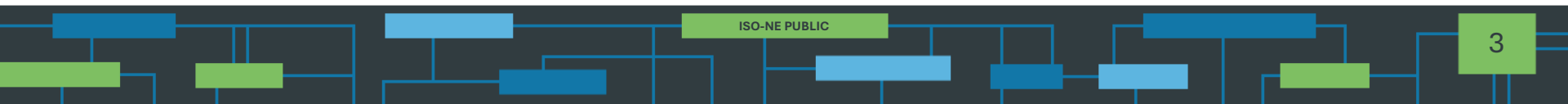
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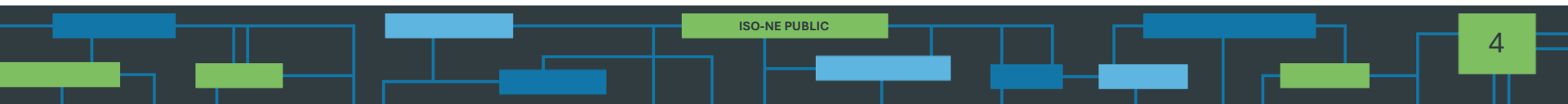


System & Market Operations Report Enhancements

- This month's report carries forward several clarity and usability improvements first introduced in the [June 2026 System & Market Operations Report](#) (see slide 7 of the June report for a summary)
- To streamline the report, several slides are now marked with footnotes noting that they will be removed in future reports since the information is part of ISO's routine reporting and is readily available elsewhere; in addition to the slides previously noted, these slides to be removed in future reports now also include:
 - Slide 36, DA vs. RT LMPs (\$/MWh)
 - Slide 46, Average Hourly DAAS Prices
 - Slide 47, Average Hourly DAAS Offered
- Further enhancements are planned in the coming months to continue simplifying and improving the report



HIGHLIGHTS



Weather At-a-Glance

*Data Through August 30, 2026**

<i>New England Weather</i>	Jul-26	Change M-O-M	Change Y-O-Y
Avg Hourly Temperature (°F) (23-City Weighted)	72.1°	-0.5° ↓	3.4° ↑

Boston Weather

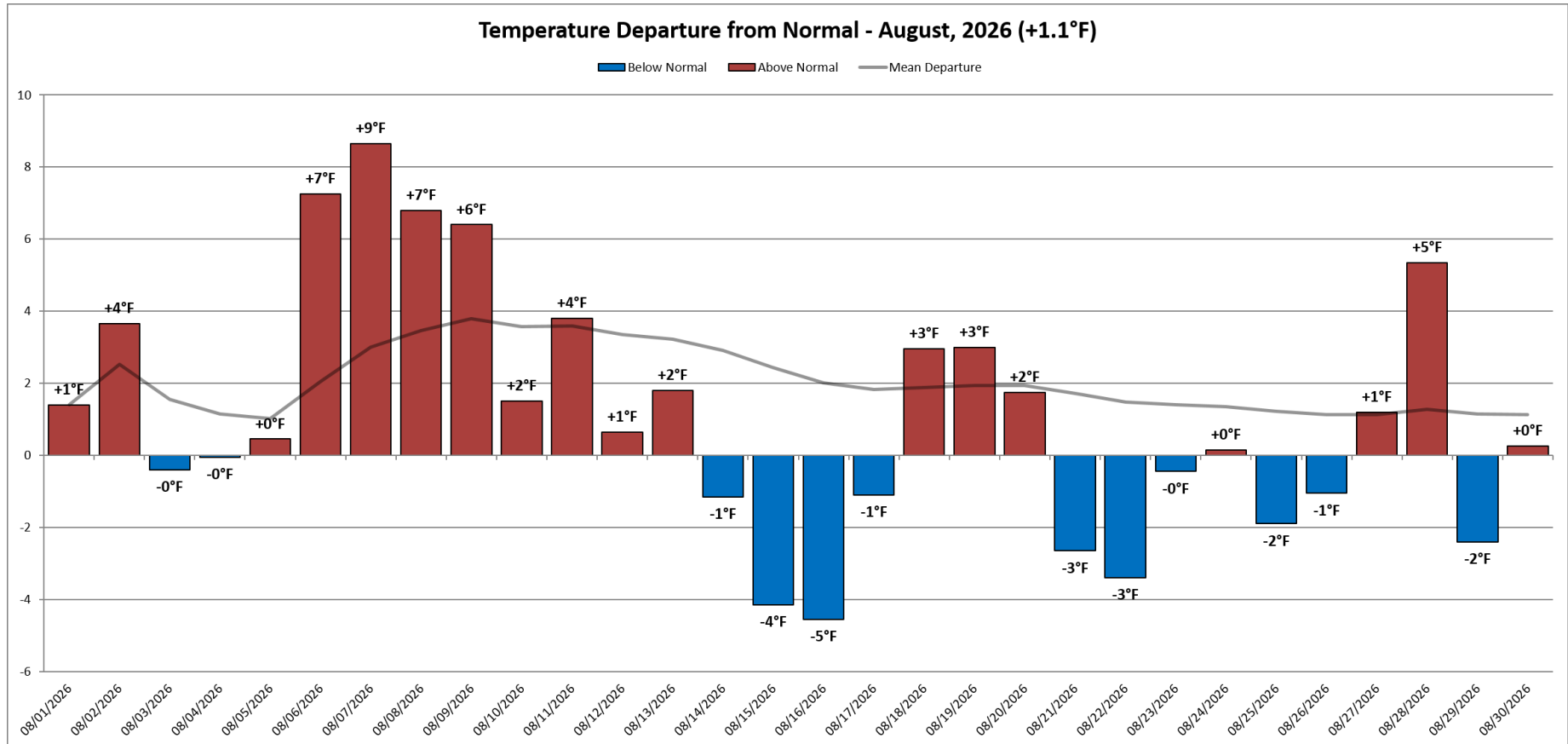
Temperature Departure from Normal (°F)	2.7°	2.1° ↑	4.8° ↑
Maximum Temperature (°F)	94.0°	-7.0° ↓	2.0° ↑
Minimum Temperature (°F)	62.0°	3.0° ↑	6.0° ↑
Avg Hourly Temperature (°F)	75.5°	0.8° ↑	4.9° ↑
Precipitation Departure from Normal (inches)	-2.15"	-3.51" ↓	0.25" ↑
Precipitation (inches)	0.98"	-3.65" ↓	0.15" ↑

Hartford Weather

Temperature Departure from Normal (°F)	0.8°	1.2° ↑	3.7° ↑
Maximum Temperature(°F)	92.0°	-8.0° ↓	0°
Minimum Temperature(°F)	55.0°	3.0° ↑	10.0° ↑
Avg Hourly Temperature (°F)	73.4°	-0.5° ↓	3.8° ↑
Precipitation Departure from Normal (inches)	0.71"	-3.78" ↓	2.47" ↑
Precipitation (inches)	4.81"	-3.85" ↓	2.36" ↑

Weather At-a-Glance, cont.

New England 23-City Temperature Departure From Normal – August 2026



*Data Through August 30, 2026

System Operations Highlights

- At 09:00 on August 7, ISO declared an M/LCC-2 Abnormal Conditions Alert due to a forecasted capacity deficiency
 - Following an updated morning weather forecast, ISO raised its day-ahead load forecast from 22,670 MW to 23,200 MW
 - ISO's Morning Report (issued around 08:00) and Operational Capacity Update Report (issued around 12:00) both projected no capacity surplus for HE19, assuming a peak load of 23,200 MW
 - Afternoon temperatures in Boston, Hartford, and other large cities were 5–7°F above forecast, driving load higher than expected
 - Load ultimately peaked at 23,702 MW in HE19; imports during the peak hour were approximately 700 MW above day-ahead cleared levels, helping maintain a positive capacity surplus
 - ISO cancelled the M/LCC-2 alert at 23:00

Markets At-a-Glance: Payments and Prices

Data Through August 26, 2026*

Market Value (\$ millions)^[a]	AUG 2026	% Change M-O-M	% Change Y-O-Y
Energy Market Value ^[b]	591	-27% ↓	17% ↑
Ancillary Services ^[c]	8	-53% ↓	-43% ↓
Forward Capacity Market (FCM)	77	0%	-13% ↓
Net Commitment Period Compensation (NCPC)	2	-33% ↓	3% ↑
Total	678	-24% ↓	14% ↑

Average Power Prices (\$/MWh)

DA Hub LMP	52.81	-21% ↓	16% ↑
DA Hub LMP Plus Forecast Energy Requirement (FER) Price	54.46	-20% ↓	12% ↑
RT Hub LMP	57.08	4% ↑	39% ↑

Average Generation Fuel Input Prices (\$/MMBtu)

Natural Gas (MA Avg.)	2.30	-15% ↓	-9% ↓
No.6 Oil	15.09	9% ↑	36% ↑
Diesel	32.29	11% ↑	85% ↑

*Based on available settled days. Complete month data for Energy Market Value, Capacity Value, and LMPs are available in the Monthly Market Report published circa the 15th of the month found on the ISO [website](#).

[a] Market Value totals are converted to 'equivalent month' values before doing the comparisons to prior months.

[b] Energy Market Value includes net costs associated with satisfying the FER constraint.

[c] Ancillary Services (A/S) = Day-Ahead and Real-Time Reserves, Regulation, less Marginal Loss Revenue Fund.

Underlying natural gas data furnished by:



Markets At-a-Glance: Demand

Data Through August 26, 2026*

<i>Average Hourly Net Energy for Load (MW)^[a]</i>	AUG 2026	% Change M-O-M	% Change Y-O-Y	
Revenue Quality Metered (RQM)	15,530	1.0% ↑	11.9% ↑	
Telemetered	14,927	1.3% ↑	12.9% ↑	
<i>Max/Min Hourly System Load (MW)</i>				
Maximum RQM	24,191	-6.4% ↓	4.8% ↑	Fri, Aug 7, 2026 in HE18
Maximum Telemetered	23,702	-6.5% ↓	4.7% ↑	Fri, Aug 7, 2026 in HE19
Minimum Telemetered	9,261	7.5% ↑	27.2% ↑	Sun, Aug 16, 2026 in HE11
<i>Year-To-Date Hourly Peak Load (MW)^[b]</i>				
RQM	25,832	0.0%	-2.6% ↓	Thu, Jul 2, 2026 in HE19
Telemetered	25,361	0.0%	-2.5% ↓	Thu, Jul 2, 2026 in HE19
Forward Capacity Market (FCM) Load ^[c]	25,303	0.0%	-3.0% ↓	Thu, Jul 2, 2026 in HE19
<i>Other RT Load (Average Hourly MW)</i>				
Scheduled Exports	1,202	-20% ↓	7% ↑	
Energy Storage Load	331	-3% ↓	18% ↑	

*Based on available settled days.

[a] RQM loads are of settlement quality and reflect the contribution of Settlement Only Resources (SORs). Telemetered loads as monitored by the Control Room. Both are 'net energy for load' concepts and therefore include transmission losses. Neither of reflect storage load. Due to the difference in metering quality, derivation, and the impact of SORs, the RQM and Telemetered peaks can occur on different days and/or hours.

[b] Y-T-D % Change Y-O-Y is based on like periods (i.e., through similar months). Y-T-D values are available in the Weekly Market Report found on the ISO [website](#).

[c] FCM load values reflect the sum of active, normal load assets that are non-dispatchable (it excludes storage load), are included in the FCM settlement and do not reflect any transmission losses. FCM Load is Revenue Quality Metered.

Markets At-a-Glance: Supply

Data Through August 26, 2026*

<i>Average Hourly RQM Supply^[a]</i>	AUG 2026 (MWh)	% Change M-O-M	% Change Y-O-Y
Total RQM Supply	17,072	-1% ↓	12% ↑
Natural Gas	8,558	5% ↑	0%
Nuclear	3,232	-3% ↓	3% ↑
Solar	748	-8% ↓	-10% ↓
Hydro	618	-13% ↓	35% ↑
Wind	509	-16% ↓	70% ↑
Other ^[b]	624	6% ↑	-3% ↓
Hybrid/Solar	91	-8% ↓	-9% ↓
Oil	7	-90% ↓	-87% ↓
Batteries	31	13% ↑	90% ↑
Demand Response Resources (DRRs)	1	14% ↑	160% ↑
Scheduled Imports	2,652	-5% ↓	118% ↑
Average Hourly Behind-The-Meter (BTM) Solar^[c]	1,620	-9% ↓	-3% ↓

*Based on available settled days.

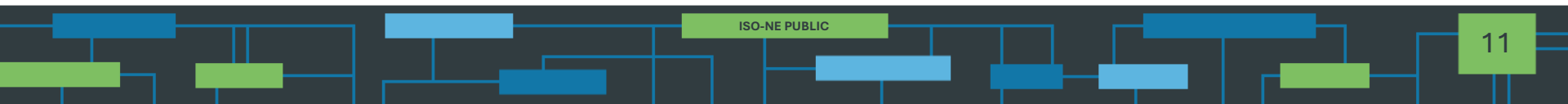
[a] Supply is RQM quality and includes both Modeled and Settlement Only Resources (SORs) and includes DRR and imports. Differs from NEL load due to not being adjusted for exports, Dispatchable Asset Related Demand (DARDs) and inadvertent tie flows.

[b] Other generation includes landfill gas, methane, wood, coal and refuse.

[c] BTM Solar is an average hourly (all hours) estimate. Historically, the majority (~2/3rd) of BTM solar is distributed solar and is not captured in RQM supply numbers.

System Planning Highlights

- The ISO posted the preferred Longer-Term Transmission Solution on 8/14/26
 - NESCOE has 30 days (until 9/14/26) to notify the ISO to cancel the RFP or request an alternative cost allocation
 - If NESCOE does not pursue either of these options, the next step is to notify the Qualified Transmission Project Sponsors (QTPSs) and execute Selected Qualified Transmission Project Sponsor Agreements within 30 days of notification
- CELT 2027 forecast discussions begin at the October 23 Load Forecast Committee meeting



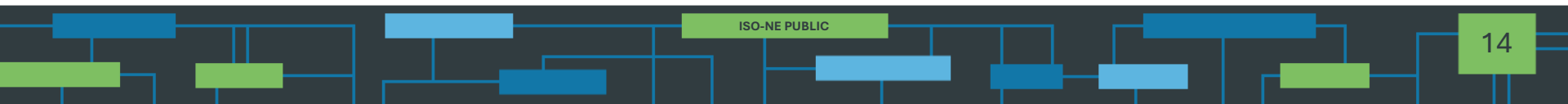
Forward Capacity Market (FCM)

- CCP 17 (2026-2027)
 - The ISO filed the ICR and related values with FERC, for the ARA3 that was conducted in 2026, on November 21, 2025. FERC issued an order accepting the values on January 9, 2026.
 - The third annual reconfiguration auction (ARA3) was held March 2-4, 2026. Results were posted on March 31, 2026.
- CCP 18 (2027-2028)
 - The second annual reconfiguration auction (ARA2) was held August 3-5, 2026 and results will be posted by September 3, 2026.
 - The ISO presented the assumptions for the ICR and related values studies for the ARA3 at the August PSPC meeting.

FCM, cont.

- CCP 19 (2028-2029)
 - The ISO filed market rule changes to delay FCA 19 for two additional years with FERC on April 5, 2024
 - On May 20, 2024 FERC issued an order accepting the additional delay
 - 2024 interim RA qualification process completed on November 1, 2024
 - A total of 1,389 MW (summer Qualified Capacity) was qualified to participate in future reconfiguration auctions
 - 2025 interim RA qualification process completed on November 3, 2025
 - A total of 1,455 MW (summer Qualified Capacity) was qualified to participate in future reconfiguration auctions
 - The Transitional CNR Group Study was completed with the completion of the 2025 interim RA qualification process
 - 2026 interim RA qualification process
 - The Show of Interest (SOI) window was open April 16-30, 2026
 - The New Capacity Qualification Package (NCQP) submission window was open June 15-23, 2026
 - No ICR and related values will be calculated for CCP 19 until the CAR project is completed

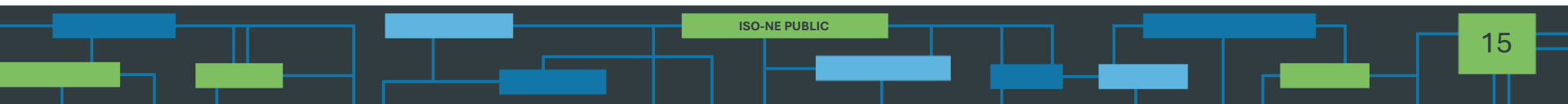
SYSTEM OPERATIONS



NPCC Simultaneous Activation of Ten-Minute Reserve Events

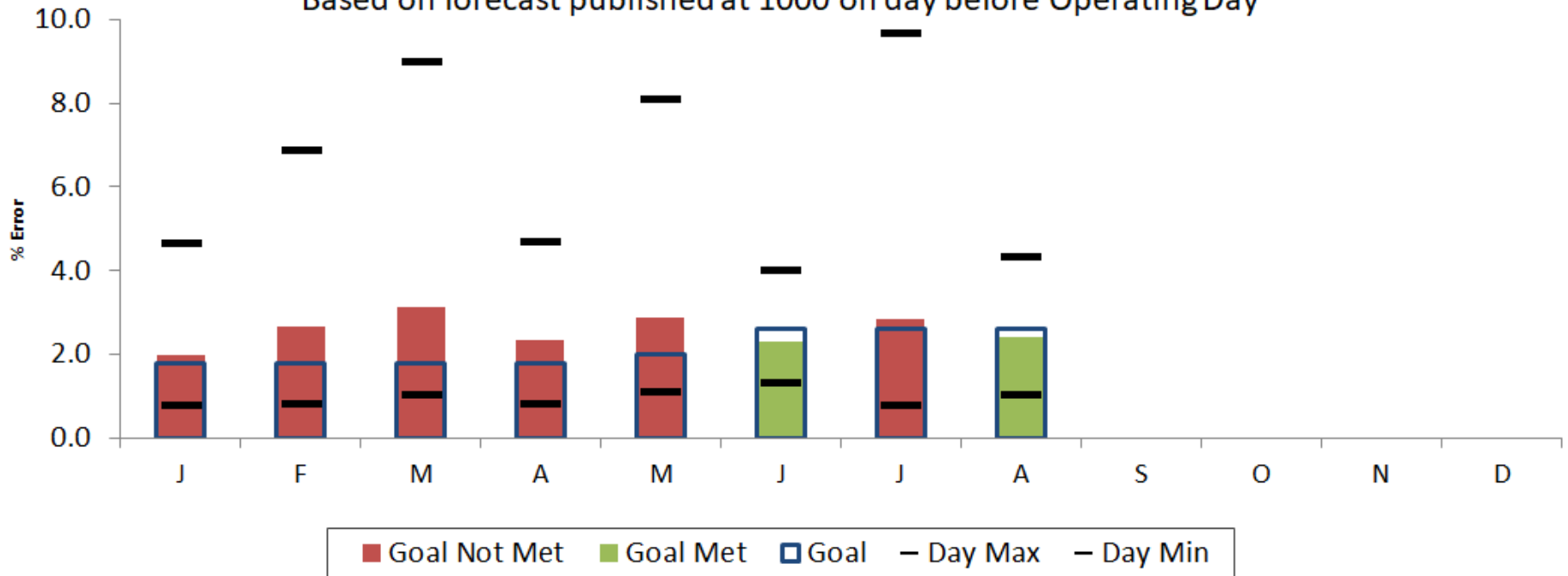
Date	Area	MW Lost
08/01/2026	ISO-NE	476
08/03/2026	IESO	950
08/03/2026	ISO-NE	875
08/19/2026	NYISO	1250

**Data Through August 30, 2026*



2026 Load Forecast Accuracy

All Hours
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day

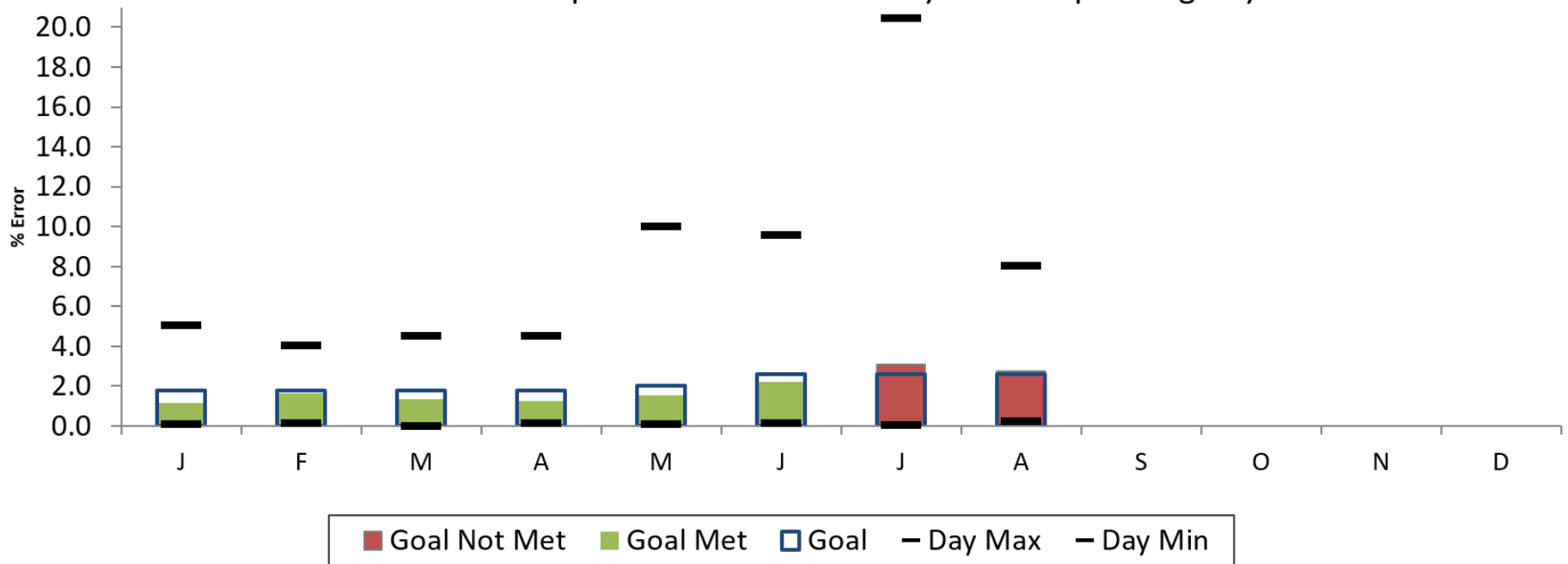


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.65	6.85	8.96	4.67	8.09	3.99	9.64	4.33					9.64
Day Min	0.76	0.82	1.01	0.80	1.09	1.29	0.77	1.01					0.76
MAPE	2.00	2.66	3.14	2.33	2.90	2.30	2.86	2.43					2.58
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60					

**Data Through August 30, 2026*

2026 Load Forecast Accuracy, cont.

Peak Hours
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day

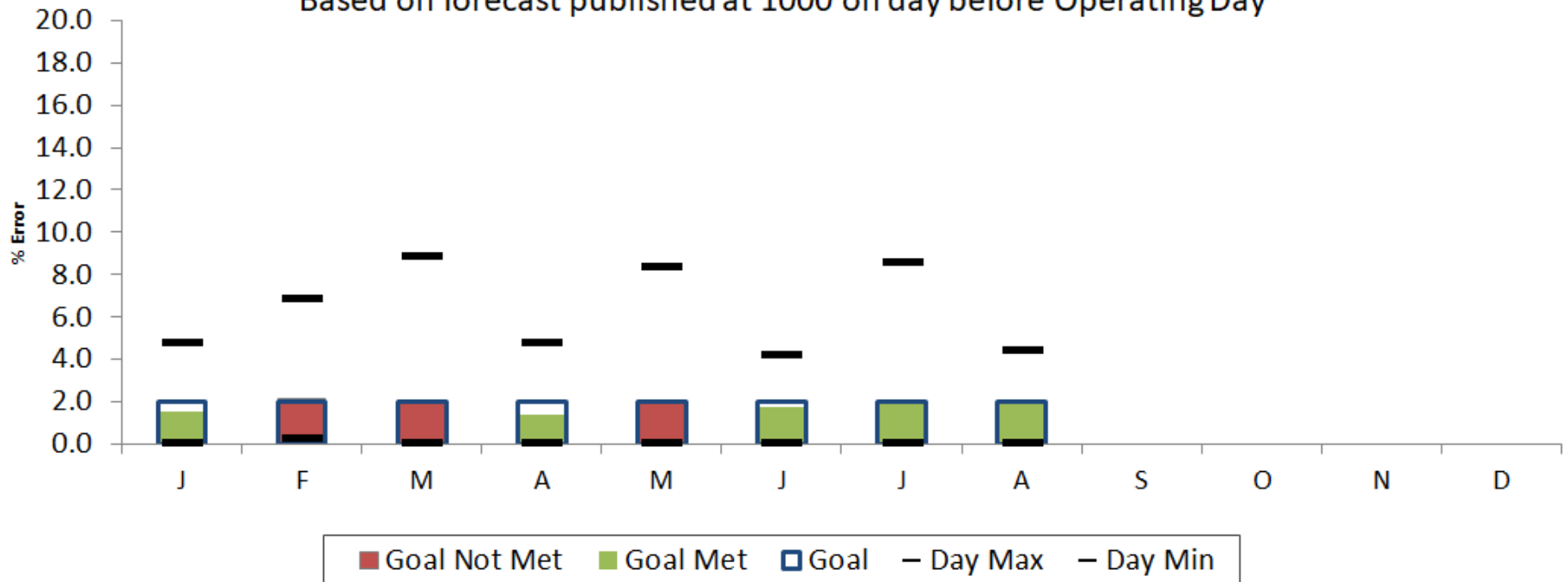


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	5.05	4.02	4.51	4.51	10.02	9.58	20.46	8.02					20.46
Day Min	0.08	0.12	0.01	0.16	0.11	0.14	0.03	0.24					0.01
MAPE	1.17	1.64	1.34	1.24	1.52	2.23	3.08	2.76					1.88
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60					

*Data Through August 30, 2026

2026 Load Forecast Accuracy, cont.

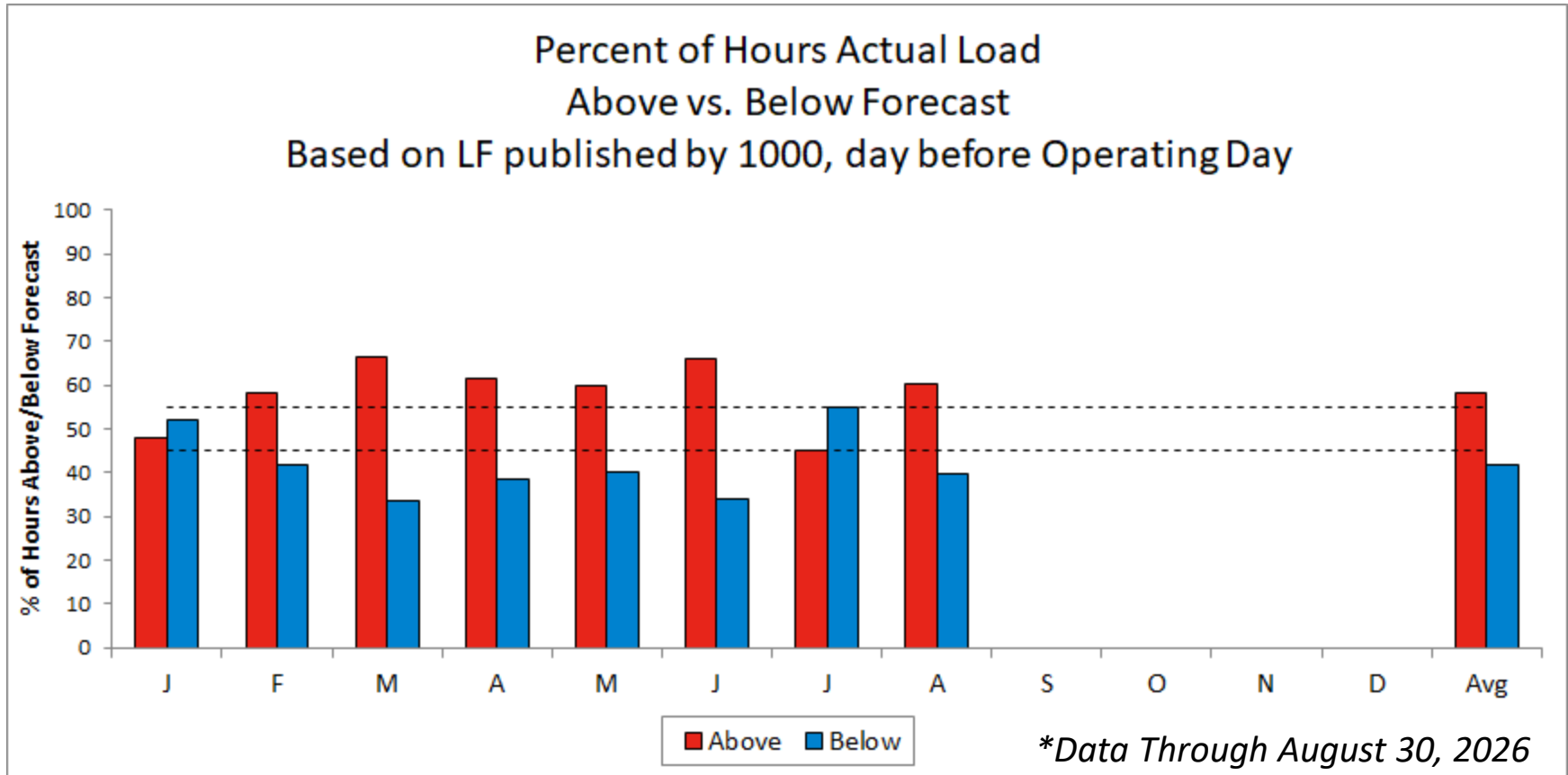
Daily Energy
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day



Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.74	6.81	8.85	4.75	8.32	4.17	8.54	4.39					8.85
Day Min	0.01	0.22	0.03	0.00	0.06	0.07	0.03	0.05					0.00
MAPE	1.57	2.12	2.11	1.42	2.06	1.75	1.94	1.88					1.86
Goal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00					

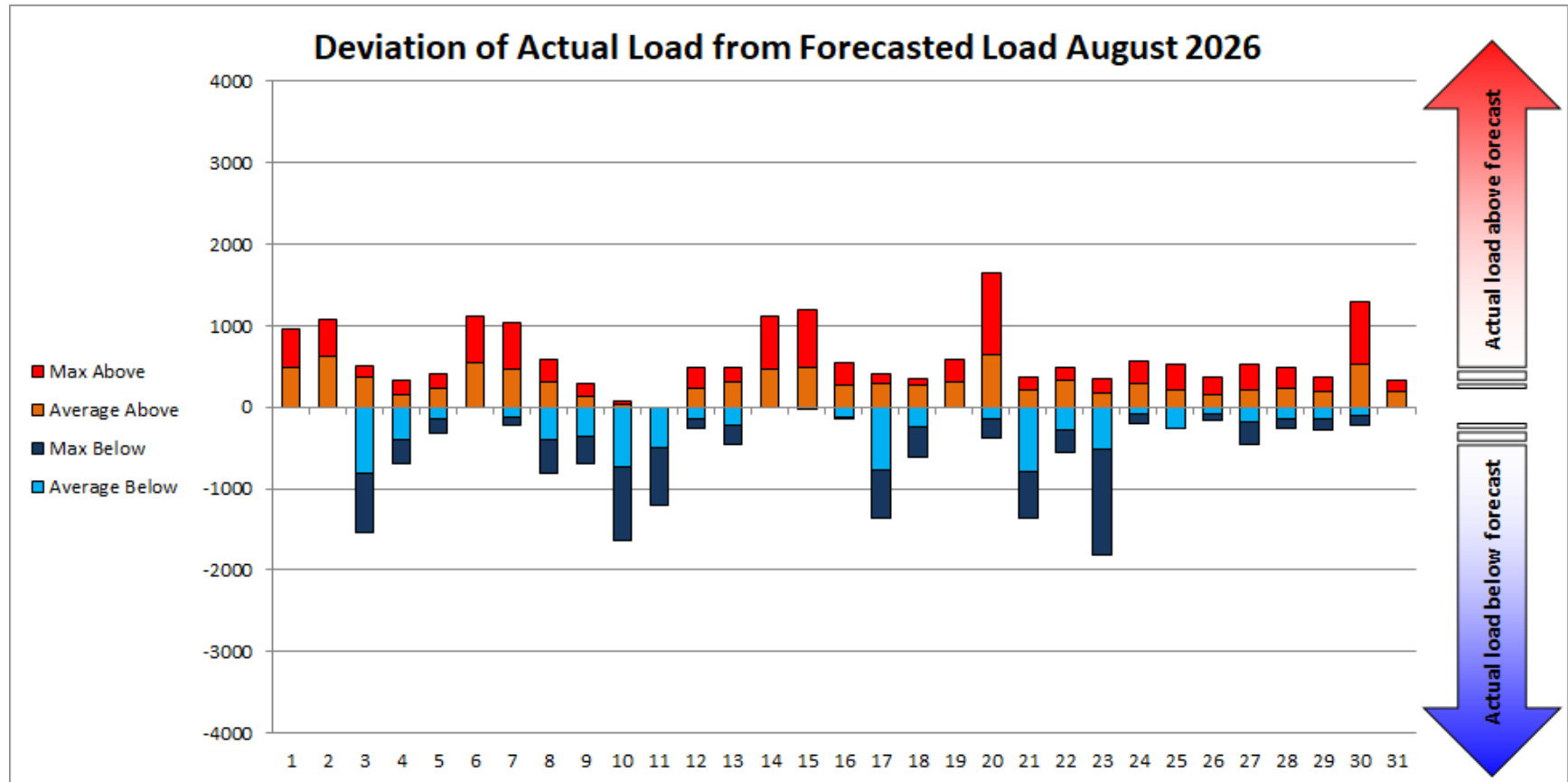
*Data Through August 30, 2026

2026 Load Forecast Accuracy, cont.



	J	F	M	A	M	J	J	A	S	O	N	D	Avg
Above %	47.8	58.2	66.4	61.4	59.7	66.1	44.9	60.2					58
Below %	52.2	41.8	33.6	38.6	40.3	33.9	55.1	39.8					42
Avg Above	203	299.6	325	240.4	296.5	304	259.1	299.8					325
Avg Below	-233.3	-271.5	-290.0	-157.2	-194.4	-160.0	-432.7	-249.1					-433
Avg All	-20	59	130	91	106	138	-139	58					52

2026 Load Forecast Accuracy, cont.



**Data Through August 30, 2026*

Wind and Solar Power Forecast Error Statistics

- Beginning with the [April 2026 System & Market Operations Report](#), ISO included links to wind and solar forecast error statistics
- Solar forecast error statistics are for front-of-meter solar resources only
- These statistics are updated monthly and published on the ISO-NE external website
- [Wind Generation Forecast Error Statistics](#)
- [Solar Power Forecast Error Statistics](#)

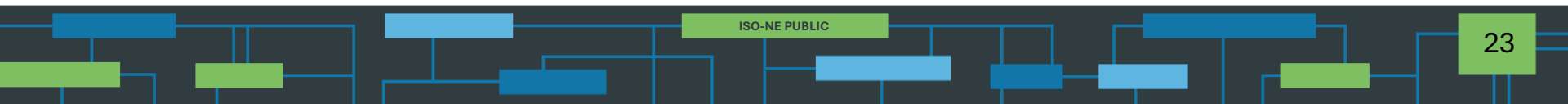
Notable Planned Outages

- The table below highlights select longer-duration planned outages that impact transfer capability; it is not a comprehensive list of all outages.

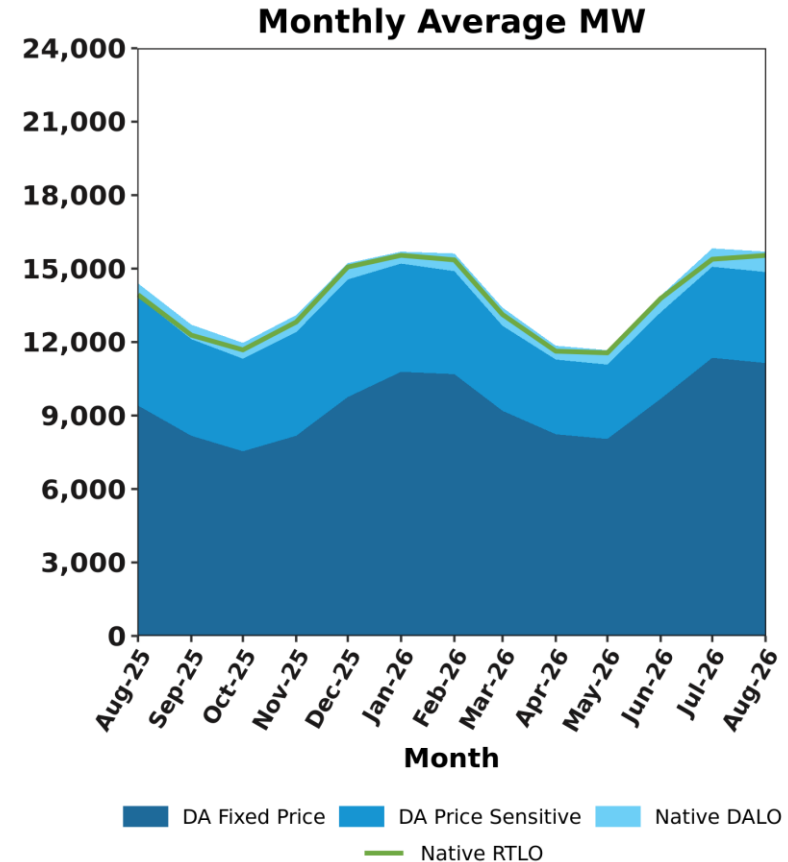
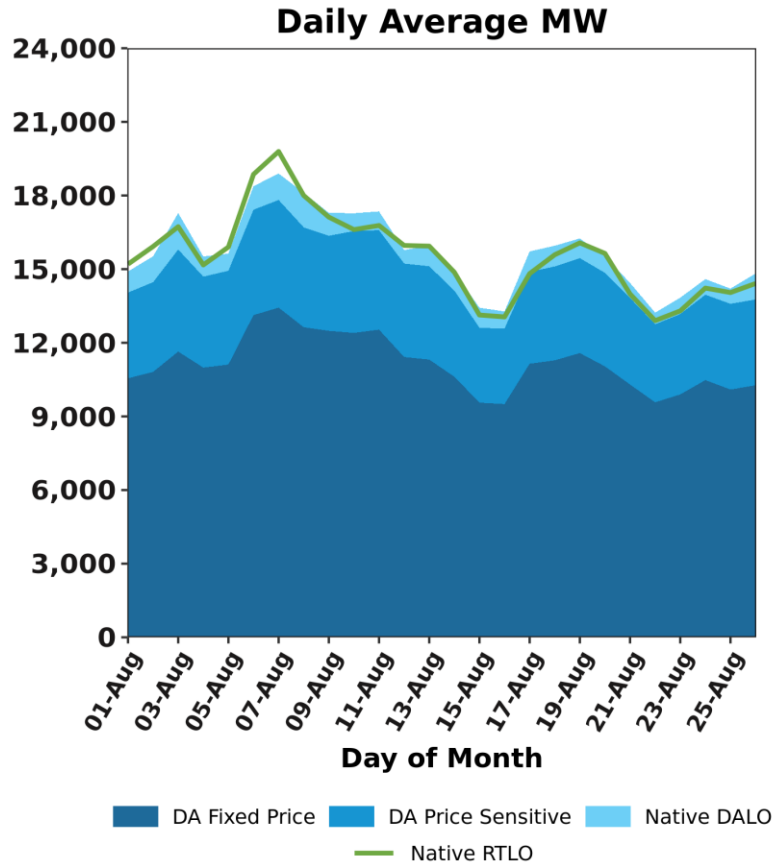
Outage	Start	Planned End	Total Transfer Capability (TTC) Impacts
New Brunswick Generator	08-28-2026	09-30-2026	New Brunswick – New England = 650 MW, New England -New Brunswick = 400 MW
Phase 2	10-5-2026	11-02-2026	Phase 2 = 0 MW in both directions
NECEC	11-05-2026	11-17-2026	TTC = 0 MW
390/3016	11-16-2026	11-20-2026	New Brunswick – New England = 625 MW, New England -New Brunswick = 0 MW

MARKET OPERATIONS

Supply and Demand Volumes

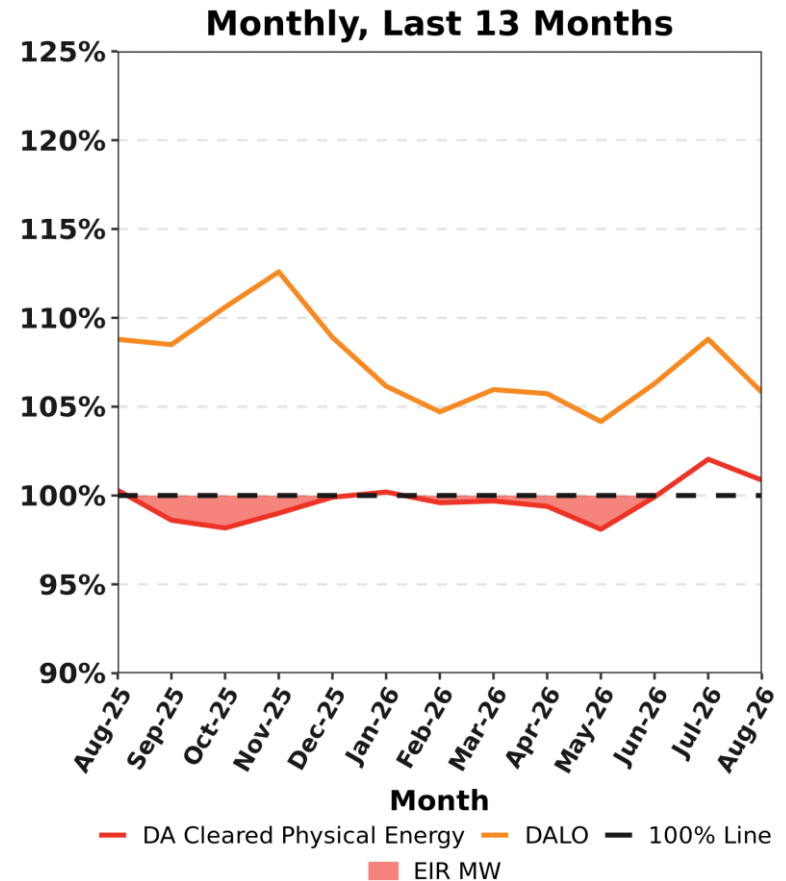
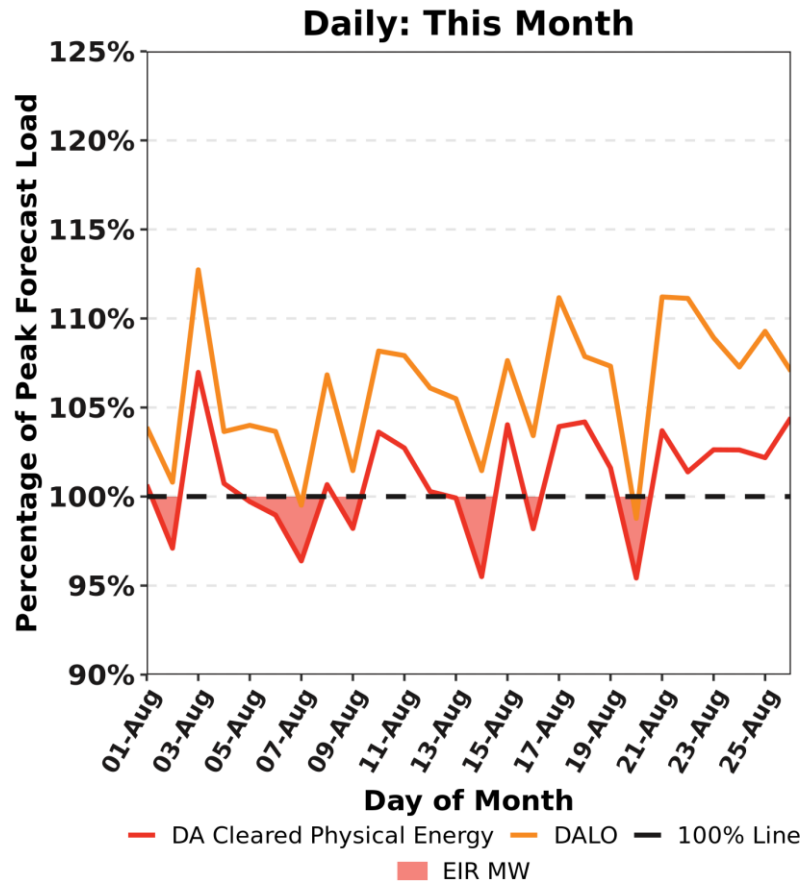


DA Cleared Native Load by Composition Compared to Native RT Load



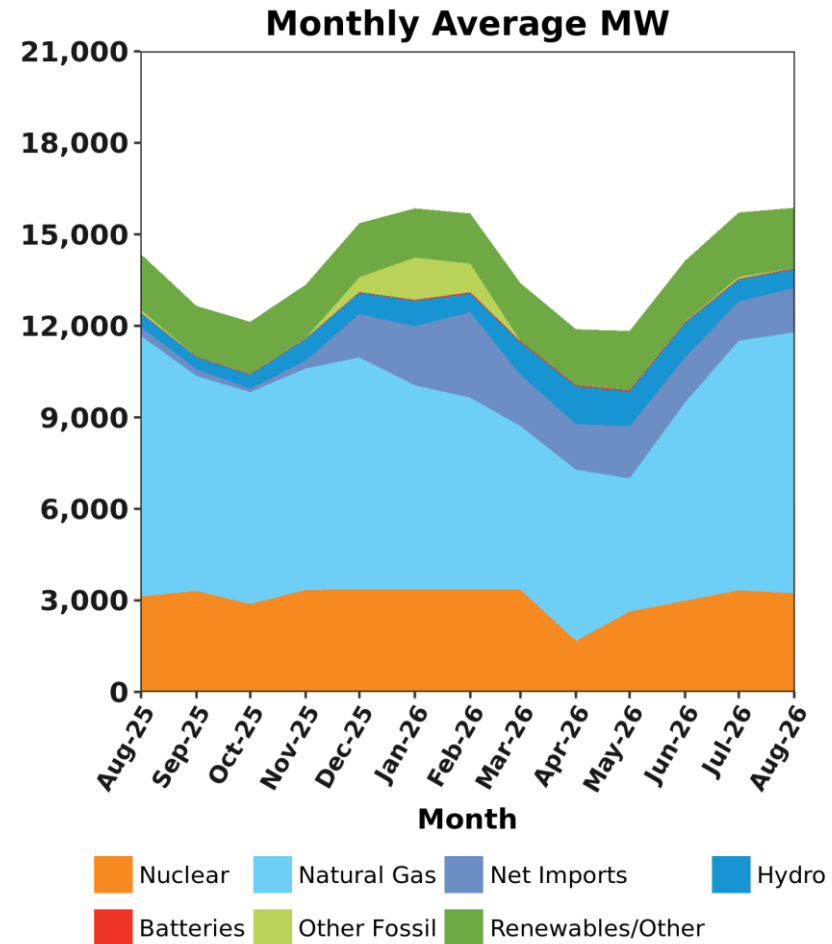
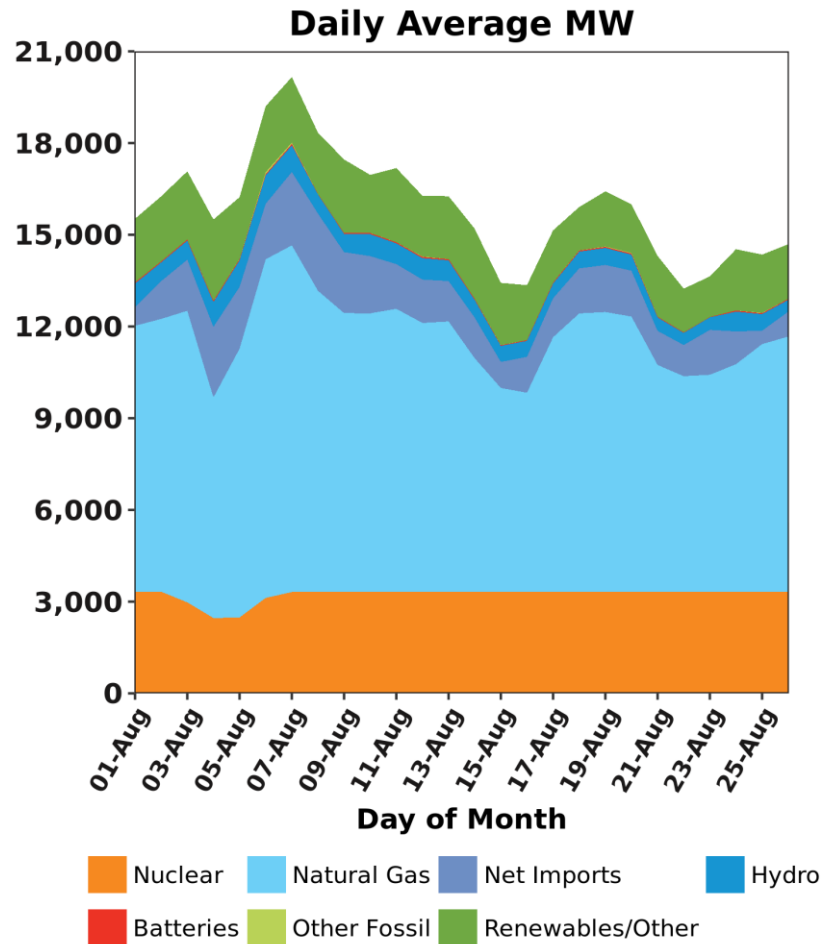
Native Day-Ahead Load Obligation (DALO) is the sum of all internal DA cleared load obligation, including internally cleared decrement bids (DECs). Native Real-Time Load Obligation (RTLO) is the sum of all internal real-time load obligation. Modeled transmission losses and exports are excluded in these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

DA Volumes as % of Forecast in Peak Hour

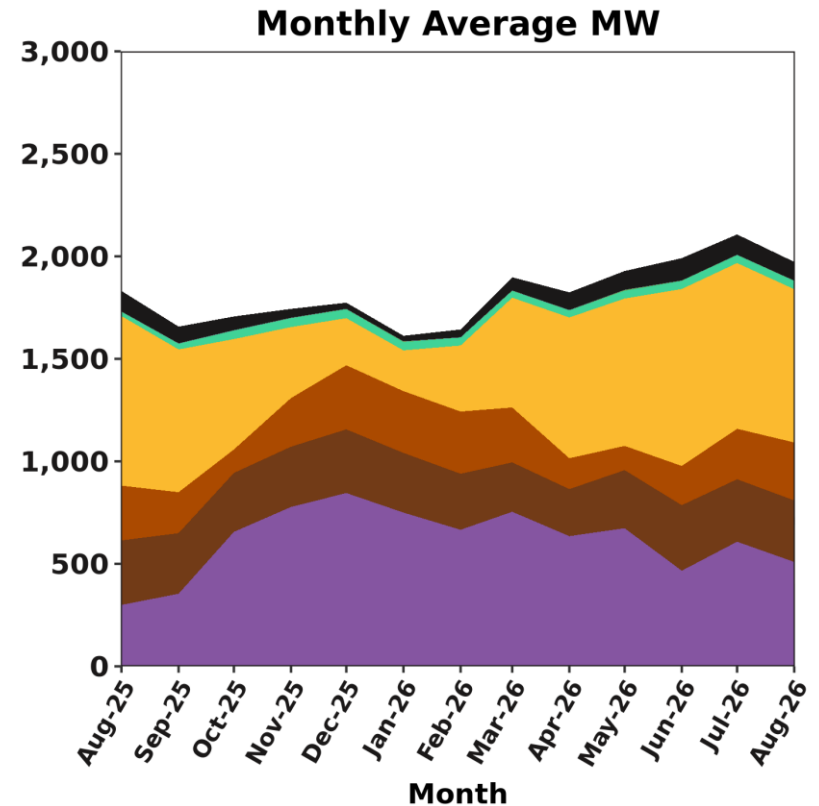
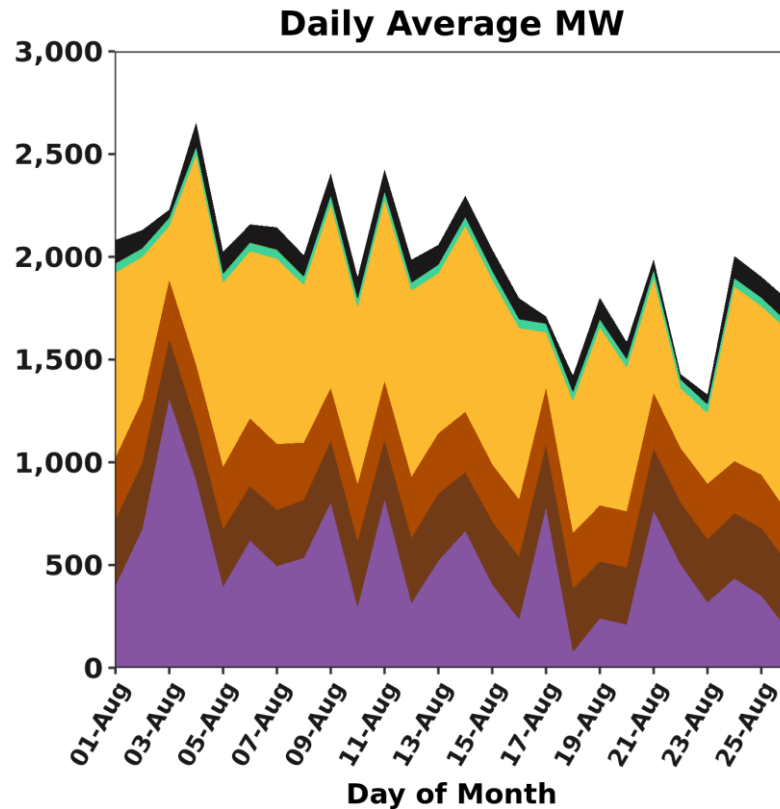


*DA cleared physical energy is the sum of generation, DRR and net imports cleared in the DA Energy Market and does not include EIR MW. EIR MW obligations from physical generation and DRR are additionally procured up to (but not exceeding) 100% of the forecasted energy requirement.

Resource Mix

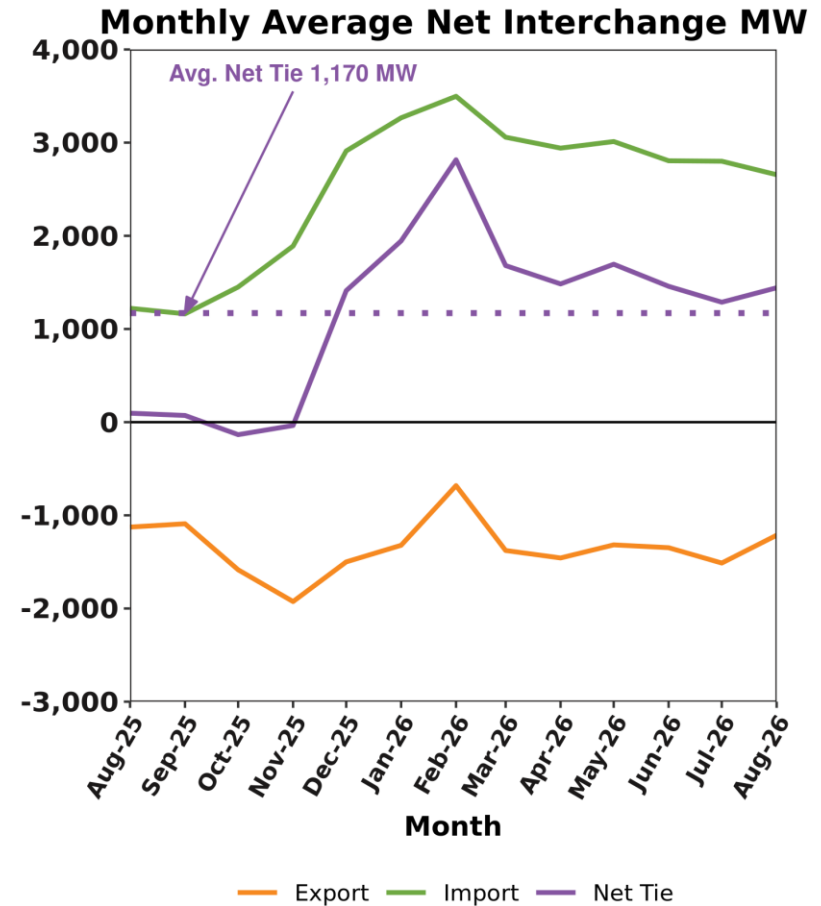
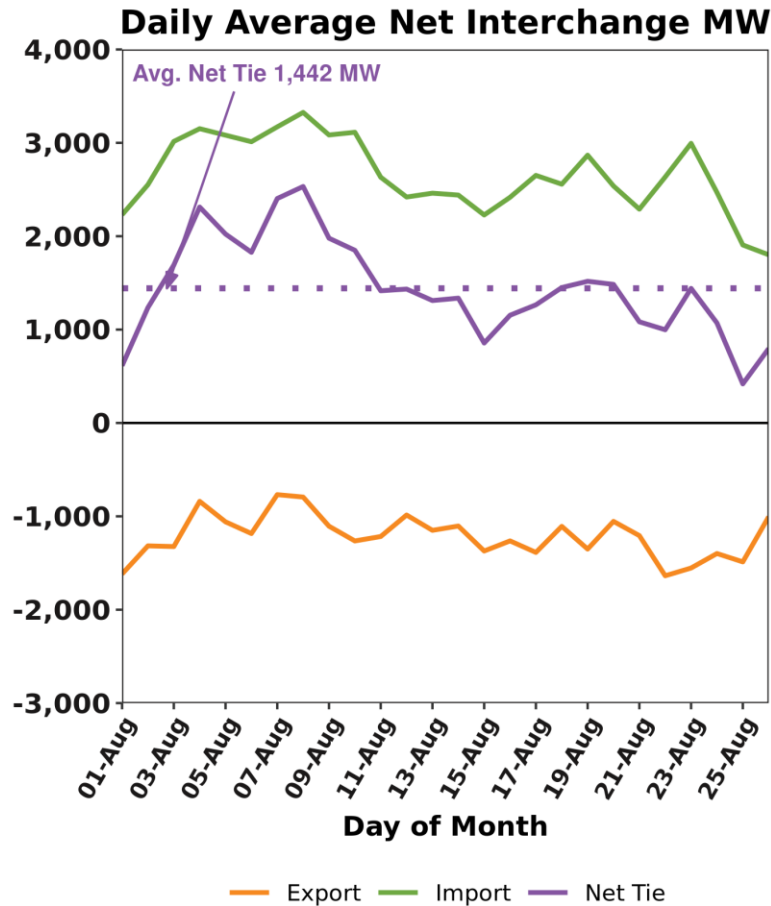


Renewable/Other Generation by Fuel Type



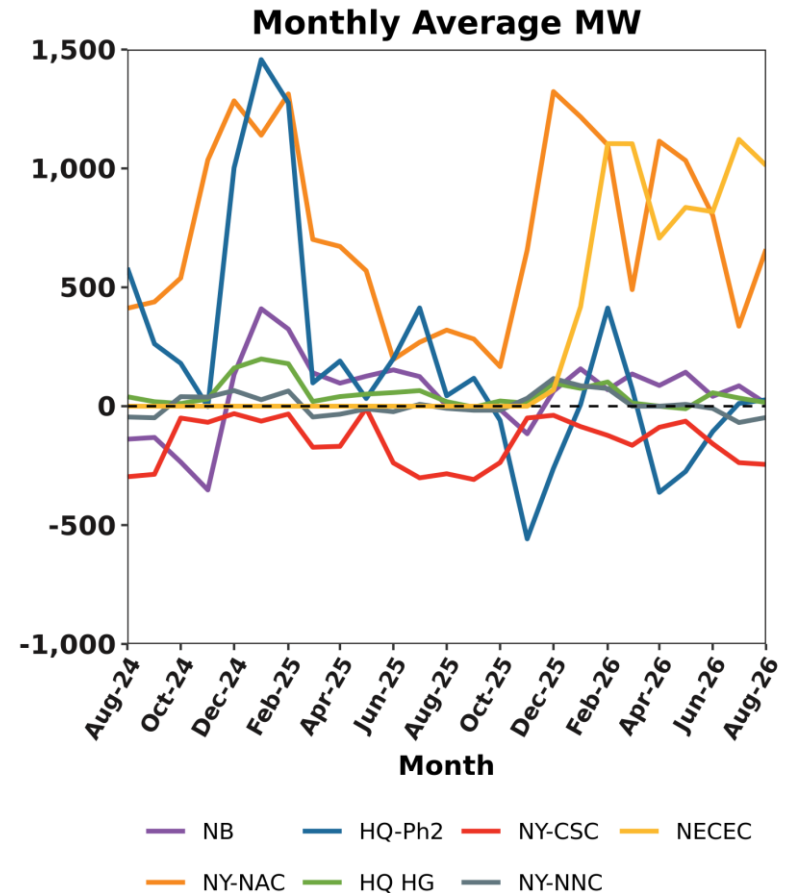
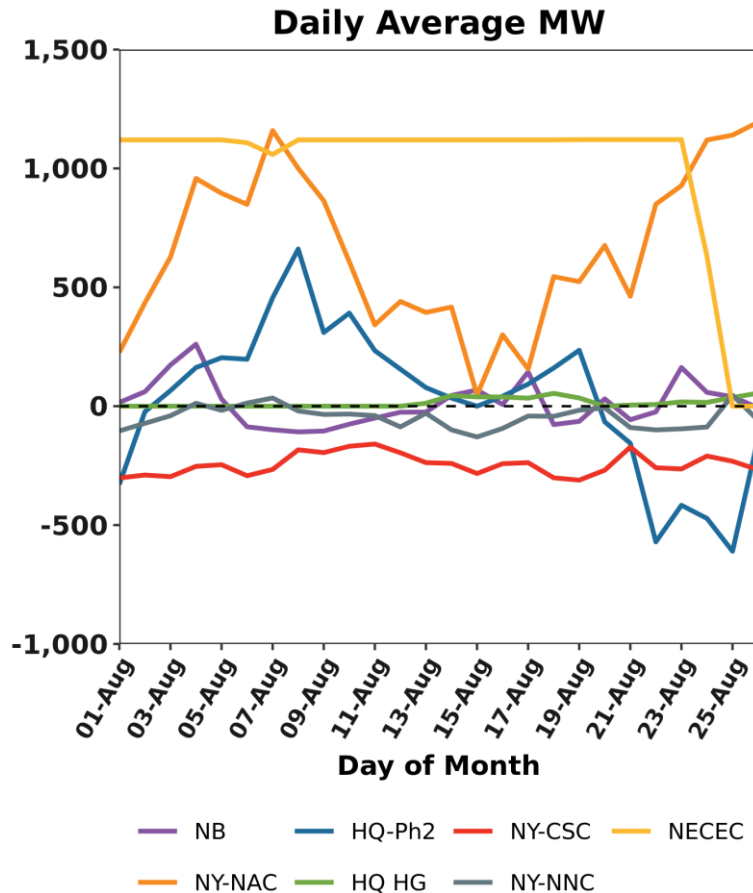
“Other” currently only contains Hybrid Solar/Battery; PRD=Demand Response Resources (DRR)

RT Net Interchange



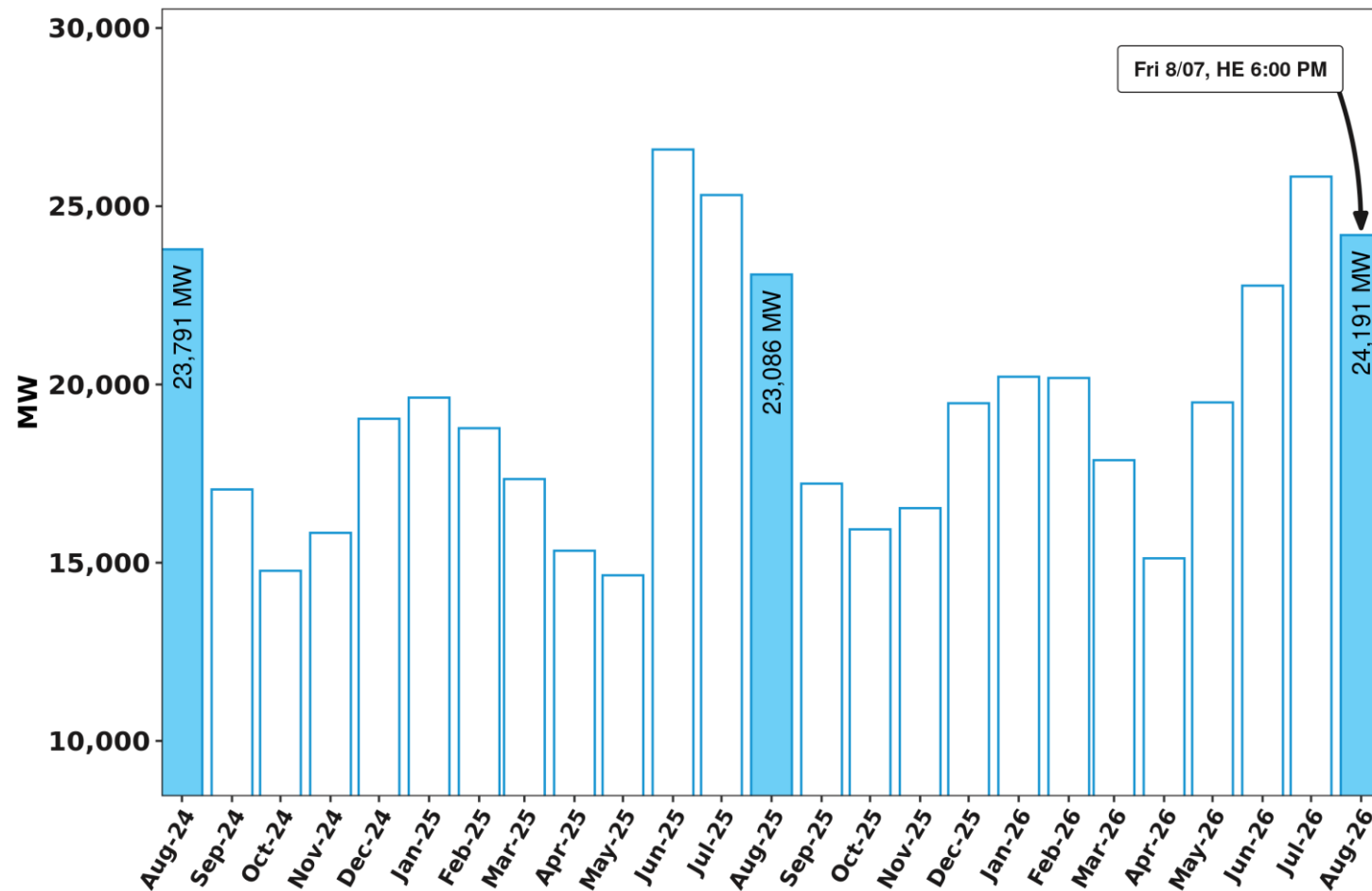
Net Interchange is the net of metered imports (+) and exports (-) and include inadvertent flows. This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

RT Net Interchange by External Interface



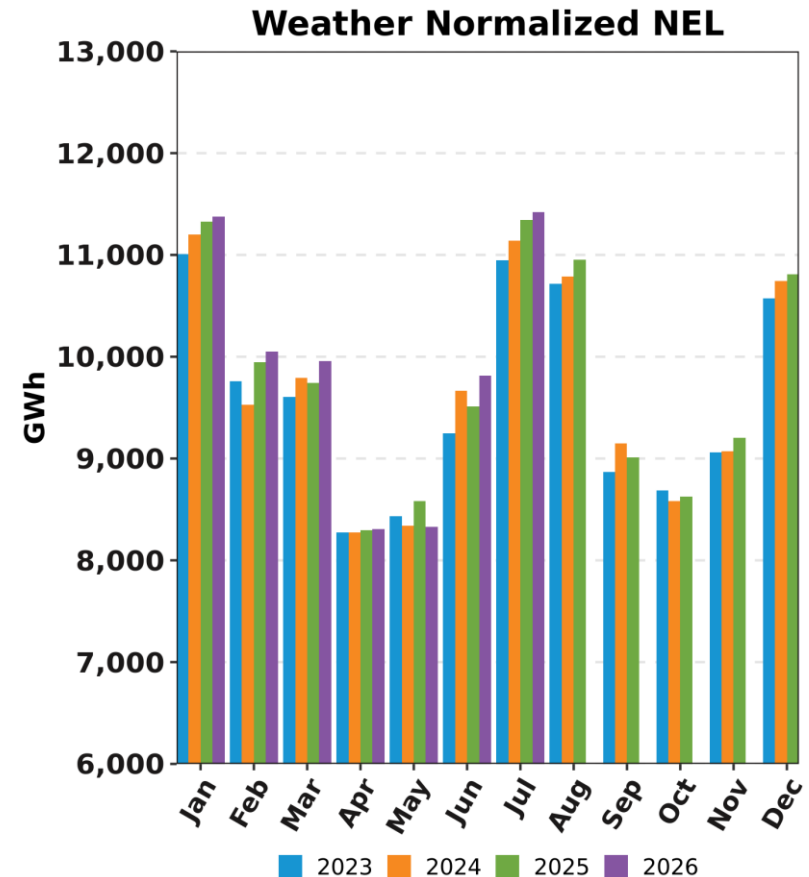
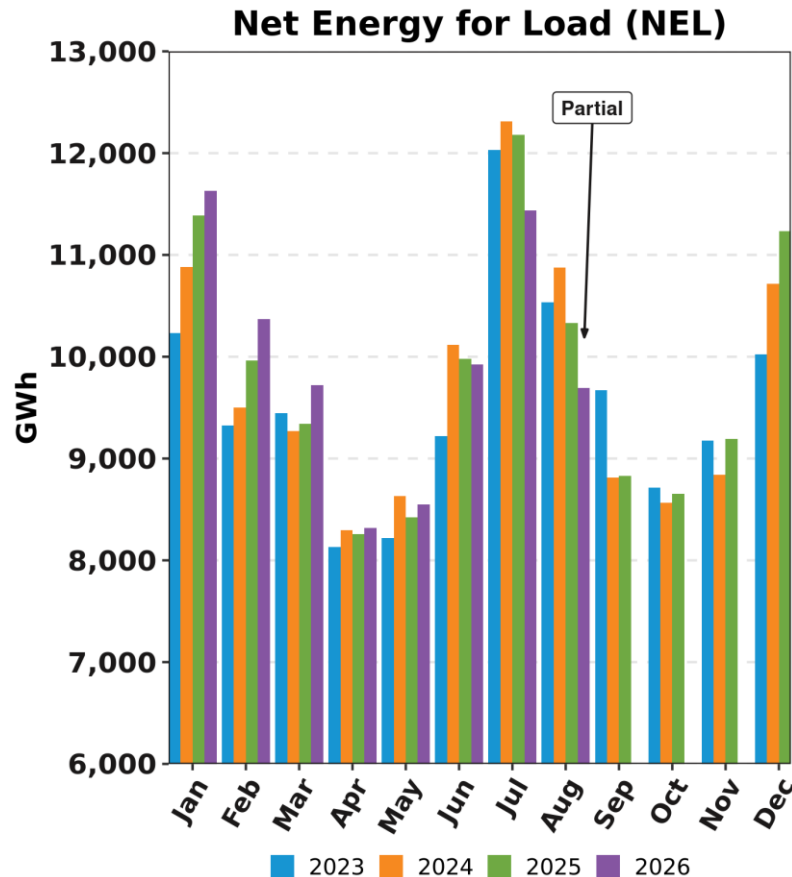
Reflects Participant scheduled imports (+) and exports (-) and excludes inadvertent flows. This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

RQM System Peak Load MW by Month



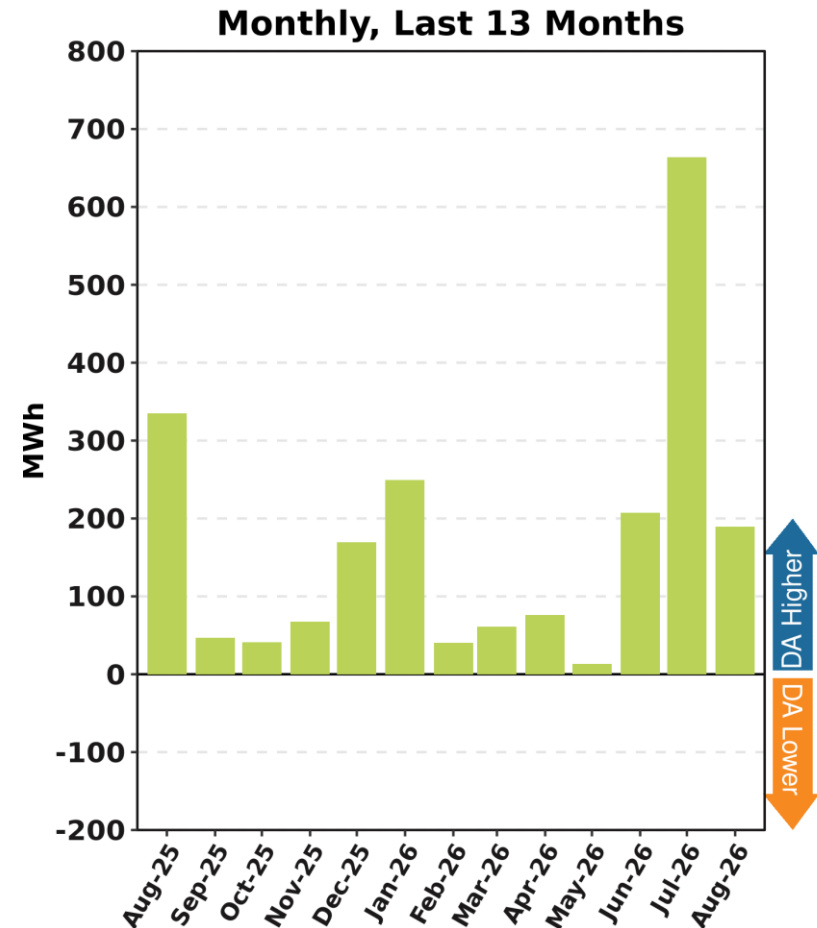
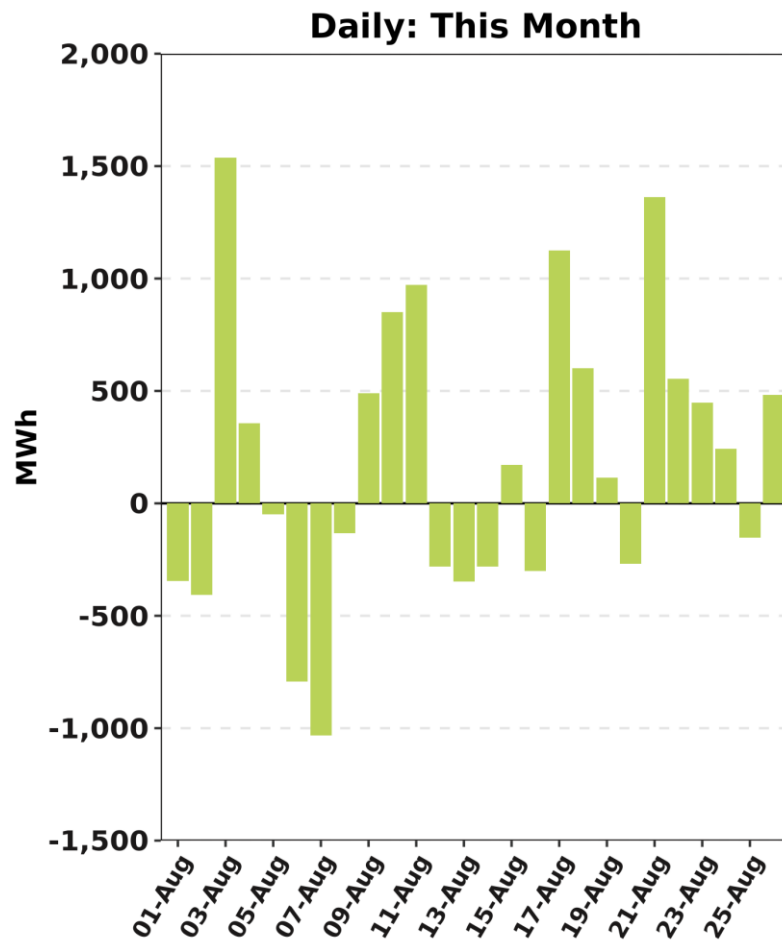
Shaded columns highlight current month and the same month over the prior two years

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



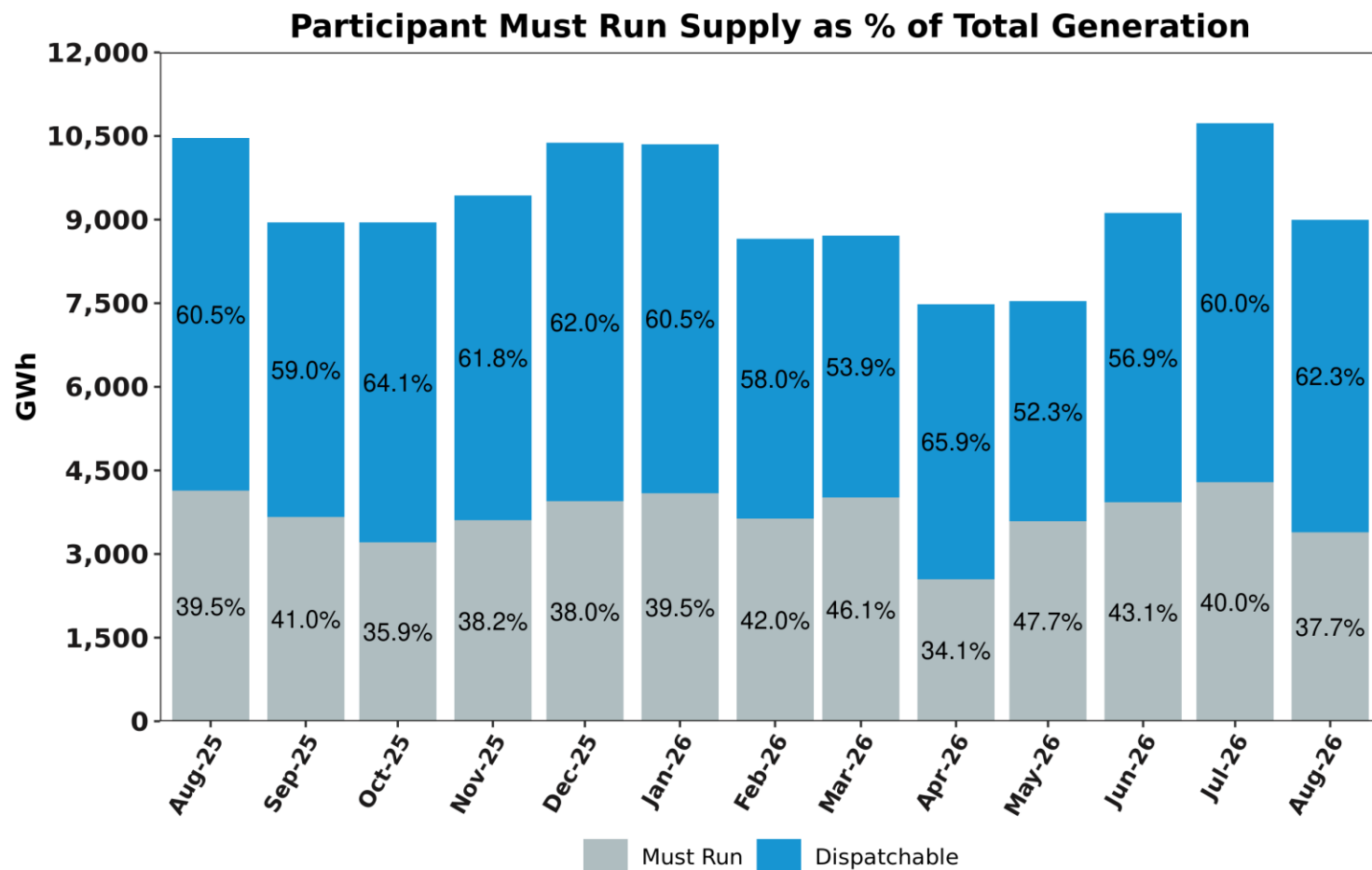
NEPOOL NEL is the total net revenue quality metered energy required to serve load and is analogous to 'RT system load.' NEL is calculated as: Generation + Demand Response Resource output - pumping load + net interchange where imports are positively signed. Current month's data may be preliminary. Weather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

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



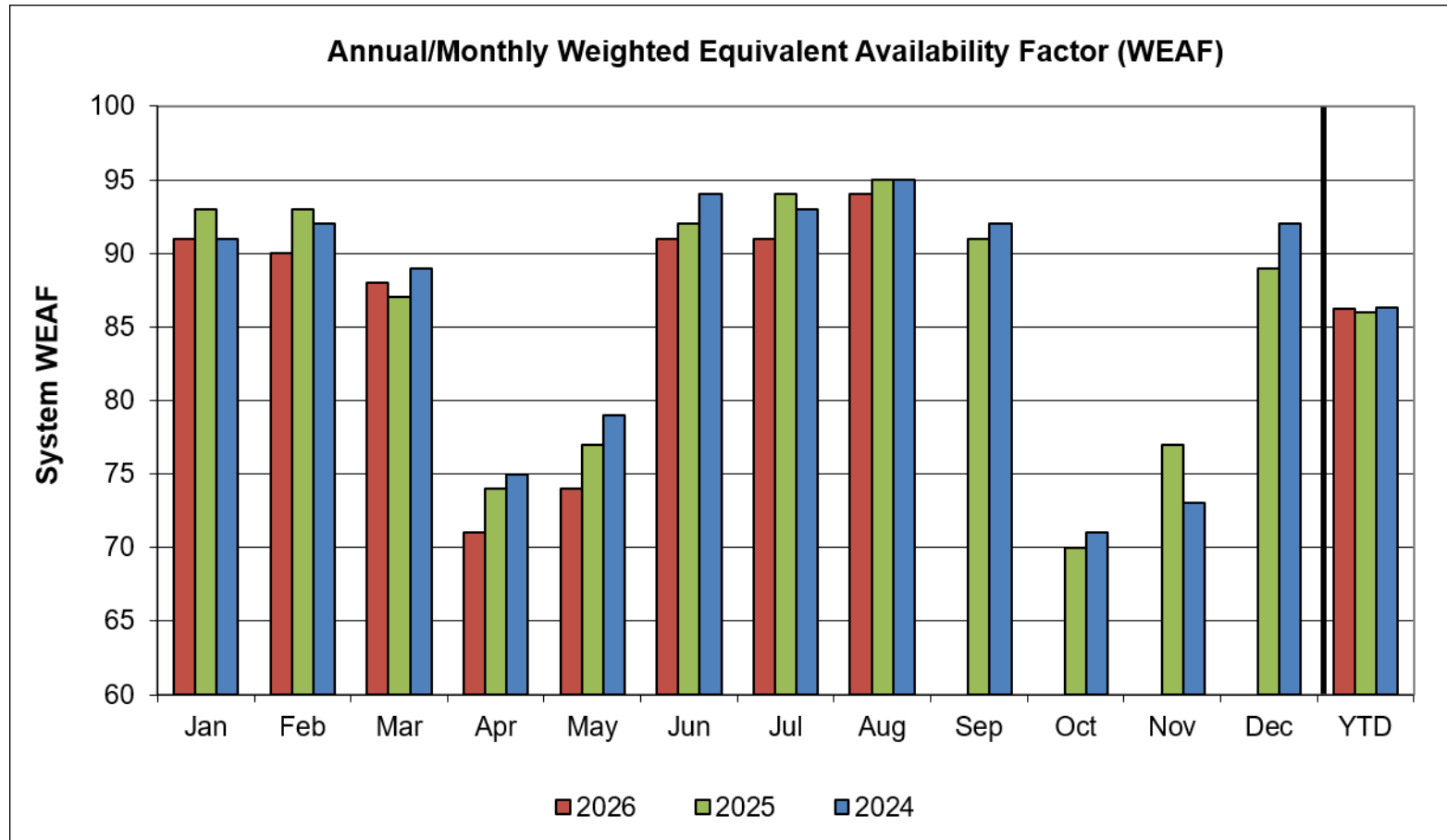
Negative values indicate DA Cleared Physical Energy value below its RT counterpart. EIR MW are not included in DA Physical Energy.

RT Generation Output Offered as Must Run vs Dispatchable



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

System Unit Availability

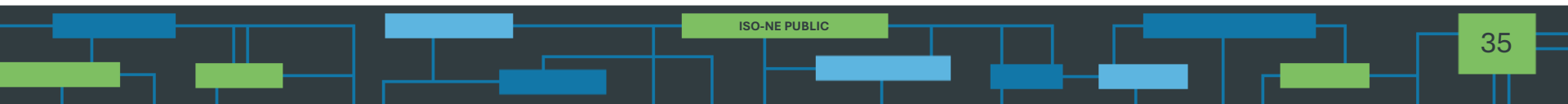


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026	91	90	88	71	74	91	91	94					86
2025	93	93	87	74	77	92	94	95	91	70	77	89	86
2024	91	92	89	75	79	94	93	95	92	71	73	92	86

Data as of 8/25/26

MARKET OPERATIONS

Market Pricing



DA vs. RT LMPs (\$/MWh)

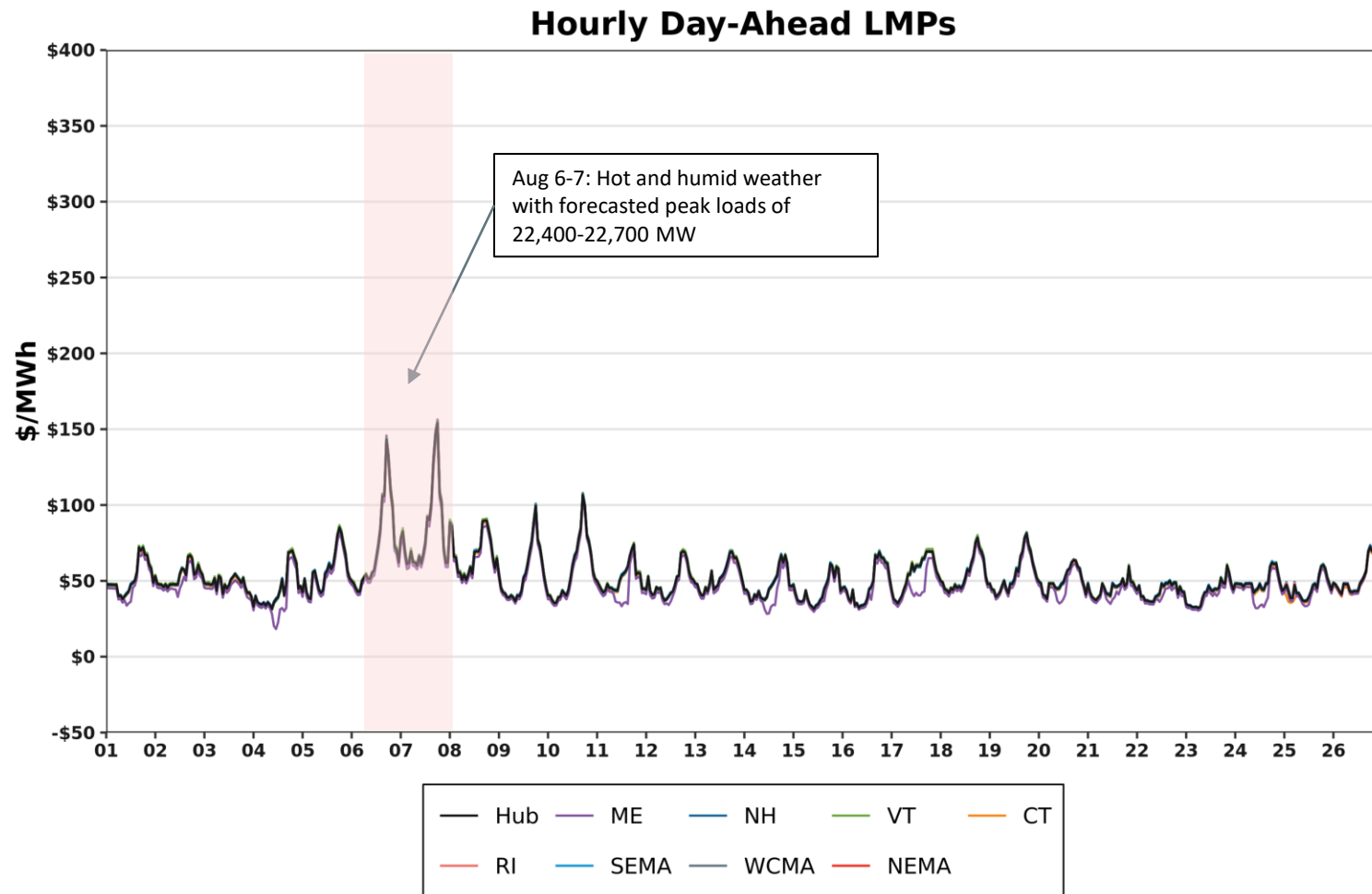
Arithmetic Average

Year 2024	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$41.35	\$41.07	\$41.72	\$41.11	\$40.17	\$41.28	\$41.70	\$41.37	\$41.91
Real-Time	\$39.37	\$38.79	\$39.65	\$39.23	\$38.46	\$39.17	\$39.62	\$39.37	\$39.77
RT Delta %	-4.79%	-5.55%	-4.96%	-4.57%	-4.26%	-5.11%	-4.99%	-4.83%	-5.11%
Year 2025	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$68.11	\$66.29	\$68.63	\$68.21	\$66.23	\$67.78	\$68.63	\$68.16	\$68.93
Real-Time	\$66.15	\$63.91	\$66.63	\$66.15	\$64.66	\$65.85	\$66.56	\$66.18	\$66.93
RT Delta %	-4.79%	-5.55%	-4.96%	-4.57%	-4.26%	-5.11%	-4.99%	-4.83%	-5.11%

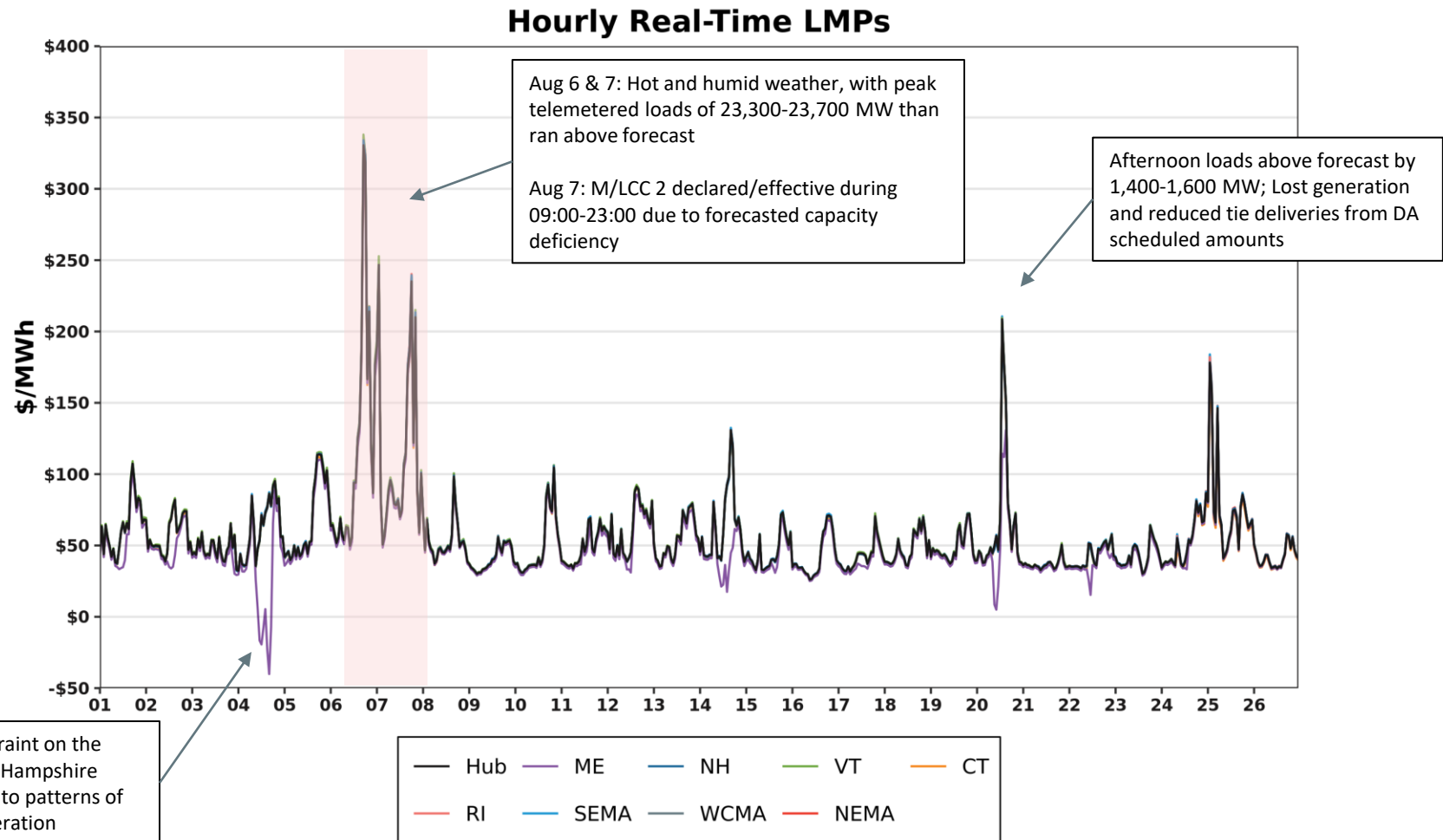
August-25	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$45.58	\$45.02	\$46.15	\$46.37	\$44.75	\$45.13	\$45.93	\$45.73	\$46.26
Real-Time	\$41.06	\$40.72	\$41.59	\$41.92	\$40.42	\$40.57	\$41.24	\$41.17	\$41.61
RT Delta %	-9.92%	-9.55%	-9.88%	-9.60%	-9.68%	-10.10%	-10.21%	-9.97%	-10.05%
August-26	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$52.81	\$49.15	\$52.54	\$53.22	\$51.47	\$52.56	\$53.36	\$52.82	\$53.27
Real-Time	\$57.08	\$51.67	\$56.88	\$57.56	\$55.88	\$56.69	\$57.62	\$57.14	\$57.61
RT Delta %	8.09%	5.13%	8.26%	8.15%	8.57%	7.86%	7.98%	8.18%	8.15%
Annual Diff.	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Yr over Yr DA	15.86%	9.17%	13.85%	14.77%	15.02%	16.46%	16.18%	15.50%	15.15%
Yr over Yr RT	39.02%	26.89%	36.76%	37.31%	38.25%	39.73%	39.72%	38.79%	38.45%

This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

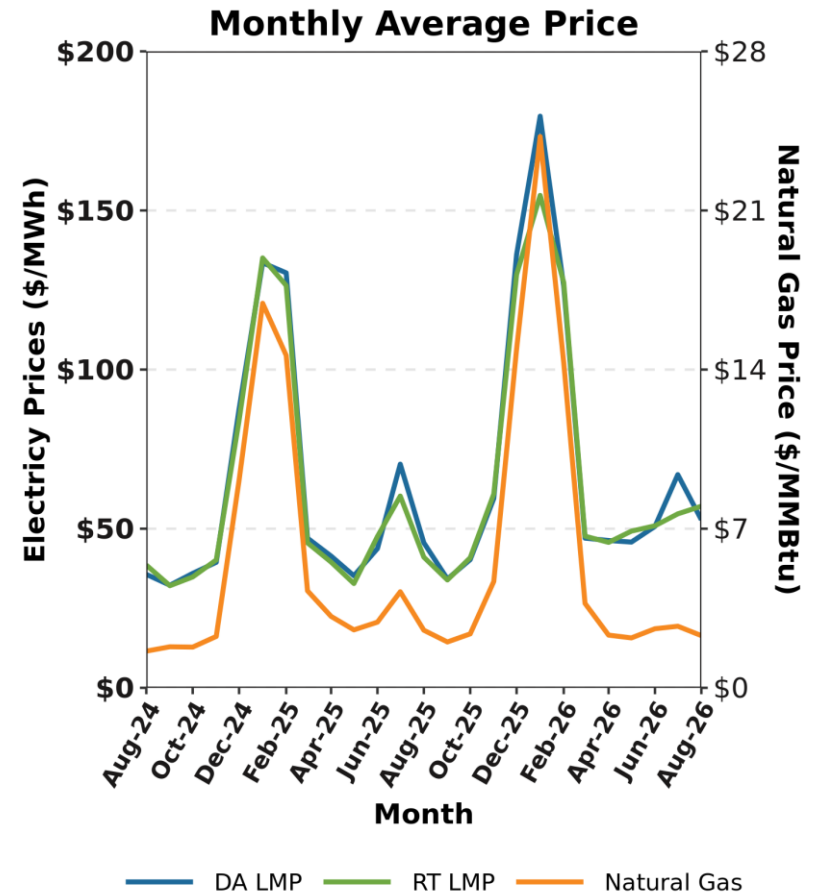
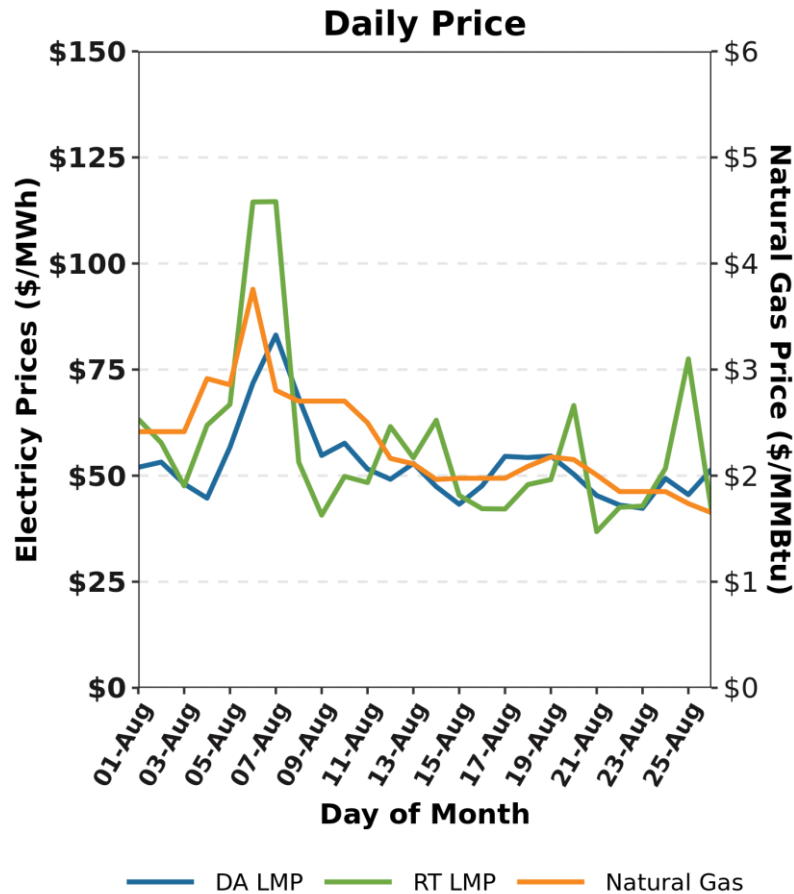
Hourly DA LMPs, August 1-26, 2026



Hourly RT LMPs, August 1-26, 2026



Wholesale Electricity vs Natural Gas Price by Month

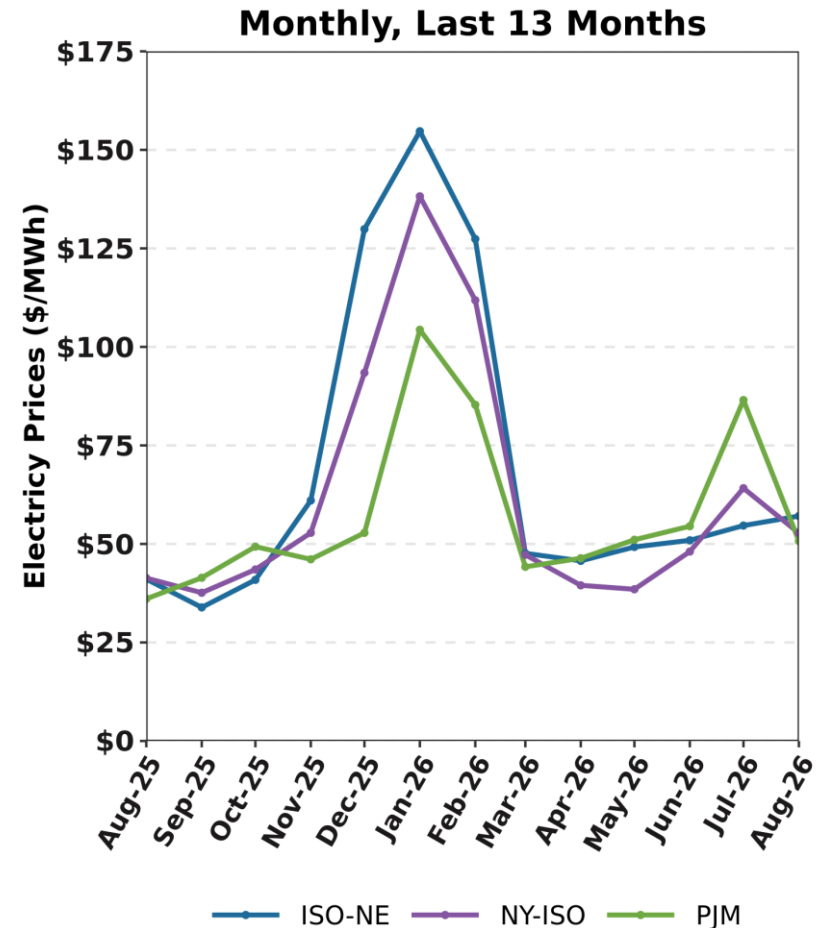
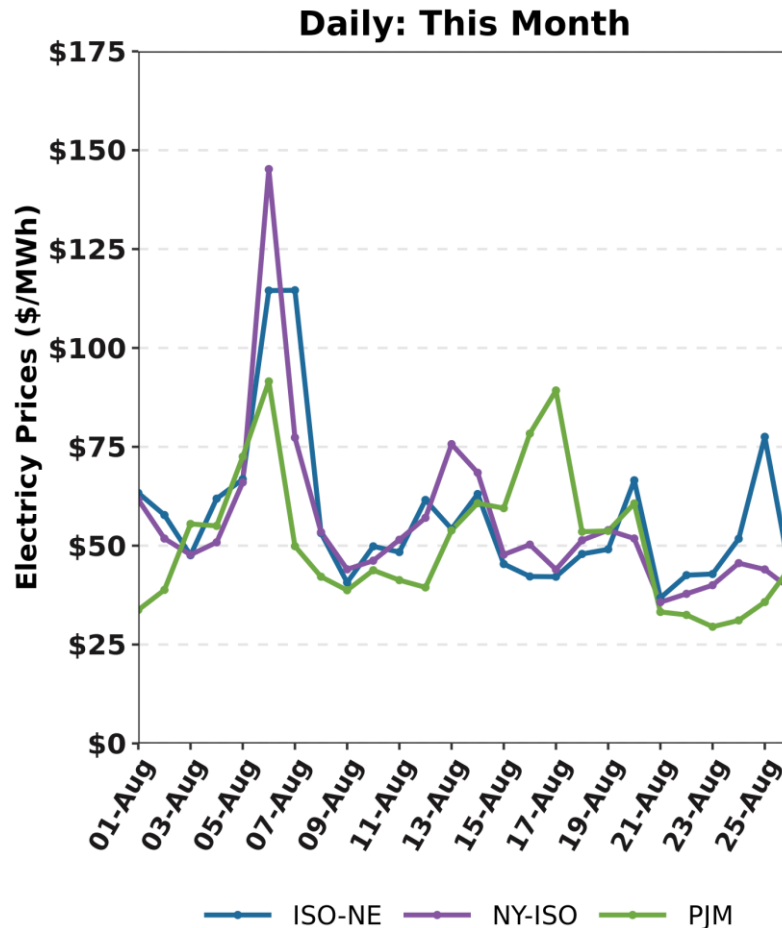


Gas price is average of Massachusetts delivery points

Underlying natural gas data furnished by:

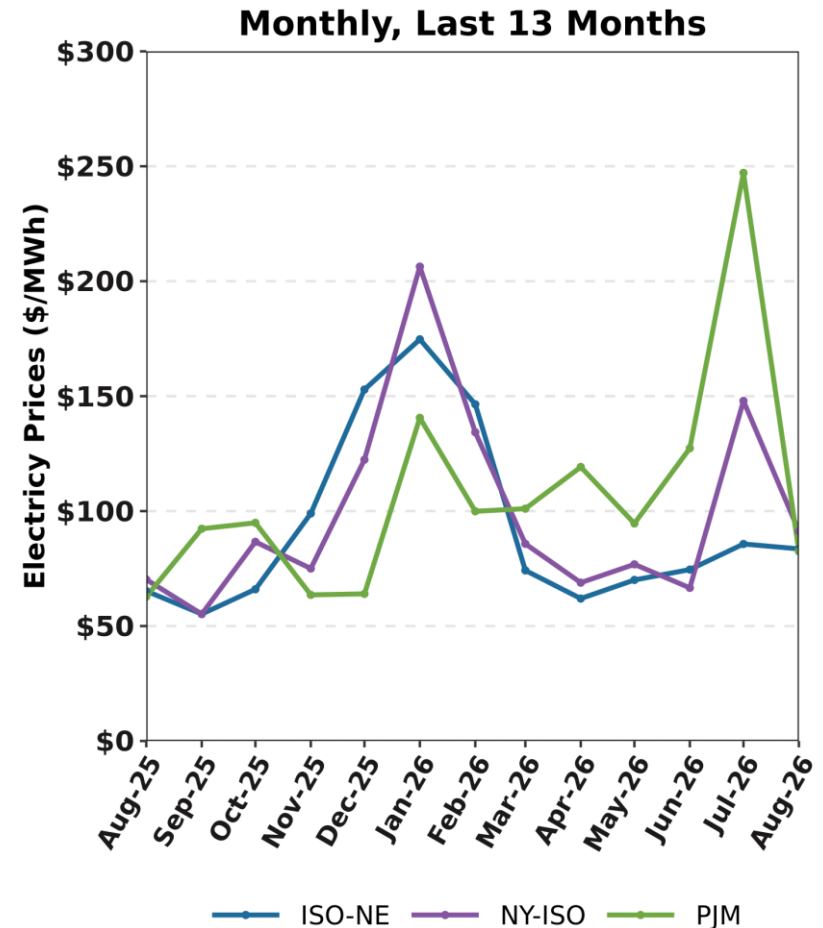
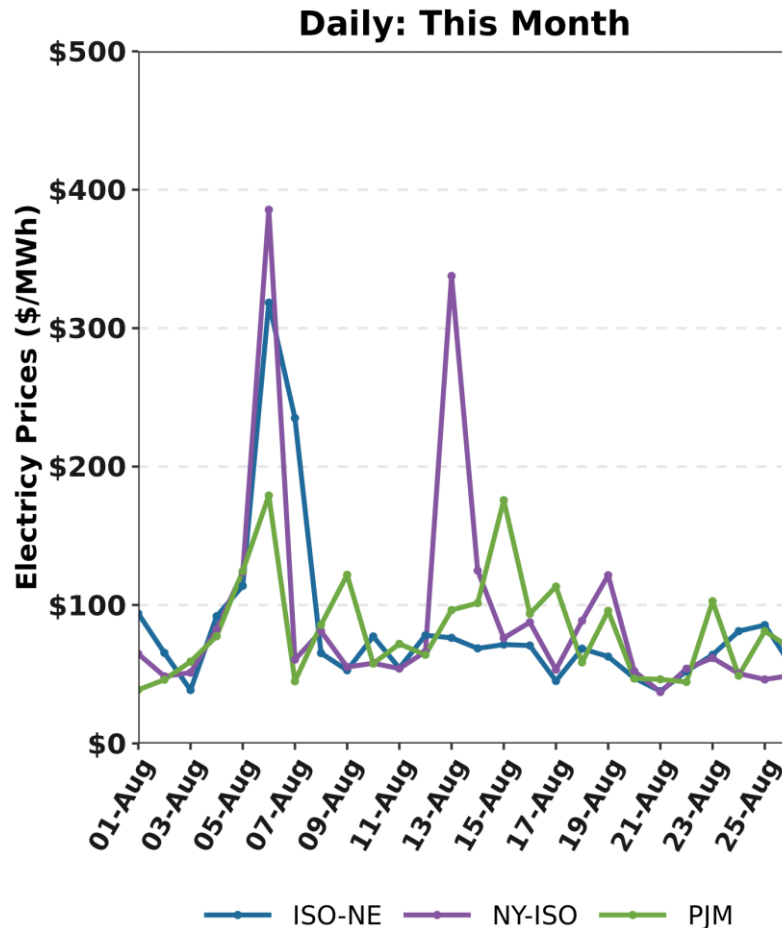


New England, NY, and PJM Hourly Average RT Prices by Month



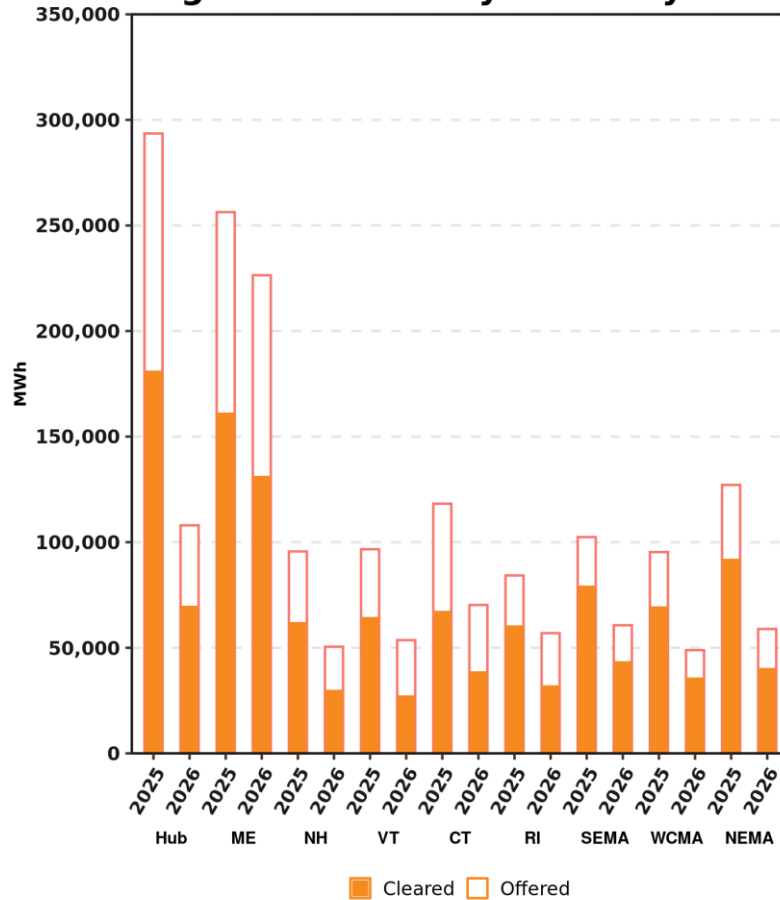
Hourly average prices are shown

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

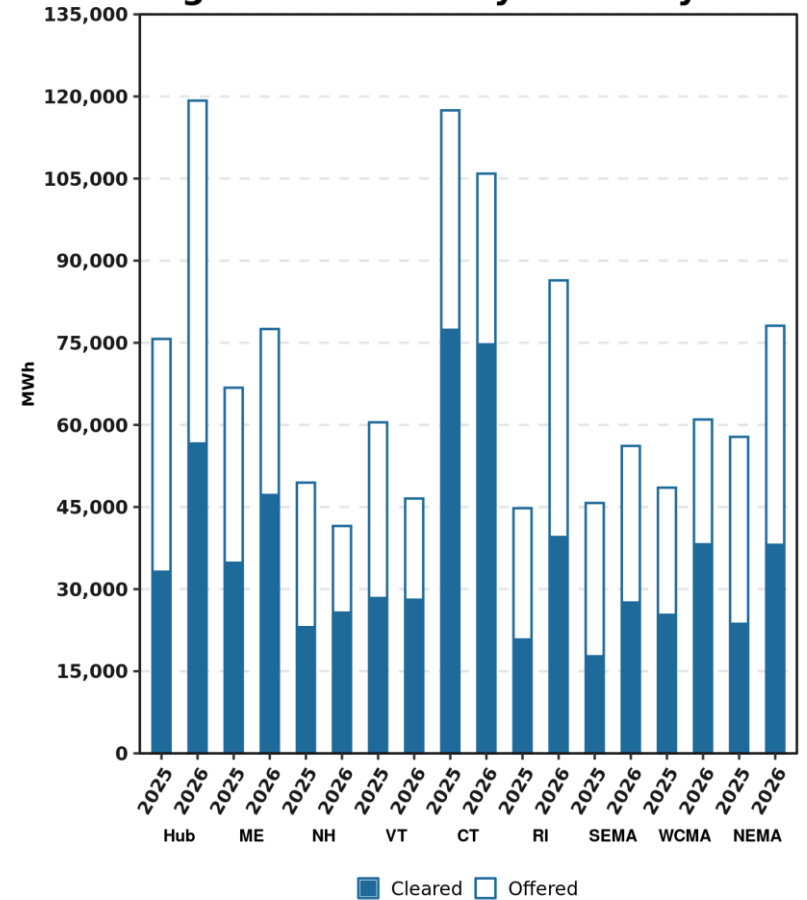


Zonal Increment Offers and Decrement Bid Amounts

August Inc Monthly Totals By Zone

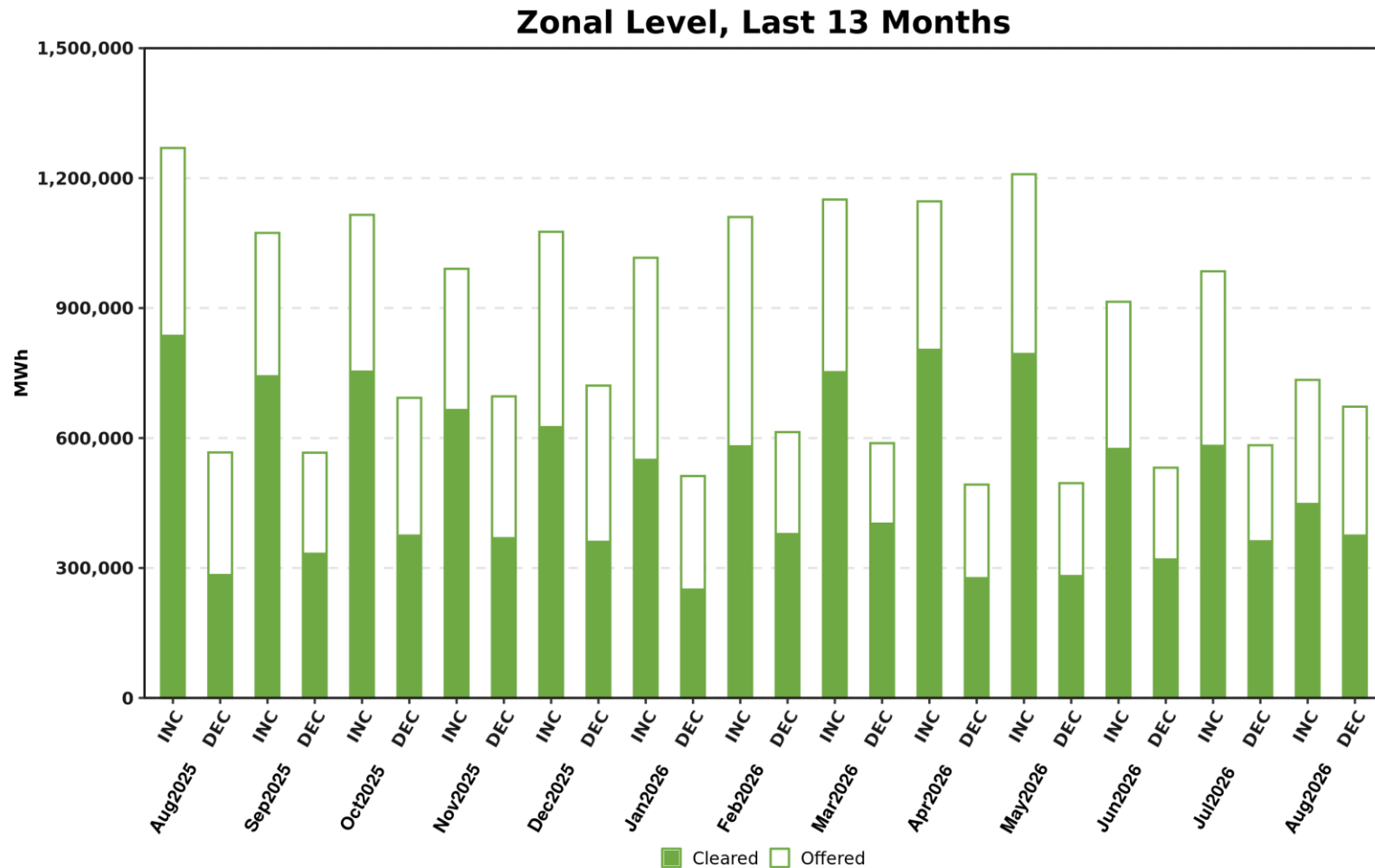


August Dec Monthly Totals By Zone



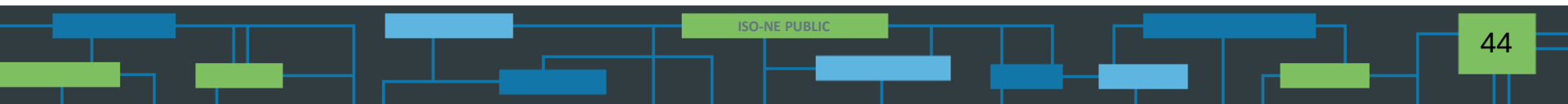
Includes nodal activity within the zone; excludes external nodes

Total Increment Offers and Decrement Bids



Includes nodal activity within the zone; excludes external nodes

DAY-AHEAD ANCILLARY SERVICES (DAAS)



DAAS Results

Month	Avg. Daily Total DA E&AS Credit	Avg. Daily DAAS Credit	Avg. Daily DAAS Net Credits (post-closeout)	DAAS Net Credits per MWh Cleared	DAAS Net Credits as % of Total DA E&AS Credit	Avg. Daily FER Credit	Avg. Daily Energy MWh Paid FER Price*	Avg. FER Price	FER Credit as % of Total DA E&AS Credit	Avg. Hourly Cleared EIR Obligation MWh
08/01/2025	\$20.2M	\$747K	\$544K	\$9.57	2.7%	\$1,292K	147K	\$3.02	6.4%	94
09/01/2025	\$12.3M	\$320K	\$184K	\$3.21	1.5%	\$587K	138K	\$1.94	4.8%	104
10/01/2025	\$15.5M	\$719K	\$478K	\$8.21	3.1%	\$1,911K	202K	\$6.50	12.3%	209
11/01/2025	\$24.8M	\$1,123K	\$458K	\$7.85	1.9%	\$2,550K	210K	\$8.00	10.3%	135
12/01/2025	\$60.9M	\$2,131K	\$1,053K	\$18.20	1.7%	\$4,916K	227K	\$13.42	8.1%	107
01/01/2026	\$91.1M	\$4,617K	\$3,241K	\$55.53	3.6%	\$12,042K	203K	\$29.54	13.2%	127
02/01/2026	\$55.1M	\$1,678K	\$857K	\$14.78	1.6%	\$3,369K	157K	\$8.70	6.1%	104
03/01/2026	\$17.4M	\$667K	\$357K	\$6.43	2.1%	\$422K	91K	\$1.32	2.4%	32
04/01/2026	\$15.4M	\$463K	\$119K	\$2.23	0.8%	\$641K	107K	\$2.34	4.2%	81
05/01/2026	\$15M	\$425K	\$-187K	\$-3.40	-1.2%	\$674K	133K	\$2.49	4.5%	101
06/01/2026	\$19.3M	\$483K	\$63K	\$1.17	0.3%	\$186K	60K	\$0.48	1.0%	17
07/01/2026	\$32.1M	\$1,161K	\$784K	\$14.55	2.4%	\$649K	126K	\$1.46	2.0%	35
08/01/2026	\$22.7M	\$708K	\$417K	\$7.74	1.8%	\$732K	124K	\$1.65	3.2%	32

About the Table:

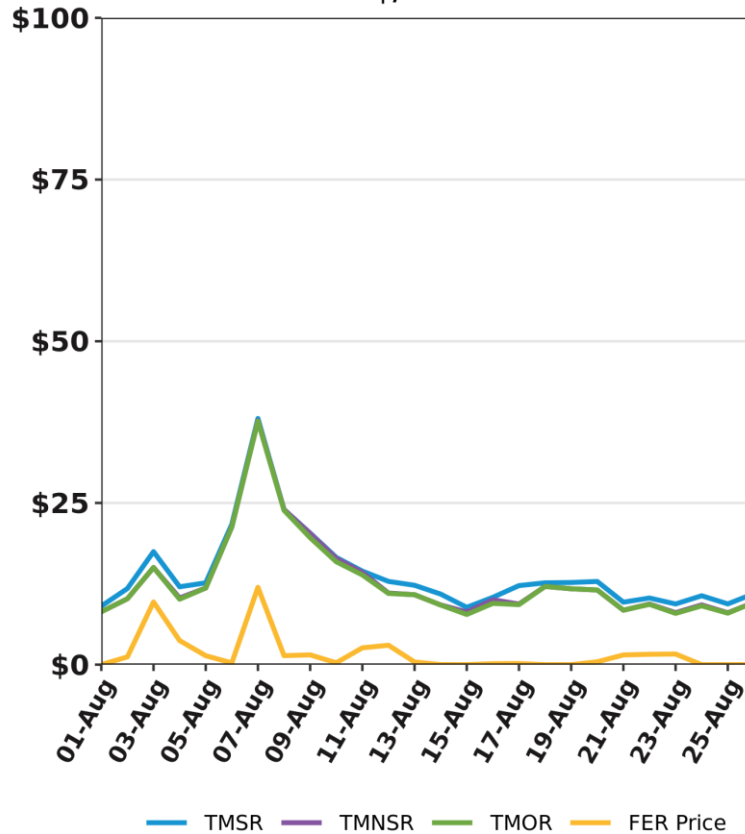
- DA E&AS refers to DA Energy and Ancillary Services
- DAAS Net Credits reflect combined EIR, TMSR, TMNSR, and TMOR credits reduced by closeout costs
- FER Credits are paid to all DA cleared energy supply from physical resources (Gen, Imports, DRR) and are charged to RTLO excluding RTLO associated with RT Exports and Dispatchable Asset Related Demand (DARDs)
- *'Avg Daily Energy MWh Paid FER Price' reflects Cleared DA Physical Gen and DRR MWh during non-zero FER prices

Additionally:

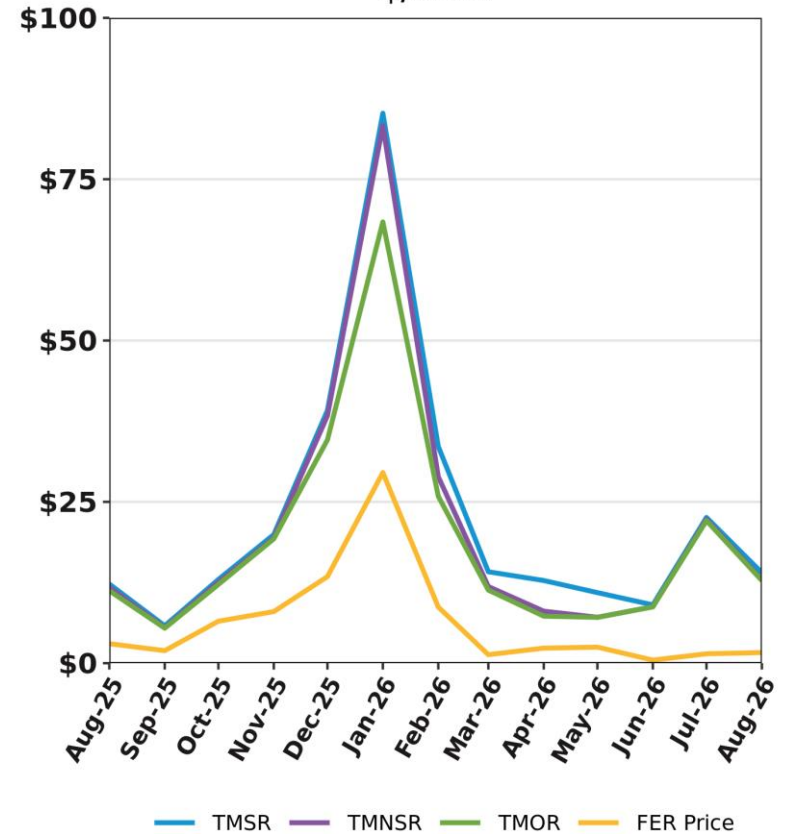
- FER Credits are included in the Monthly Market Operations Report (see Section 7.1.1) found on the ISO [website](#). Additional information, such as EIR Credits and Closeout Charges are included in the same report (see Section 9.1.1)

Average Hourly DAAS Prices

Daily This Month
\$/MWh



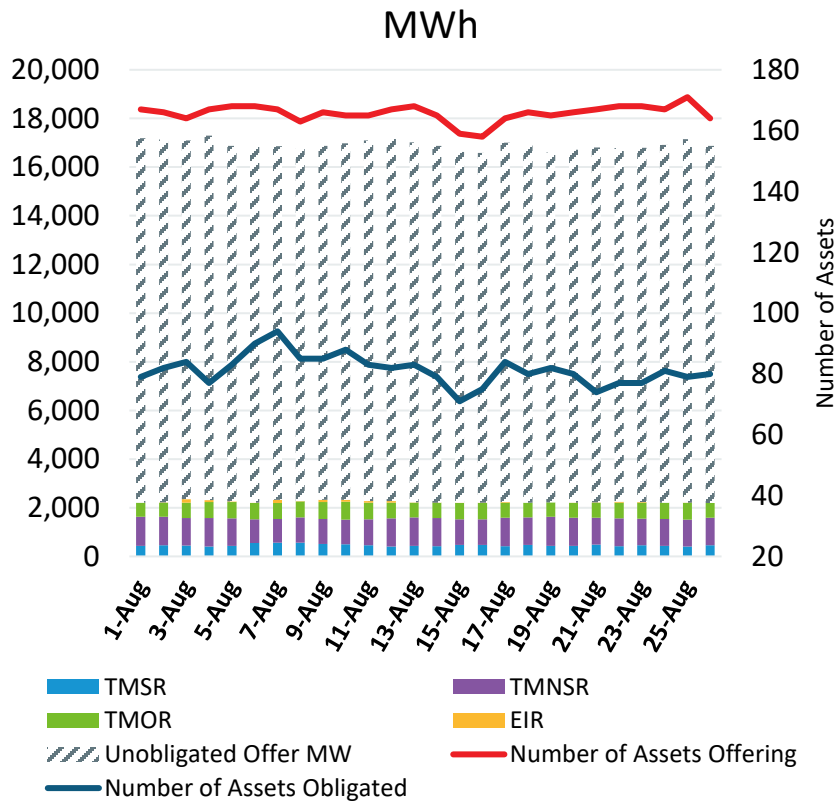
Monthly, Last 13 Months
\$/MWh



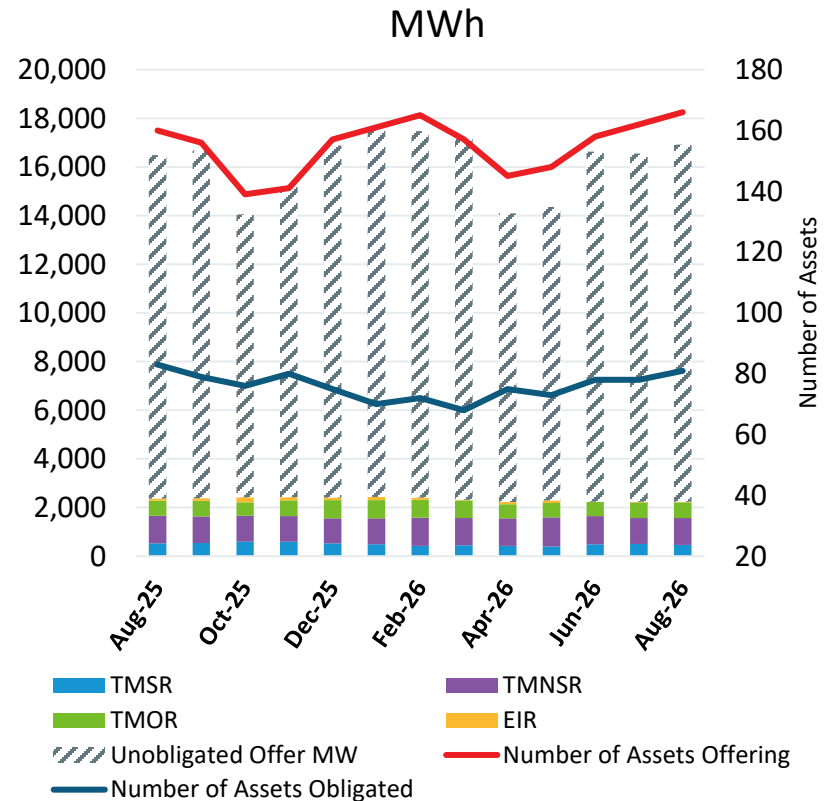
This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

Average Hourly DAAS Offered* and Awarded Amounts

Daily This Month

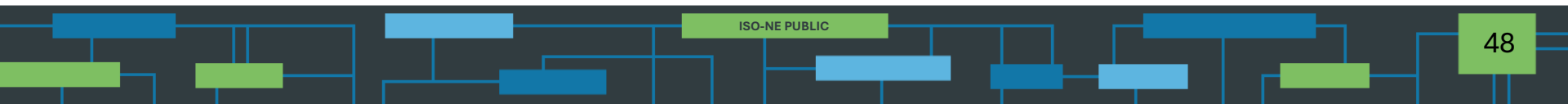


Monthly, Last 13 Months

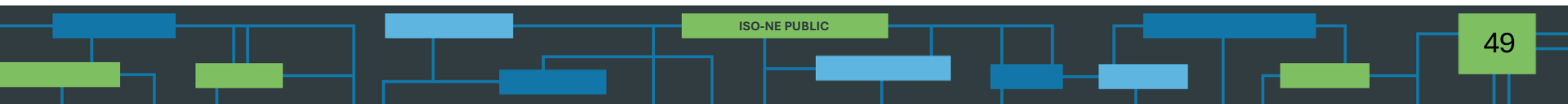


*Unobligated Offer MWh reflect the raw, as-offered DAAS MW amounts that remained unobligated (received no MW reward). This supply does not yet consider additional unit parameter constraints or dispatch constraints and should not be equated with actual capacity available in the dispatch solution.

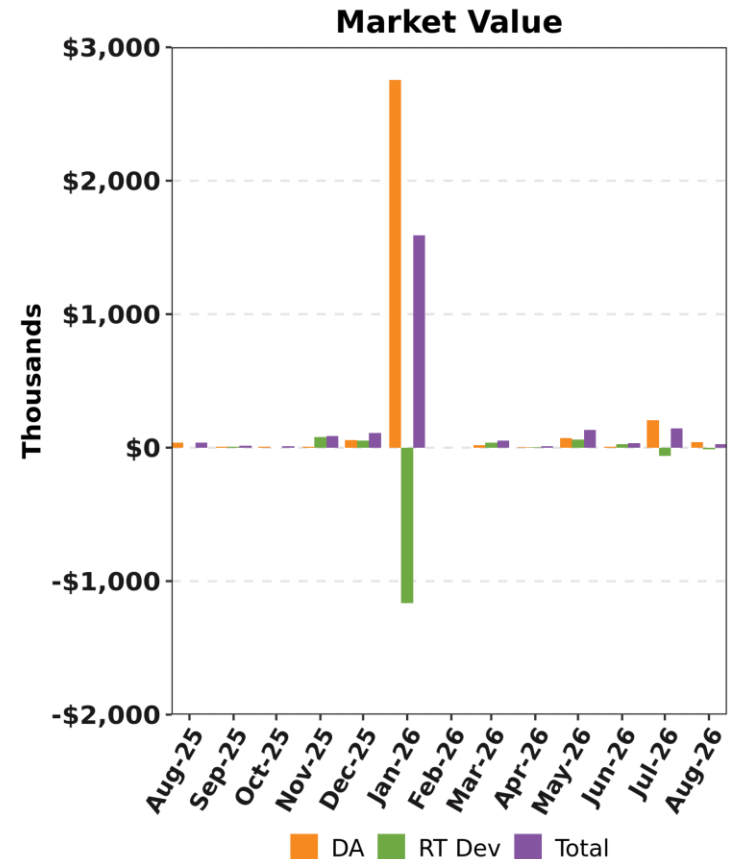
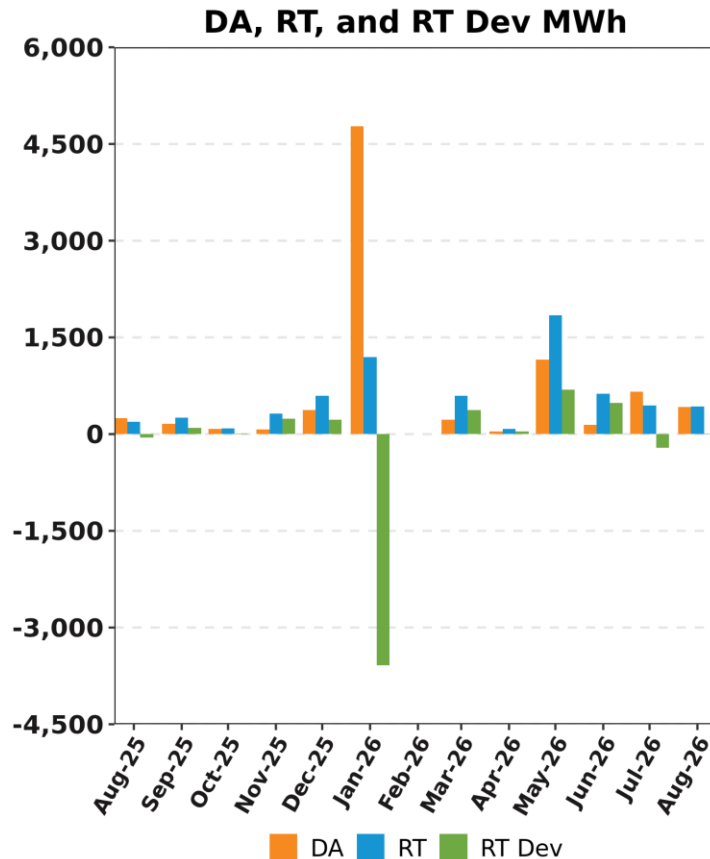
BACK-UP DETAIL



DEMAND RESPONSE

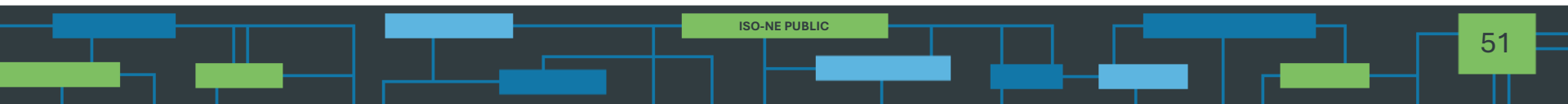


Demand Response Resource (DRR) Energy Market Activity by Month



DA and RT (deviation) MWh are settlement obligations and reflect appropriate gross-ups for distribution losses. This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

NEW GENERATION

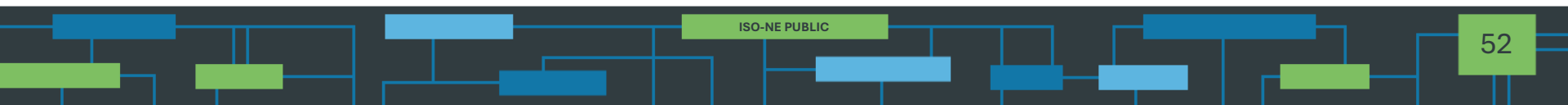


New Generation Update

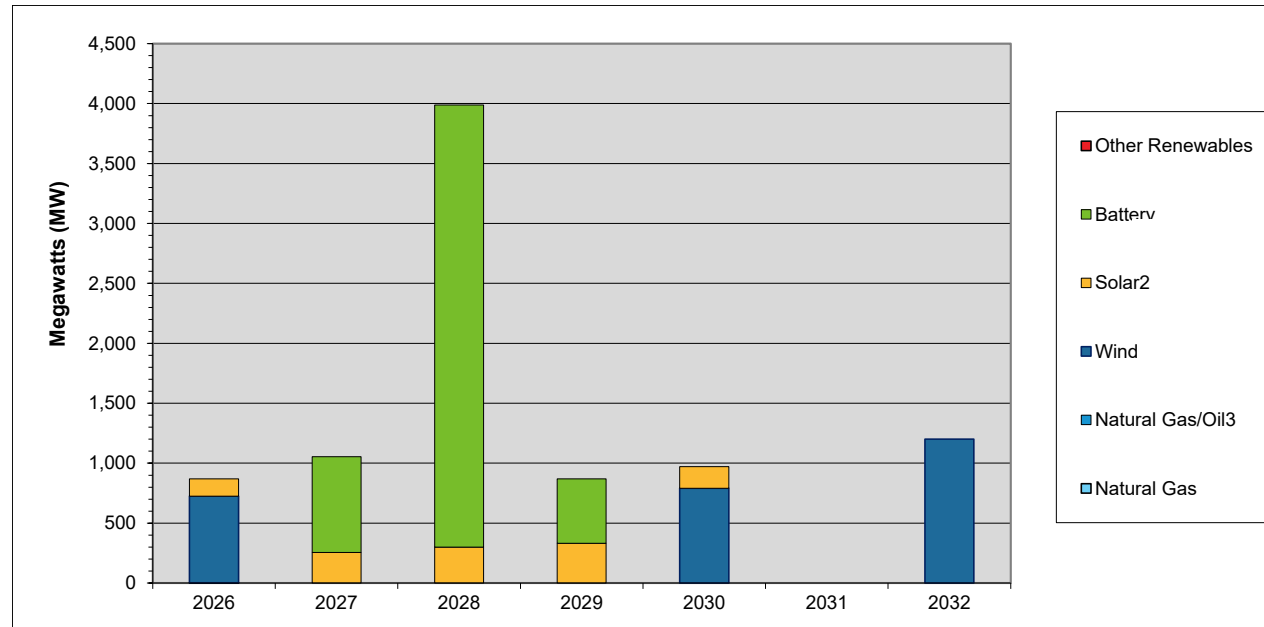
Based on Queue as of 08/31/26

- In total, 50* generation projects are currently being tracked by the ISO, totaling approximately 10,151 MW

* Total does not include CNR Only requests



Projected Annual Capacity Additions *By Supply Fuel Type*



	2026	2027	2028	2029	2030	2031	2032	Total MW	% of Total ¹
Other Renewables	0	0	0	0	0	0	0	0	0.0
Battery	0	799	3,690	538	0	0	0	5,027	56.2
Solar ²	145	255	299	332	180	0	0	1,211	13.5
Wind	722	0	0	0	791	0	1,200	2,713	30.3
Natural Gas/Oil ³	0	0	0	0	0	0	0	0	0.0
Natural Gas	0	0	0	0	0	0	0	0	0.0
Totals	867	1,054	3,989	870	971	0	1,200	8,951	100.0

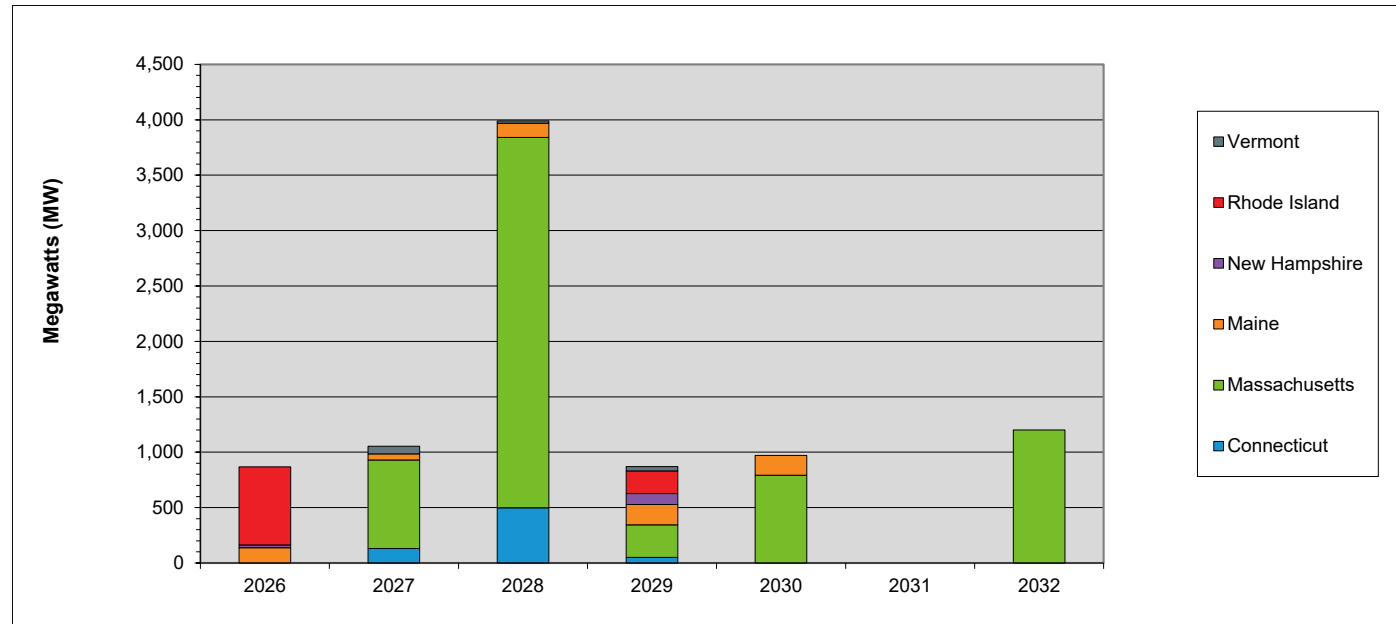
¹ Sum may not equal 100% due to rounding

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

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

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

Projected Annual Generator Capacity Additions By State



	2026	2027	2028	2029	2030	2031	2032	Total MW	% of Total ¹
Vermont	0	70	20	38	0	0	0	128	1.4
Rhode Island	704	0	0	205	0	0	0	909	10.2
New Hampshire	25	0	0	100	0	0	0	125	1.4
Maine	138	54	129	182	180	0	0	683	7.6
Massachusetts	0	799	3,343	295	791	0	1,200	6,428	71.8
Connecticut	0	131	497	50	0	0	0	678	7.6
Totals	867	1,054	3,989	870	971	0	1,200	8,951	100.0

¹ Sum may not equal 100% due to rounding

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

New Generation Projection

By Fuel Type

Unit Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	0	0	0	0	0	0
Battery Storage	23	5,027	2	454	21	4,573
Fuel Cell	0	0	0	0	0	0
Hydro	0	0	0	0	0	0
Natural Gas	0	0	0	0	0	0
Natural Gas/Oil	0	0	0	0	0	0
Nuclear	0	0	0	0	0	0
Solar	22	1,211	4	141	18	1,070
Wind	5	3,913	2	722	3	3,191
Total	50	10,151	8	1,317	42	8,834

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

New Generation Projection

By Operating Type

Operating Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Baseload	0	0	0	0	0	0
Intermediate	0	0	0	0	0	0
Peaker	45	6,238	6	595	39	5,643
Wind Turbine	5	3,913	2	722	3	3,191
Total	50	10,151	8	1,317	42	8,834

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

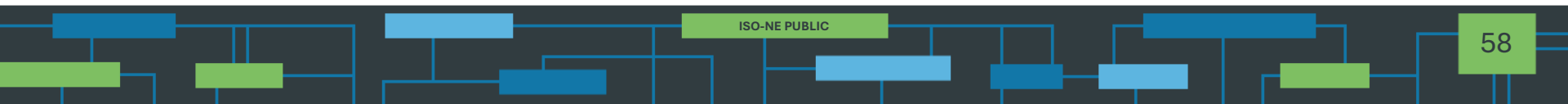
New Generation Projection

By Operating Type and Fuel Type

Unit Type	Total		Baseload		Intermediate		Peaker		Wind Turbine	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	0	0	0	0	0	0	0	0	0	0
Battery Storage	23	5,027	0	0	0	0	23	5,027	0	0
Fuel Cell	0	0	0	0	0	0	0	0	0	0
Hydro	0	0	0	0	0	0	0	0	0	0
Natural Gas	0	0	0	0	0	0	0	0	0	0
Natural Gas/Oil	0	0	0	0	0	0	0	0	0	0
Nuclear	0	0	0	0	0	0	0	0	0	0
Solar	22	1,211	0	0	0	0	22	1,211	0	0
Wind	5	3,913	0	0	0	0	0	0	5	3,913
Total	50	10,151	0	0	0	0	45	6,238	5	3,913

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

FORWARD CAPACITY MARKET



Capacity Supply Obligation FCA 16

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

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

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

Capacity Supply Obligation FCA 17

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	622.854	584.913	-37.941	492.363	-92.550	384.960	-107.403
	Passive Demand	2,316.815	2,314.068	-2.747	2,314.705	0.637	2,254.722	-59.983
Demand Total		2,939.669	2,898.981	-40.688	2,807.068	-91.913	2,639.682	-167.386
Generator	Non-Intermittent	26,507.420	26,715.489	208.069	26,271.866	-443.623	26,314.531	42.665
	Intermittent	1,356.084	1,286.589	-69.495	1,310.622	24.033	1,205.314	-105.308
Generator Total		27,863.504	28,002.078	138.574	27,582.488	-419.59	27,519.845	-62.643
Import Total		566.998	564.079	-2.919	636.310	72.231	409.310	-227.000
Grand Total*		31,370.171	31,465.138	94.967	31,025.866	-439.272	30,568.837	-457.029
Net ICR (NICR)		30,305	30,395	90	30,600	205	30,050	-550

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

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

Capacity Supply Obligation FCA 18

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

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

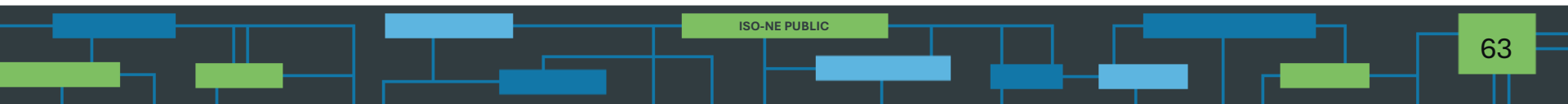
Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes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

Active/Passive Demand Response

CSO Totals by Commitment Period

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

NET COMMITMENT PERIOD COMPENSATION

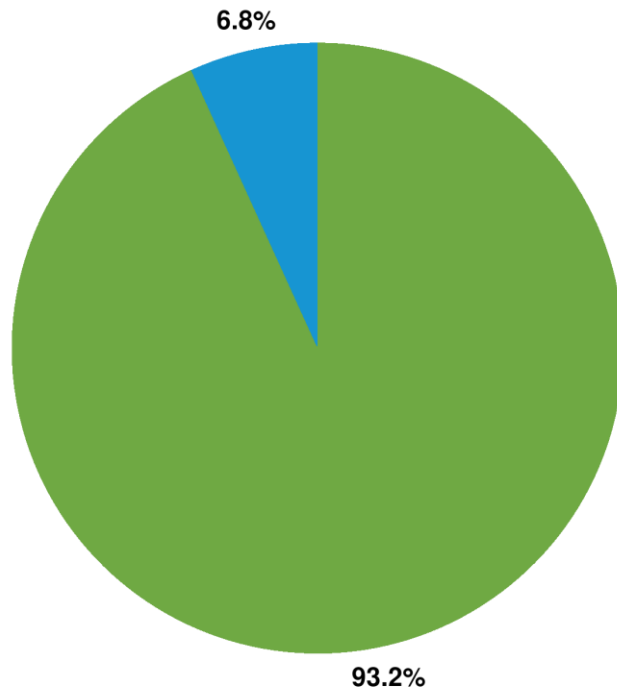


NCPC Highlights

- **Net Commitment Period Compensation (NCPC) total \$2.2M**
 - Represents 0.4% of monthly Energy Market value
 - First Contingency \$2.2M
 - Dispatch Lost Opportunity Cost (DLOC) - \$718K; Rapid Response Pricing (RRP) Opportunity Cost - \$291K; Posturing - \$0; Generator Performance Auditing (GPA) - \$0
 - \$95K paid to resources at external locations, down \$34K from July
 - \$95K charged to Day-Ahead Load Obligation (DALO) at external locations; \$0 to Day-Ahead Generation Obligation (DAGO) at external locations; <\$1K to RT Deviations
 - 2nd Contingency, Distribution and Voltage was zero

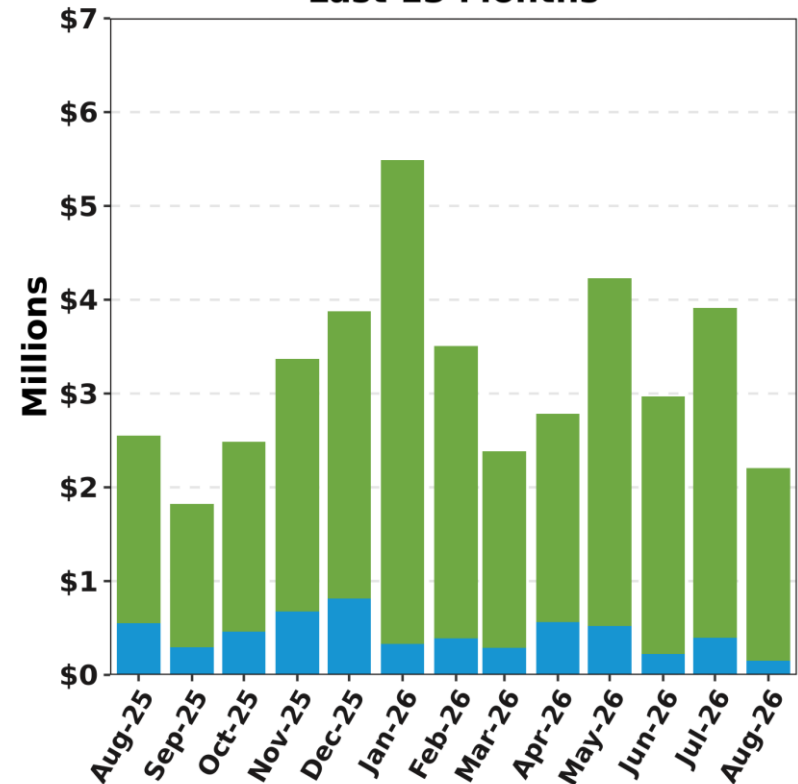
DA and RT NCPC Charges

Aug-26 Total = \$2.2 M



Day-Ahead Real-Time

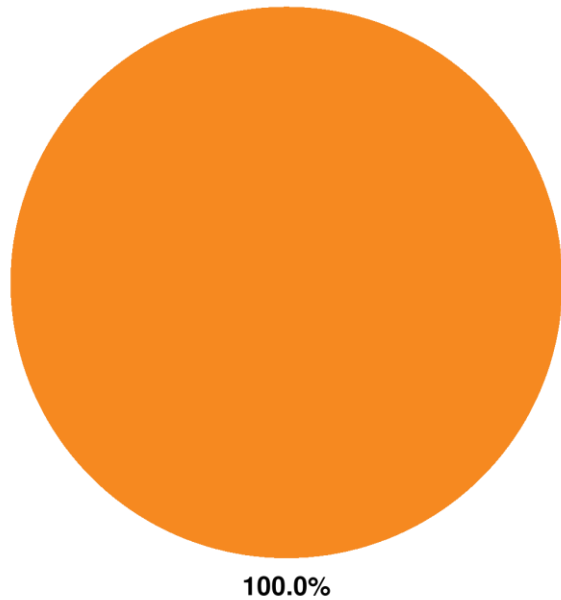
Last 13 Months



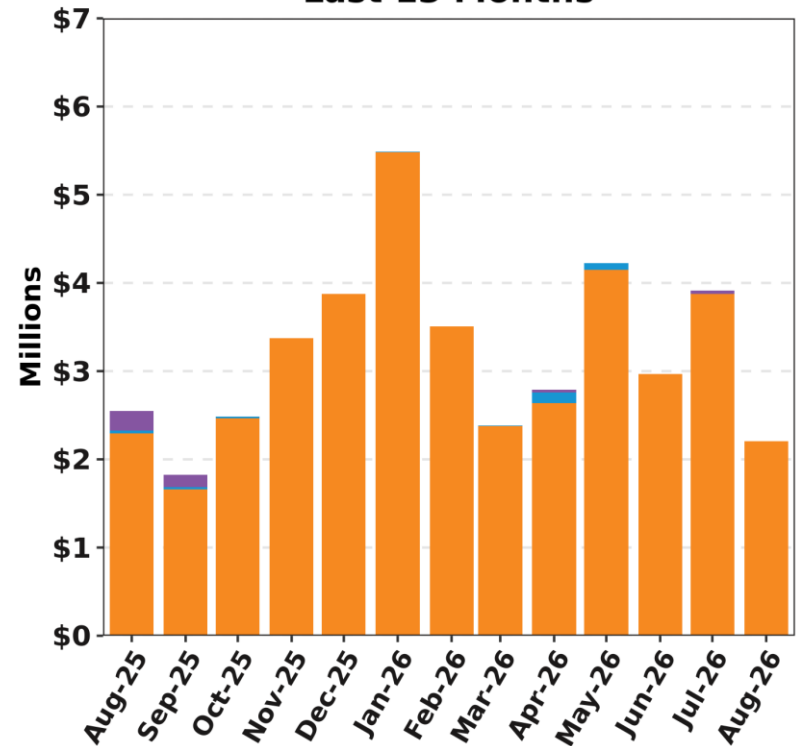
Day-Ahead Real-Time

NCPC Charges by Type

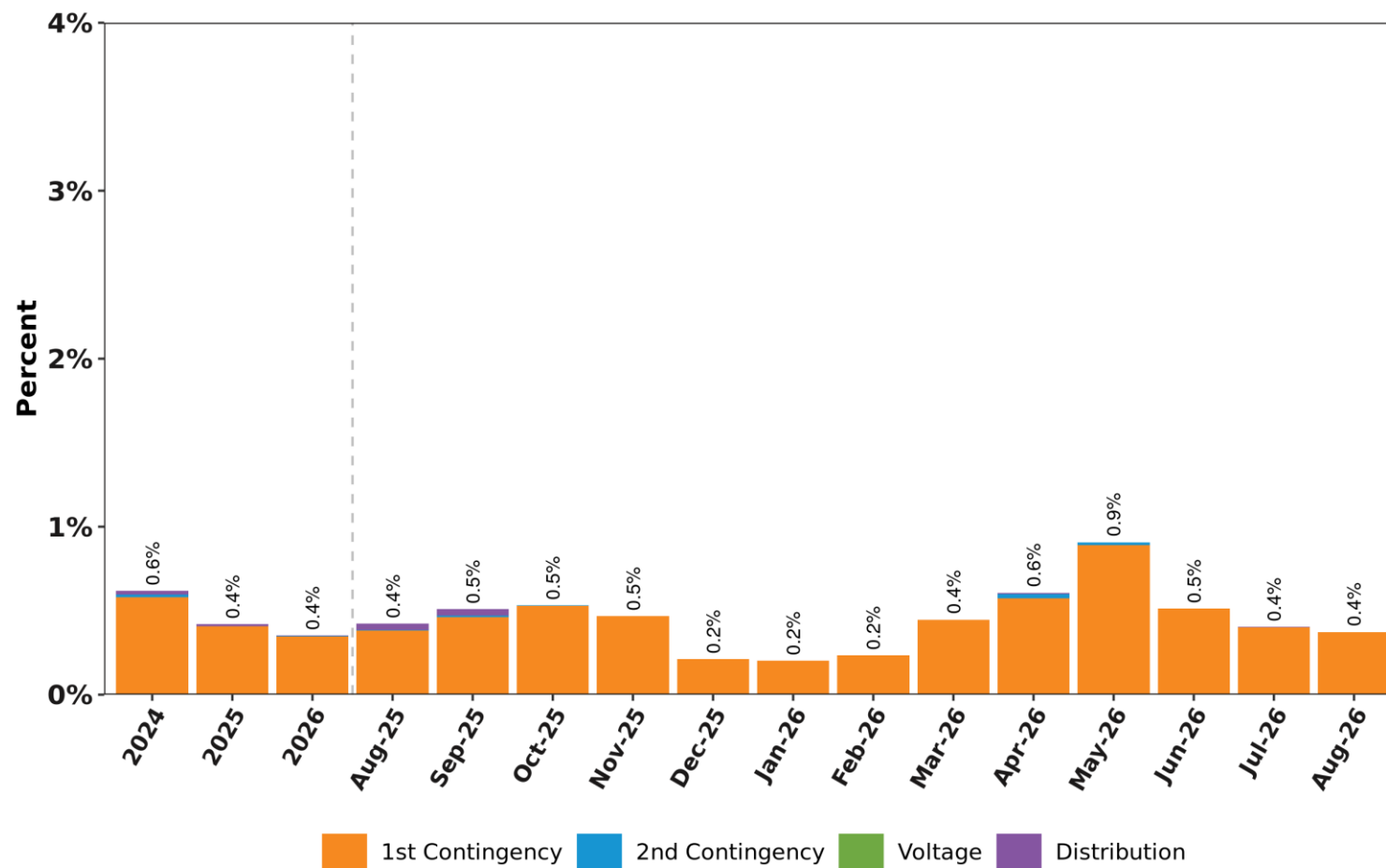
Aug-26 Total = \$2.2 M



Last 13 Months

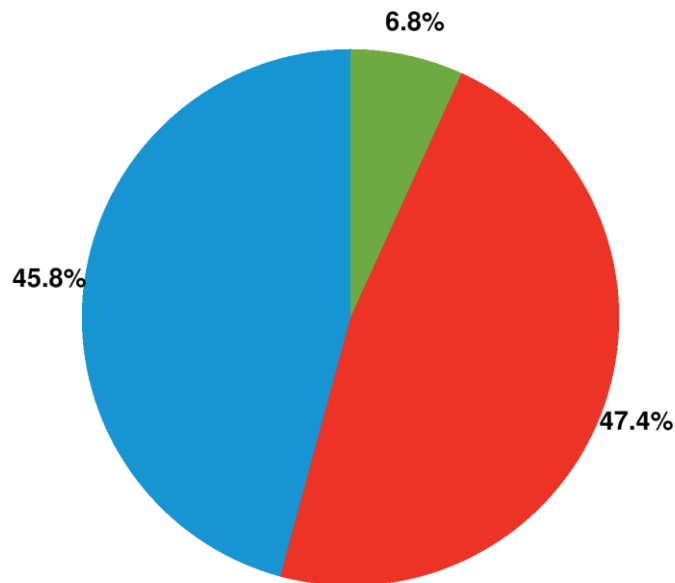


NCPC Charges by Type as Percent of Energy Market Value

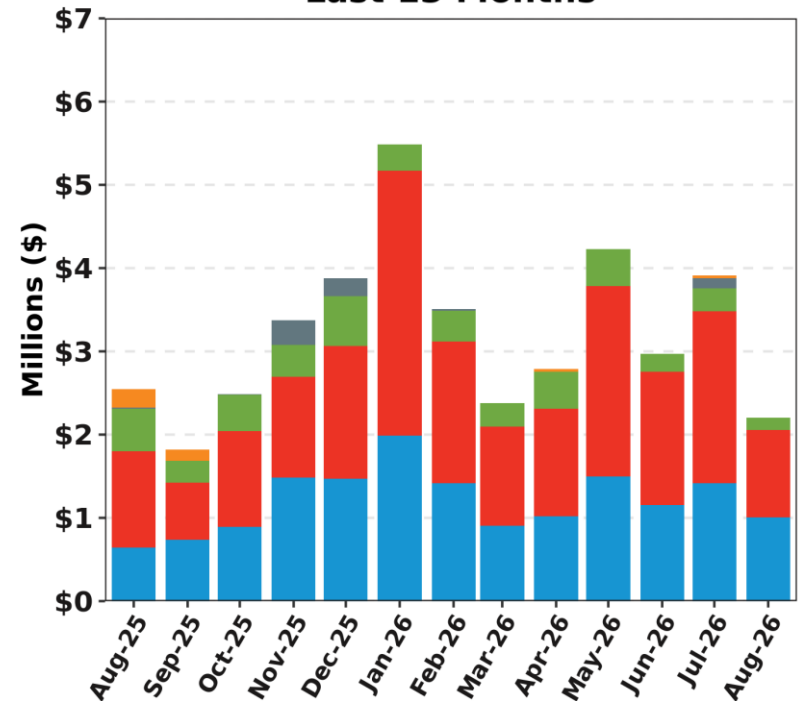


NCPC Charge Allocations

Aug-26 Total = \$2.2 M

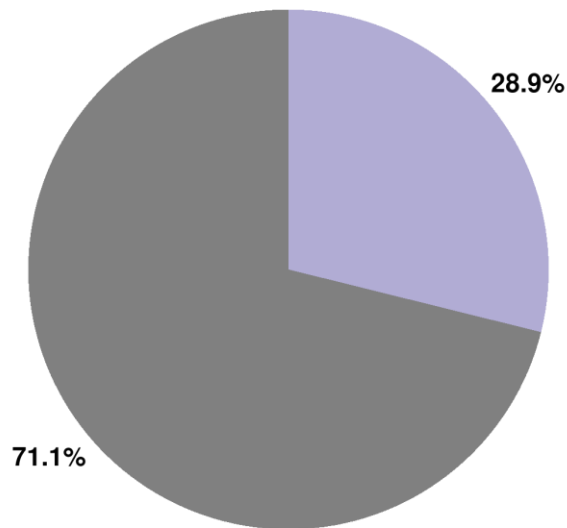


Last 13 Months

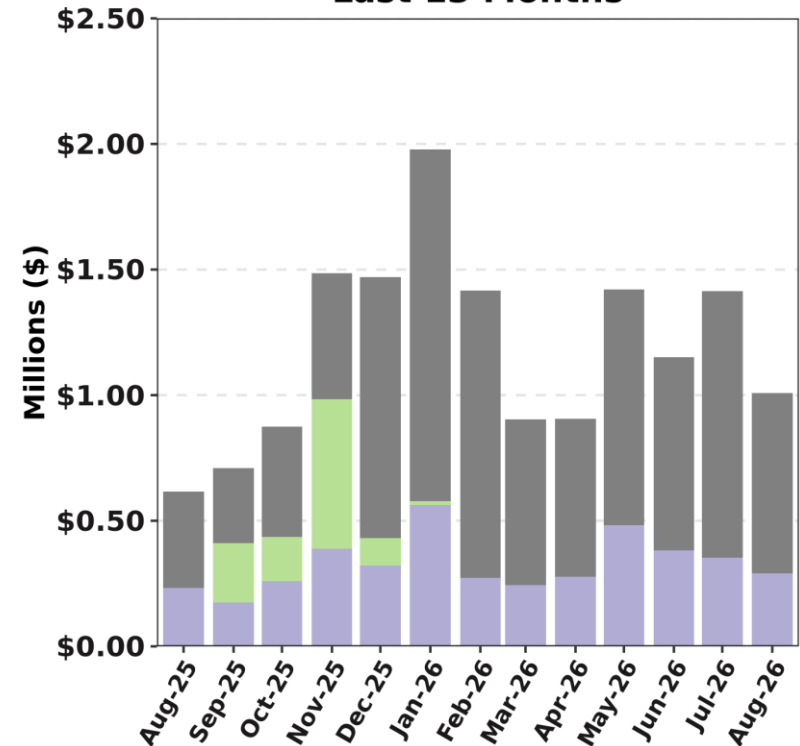


RT First Contingency NCPC Paid to Units and Allocated to RTLO and/or RTGO

Aug-26 Total = \$1 M



Last 13 Months

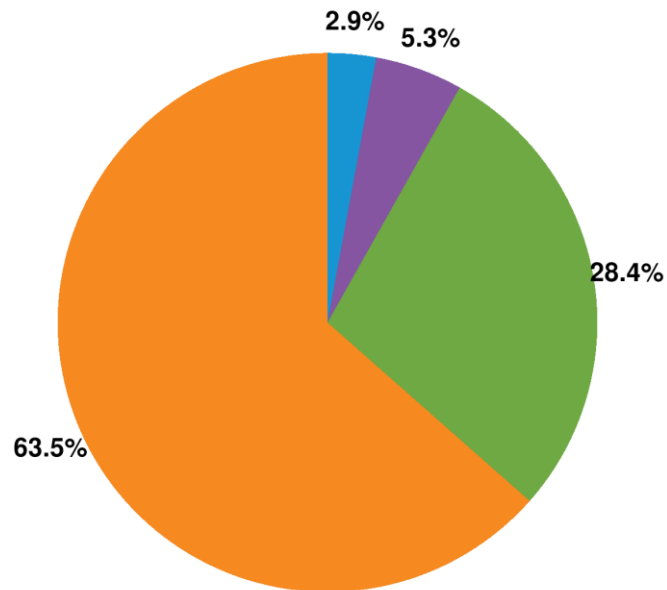


The categories shown above are a subset of those reflected in First Contingency NCPC throughout this report.

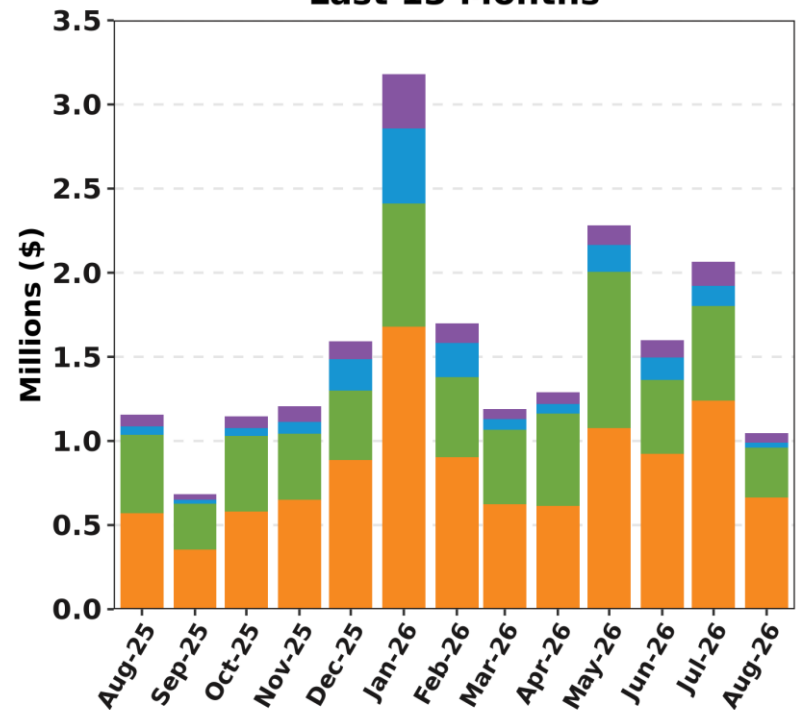
The above categories are allocated to RTLO, except for Min Gen Emergency credits, which are allocated to RTGO.

RT First Contingency Charges by Deviation Type

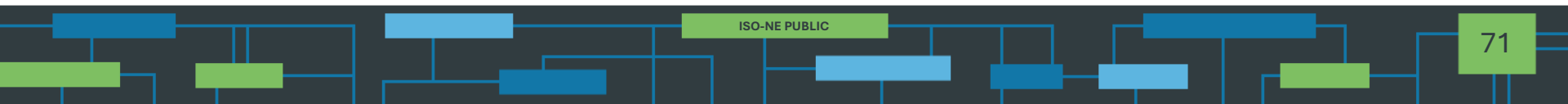
Aug-26 Total = \$1 M



Last 13 Months



REGIONAL SYSTEM PLAN (RSP)



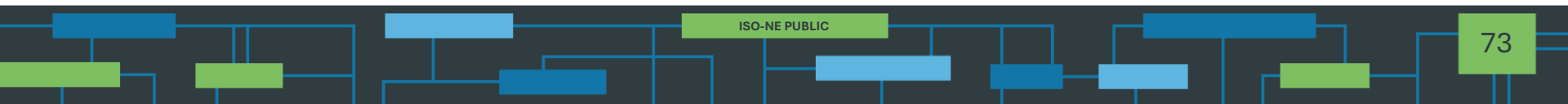
Planning Advisory Committee (PAC)

- September 23 PAC Meeting Tentative Agenda Topics (note that the agenda is still under review)*
 - Asset Condition Projects
 - Y-177 115 kV Asset Condition Refurbishment (NGRID)
 - Line 1440 ACR Project (Eversource)
 - 211-514X 115 kV Line Refurbishment and Reconductoring (Eversource)
 - RSP Project List/Asset Condition List Format Changes
 - Interim Asset Condition Review - F206 Rebuild

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

Economic Studies: 2026 Study

- The 2026 Economic Study was launched in January
 - The ISO presented results of the public survey, as part of a lessons learned, and Benchmark Scenario assumptions at PAC
 - The ISO opened the Stakeholder-Requested scenario window through July 24
 - The Benchmark results were presented at PAC this summer



2025 Longer-Term Transmission Planning (LTP) RFP

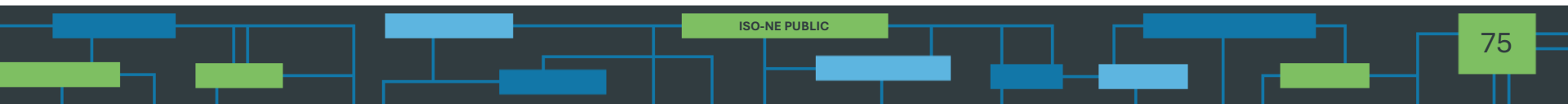
- On 12/13/24, NESCOE provided its LTP RFP request describing the needs to be addressed by 2035:
 - Increase the Maine-New Hampshire interface capacity to at least 3,000 MW
 - Increase the Surowiec-South interface capacity to at least 3,200 MW
 - Develop new infrastructure (e.g., substation) at Pittsfield, Maine that can accommodate the interconnection of at least 1,200 MW (nameplate) of onshore wind**
- The ISO issued the RFP on 3/31/25, with proposals due by 9/30/25
- The ISO provided an update on the initial review of proposals and results of the RFP objective analysis (transfer limits & wind accommodation) at the March PAC meeting and a follow-up at the May PAC meeting
- The ISO presented the preliminary preferred Longer-Term Transmission Solution at the July 2026 PAC meeting
- The ISO posted the preferred Longer-Term Transmission Solution on 8/14/26
 - NESCOE has 30 days (until 9/14/26) to notify the ISO to cancel the RFP or request an alternative cost allocation
 - If NESCOE does not pursue either of these options, the next step is to notify the Qualified Transmission Project Sponsors (QTPSs) and execute Selected Qualified Transmission Project Sponsor Agreements within 30 days of notification

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

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

2025 Longer-Term Transmission Planning (LTTP) RFP, cont.

- Preferred Longer-Term Transmission Solution: LTP A1
 - Lead QTPS: Central Maine Power (CMP)
 - Joint Proposal: Yes, w/ Public Service of New Hampshire (PSNH) and NSTAR (Eversource)
 - Type: AC transmission in ME and NH
 - Cost Containment: Yes
 - Projected Benefit-to-Cost Ratio: 2.10
 - Construction Start: Q1 2029, In-Service Date: Q4 2032
 - Design Summary
 - Wind interconnection POI: Pittsfield
 - New 345 kV lines: Pittsfield-Coopers Mills & Buxton-Deerfield (70 mi total)
 - Rebuild Larrabee Rd-Surowiec 115 kV line to operate at 345 kV
 - Several reconductored 345 & 115 kV lines
 - Retire ME Yankee 345 kV substation, build new adjacent Old Ferry Rd 345 kV
 - New STATCOMs: Eight 400 MVAR @ 345 kV
 - New Phase Angle Regulators: Four 750 MVA @ 345 kV
 - Minor corollary upgrade: Three upgraded 115 kV breakers at Orrington



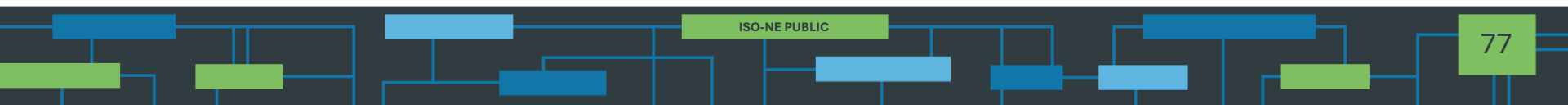
Permanent Asset Condition Reviewer

- ISO engaged with the Transmission Committee (TC) and the PTO Administrative Committee (PTO-AC) regarding the development of this new role. The proposal was the product of robust discussion and incorporated numerous stakeholder-suggested revisions
- Final changes to the Transmission Operating Agreement (TOA) and ISO's Open Access Transmission Tariff (OATT) were presented and voted on at the August Participants Committee meeting
 - The PC voted in favor of the proposal
- Interim project reviews underway to inform permanent design
- Targeting January 2027 go-live, subject to FERC acceptance and operating budget
- Tariff changes were filed on August 17, 2026

RSP Project Stage Descriptions

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

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



SEMA/RI Reliability Projects

Status as of 8/24/2026

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

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

SEMA/RI Reliability Projects, cont.

Status as of 8/24/2026

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

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1718	Add 115 kV circuit breaker at Robinson Ave substation and re-terminate the Q10 line	Mar-22	4
1719	Install 45.0 MVAR capacitor bank at Berry Street substation	Cancelled*	N/A
1720	Separate the N12/M13 DCT and reconductor the N12 and M13 between Somerset and Bell Rock substations	Dec-29	2
1721	Reconfigure Bell Rock to breaker-and-a-half station, split the M13 line at Bell Rock substation, and terminate 114 line at Bell Rock; install a new breaker in series with N12/D21 tie breaker, upgrade D21 line switch, and install a 37.5 MVAR capacitor	Aug-23	4
1722	Extend the Line 114 from the Dartmouth town line (Eversource-National Grid border) to Bell Rock substation	Jul-27	2
1723	Reconductor L14 and M13 lines from Bell Rock substation to Bates Tap	Cancelled*	N/A

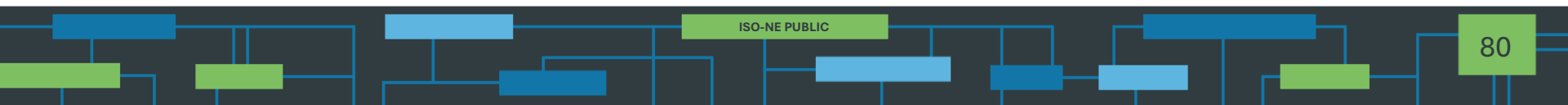
*Cancelled per ISO-NE PAC presentation on August 27, 2020

SEMA/RI Reliability Projects, cont.

Status as of 8/24/2026

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

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1725	Build a new 115 kV line from Bourne to West Barnstable substations which includes associated terminal work	May-24	4
1726	Separate the 135/122 DCT from West Barnstable to Barnstable substations	Dec-21	4
1727	Retire the Barnstable SPS	Nov-21	4
1728	Build a new 115 kV line from Carver to Kingston substations and add a new Carver terminal	Aug-23	4
1729	Install a new bay position at Kingston substation to accommodate new 115 kV line	Aug-23	4
1730	Extend the 114 line from the Eversource/National Grid border to the Industrial Park Tap	Jul-27	3



SEMA/RI Reliability Projects, cont.

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #4

Status as of 8/24/2026

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

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

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

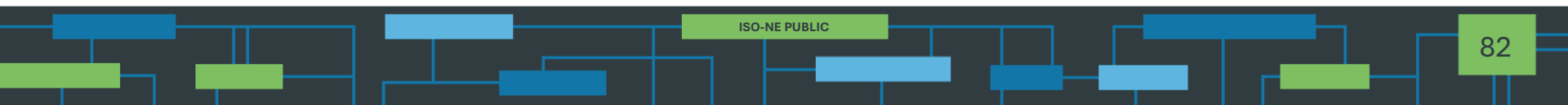
** Cancelled per ISO-NE PAC presentation on August 27, 2020

SEMA/RI Reliability Projects, cont.

Status as of 8/24/2026

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

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

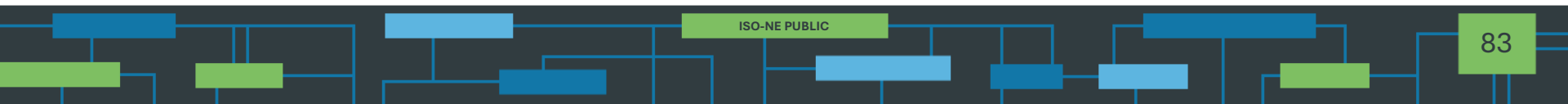


Upper Maine Solution Projects

Status as of 8/24/2026

Project Benefit: Addresses system needs in the Upper Maine area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1882	Rebuild 21.7 miles of the existing 115 kV line Section 80 Highland-Coopers Mills 115 kV line	Aug-24	4
1883	Convert the Highland 115 kV substation to an eight breaker, breaker-and-a-half configuration with a bus connected 115/34.5 kV transformer	Dec-29	2
1884	Install a 15 MVAR capacitor at Belfast 115 kV substation	Jul-28	1
1885	Install a +50/-25 MVAR synchronous condenser at Highland 115 kV substation	Dec-30	2
1886	Install +50/-25 MVAR synchronous condenser at Boggy Brook 115 kV substation, and install a new 115 kV breaker to separate Line 67 from the proposed solution elements	Aug-25	4



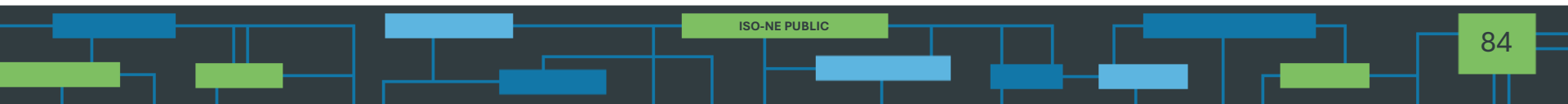
Upper Maine Solution Projects, cont.

Status as of 8/24/2026

Project Benefit: Addresses system needs in the Upper Maine area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1887	Install 25 MVAR reactor at Boggy Brook 115 kV substation	Nov-24	4
1888	Install 10 MVAR reactor at Keene Road 115 kV substation	Jul-24	4
1889	Install three remotely monitored and controlled switches to split the existing Orrington reactors between the two Orrington 345/115 kV autotransformers	Cancelled *	N/A
1914	Install a new 80 MVAR reactor, reconfigure the existing two reactors at the 345 kV Orrington substation	Dec-26	3

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

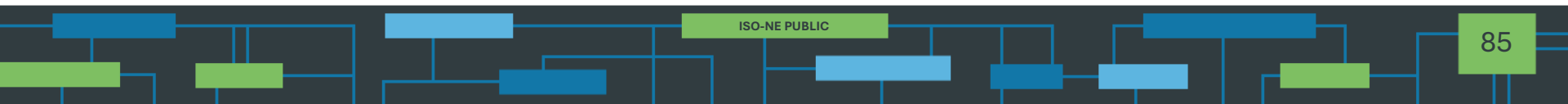


Boston 2033 Solutions Study

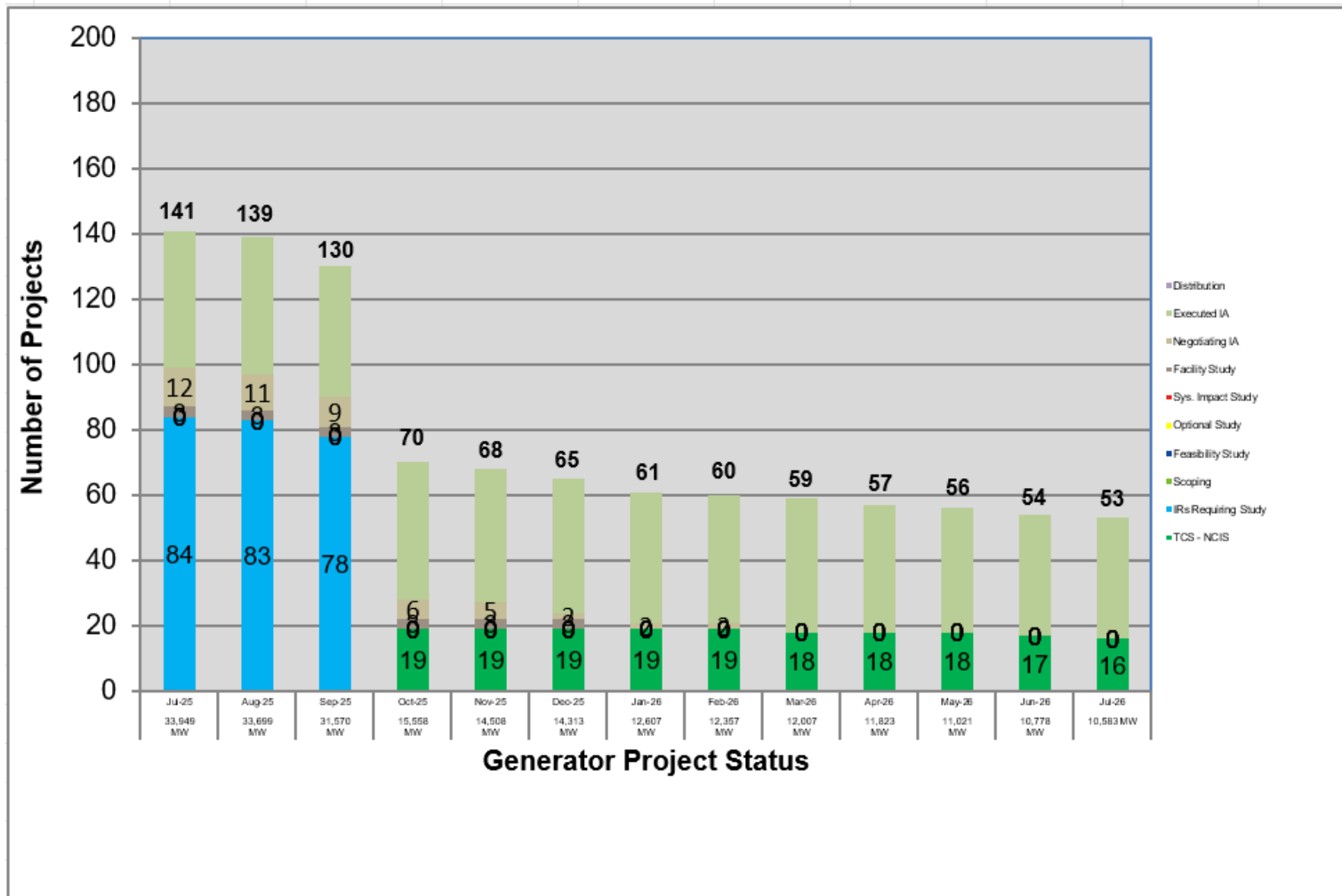
Status as of 8/24/2026

Project Benefit: Addresses system needs in the Boston area

RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1933	Install one 80 MVAR shunt reactor at the 115 kV Electric Avenue Substation	Dec-28	1
1934	Protection systems modification associated with the Stoughton RAS at three 345 kV substations (Stoughton, West Walpole and Holbrook) and two 115 kV substations (Hyde Park and K-Street)	Mar-27	1



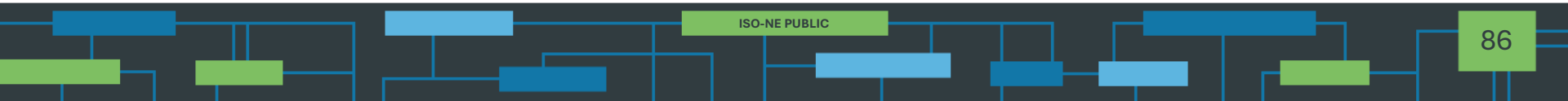
Status of Tariff Studies as of August 27, 2026



ETUs: 0 in TCS – NCIS, 0 Negotiating IA, and 1 with Executed IA
Transmission Service Requests needing study: 0

<https://irtt.iso-ne.com/external.aspx>

Additional notes provided on next slide



Status of Tariff Studies as of August 27, 2026

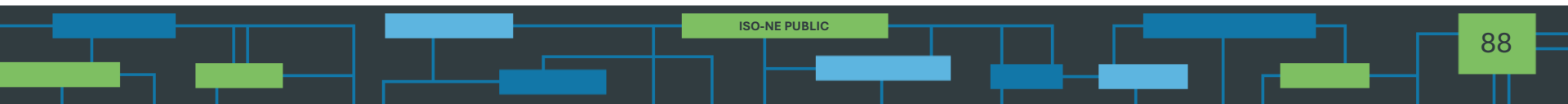
cont.

- Additional Notes

- The “TCS – NCIS” category represents projects that did not complete a system impact study before April 4, 2025 and require study in the Transitional Cluster Study (TCS) according to the Network Capability Interconnection Standard (NCIS). Such projects may also be studied in the TCS according to the Capacity Capability Interconnection Standard (CCIS). There are additional projects in the TCS that are seeking to augment their Network Resource Interconnection Service (NRIS) to Capacity Network Resource Interconnection Service (CNRIS) (and thus will only be studied in the TCS according to the CCIS) but are included in the Executed IA/Negotiating IA totals.
- The interim TCS report was issued on June 7, 2026

OPERABLE CAPACITY ANALYSIS

Fall 2026 Analysis



Fall 2026 Operable Capacity Analysis

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #4

50/50 Load Forecast (Reference)	Sept - 2026 ² CSO (MW)	Sept - 2026 ² SCC (MW)
Operable Capacity MW ¹	27,215	27,921
Active Demand Capacity Resource (+) ⁵	349	325
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	359
Non Commercial Capacity (+)	97	11
Non Gas-fired Planned Outage MW (-)	1,461	1,916
Gas Generator Outages MW (-)	1,398	468
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	22,411	23,432
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	21,529	21,529
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	23,591	23,591
Operable Capacity Margin	-1,180	-159

¹Operable Capacity is based on data as of **August 24, 2026** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **August 24, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **September 26, 2026**.

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

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

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

Fall 2026 Operable Capacity Analysis

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #4

90/10 Load Forecast	Sept - 2026 ² CSO (MW)	Sept - 2026 ² SCC (MW)
Operable Capacity MW ¹	27,215	27,921
Active Demand Capacity Resource (+) ⁵	349	325
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	359
Non Commercial Capacity (+)	97	11
Non Gas-fired Planned Outage MW (-)	1,461	1,916
Gas Generator Outages MW (-)	1,398	468
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	22,411	23,432
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	22,592	22,592
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	24,654	24,654
Operable Capacity Margin	-2,243	-1,222

¹ Operable Capacity is based on data as of **August 24, 2026** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **August 24, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **September 26, 2026**.

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

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

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

Fall 2026 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

August 24, 2026 - 50-50 FORECAST using CSO MW

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

Report created: 8/24/2026

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 50- 50PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 50- 50PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
9/19/2026	26821	339	359	11	1206	233	2100	0	23991	21613	2062	23675	316	N	Fall 2026
9/26/2026	27215	349	409	97	1461	1398	2800	0	22411	21529	2062	23591	-1180	Y	Fall 2026
10/3/2026	27215	349	409	97	4226	3380	2800	0	17664	16106	2062	18168	-504	N	Fall 2026
10/10/2026	27215	349	409	97	4293	2787	2800	0	18190	16138	2062	18200	-10	N	Fall 2026
10/17/2026	27215	349	409	97	3300	2953	2800	0	19017	16991	2062	19053	-36	N	Fall 2026
10/24/2026	27215	349	409	97	2973	2630	2800	0	19667	17326	2062	19388	279	N	Fall 2026
10/31/2026	27215	349	409	98	2478	1536	3600	0	20457	17517	2062	19579	878	N	Fall 2026
11/7/2026	27215	349	409	98	2465	2126	3600	0	19880	17623	2062	19685	195	N	Fall 2026
11/14/2026	27215	349	409	98	2065	1757	3600	0	20649	17941	2062	20003	646	N	Fall 2026
11/21/2026	27215	349	409	98	113	757	3600	613	22988	18621	2062	20683	2305	N	Fall 2026

Column Definitions

- CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
- CSO Demand Resource Capacity MW:** Demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
- External Node Capacity MW:** Sum of external Capacity Supply Obligations (CSO) imports and exports.
- Non-Commercial capacity MW:** New resources and generator improvements that have acquired a CSO but have not become commercial.
- CSO Non Gas-Only Generator Planned Outages MW:** All Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.Outages.
- CSO Gas-Only Generator Planned Outages MW:** All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
- Unplanned Outage Allowance MW:** Forced Outages and Maintenance Outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
- CSO Generation at Risk Due to Gas Supply Mw:** Gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
- CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- Peak Load Forecast MW:** Provided in the annual 2026 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- Operating Reserve Requirement MW:** 115% of first largest contingency plus 50% of the second largest contingency.
- CSO Net Required Capacity MW:** (Net Load Obligation) (10+11=12)
- CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
- Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.
- Operable Capacity Season Label:** Applicable season and year.

Fall 2026 Operable Capacity Analysis

90/10 Forecast

ISO-NE OPERABLE CAPACITY ANALYSIS

August 24, 2026 - 90/10 FORECAST using CSO MW

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

Report created: 8/24/2026

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 90- 10PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 90- 10PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
9/19/2026	26821	339	359	11	1206	233	2100	0	23991	22679	2062	24741	-750	N	Fall 2026
9/26/2026	27215	349	409	97	1461	1398	2800	0	22411	22592	2062	24654	-2243	Y	Fall 2026
10/3/2026	27215	349	409	97	4226	3380	2800	0	17664	16871	2062	18933	-1269	N	Fall 2026
10/10/2026	27215	349	409	97	4293	2787	2800	0	18190	16906	2062	18968	-778	N	Fall 2026
10/17/2026	27215	349	409	97	3300	2953	2800	0	19017	17798	2062	19860	-843	N	Fall 2026
10/24/2026	27215	349	409	97	2973	2630	2800	0	19667	18150	2062	20212	-545	N	Fall 2026
10/31/2026	27215	349	409	98	2478	1536	3600	0	20457	18350	2062	20412	45	N	Fall 2026
11/7/2026	27215	349	409	98	2465	2126	3600	0	19880	18461	2062	20523	-643	N	Fall 2026
11/14/2026	27215	349	409	98	2065	1757	3600	0	20649	18794	2062	20856	-207	N	Fall 2026
11/21/2026	27215	349	409	98	113	757	3600	778	22823	19506	2062	21568	1255	N	Fall 2026

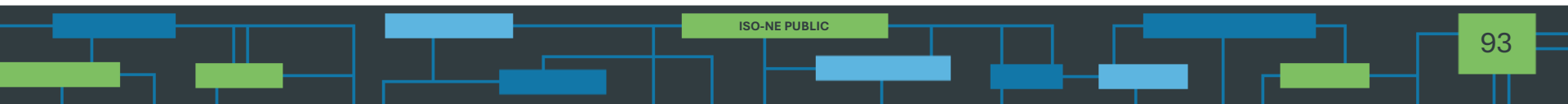
Column Definitions

- 1. CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
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- 9. CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- 10. Peak Load Forecast MW:** Provided in the annual 2026 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- 11. Operating Reserve Requirement MW:** 115% of first largest contingency plus 50% of the second largest contingency.
- 12. CSO Net Required Capacity MW:** (Net Load Obligation) (10+11=12)
- 13. CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
- 14. Season Minimum Operable Capacity Flag:** this column indicates whether or not a week has the lowest capacity margin for its applicable season.
- 15. Operable Capacity Season Label:** Applicable season and year.

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

OPERABLE CAPACITY ANALYSIS

Preliminary Winter 2026/27 Analysis



Preliminary Winter 2026/27 Operable Capacity Analysis

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #4

50/50 Load Forecast (Reference)	Jan - 2027 ² CSO (MW)	Jan - 2027 ² SCC (MW)
Operable Capacity MW ¹	27,431	30,141
Active Demand Capacity Resource (+) ⁵	348	278
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	98	98
Non Gas-fired Planned Outage MW (-)	1	727
Gas Generator Outages MW (-)	0	14
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	3,728	4,122
Net Capacity (NET OPCAP SUPPLY MW)	21,757	23,263
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	20,483	20,483
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	22,545	22,545
Operable Capacity Margin	-788	718

¹Operable Capacity is based on data as of **August 24, 2026** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **August 24, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **January 9, 2027**.

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

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

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

Preliminary Winter 2026/27 Operable Capacity Analysis

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #4

90/10 Load Forecast	Jan - 2027 ² CSO (MW)	Jan - 2027 ² SCC (MW)
Operable Capacity MW ¹	27,431	30,141
Active Demand Capacity Resource (+) ⁵	348	278
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	98	98
Non Gas-fired Planned Outage MW (-)	1	727
Gas Generator Outages MW (-)	0	14
Allowance for Unplanned Outages (-) ⁴	2,800	2,800
Generation at Risk Due to Gas Supply (-) ³	4,539	5,052
Net Capacity (NET OPCAP SUPPLY MW)	20,946	22,333
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	21,457	21,457
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	23,519	23,519
Operable Capacity Margin	-2,573	-1,186

¹ Operable Capacity is based on data as of **August 24, 2026** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **August 24, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **January 9, 2027**.

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

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Preliminary Winter 2026/27 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

August 24, 2026 - 50-50 FORECAST using CSO MW

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

Report created: 8/24/2026

Study Week (Week Beginning , Saturday)	CSO Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 50- 50PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 50- 50PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
11/28/2026	27215	349	409	98	153	0	3600	1662	22656	19285	2062	21347	1309	N	Winter 2026/2027
12/5/2026	27431	348	409	98	129	822	3200	982	23153	19469	2062	21531	1622	N	Winter 2026/2027
12/12/2026	27431	348	409	98	80	0	3200	2368	22638	19735	2062	21797	841	N	Winter 2026/2027
12/19/2026	27431	348	409	98	1	0	3200	2745	22340	19746	2062	21808	532	N	Winter 2026/2027
12/26/2026	27431	348	409	98	1	0	3200	3134	21951	19803	2062	21865	86	N	Winter 2026/2027
1/2/2027	27431	348	409	98	1	0	2800	3733	21752	20055	2062	22117	-365	N	Winter 2026/2027
1/9/2027	27431	348	409	98	1	0	2800	3728	21757	20483	2062	22545	-788	Y	Winter 2026/2027
1/16/2027	27431	348	409	98	3	0	2800	3583	21900	20483	2062	22545	-645	N	Winter 2026/2027
1/23/2027	27431	348	409	98	3	0	2800	3134	22349	20483	2062	22545	-196	N	Winter 2026/2027
1/30/2027	27431	348	409	98	12	0	3100	2835	22339	20278	2062	22340	-1	N	Winter 2026/2027
2/6/2027	27431	348	409	98	1	0	3100	2536	22649	20032	2062	22094	555	N	Winter 2026/2027
2/13/2027	27431	348	409	98	43	0	3100	2237	22906	20006	2062	22068	838	N	Winter 2026/2027
2/20/2027	27431	348	409	98	32	0	3100	1788	23366	19764	2062	21826	1540	N	Winter 2026/2027
2/27/2027	27431	348	409	98	251	430	2200	1059	24346	18854	2062	20916	3430	N	Winter 2026/2027
3/6/2027	27431	348	409	98	266	1073	2200	0	24747	18533	2062	20595	4152	N	Winter 2026/2027
3/13/2027	27431	348	409	98	760	767	2200	0	24559	18353	2062	20415	4144	N	Winter 2026/2027
3/20/2027	27431	348	409	98	253	1607	2200	0	24226	18017	2062	20079	4147	N	Winter 2026/2027
3/27/2027	27215	349	409	98	73	2550	2700	0	22748	17496	2062	19558	3190	N	Winter 2026/2027

Column Definitions

- CSO Supply Resource Capacity MW:** Summation of all resource Capacity supply Obligations (CSO). Does not include Settlement Only Generators (SOG).
- CSO Demand Resource Capacity MW:** Demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
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- CSO Net Available Capacity MW:** the summation of columns (1+2+3+4-5-6-7-8=9)
- Peak Load Forecast MW:** Provided in the annual 2026 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV).
- Operating Reserve Requirement MW:** 115% of first largest contingency plus 50% of the second largest contingency.
- CSO Net Required Capacity MW:** (Net Load Obligation) (10+11=12)
- CSO Operable Capacity Margin MW:** CSO Net Available Capacity MW minus CSO Net Required Capacity MW (9-12=13)
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Preliminary Winter 2026/27 Operable Capacity Analysis

90/10 Forecast

ISO-NE OPERABLE CAPACITY ANALYSIS

August 24, 2026 - 90/10 FORECAST using CSO MW

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

Report created: 8/24/2026

Study Week (Week Beginning , Saturday)	CSO Supply Resource Capacity MW	CSO Demand Resource Capacity MW	External Node Capacity MW	Non-Commercial Capacity MW	CSO Non-Gas- Only Generator Planned Outages MW	CSO Gas-Only Generator Planned Outages MW	Unplanned Outages Allowance MW	CSO Generation at Risk Due to Gas Supply 90- 10PLE MW	CSO Net Available Capacity MW	Peak Load Forecast 90- 10PLE MW	Operating Reserve Requirement MW	CSO Net Required Capacity MW	CSO Operable Capacity Margin MW	Season Min Opcap Margin Flag	Season_Label
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
11/28/2026	27215	349	409	98	153	0	3600	2576	21742	20201	2062	22263	-521	N	Winter 2026/2027
12/5/2026	27431	348	409	98	129	822	3200	1970	22165	20394	2062	22456	-291	N	Winter 2026/2027
12/12/2026	27431	348	409	98	80	0	3200	3355	21651	20673	2062	22735	-1084	N	Winter 2026/2027
12/19/2026	27431	348	409	98	1	0	3200	3864	21221	20684	2062	22746	-1525	N	Winter 2026/2027
12/26/2026	27431	348	409	98	1	0	3200	4280	20805	20744	2062	22806	-2001	N	Winter 2026/2027
1/2/2027	27431	348	409	98	1	0	2800	4408	21077	21008	2062	23070	-1993	N	Winter 2026/2027
1/9/2027	27431	348	409	98	1	0	2800	4539	20946	21457	2062	23519	-2573	Y	Winter 2026/2027
1/16/2027	27431	348	409	98	3	0	2800	4331	21152	21457	2062	23519	-2367	N	Winter 2026/2027
1/23/2027	27431	348	409	98	3	0	2800	4032	21451	21457	2062	23519	-2068	N	Winter 2026/2027
1/30/2027	27431	348	409	98	12	0	3100	4032	21142	21242	2062	23304	-2162	N	Winter 2026/2027
2/6/2027	27431	348	409	98	1	0	3100	3583	21602	20984	2062	23046	-1444	N	Winter 2026/2027
2/13/2027	27431	348	409	98	43	0	3100	3284	21859	20957	2062	23019	-1160	N	Winter 2026/2027
2/20/2027	27431	348	409	98	32	0	3100	2686	22468	20703	2062	22765	-297	N	Winter 2026/2027
2/27/2027	27431	348	409	98	251	430	2200	1807	23598	19751	2062	21813	1785	N	Winter 2026/2027
3/6/2027	27431	348	409	98	266	1073	2200	238	24509	19414	2062	21476	3033	N	Winter 2026/2027
3/13/2027	27431	348	409	98	760	767	2200	439	24120	19225	2062	21287	2833	N	Winter 2026/2027
3/20/2027	27431	348	409	98	253	1607	2200	0	24226	18873	2062	20935	3291	N	Winter 2026/2027
3/27/2027	27215	349	409	98	73	2550	2700	0	22748	18328	2062	20390	2358	N	Winter 2026/2027

Column Definitions

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

Possible Relief Under OP4: Appendix A

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

NOTES:

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

Possible Relief Under OP4: Appendix A

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

NOTES:

1. Based on Summer Ratings. Assumes 25% of total MW Settlement Only resources <5 MW will be available and respond.
2. The actual load relief obtained is highly dependent on circumstances surrounding the appeals, including timing and the amount of advanced notice that can be given.
3. The MW values are based on a 25,000 MW system load and verified by the most recent voltage reduction test.
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5.a

2027 ISO-NE Budget

REPORT

SEPTEMBER 3, 2026

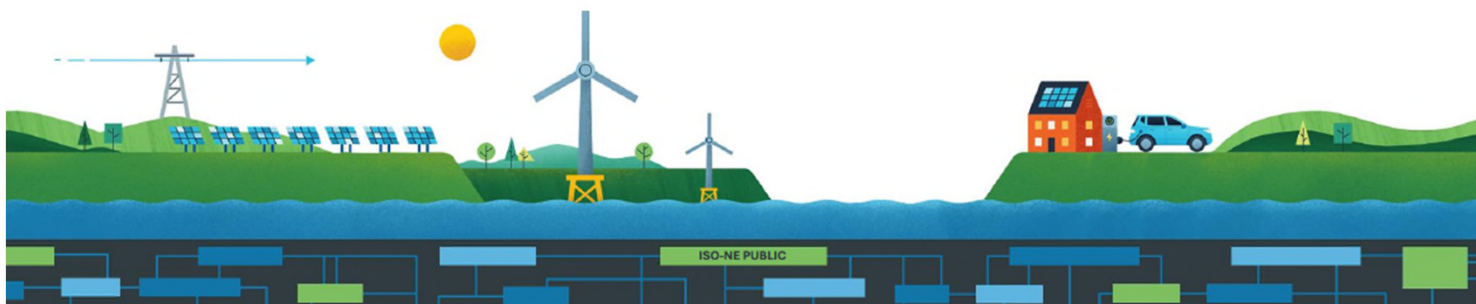


ISO New England Proposed 2027 Operating and Capital Budgets

NEPOOL Participants Committee Meeting

Kelly Reyngold

CHIEF FINANCIAL OFFICER



Sep 3, 2026
Meeting

NEPOOL
NEW ENGLAND POWER POOL
Participants Committee



memo

To: NEPOOL Participants Committee Members and Alternates
From: Kelly Reyngold, VP and Chief Financial Officer
Date: September 3, 2026
Subject: ISO New England Inc. 2027 Operating and Capital Budgets

Budget Process

This memo provides an update to the NEPOOL Participants Committee (“NPC”) on the 2027 budget process. At its August 7, 2026 meeting, the NEPOOL Budget & Finance Subcommittee (“B&F”) reviewed the ISO’s proposed 2027 operating and capital budgets (collectively, the “Budgets”). Included with this memorandum is a presentation of the Budgets. The more detailed presentation provided to B&F can be found on the ISO’s website at [a07_bfs_2026_08_07_iso_proposed_budget_2027.pdf](#).

At the August B&F meeting, participants asked questions on the following topics; our responses are also noted below:

- Clarification on the funding for Longer-Term Transmission Planning (LTP) study
 - We explained that this funding serves as a placeholder to support consulting services that would augment ISO-NE staff resources if a second LTP study is undertaken. If a second study is not conducted, or if the full amount is not needed, any unused funds will not be reallocated to other purposes and will instead be returned through the established true-up process.
- Artificial Intelligence (AI) Productivity Gains and Cost Savings
 - We explained that it is premature to quantify specific cost savings associated with the use of AI. Our initial focus is on achieving productivity gains, improving efficiency, and fostering innovation across business processes. As AI capabilities mature and their impacts become better understood, we will be in a better position to assess and quantify any resulting cost savings.
- Environmental & Community Affairs Policy Advising role of ISO-NE
 - During the Budget & Finance Committee meeting, we provided initial information regarding ISO’s Environmental & Community Affairs Policy Advising role. Following the meeting, we supplied additional details in response to questions from committee members, noting that the position was established at the request of certain New England state officials.
 - Our follow-up communication¹ included a copy of the formal letter submitted to the ISO requesting the creation of the position, as well as a link to a video available on the ISO’s

¹ See follow up communication at [a07_bfs_2026_08_07_subcommittee_2027_budget_questions.pdf](#)

website featuring the individual currently serving in the role. The materials provided additional context regarding the responsibilities of the position and the nature of the work being performed to support stakeholder engagement and policy-related initiatives.

- Timing and cost of the tariff required Net CONE recalculation, and the impacts of moving to a prompt seasonal market
 - Following the Budget & Finance Committee meeting, we provided additional information¹ regarding the tariff-required Net CONE recalculation work. We explained that performing this in 2027 is necessary to meet tariff requirements and align with the applicable implementation timeline.
 - We also noted that the project cost estimate was developed based on a combination of prior ISO-NE Net CONE recalculation efforts and a review of comparable work recently undertaken by other ISOs/RTOs. We also noted that the planning and vendor selection process has not yet commenced.
 - With respect to the transition to a prompt seasonal market structure, we explained that the potential impacts on the scope and requirements of the Net CONE recalculation are still being evaluated. Should that assessment identify a material change in project scope, ISO-NE will present the updated information to stakeholders as part of the 2027 stakeholder review process.
- Inquiry on the nature and source of capital project variances that occur compared to the original budget
 - We explained that capital project variances relative to the original budget are a normal part of the project lifecycle, as many projects are still in the planning or conceptual design phase when the annual budget is developed. As projects progress and requirements become more clearly defined, changes in scope, cost estimates, and implementation timing may occur.
 - We also noted that project priorities can shift during the year in response to emerging business needs, regulatory requirements, or external drivers. In addition, implementation schedules may change based on resource availability, dependencies, or evolving organizational priorities.
 - To manage these uncertainties, ISO-NE maintains a project governance process that involves assigning chartered budgets to projects as planning advances and there is greater certainty regarding scope, timing, and cost. This process provides additional oversight and helps ensure that project funding remains aligned with organizational priorities and project objectives.
- Differentiation between increased funding for Merit & Promotion and Incentive Compensation
 - We explained that Merit & Promotion funding and Incentive Compensation serve different purposes within the employee compensation program. Merit & Promotion funding supports adjustments to an employee's annual base salary, including market-based adjustments and/or increases associated with promotions. Incentive Compensation is discretionary, non-base pay compensation that recognizes employees contributions to ISO business objectives and results. Each budget continues to be influenced by the ISO's compensation benchmarking survey results.

The ISO has also presented the Budgets to the New England state agencies; following that presentation we received questions from multiple state agencies. The ISO responded to state agencies' questions and those responses are posted under the budget section on the ISO's website at [State Agencies 2027 ISO-NE Proposed Budget Questions](#).

The Participants Committee will be asked to vote on the proposed budgets at the October 2, 2026, meeting. During the week of September 21, 2026, we will distribute a memo with the projected 2027 Revenue Requirement by ISO-NE Administrative Cost Tariff Schedule, including the draft 2027 rate components.

Proposed 2027 Budgets

The 2027 ISO-NE Budgets continue 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.

The 2027 operating budget will include the resources to continue our focus on innovation and agility to respond to such uncertainty in regional supply and demand with emphasis on operational efficiency and disciplined cost management while balancing necessary investment with cost impacts to stakeholders.

As the ISO seeks to offer increasing value to the region, we have allocated separate line items totaling \$2.4 million covering the Asset Condition (AC) Reviewer (\$2.2 million) and for a second Longer-Term Transmission Planning (LTTP) study \$(0.2 million). Monies not spent on these two initiatives will be returned through the true-up process.

The 2027 operating budget changes are largely driven by four main factors which are: inflationary and strategic staffing to sustain operations; technology and innovation resources; market and transmission initiatives; and new services/stakeholder requests. More details can be found on slides 21 and 22, and throughout, the presentation included with this memorandum.

The proposed baseline operating budget for 2027 is \$21.6M or 6.5% above the 2026 approved budget. Incorporating the AC Reviewer and LTTP services requested by states and other stakeholders increases the proposed budget by \$2.4 million resulting in a total increase of \$24.0 million (7.3%) 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 \$32.0M increase.

The net overall change from the preliminary (top-down) operating budget is a decrease of approximately \$1.3 million. Changes include decreases in Salary and Overhead estimates with savings related to lower new hire salaries, higher planned allocations of employee's time to capital budget and reimbursable study efforts, and lower employee benefit costs. The noted decreases were partially offset by an increase in Depreciation Expense due to the refinement of capital budget projects and estimated go-live dates.

The 2027 capital budget is \$45.0 million which represents a \$2.5M or 5.9% increase over the 2026 capital budget. Significant projects expected for 2027 include Capacity Auction Reforms implementation, Single Interval Market Clearing Engine Implementation (transitioning Real-Time study modes to nGEM

NEPOOL Participants Committee Members and Alternates

September 3, 2026

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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 capital budget is consistent with the preliminary 2027 capital budget presented in June. The presentation included with this memorandum includes a list of projects by strategic goal that are currently chartered and on-going or in planning/conceptual design.

I will be available during the meeting for any questions regarding the 2027 Budgets. Please also feel free to reach out to me after today with any additional comments or questions regarding the 2027 Budgets.

SEPTEMBER 3, 2026

ISO New England Proposed 2027 Operating and Capital Budgets

NEPOOL Participants Committee Meeting



Kelly Reyngold

CHIEF FINANCIAL OFFICER



Contents of Presentation

The Presentation Includes:

- Executive Summary (Slides 4 – 9)
- The Strategic Planning Process (Slides 10 – 15)
- 2027 Budget Overview (Slides 16 – 29)
- 2027 Detailed Budget Changes by Strategic Goal (Slides 30 – 41)
- 2027 Budget Resourcing Needs (Slides 42 – 46)
- Forward Looking Capital Budget Spending (Slides 48 – 54)
- Capital Budget Summary (Slides 55 – 59)
- Capital Structure and Cash Flow (Slides 60 – 62)



Contents of Presentation *(cont.)*

The following appendices are also included for reference:

- Appendix 1: Compensation
- Appendix 2: 2027 Operating Budget Risks
- Appendix 3: 2026 Deliverables and Select Metrics
- Appendix 4: Examples of Innovation and Use of Artificial Intelligence
- Appendix 5: ISO/RTO Financial Comparison



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 4 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

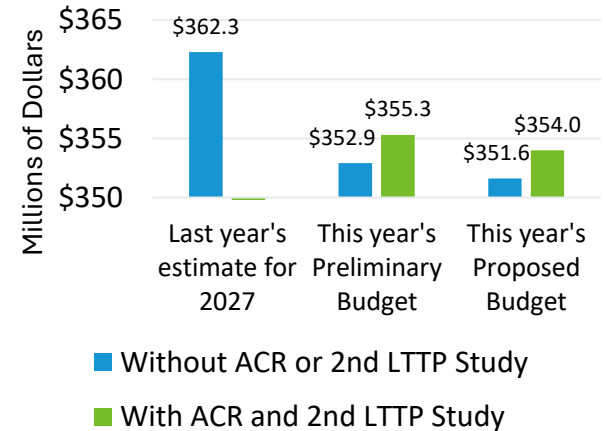
- As ISO-NE seeks to offer increasing value to the region, we have allocated, as separate line items, \$2.4M to initiatives requested by the states and other stakeholders:
 - Asset Condition (AC) Reviewer (\$2.2M)
 - Other AC Reviewer related costs, not included in the amount above, for existing ISO staff (e.g., legal, management, and support) will be incurred 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



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 (LTP) Study
- The current proposed 2027 ISO-NE budget is \$354.0M and includes costs for AC Reviewer and LTP
 - Excluding costs for AC Reviewer and LTP, the proposed 2027 budget is \$351.6M, which constitutes a decrease of \$10.7M or 3.0% from the previously projected budget
 - The proposed (bottom-up) budget is \$1.3M lower than the preliminary (top-down) budget presented with stakeholders in June
 - For further details on changes between the 2027 preliminary budget and 2027 proposed budget see the *2027 Budget Overview* section of this presentation

2027 Budget



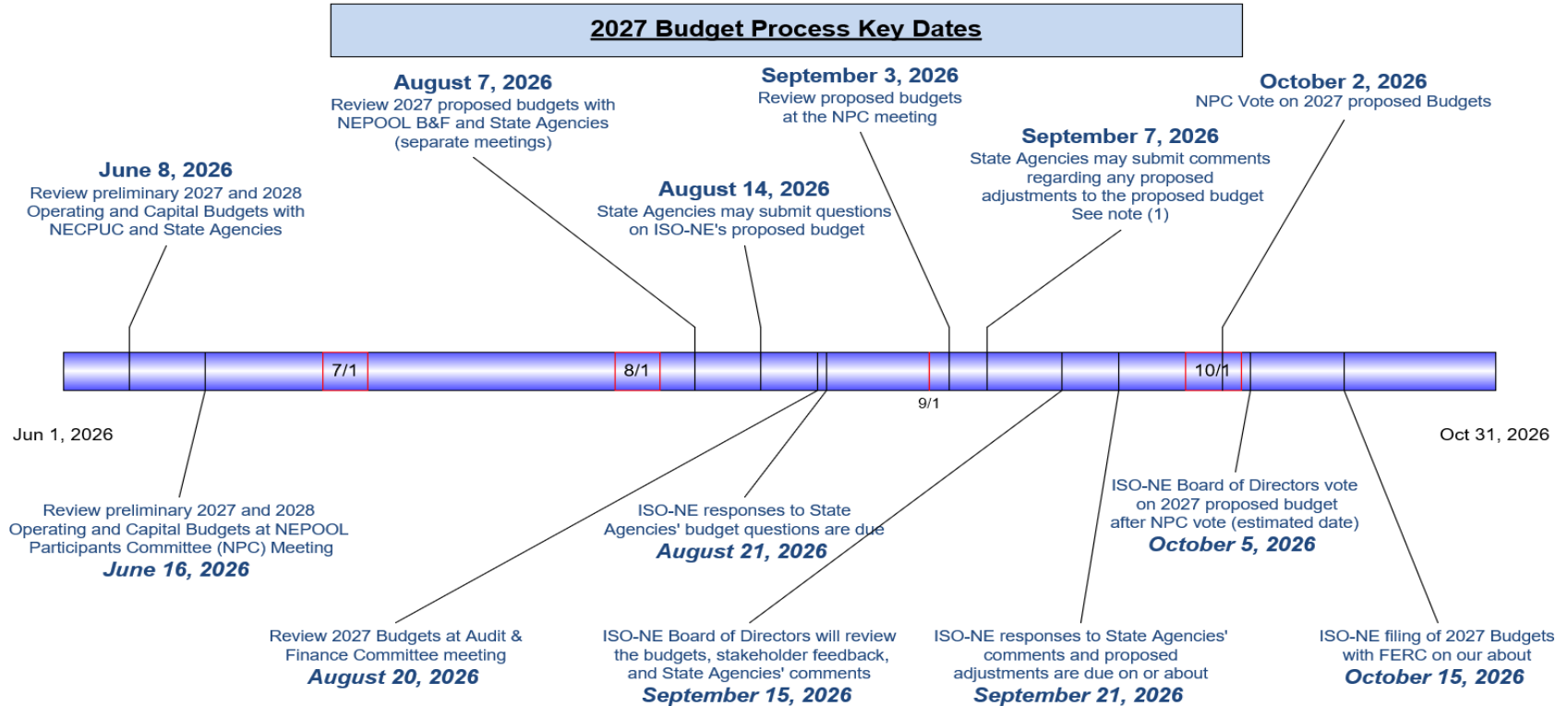
Executive Summary

- 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



2027 Budget Process – Key Dates

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a



(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.

THE STRATEGIC PLANNING PROCESS

ISO-NE's integrated business and strategic planning framework



Annual Process – Business and Strategic Planning

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2016 MEETING AGENDA ITEM #5.a

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



Our Guidepost: The ISO New England Vision Statement

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



Vision Statement:

To harness the power of competition and advanced technologies to reliably plan and operate the grid as the region transitions to clean energy

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

Our Responsibility to the Region: ISO's Mission

NEPOOL PARTICIPANTS COMMITTEE
SEP 3 2016 / AGENDA ITEM #5.a

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

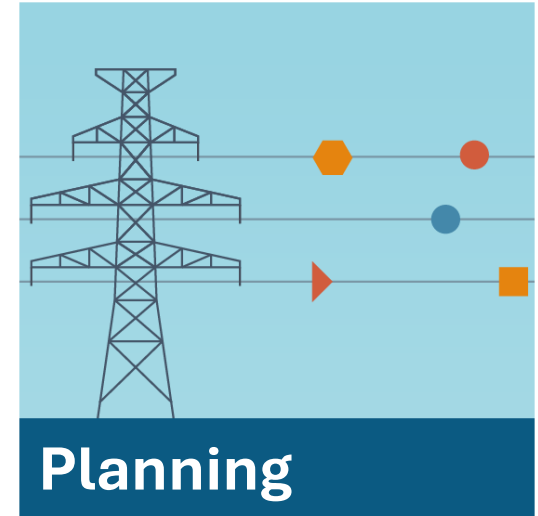
NEPOOL PARTICIPANTS COMMITTEE
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Coordinate and direct the flow of electricity over the region's high-voltage transmission system



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

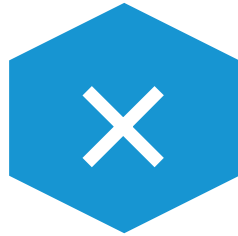
Functions Outside of ISO Jurisdiction

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a

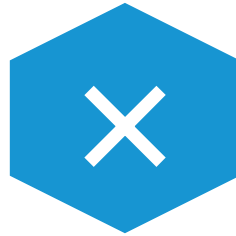
The ISO does not...



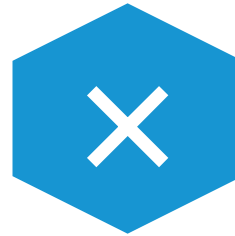
Handle
retail electricity



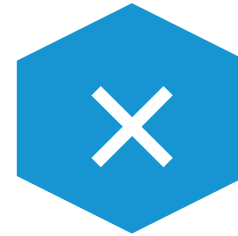
Own power grid
infrastructure



Have a stake in
companies
that own grid
infrastructure



Have
jurisdiction
over fuel
infrastructure



Have control
over siting
decisions



Plan the
resource mix



2027 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 Budget Overview

- In preparing the 2027 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 proposed baseline budget is **\$21.6M or 6.5%** above the 2026 approved budget
 - This reflects a \$10.7M (3.0%) 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 proposed 2027 budget by **\$2.4M** resulting in a total increase of **\$24.0M (7.3%)** 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 \$32.0M increase

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

2027 Budget Overview (cont.)

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

- The proposed 2027 budget presented today is the bottom-up detailed budget (prepared with input from each ISO business unit and refinements to preliminary estimates), compared to the top-down budget presented in June (that included preliminary estimates); the detailed bottom-up budget resulted in a \$1.3 million decrease compared to the preliminary top-down version:
 - Decreases included changes in Salary and Overhead estimates with savings related to lower new hire salaries, higher planned allocations of employee's time to capital budget and reimbursable study efforts, and lower employee benefit costs
 - Increases were largely for higher estimated Depreciation Expense due to the refinement of capital budget projects and estimated go-live dates

* The changes noted above represent revisions to the preliminary (top-down) 2027 Budget presented to State Agencies and NEPOOL in June. Compared to the budget presented to the Audit & Finance Committee in May, ISO-NE management reduced the budget by \$1.4 million before presenting it to State Agencies and NEPOOL. The reduction reflects refined estimates for Computer Services and Professional Fees.

2027 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 proposed 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 Proposed 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

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SEP 3, 2026 MEETING, AGENDA ITEM #5.a

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; 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; Interconnection Request System upgrades; 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	Monthly Consumer Cost Impact *
Inflationary and Strategic Staffing to Sustain Operations	3.0%	\$ 9,200,800	\$0.00007	\$0.05
Technology and Innovation Resources	2.2%	\$ 6,783,800	\$0.00006	\$0.04
Market and Transmission Initiatives	1.6%	\$ 5,123,000	\$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	\$0.00007	\$0.05
Total Change in Revenue Req for 2027:	10.2 %	\$32,021,400	\$0.00026	\$0.19

*Monthly Consumer Cost Impact is based on 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
 - Synchopasor 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⁽¹⁾
 - 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
- Computer Services⁽¹⁾ including support costs for new or enhanced systems that have/will become operational in 2026 and 2027
 - nGEM Real-Time Market Clearing Engine
 - CIP Synchrophasor 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
- Remaining competitive in compensation and benefits in what is still a tight labor market for the skillsets needed at the ISO

⁽¹⁾ 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:

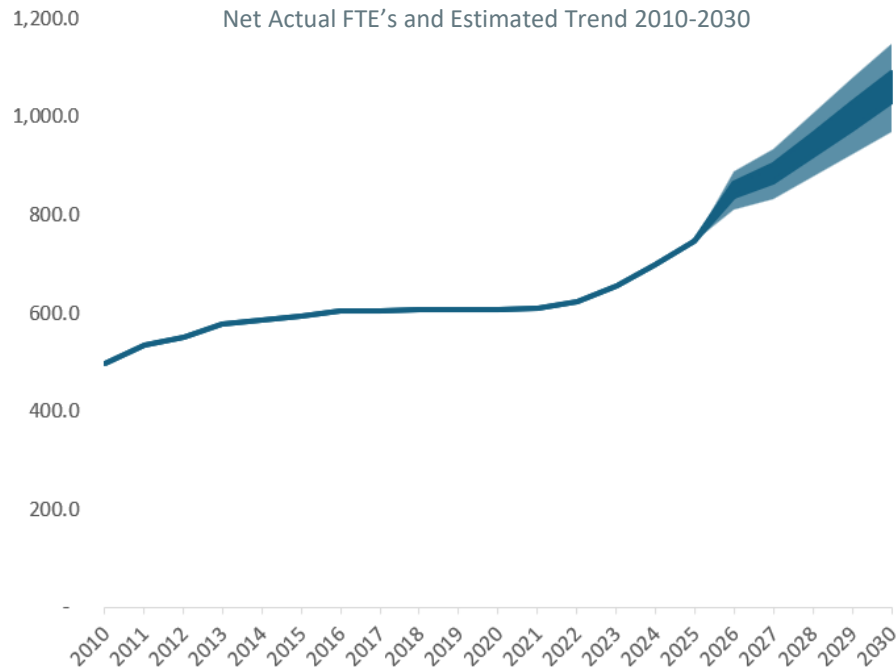
- AI and ML for software development and innovation
 - Utilization of AI and ML for items noted on the previous slide
 - Other examples include uses such as On-Line Weather Look-Ahead Study to estimate transmission outages under severe weather and pump storage forecast in 21-day Energy Assessment
- Ongoing 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

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

ISO-NE PARTICIPANTS COMMITTEE
JAN 3, 2026 MEETING, AGENDA ITEM #5.a

Electric grid transition driving FTE needs:

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

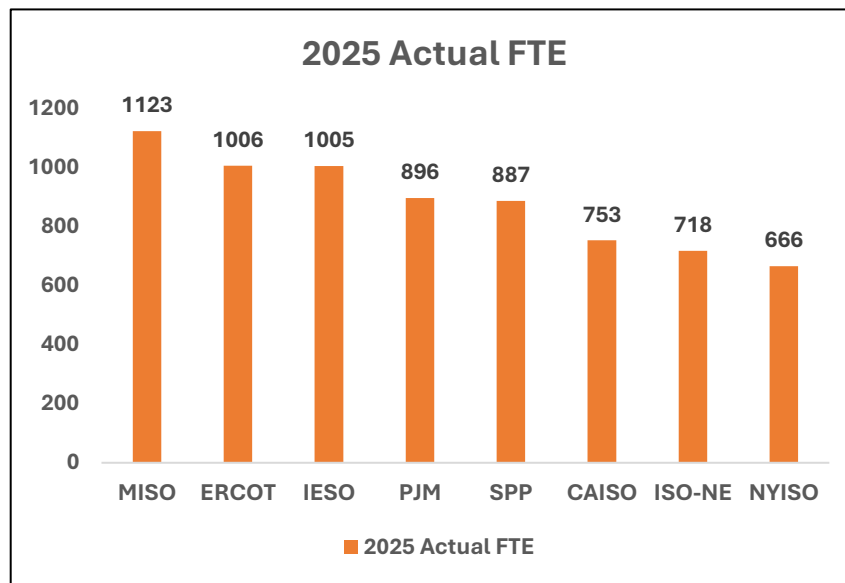
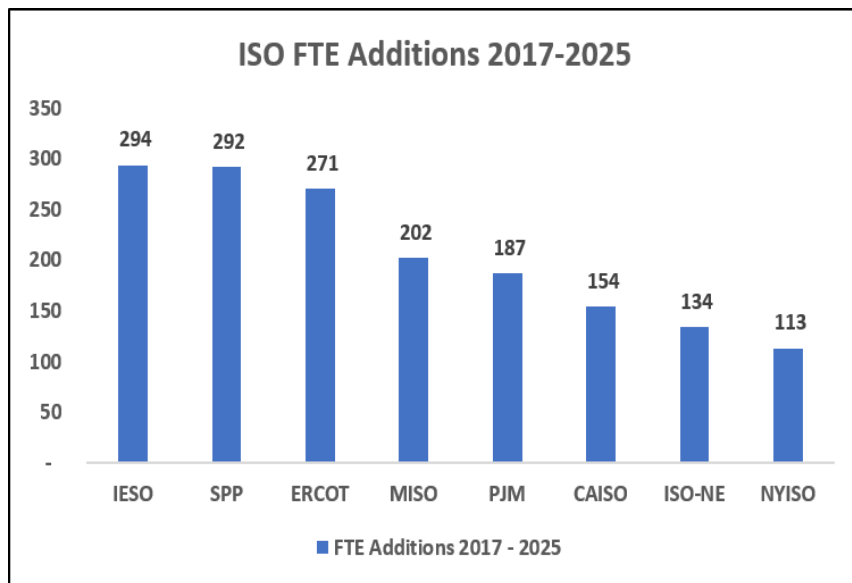


The above chart includes actual FTE's through 2025 with an estimated range of FTE's through 2030.

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

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

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



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

2027 Proposed Capital Budget Overview

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a

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 by three primary drivers as explained in further detail on slides 49 to 54
 - 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 slides 57 to 59)

2027 Budget – 5 Year Comparison

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a

	%		%		%		%		
(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	\$302.3	7.3%	\$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
Total Cash Budget	\$347.3	7.1%	\$324.3	7.1%	\$302.7	11.6%	\$271.3	15.2%	\$235.4
Operating Budget Before Depr and Regulatory Fees	\$302.3	7.3%	\$281.8	8.3%	\$260.2	10.1%	\$236.3	17.0%	\$201.9
Depreciation and Regulatory Fees	\$51.7	7.3%	\$48.2	4.2%	\$46.2	13.8%	40.6	6.1%	38.3
Revenue Requirement Before True-up	354.0	7.3%	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)
Revenue Requirement	\$346.4	10.2%	\$314.4	1.0%	\$311.2	13.6%	\$273.9	21.4%	\$225.6
Forecast – TWhs (1)	124.6	(0.0)%	124.7	0.9%	123.6	1.7%	121.5	(0.0)%	121.5
\$/KWh Rate	\$0.00278	10.2%	\$0.00252	0.1%	\$0.00252	11.7%	\$0.00225	21.4%	\$0.00186
Monthly Consumer Cost (2)	\$2.08		\$1.89		\$1.89		\$1.69		\$1.39

(1) 2027 Forecast based on May 2026 CELT Report (Schedule 1.5.2 - Net Annual Energy - Gross (without reductions)). All other years based on CELT Report for the applicable year, which can be found on www.iso-ne.com.

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

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

2027 Detailed Budget Changes by Strategic Goal



2027 ISO-NE Strategic Goals

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a

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

Responsive Market Designs:

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

Progress and Innovation:

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

Operational Excellence:

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

Stakeholder Engagement:

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

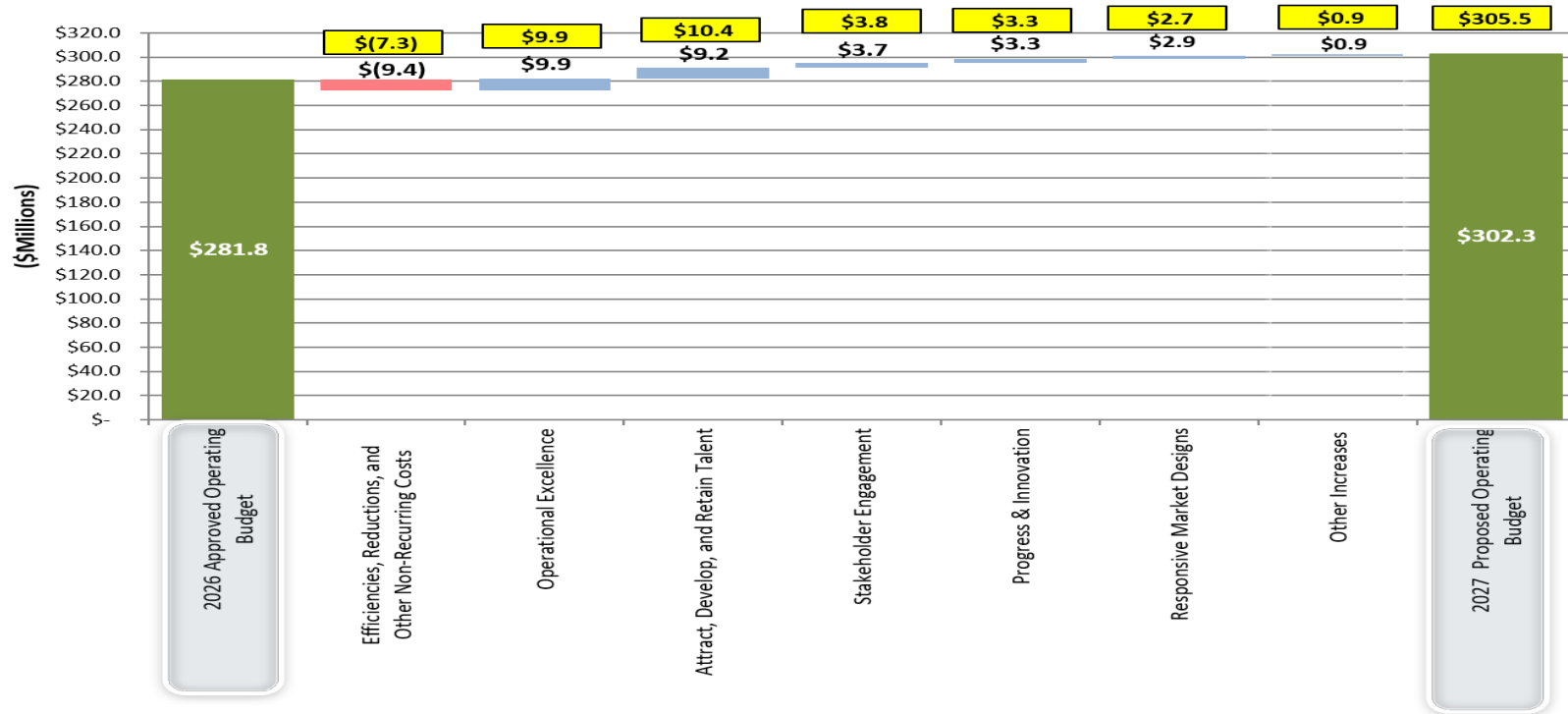
Attract, Develop, and Retain Talent:

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

2027 Budget

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #5.a

Changes in budget by Strategic Goal



Note: Items in yellow above represent the estimate that was included in the 2027 preliminary budget presented in June 2026.

2027 Budget Details

Efficiencies, Reductions, and Other Non-Recurring Costs⁽¹⁾

Reductions include: (\$9.4M)

- 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 salary costs from retirements and backfilling positions with less experienced staff (\$1.3M)
- Reductions as a result of higher staff time planned towards capital budget and reimbursable study efforts (\$1.3M)
- Lower required contributions reflect favorable investment performance and the impact of a recent pension lift-out, supporting ongoing plan de-risking (\$1.0M)
- Elimination of the Holyoke facility land lease resulting from the purchase of the property in the second quarter of 2026 (\$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 Budget Details

Efficiencies, Reductions, and Other Non-Recurring Costs⁽¹⁾

Reductions include: (\$9.4M) (cont.)

- Reduced reliance on workforce security consulting through the repurposing of an existing FTE (\$0.3M)
- Favorable impact from increased interest income driven by higher settlement account balances (\$0.2M)
- Reduction for Market Monitoring 2026 support for a technology assessment that was completed (\$0.1M)

(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 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, to 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 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

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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 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

Goal 5: Attract, Develop, and Retain Talent: \$9.2M

- 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)
- Increase in employee incentive compensation aligned with market data and survey benchmarks, and increased investment in employee recognition programs (\$1.3M)
- Higher employee benefit costs, primarily driven by medical and dental trend increases and growth in participation in the Defined Contribution Benefit Plan (\$0.8M)
- 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 Budget Details *(cont.)*

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Detailed allocation by Strategic Goal/2027 Initiatives

Goal 4: Stakeholder Engagement: \$3.7M

- Funding to establish the AC Reviewer⁽²⁾ 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 (\$0.2M)
- Inclusion of funding for potential LTPP study anticipated to be requested in 2027 (\$0.2M)
- Funding for 0.5 FTE in Legal to support annual RFP activities associated with LTPP 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 Budget includes 7 planned FTE additions, with funding provided for 5 FTEs to reflect the phased hiring approach and expected onboarding timeline.

2027 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 Phasor Measurement Units utilized by the ISO and provide real-time grid monitoring and decision-making capability (\$0.2M)

2027 Budget Details *(cont.)*

Detailed allocation by Strategic Goal/2027 Initiatives

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Goal 1: Responsive Market Designs: \$2.9M

- 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 (\$0.2M)
- Data subscription increases including funding for CAR related fuel indexing (\$0.1M)

2027 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)



2027 BUDGET RESOURCING NEEDS



2027 Budget Resourcing Needs

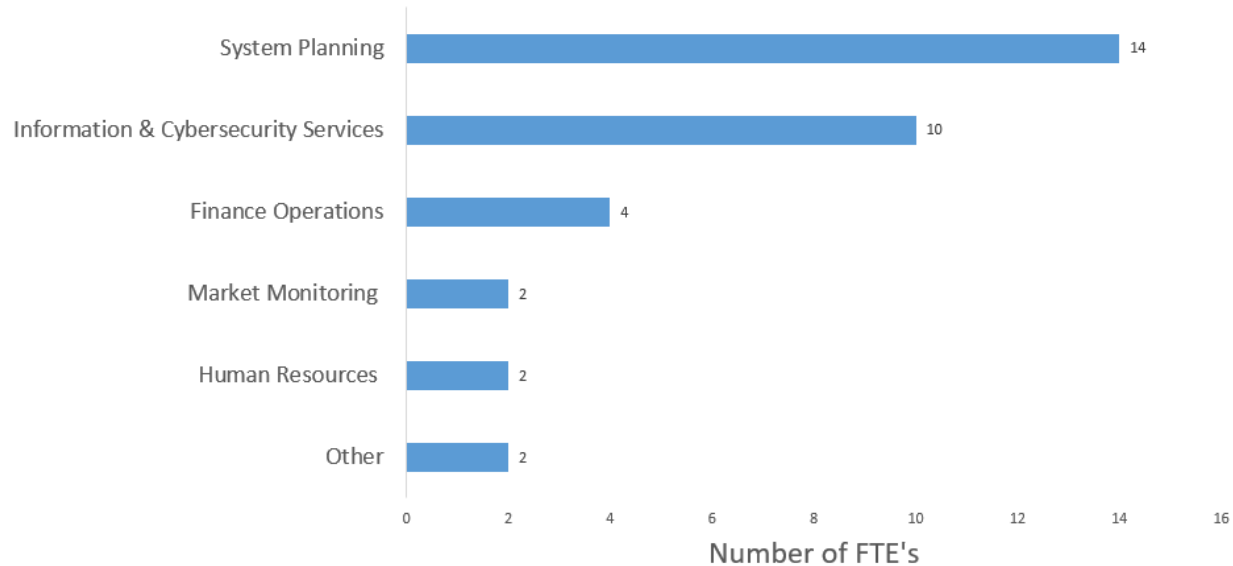
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Repurposed Positions

- The ISO evaluates each position that becomes vacant to determine the continued need in that area and for possible repurposing for use in other areas of the organization
 - Since 2018 this has resulted in 56 positions, including 8 to-date in 2026, being repurposed for other work where a more urgent need existed
 - Positions repurposed since 2018 include: 12 for Information Technology for Software Development, Cyber Security, Power System Modeling, Application Support, Site Reliability, Infrastructure and Digital Transformation; 10 for Human Resources for talent strategy & recruiting, training support, and benefits administration; 8 for System Operations & Market Administration for Energy Security, Asset Registration & Auditing, Control Room Operations, and Operations Training; 6 for Market Development analysis and market design work; 4 for Finance for Financial Planning, FinOps analysis and fixed asset accounting; 2 for Advanced Technology Solutions; 2 for Market Monitoring; 2 for Market & Credit Risk; 2 for Participant Support; 2 for Corporate, Media, and Digital Communications; 2 for Corporate Strategy & Compliance; 1 for Load Forecasting to replace a contract position; 1 for Resource Studies & Assessments; 1 for External Affairs; and 1 for Settlements

Requested Additional Headcount for 2027

Summary of FTE adds by department (gross) for 2027 budget



The 2027 budget includes funding for the recruitment of 34 additional positions, representing 27.0 full-time equivalents (FTEs), as well as the carryover of deferred funding for 6.5 positions from the 2026 budget. Headcount increases reflected as "Other" in the graph include one position in Advanced Technology Solutions (ATS) and one position in External Affairs & Corporate Communications.



2027 Budget Resourcing Needs (cont.)

In 2027 there are 34 FTE (gross) additions as follows:

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14.0 FTEs System Planning	Strategic Goal(s)
Resources to support pre/post Capacity Auction Reforms (CAR) efforts including capacity requirement & accreditation with engineering, analysis, and data science; for expanding needs of Short-Term Load Forecasting (STLF) to improve zonal modeling, increased inputs for weather forecasts, and inclusion of Distributed Energy Resources (DERs) and other retail programs; additional support for generation interconnections under Order 2023 with shortened timeframe and hard deadline requirements with financial penalty implications; initial buildout of Asset Condition Reviewer team including organizational design, staffing, priorities, team management, stakeholder interface, engineering (evaluate condition data, failure modes, obsolescence, transmission owner practices, and standardization opportunities), and project management	Operational Excellence; Progress and Innovation; Stakeholder Engagement
10.0 FTEs Information & Cybersecurity Services	
Resources for Artificial Intelligence (AI) related to Agentic AI, Solutions Architecture, AI governance and configuration, and end user support and liaison; engineering staff for automated testing; architecture; infrastructure; site reliability engineering; and expansion and knowledge transfer for Energy Management applications	Progress and Innovation; Operational Excellence; Responsive Market Designs
4.0 FTEs Finance Operations	
Resources to support facility operations and maintenance associated with campus growth, expanded financial planning and budgeting capabilities, and increased administrative support to meet growing operational, reporting, and business requirements across the organization	Operational Excellence

2027 Budget Resourcing Needs (cont.)

In 2027 there are 34 FTE (gross) additions as follows: (cont.)

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2.0 FTEs Market Monitoring	Strategic Goal(s)
Resources to support market monitoring and oversight activities, including enhancement of internally developed applications, data analytics, dashboards, and AI-enabled tools; expanded economic and quantitative analysis capabilities to address increasing market complexity, advanced forecasting and modeling needs, risk assessments, and evaluation of market outcomes under evolving market rules and system conditions	Progress and Innovation; Operational Excellence
2.0 FTEs Human Resources	
Resources to support organizational growth, employee engagement, workforce planning, leadership development, change management, and employee relations activities, as well as expanded HR technology, analytics, process automation, AI adoption, and workforce reporting capabilities to improve efficiency, decision-making, and organizational effectiveness	Attract, Develop & Retain Talent; Operational Excellence
2.0 FTEs Other	
ATS resource to support ISO New England's mission of ensuring reliable, resilient, and secure grid operations amid increasing system complexity and renewable integration, and provide dedicated leadership for enterprise-grade AI innovation across Operations, Planning, and Markets; Communications role that will focus on creating and scheduling social media posts and other written content, and will also assist with media relations, emergency communications, and employee communications	Stakeholder Engagement, Attract, Develop, & Retain Talent, Progress & Innovation

34.0 FTE's Total 2027 Proposed FTE Additions



Questions



Forward Looking Capital Budget Spending



Forward Looking Capital Budget Spending

- The capital budget over the next five years and beyond will continue to support the Company's strategic goals with specific focus on three primary drivers:
 - 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 budgets 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

Forward Looking Capital Budget Spending (cont.)

nGEM Platform Replacement

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- 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

Forward Looking Capital Budget Spending (Cont.)

Major Market and Reliability Related Efforts

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- 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 53) 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

Forward Looking Capital Budget Spending (cont.)

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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

Forward Looking Capital Budget Spending (Cont.)

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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

Forward Looking Capital Budget Spending (Cont.)

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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

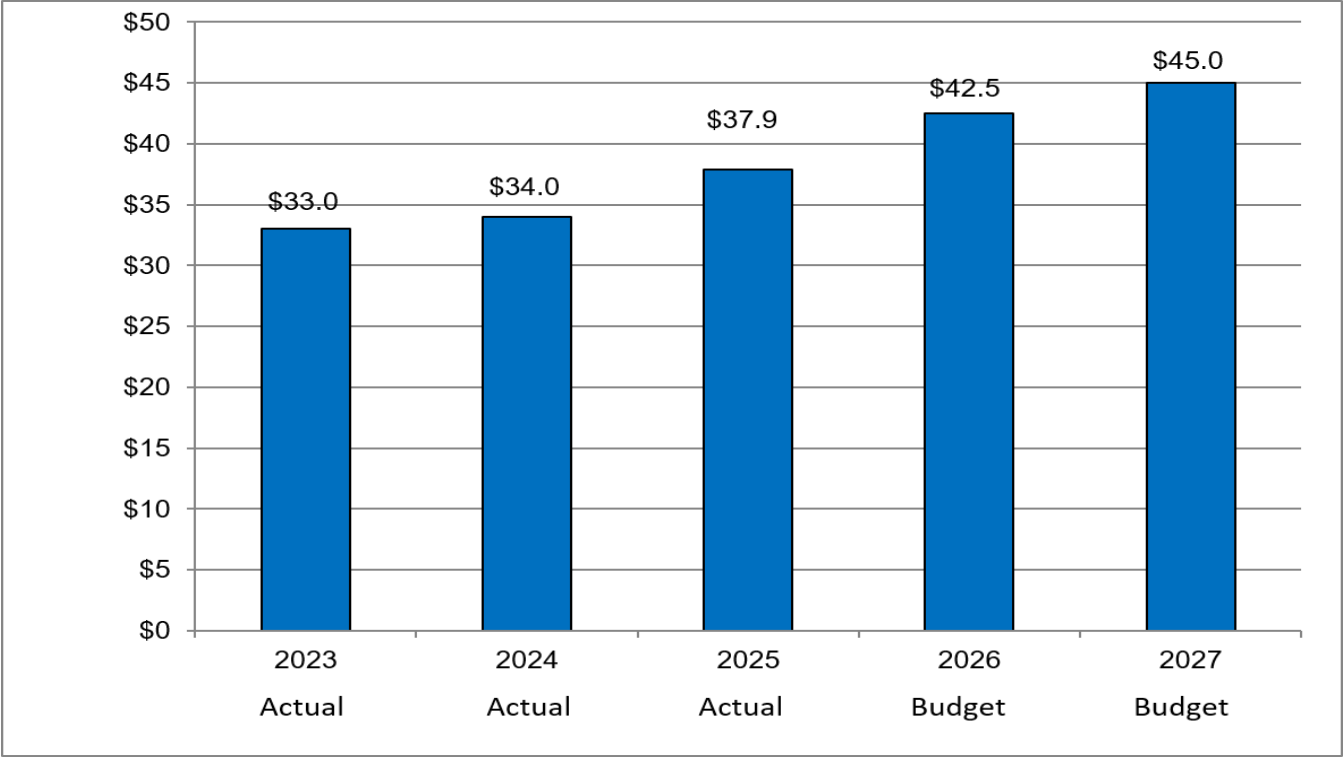
CAPITAL BUDGET SUMMARY



Capital Budget

Historical Comparison Capital Expenditures

Average +/- \$38.5M



Capital Budget

2027 Expenditures

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Goal: Responsive Market Designs

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. EMP 3.5 Upgrade - GridOS	\$4.0 M	\$6.9 M	09/2028	Conceptual Design
. GridOS Connect	\$1.3 M	\$1.9 M	12/2027	Conceptual Design
. Settlement & Financial Assurance for Capacity Auction Reform	\$1.2 M	\$1.9 M	03/2028	Conceptual Design
. Capacity Management Tracking System for CAR Phase I	\$1.5 M	\$1.7 M	06/2027	Conceptual Design
. Capacity Management Tracking System for CAR Phase II	\$1.0 M	\$1.6 M	03/2028	Conceptual Design
. Performance Audit Changes for CAR	\$1.0 M	\$1.5 M	03/2028	Conceptual Design
. Resource Adequacy Assessment & Accreditation for CAR	\$0.9 M	\$1.2 M	06/2027	Conceptual Design
. Auctions Clearing Engine for CAR	\$0.8 M	\$1.1 M	06/2028	Conceptual Design
. Integrated Market Simulator Usability	\$1.0 M	\$1.1 M	12/2027	Conceptual Design
. DASI Benchmark Calculation Enhancements	\$0.5 M	\$0.7 M	12/2027	Conceptual Design
. CAMS - Order 2222 Enhancements	\$0.5 M	\$0.5 M	06/2027	Conceptual Design
Total:	\$13.7 M			

Goal: Progress and Innovation

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Single Interval MCE Improvements (SIMI)	\$5.0 M	\$13.3 M	12/2028	Conceptual Design
. Advanced Technology Initiatives	\$3.0 M	\$3.0 M	12/2027	Conceptual Design
. Migration of Market Information System (MIS) File Transfer Protocol (FTP) to Cloud	\$0.1 M	\$0.5 M	04/2027	In Development
Total:	\$8.1 M			

Capital Budget

2027 Expenditures (cont.)

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Goal: Operational Excellence

Project	2027 Budget	Total Project Cost	Estimated Completion Date	Project Stage
. Space Utilization Phase II	\$3.0 M	\$9.0 M	03/2028	Conceptual Design
. Non-Project Capital Expenditures	\$7.5 M	\$7.5 M		
. MW Dependent Fuel Price Adjustment	\$1.1 M	\$2.6 M	08/2027	Conceptual Design
. 2027 Issue Resolution Projects	\$1.5 M	\$1.5 M	12/2027	Conceptual Design
. Enterprise Resource Planning (ERP) Enhancements	\$0.5 M	\$1.3 M	12/2027	Conceptual Design
. Settlement Market System Technology Upgrade	\$0.6 M	\$1.2 M	07/2027	In Development
. EMT Model Repository	\$0.7 M	\$1.1 M	06/2028	Conceptual Design
. Total Transfer Capability Utility (TTCU) Implementation for Resource Outage Coordination	\$0.2 M	\$1.1 M	05/2027	In Development
. Microsoft 365 Phase III	\$0.1 M	\$0.9 M	03/2027	In Development
. Circuit Inventory Management Platform Phase II	\$0.2 M	\$0.7 M	12/2027	Conceptual Design
. Tie Line Telemetry Replacement	\$0.5 M	\$0.7 M	06/2027	Conceptual Design
. Replace Employee & Pager Application	\$0.5 M	\$0.6 M	12/2027	Conceptual Design
. Atlassian to Cloud Phase II	\$0.5 M	\$0.5 M	12/2027	Conceptual Design
. PowerGADS Update for Capacity Auction Reforms	\$0.4 M	\$0.5 M	06/2027	Conceptual Design
. Next-Generation Electronic Dispatch & Reliability Voice Networks	\$0.3 M	\$0.5 M	12/2027	Conceptual Design
. CIP Electronic Security Perimeter Network Services	\$0.3 M	\$0.3 M	09/2027	Conceptual Design
Total:		\$17.9 M		

Capital Budget

2027 Expenditures Summary

2027 Capital Budget Expenditure Summary

Allocation Category	2027 Budget
Goal: Responsive Market Designs	\$13.7 M
Goal: Operational Excellence	\$17.9 M
Goal: Progress and Innovation	\$8.1 M
Other Emerging Work	\$4.1 M
Capital Interest	\$1.2 M
Total:	\$45.0 M



CAPITAL STRUCTURE AND CASH FLOW



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 six months ended June 30, 2026, the ISO's total weighted average cost of capital was 3.32%, excluding fees charged on the various debt financing; fees ranged from .075% to .38%

Capital Structure and Cash Flow

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(\$ in thousands)	2026 Forecast	2027 Budget	2028 Forecast	2029 Forecast	2030 Forecast
Cash flows from operating activities:					
Operating Cost Recovery *	\$ 283,286	\$ 302,079	\$ -	\$ -	\$ -
Non Cash Items:					
Depreciation, Amortization & G/L on Disposals	38,064	40,700	48,236	49,700	49,712
Amortization Term Loan Fees	90	90	100	106	106
Chg in Accrued Expenses & Deferred Revenue-Depreciation	(28,584)	-	-	-	-
Interest Expense	(3,570)	(3,676)	-	-	-
Operating Expenses, net of CEO Emerging Work & Allowance & Board Contingency *	(272,549)	(309,564)	-	-	-
Net cash provided by operating activities	16,737	29,629	48,336	49,806	49,818
Cash flows from investing activities:					
Capital expenditures-Whiting Farms Road	(14,500)	(35,500)	(10,000)	-	-
Capital expenditures	(42,500)	(45,000)	(46,500)	(48,500)	(50,000)
Net cash used in investing activities	(57,000)	(80,500)	(56,500)	(48,500)	(50,000)
Cash flows from financing activities:					
Net Proceeds/(Repayment) - Revolving Credit Line	-	8,500	2,000	4,000	4,000
Proceeds - Tax Exempt Bonds for MCC (WFR)**	14,500	35,500	10,000	-	-
Repayment of Principal - Private Placement	-	-	-	-	-
Repayment of Principal - Tax Exempt Bonds	(3,180)	(3,180)	(3,993)	(4,440)	(4,514)
Net cash provided by (used by) financing activities	11,320	40,820	8,007	(440)	(514)
Net increase/(decrease) in cash	(28,943)	(10,051)	(157)	866	(696)
Cash & Cash Equivalents on Hand - Beginning of Period	40,253	11,310	1,259	1,102	1,967
Change in Cash & Cash Equivalents Available	(28,943)	(10,051)	(157)	866	(696)
Cash & Cash Equivalents on Hand - End of Period	\$ 11,310	\$ 1,259	\$ 1,102	\$ 1,968	\$ 1,271
Debt Maturity Schedule					
Tax Exempt Bond - BCC	1,360	1,360	1,360	1,360	1,360
Tax Exempt Bond - MCC	1,820	1,820	1,820	1,820	1,820
Tax-Exempt Bonds for MCC (WFR)	-	-	813	1,260	1,334
Total Year Repayment	\$ 3,180	\$ 3,180	\$ 3,993	\$ 4,440	\$ 4,514

*= Operating Cost Recovery for 2026 has decreased by an overcollection in 2024 of \$15,601 which was not amortized in 2025 but included in the 2026 tariff. The overcollection of \$7,617 from 2025 will be filed with the 2026 tariff and reflected in the Operating Cost Recovery for 2027. The Operating Cost Recovery for 2027-2030 is projected to offset Operating Expenses for 2027-2030. The Operating Cost Recovery amount for 2027-2030 has not yet been established at this point.

**= On April 30, 2026, ISO New England secured a \$60M financing agreement with TD Bank to develop a new office building. The funding, issued via Mass Development Finance Agency Revenue Bonds, will fund a 79,000 SF, 3-story amenity building at 115 Whiting Farms Road. The 25-year bond features an initial 2-year, interest-only period.

Questions



APPENDIX 1: COMPENSATION



Process for Establishing Salary Budget Increases

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



Process for Establishing Salary Budget Increases (cont.)

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

Process for Establishing Salary Budget Increases (cont.)

- In 2022, to address competitive challenges related to the grid transition and evolving resource mix, particularly those specified on Slides 68 and 69, ISO engaged a compensation consulting firm to conduct more detailed, 1-for-1 job-specific benchmarking to establish competitive rates of pay for our highly skilled and in-demand workforce
- Supplementing the salary budget survey data with job-specific benchmarking allows us to better ensure that we are providing competitive rates of pay to our current employees, as well as attracting the necessary talent to be successful in the future
- Benchmarking was completed in 2025. In 2026 the focus is building sustainable processes to ensure our salary budget supports our ability to maintain competitive rates of pay and internal equity.
- A summary of the survey results and managements' recommendation is presented to the Compensation and Human Resources Committee of the Board of Directors for approval

Competitive Challenges

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

Competitive Challenges *(cont.)*

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

Competitive Challenges *(cont.)*

- With the limited national survey information currently available, and insights from other ISO's, we are currently budgeting 3.5% for merit and 1.0% for promotions and adjustments for 2027 in order to maintain competitive market positioning

Merit and Promotion/ Adjustment History	2023	2024	2025	2026	2027
Merit	4.0%	4.0%	4.0%	4.0%	3.5%
Promotion/Adjustments	1.75%	4.0%	2.0%	1.5%	1.0%
Total	5.75%	8.0%	6.0%	5.5%	4.5%

Executive Compensation

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

Executive Compensation *(cont.)*

- The Compensation and Human Resources Committee of the Board of Directors and the full Board of Directors review the Mercer Reasonableness Opinion and use it to finalize their decisions regarding each executive's compensation
- Executive compensation is reported in ISO-NE's annually filed IRS Form 990
 - This public filing is required for all tax-exempt companies and depicts officer compensation in detail
 - In addition to annual compensation, the data includes incremental increases in accrued pension benefits and other potential future compensation not yet received by the executive
- 2027 Budget for Executive Salaries \$4.7M
 - Executive salaries comprise the base salaries of the officers on the IRS Form 990

Pension and Defined Contribution Benefit Plans in 2027

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



Pension and Defined Contribution Benefit Plans in 2027 (cont.)

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- Defined Benefit Pension Plan: Consistent with the 10-year approach adopted in 2016, the 2026 Pension Plan expense will follow a level funding approach, rather than including the expense amount as calculated under FASB's Compensation – Retirement Benefits (ASC Topic 715)
 - The level funding approach will reduce the year over year volatility of the Pension Plan expense while still providing reasonable assurance that the Pension Plan is sufficiently funded
 - The Pension Plan's level-funded contribution for 2027 has been reduced by \$1.0 million to a budgeted \$9.0 million, driven by favorable investment performance and the impact of a recent pension lift-out, further supporting the plan's ongoing de-risking strategy
 - In 2024 ISO's actuaries, Segal Consulting performed a detailed Asset Liability Modeling ("ALM") study to refresh the original analysis with current economic conditions; the study results confirmed the Company's level funding approach and the amount of level of funding was still appropriate
 - The Pension Plan expense that is included in the 2027 budget is \$9.0 million compared to the projected FAS expense of \$4.84 million

Postretirement Medical Benefit Plan in 2027

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- In 2014 ISO-NE looked at making changes to its benefit plan offerings; to better align with the industry, the decision was made to close the Postretirement Benefit Plan to new hires, effective January 2016; in addition, a modification was made to the criteria for when this benefit could start for those employees in the plan prior to January 1, 2016; the age and years of service requirements were increased, thereby reducing future benefits that could be paid
- Consistent with previous years' budgets, ISO-NE's actuaries prepared estimated 2027 Financial Accounting Standards (FAS) Expense for the Postretirement Benefit Plan
- Actuaries utilized the FTSE Pension Discount curve, and reflected the change in discount rates as of May 31, 2026 to estimate the discount rate used in the calculation of the Postretirement Benefit Plan; current rates approximate the forward curve rates
 - Discount Rates Selected Postretirement Benefit Plan 5.41%
 - Projected 2027 annual earnings rate 5.75% (approximately)
- The calculated FAS expense amount for the Postretirement Benefit Plan of \$545,000 is included in the 2027 budget

APPENDIX 2: 2027 OPERATING BUDGET RISKS



2027 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 3: 2026 DELIVERABLES AND SELECT METRICS



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

Capacity Auction Reforms (CAR)

- CAR consists of dozens of interconnected markets- and system planning-related initiatives, which could normally be their own anchor projects or notable initiatives, that must be planned and executed in a synchronized manner
- Stakeholder discussions on CAR's two remaining core reforms are expected to continue through 2026 and be filed with FERC in Q4
- The core reforms will be in place for the ISO to run the new capacity auction for a CCP that begins in 2028 (CCP 19)
- **2027:** As with the current capacity market, the ISO anticipates future refinements and conforming changes will be needed to reach a steady state design; in 2027, the ISO will begin working on its next stage of longer-term CAR roadmap items for further enhancements

Dynamic Operating Reserves for a Changing System

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

2026 Initiatives to Enhance the ISO's Ability to Integrate Emerging Grid Technologies – Progress and Innovation

Real-Time Market Clearing Engine (RT MCE)

- The ISO has been working to replace its 20+ year old Market Management System (MMS) with the next Generation Market Management (nGEM) platform, foundational to supporting a system with a growing number/type of grid assets, new and more complex market features, multiplying security threats, and advancing IT technologies
- Implementation of the real-time MCE software and infrastructure is targeted for Q2 2026; additional phases of nGEM implementation are expected through 2028

Order No. 2222: Participation of DER Aggregations in Wholesale Markets

- The ISO is developing the software and systems changes needed to implement the order compliance in Q4 2026

Order No. 881: Ambient Adjusted Line Ratings for Transmission Lines

- The ISO is developing the software and systems changes needed to implement the order compliance in Q4 2026

Inverter-Based Resource (IBR) Integration & Modeling

- In 2026, the ISO will continue the multi-year efforts in developing long-term solutions for an electromagnetic transient (EMT) model management process and model repository; the ISO will also apply advanced EMT simulation techniques in more operations studies to assist establishing operating limits

Synchrophasor Enhancements for Future Grid

- By Q4 2026, the ISO expects to implement the enhanced synchrophasor infrastructure in the CIP production environment to enable its operational use and better monitor the dynamic performance of IBRs and DERs during grid events in real-time, including the oscillation management tools/process and newly designed PMU situational awareness displays in the control room
 - The ISO will also enhance the post-event analysis capabilities through a new state-of-the-art cloud-hosted synchrophasor application

Integrated Market Simulator (IMS)

- In 2026, the ISO expects to introduce rolling time window and new reserve modeling capability into the IMS, implement and benchmark the energy storage model with production system, and start deploying IMS in a cloud environment

2026 Initiatives to Address the Needs of the Transmission System – Stakeholder Engagement

Advancing Asset Condition Reviewer Role, a NEPOOL and NESCOE Priority Request for the 2026 AWP

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

Implementing the New England States' First Competitive Solicitation for LTTP Solution (2025 LTTP RFP)

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

2026 Initiatives to Address the Needs of the Transmission System – Stakeholder Engagement *(cont.)*

FERC Order No. 1920, 1920-A, 1920-B Compliance

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

2026 Initiatives Improving Operations and Reliability

First Run of Formalized PEAT/REST Processes

- The ISO is committed to continuously assessing the probability of limited-energy shortfall risk under extreme weather events using the Probabilistic Energy Adequacy Tool (PEAT), comparing the modeled tail risk to the Regional Energy Shortfall Threshold (REST), and reporting its findings
- Beginning in 2026, the ISO began operationalizing the annual processes:
 - Seasonal Energy Assessments: Each year, the ISO will report to stakeholders pre-summer and pre-winter results
 - Long-Term (5- and 10-year) Energy Assessments: Each year, the ISO developed baseline input assumptions and scenario sensitivities with stakeholders in Q1 and will report results in Q4
- Proactive risk-to-action pipeline: Risk-trend data from the Long-Term Energy Assessments will guide evaluation of whether the possibility of exceeding the REST in those timeframes requires development of regional solutions to mitigate modeled risks and, if so, when to begin to develop solutions

Evaluating Surplus Interconnection Service Rules, a NEPOOL Priority Request for the 2026 AWP

- The Open Access Transmission Tariff includes surplus rules that permit new resources to interconnect to the system at the same site as an existing generator, using the existing resource's Unused Capability through assigned Interconnection Service and a streamlined Interconnection Study process
- In Q1 2026, the ISO kicked off stakeholder discussion to identify the objectives, issues, and scenarios driving stakeholders' inquiries around existing and future access and use of assigned Interconnection Service rules
- In 2026, The ISO is conducting a gap analysis of the use cases against the existing interconnection rules to determine the scope of potential solutions, which it will discuss with stakeholders along with the associated timing for any stakeholder and regulatory processes, as well as an implementation schedule for proposed solutions

Key Metrics – Responsive Market Designs

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

- Wholesale energy market is structurally competitive
 - Operating reserve margins remain relatively high
 - Residual Supply Index (RSI) scores meet expectations
 - Energy market mitigation is relatively infrequent
 - Markups in RT and DA markets were close to zero or negative
 - In 2025, withheld economic capacity relatively low
- Wholesale capacity market structurally competitive
 - RSI and Pivotal Supplier Test scores: no pivotal suppliers
 - Overall competitiveness increased with decrease in SENE zonal load forecast & increase in import capability limit

Key Metrics – Progress and Innovation

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

- Improve day-ahead load forecasting accuracy
 - Average accuracy for peak hours of the month meets ISO's standards, but average accuracy across all hours of month does not. See Monthly System & Market Operations report to NEPOOL for detail.
- Enhance programs to incorporate state policy objectives
 - Reflect state energy efficiency goals; PV and electrification growth in long-term forecasting methodology. See NEPOOL Load Forecast Committee & Planning Committee working groups
 - In 2026, ISO will identify a preferred solution project to the initial RFP for the longer-term transmission planning program
 - In 2026 ISO anticipates adding the full-time role of Asset Condition Reviewer
- Interconnect and register new resources to meet FERC established timeframes
 - Order 2023 Reporting metrics
 - Streamlined DER process through transferring all distribution system interconnection to state processes

Key Metrics – Operational Excellence

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

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

Key Metrics – Stakeholder Engagement

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

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

APPENDIX 4: Examples of Innovation and Use of Artificial Intelligence



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

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- *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 control room operations that 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

APPENDIX 5: ISO/RTO FINANCIAL COMPARISON



Financial Results Summary

ISO/RTO Financial Summary - 2025 Actual Results

Operating Expense and Capital Expenditures for Calendar Year 2025, and Outstanding Debt as of December 31, 2025 (1)

(Amounts in Millions)

	ISO-NE ⁽²⁾	PJM	NYISO	CAISO	IESO ⁽³⁾	MISO	SPP	ERCOT
Operating Expense - 2025	\$ 303.3	\$ 522.0	\$ 275.8	\$ 297.3	\$ 351.3	\$ 565.1	\$ 318.4	\$ 347.1
Less: Amortization & Depreciation	(35.0)	(39.0)	(23.2)	(21.3)	(32.7)	(41.0)	(20.1)	(47.0)
Regulatory Fees	(9.2)	(106.2)	(21.3)	-	-	(83.4)	(38.2)	-
Grant Expenses	-	-	-	-	-	-	-	-
Net Operating Expense - 2025	\$ 259.1	\$ 376.9	\$ 231.3	\$ 276.0	\$ 318.6	\$ 440.7	\$ 260.1	\$ 300.1

Other Financial Data

Capital Expenditures for 2025	\$ 39.0	\$ 48.8	\$ 14.0	\$ 40.8	\$ 53.7	\$ 31.5	\$ 27.7	\$ 55.1
Outstanding Debt as of 12/31/25	\$ 105.1	\$ -	\$ 77.0	\$ 139.1	\$ 350.0	\$ 291.5	\$ 95.8	\$ 2,398.9

Actual full-time equivalent headcount as of 12/31/25	717.5	896.0	666.0	753.0	1005.0	1123.0	887.0	1006.0

(1) Applicable amounts were taken from each entity's 2025 audited financial statements.

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

(3) Amounts are in Canadian dollars

Questions



Submitted by Connecticut PURA and Massachusetts DPU

State Agencies' Questions to ISO-NE Regarding Proposed 2027 Budget

1. Please provide an unlocked Excel workbook with formulae intact supporting the headcount projections in slide 26,¹ including:
 - a. Vacancy rate application
 - b. Layer-in timing for new hires
 - c. Burden rate components
 - d. Allocation of staff time to capital/internal development
 - e. Incentive compensation pool calculation

ISO-NE's Response:

The graph on Slide 26 is an illustrative projection based on observed trends and is subject to numerous variables, as noted on the slide. These variables include, but are not limited to, the resources interconnected to the grid, additional responsibilities assumed by ISO New England, evolving regulatory requirements, and other factors that may increase the complexity of ISO's operating environment. As a result, future staffing levels, as well as the composition of that workforce, could vary significantly depending on the challenges encountered or the opportunities realized. The nature of those challenges and opportunities, and the skills required to address them will likely continue to evolve alongside the New England electric grid.

Because of the illustrative nature of the slide, the additional data elements requested, including vacancy rates, hiring and layering assumptions, burden rates, allocations between operating and capital development/reimbursable studies, and incentive compensation, have not been provided. Moreover, incorporating such cost and compensation factors would not be appropriate for the illustrative purpose of this analysis.

2. Does ISO have any multi-year targets for stabilizing headcount growth? If so, please provide details.

ISO-NE's Response:

We do not project multi-year targets for headcount growth. Prior to adding new headcount, we assess whether we can repurpose existing positions to address new initiatives. We also strive to find efficiencies to accommodate additional work efforts within our existing staffing levels. Our headcount growth is aligned with our strategic and operating objectives to ensure that we continue to support the region's needs by delivering high quality services and providing increasing value for New England.

Submitted by Connecticut PURA and Massachusetts DPU

3. Please provide a description of the needs met by the 14 incremental FTE for System Planning (slide 45) and 10 incremental FTE for AI and cybersecurity (slide 45).

ISO-NE's Response:

For the 14 incremental FTEs in System Planning:

The planned newly established Asset Condition Reviewer (AC Reviewer) function is forecasted to be staffed with seven FTEs. As discussed during the development of the function, the AC Reviewer team will provide oversight of Transmission Owner Asset Condition Reviewer projects through reviews of asset monitoring and evaluation practices, as well as targeted reviews of asset condition replacement projects. The team will also be responsible for ongoing monitoring, annual reporting, and other related reporting activities. The function will be led by a Director of Asset Condition Review, who will oversee the program. In addition, five engineering positions are planned for 2027 to provide transmission and substation design, engineering, and maintenance expertise. An additional FTE will be added to support administrative, project coordination, and program management activities.

Five FTEs are proposed to support implementation of the new Capacity Auction Reforms (CAR) capacity market design. Additional staffing is required to support the increased implementation cadence associated with conducting capacity auctions twice per year. These resources will be responsible for the calculation and issuance of generation, demand resource, and import marginal resource accreditation values, as well as the development and publication of resource adequacy analyses. Key activities will include determining summer and winter capacity requirements, developing load forecasts, and establishing demand curves necessary to support the reformed capacity market framework.

Two FTEs are proposed to support Interconnection Services. These positions will be responsible for performing interconnection studies for new resources, including all resource types with submitted Interconnection Requests and requests for services such as Surplus Interconnection Service. The positions will also support transmission service requests, including studies associated with the interconnection of large loads, such as data centers. Most of these generation interconnection and transmission service requests will be processed through Order No. 2023-compliant Cluster Studies, which are subject to strict tariff-defined timelines. Additional staffing is necessary to ensure timely completion of studies and compliance with applicable tariff requirements as interconnection activity continues to grow.

For the 10 incremental FTEs in Information & Cyber Security Services:

The majority of the requested IT full-time equivalents (FTEs) will be dedicated to the development and execution of a comprehensive Artificial Intelligence (AI) strategy

Submitted by Connecticut PURA and Massachusetts DPU

for the ISO. As AI capabilities continue to evolve and become increasingly important to grid operations, market functions, and enterprise business processes, these resources are necessary to ensure the organization can responsibly and effectively leverage emerging technologies. Key responsibilities will include business engagement, identification and sharing of AI use cases and solutions across the enterprise, development of enterprise AI architectures and governance frameworks, establishment of risk management and compliance processes, and implementation of cybersecurity controls that align with industry best practices and regulatory expectations.

In addition, the staffing request supports an FTE for continued investment in Site Reliability Engineering (SRE) capabilities to enhance the resiliency, availability, and performance of the ISO's mission-critical systems. Expanding the SRE function will enable greater automation, proactive monitoring, incident prevention, and operational efficiency, helping to ensure the reliable delivery of services that are essential to grid operations and market participants as they continue to increase in complexity.

The remaining FTE is requested to strengthen the Energy Management System (EMS) support organization and address an emerging workforce sustainability risk. EMS support requires deep, highly specialized knowledge of real-time grid operations, system configuration, vendor platforms, cyber-secure system management, and regulatory compliance. Much of this expertise is developed through years of hands-on experience and cannot be rapidly replaced through external hiring. As experienced EMS personnel retire or transition out of the workforce, the ISO faces the risk of losing critical institutional knowledge necessary to support, maintain, and enhance systems that are essential to reliable grid operations. The additional position will allow the organization to overlap experienced and developing staff, enabling structured knowledge transfer, cross-training, and succession planning before anticipated departures occur. Without this investment, the ISO would have an increased reliance on a limited number of subject matter experts, creating operational continuity risks and reducing the organization's ability to respond to system issues, support ongoing modernization efforts, and maintain the specialized expertise required to operate and evolve the EMS environment. This position is intended to ensure that the ISO can sustain the technical capabilities required to reliably operate and support mission-critical EMS systems over the long term while reducing key-person dependency and preserving operational resilience.

Collectively, these Information & Cyber Security Service positions represent strategic investments in innovation, operational reliability, cybersecurity, and workforce sustainability, ensuring that the ISO remains well-positioned to meet future business, regulatory, and operational demands while maintaining the high levels of reliability and security expected by stakeholders.

Submitted by Connecticut PURA and Massachusetts DPU

4. Please explain whether any existing FTEs will be reallocated to meet the staffing needs to address the 2027 ISO-NE Strategic Goals (slide 31) in lieu of incremental FTEs.

ISO-NE's Response:

Assessing talent needs is a standard practice that is integrated into the strategic, operating, and budget planning process. Each business unit evaluates its staffing requirements over a short term (two- to three-year) planning horizon and updates those projections annually as operating objectives become more clearly defined.

When requesting a new FTE, managers are required to first consider whether an existing position can be repurposed to meet the identified need. Business units work closely with Human Resources to determine whether a repurposed position, another vacant position, or an internal employee can be utilized before requesting the addition of a new position.

As noted on slide 43 of the August 7, 2026, Budget Presentation, the organization has repurposed 56 positions since 2018, including 8 positions in 2026, across a wide range of functional areas. While many of these actions generate cost avoidance that is not readily visible in the budget, a specific example of a measurable cost reduction in the 2027 budget was the repurposing of an existing vacant position to address a workforce safety and security need, resulting in a \$300,000 reduction in budgeted consulting expenses. This is reflected in the first bulleted line item on slide 34 (under "Efficiencies, Reductions, and Other Non-Recurring Costs") of the budget presentation.

5. Please detail the results of the job benchmarking study, and provide a description and an example of how the results were used to modify ISO-NE salaries.

ISO-NE's Response:

ISO-NE retained Mercer, an independent third-party compensation consultant, to conduct a multi-year, job-specific compensation benchmarking study to evaluate the competitiveness of ISO-NE salaries relative to applicable labor markets. Mercer performed a position-by-position analysis by comparing ISO-NE roles to substantially similar positions in relevant comparator markets, including energy companies, utilities, independent system operators, regional transmission organizations, energy consulting firms, and broader industry markets for roles not specific to the utility sector. ISO-NE used the study results to inform salary planning, compensation governance, and targeted salary adjustment decisions.

Submitted by Connecticut PURA and Massachusetts DPU

6. Please explain the ~27% increase in the 2027 budget (compared to 2026) for Meetings and Related Expenses (slide 71)

ISO-NE's Response:

Please see the explanation provided for this on slide 74 of the August 7, 2026, budget presentation (3rd bullet down). Slides 72 through 75 provide explanations for all budget lines which are greater than a 5% or \$500,000 increase above the 2026 budget.

7. Please provide a detailed cost breakdown of Computer Services expenses for 2025 actual, 2026 budget, and 2027 budget, including cloud services, software licensing, AI initiatives, storage/compute costs, cybersecurity tools, vendor escalators, and any project-related cost drivers contributing to year-over-year changes (slide 71).

ISO-NE's Response:

The table below provides a breakdown of Computer Services costs as categorized by ISO-NE. Included within this breakdown are the Cloud Services (Cloud Computing) and Software Licenses costs referenced in this request.

The amounts in these categories include cybersecurity-related costs of approximately \$3.8 million in the 2027 Budget, \$3.7 million in the 2026 Budget, and \$2.5 million in 2025 Actuals. They also include storage and compute costs of \$2.9 million, \$2.6 million, and \$2.3 million, respectively; vendor escalator impacts of \$1.9 million, \$1.5 million, and \$1.3 million, respectively; and project-related costs of \$1.9 million, \$0.7 million, and \$1.0 million, respectively. In addition, the 2027 Budget includes approximately \$0.2 million of AI-related costs, while AI-related costs in 2026 and 2025 were minimal.

It should be noted that some overlap exists among these categories. For example, cybersecurity costs may include maintenance contracts and software licenses, and certain cost increases may reflect a combination of vendor escalators, additional licensing requirements, and/or new functionality. Accordingly, the amounts presented represent reasonable approximations of the requested cost drivers rather than mutually exclusive categories.

Submitted by Connecticut PURA and Massachusetts DPU

	<u>2027 Budget</u>	<u>2026 Budget</u>	<u>2025 Actual</u>
Maintenance Contracts	\$25,627,771	\$ 24,395,111	\$ 19,901,996
Software as a Service (SaaS)	\$ 8,278,361	\$ 6,037,256	\$ 4,129,485
Software Licenses	\$ 4,043,676	\$ 3,238,961	\$ 2,819,755
Cloud Computing	\$ 2,636,326	\$ 1,984,592	\$ 1,337,327
Hardware (non-capital)	\$ 330,394	\$ 308,544	\$ 219,115
Computer Supplies	\$ 60,000	\$ 60,000	\$ 39,821
Total	\$40,976,528	\$ 36,024,464	\$ 28,447,499

8. How does the adoption of artificial intelligence tools or automation impact the 2027 budget, particularly in terms of information technology costs, total headcount, skill requirements and recruiting needs, and how does the ISO anticipate this impacting future budgets?

ISO-NE's Response:

The main impact to the 2027 budget is the FTEs discussed earlier. There will also be some incremental costs due to greater adoption of AI tools that are already reflected. For future budgets, it is difficult to project given the pace at which AI is evolving and how commercial offerings are changing. However, we anticipate greater Microsoft licensing costs for our next Enterprise Agreement due to AI features and, as the industry matures, the cost of AI provider services will increase significantly even if our adoption remains at the current rate, which is likely to increase. For certain areas such as cyber security, these increases will not be discretionary.

9. Please identify instances of expenses where ISO used a generic inflation adjustment rather than known and measurable change.

ISO-NE's Response:

Preparing budgets requires the use of estimates for certain expenditures. However, the ISO generally does not apply broad, generic inflation factors. Instead, we develop estimates for significant cost categories, where necessary or appropriate, based on specific information, historical trends, and known circumstances for each item.

Examples include:

Submitted by Connecticut PURA and Massachusetts DPU

- **Medical Insurance:** The ISO works closely with its benefits broker to develop budget estimates using projected medical trend increases and the ISO's claims experience. Throughout the renewal process, the ISO and its broker negotiate with carriers to obtain the most favorable pricing. As part of our fiduciary responsibility, the ISO periodically issues a Request for Proposal (RFP) to ensure competitive pricing and benefit plan offerings that deliver value to employees and the organization.
- **Computer Services Licenses and Maintenance:** For licenses and maintenance agreements expected to be renewed in 2027 where a current contracted amount is not available, the ISO applies an inflationary estimate based on recent historical experience. These estimates are used for budgeting purposes only, and the ISO actively negotiates contract renewals to secure the most favorable pricing available.
- **Interest Expense on Variable-Rate Debt:** The ISO obtains forecasted interest rate information from its banking partners, including estimates of the Secured Overnight Financing Rate (SOFR), to develop interest expense projections.

These examples illustrate how estimates, including projected cost increases where appropriate, are used to develop the annual budget. When actual costs exceed budgeted amounts, the ISO may utilize contingency funding or offset the variance through underspending in other areas. Conversely, when actual costs are lower than budgeted, the excess funds are returned to the contingency fund balance.

ISO New England has never exceeded its approved budget. Any budget underspending, together with the results of tariff collections, is flowed back through future rates in accordance with the ISO True-Up Mechanism established under the tariff. The ISO True-Up Mechanism is described on Slide 76 of the August 7, 2026, Budget Presentation, and the final 2025 results to be reflected in 2027 rates are presented on Slides 76 and 77.

10. Please identify the metrics considered for the Annual Performance Initiative (API) plan.

ISO-NE's Response:

ISO New England's incentive compensation program is designed to align incentive compensation with employee contributions to organizational success through a combination of **corporate and individual performance measures**. The Annual Performance Incentive (API) plan provides for non-fixed compensation and is intended to recognize employees' annual contributions to ISO-NE's business results.

Submitted by Connecticut PURA and Massachusetts DPU

Corporate performance is evaluated using metrics aligned with ISO-NE's Strategic Goals. These metrics include multiple weighted factors that are objectively measured. The ISO Board of Directors reviews and approves the performance metrics at the beginning of the performance period (i.e. the budget year) and conducts a final review of results, after review by ISO-NE's Internal Auditors, before incentive payouts are authorized.

Individual performance is assessed through a formal annual review conducted by each employee's manager. Evaluations are based on achievement of major job responsibilities, performance objectives, and other factors relevant to the employee's role and level of responsibility.

By incorporating both corporate and individual performance measures, the API plan ensures that incentive awards reflect not only the organization's overall success but also each employee's direct contribution to achieving ISO-NE's objectives.

11. Depreciation as shown on slide 50 has increased annually since 2023. Please identify the incremental assets over the time period that have driven this trend.

ISO-NE's Response:

Depreciation expense is driven by capital spending, with capital assets and projects beginning to be depreciated once they are placed into service. Similar to the depreciation trend shown on Slide 50, the capital expenditure trend on Slide 62 reflects the Company's investment activity, although the relationship is not one-to-one due to the timing of projects being placed into service, as well as the retirement of older assets and assets becoming fully depreciated.

The Company discusses capital project priorities and specific projects through its annual budget process, with updates provided in quarterly capital budget filings submitted to FERC. Key projects that contributed to the depreciation trends in each year, as reflected on Slide 50, include:

- **2023** – Security Information and Event Management Log Monitoring Replacement; New Security Operations Center; Amazon Web Services Cloud Foundation; E-mail List Server Technology Refresh; Privileged Account Management Security Enhancements; Forward Capacity Tracking System Infrastructure Conversion Part III; and the Forward Capacity Market Cost Allocation & Accelerated Billing
- **2024** – nGEM Software Development Part II; nGEM Market Clearing Engine (Day-Ahead); Operating System Server Upgrade Part I
- **2025** – CIP Electronic Security Perimeter Redesign Phase II; Day-Ahead

Submitted by Connecticut PURA and Massachusetts DPU

Ancillary Services Improvements and Day-Ahead Ancillary Services
Benchmark Levels

- **2026** – nGEM Real-Time Market Clearing Engine*, Enterprise Resource Planning System Replacement, CIP Electronic Security Perimeter Redesign Phase II, and FERC Order 841
- **2027** - Managing Transmission Line Ratings, nGEM Real-Time Market Clearing Engine*, and Distributed Energy Resources – Order 2222

*Note – The nGEM Real-Time Market Clearing Engine, with a mid-2026 go-live in-service date will have an incremental impact on Depreciation Expense for both 2026 and 2027.

12. Please explain the derivation of the \$7.5m budget impact for “Non-Project Capital Expenditures” shown on slides 64; 150-151.

ISO-NE’s Response:

For *Non-Project Capital Hardware* the Information and Cyber Security Services organization maintains an up-to-date inventory of hardware and software assets identified as candidates for replacement within the next year, including estimated replacement costs. This inventory serves as a key input to the annual budget estimation process. In addition, ISO New England is required to maintain certain NERC Critical Infrastructure Protection (CIP) related systems and assets within its controlled on-premises environment. As a result, a significant portion of our infrastructure cannot be migrated to cloud-based solutions and must continue to be maintained, refreshed, and periodically replaced throughout its lifecycle. The associated hardware, maintenance, and technology refresh costs have continued to increase due to escalating equipment prices, vendor support costs, and cybersecurity requirements.

For capital *Change Requests* the forecasted budget is developed by reviewing outstanding improvement requests, prioritizing them based on business needs, and estimating the resources required to successfully deliver the work. These requests provide flexibility to address smaller-scale business and technology improvements that arise through the normal course of operations and are not included within larger project budgets.

For *Building Improvements, Machinery & Equipment, and Furniture and Fixtures* the Facilities & Security group maintains a list of items requiring potential repair or replacement, along with estimated costs, to support annual budget planning. The 2027 budget includes funding to replace two elevators in the South Building at the Holyoke campus. In addition, the modest increase in non-project capital expenditures includes information technology investments necessary to support the new building, including technology infrastructure, communications, and related

Submitted by Connecticut PURA and Massachusetts DPU

systems required to ensure continued reliable operations and occupancy readiness.

13. Please explain the derivation of the \$4.1m budget impact for “Other Emerging Work” shown on slides 65; 150.

ISO-NE’s Response:

Other Emerging Work is an estimate included in the annual capital budget. The dynamic nature of our business and the complexity of the systems that we operate requires ISO to be prepared to evaluate, prioritize, and implement capital projects (often on short notice) that may be unforeseen or in a very early conceptual stage at the time of the annual budgeting.

ISO New England closely monitors our overall capital spending and has never exceeded our approved annual capital budget. Ultimately, any unused capital spending will result in lower depreciation expense that flows through impacting billing rates.

14. Please identify whether the 2027 budget includes any expenditures, staffing, or initiatives intended to incorporate environmental justice considerations into ISO-NE’s planning, analysis, or stakeholder-engagement activities. For each such item, please provide a description and the associated budget amount. If no specific budget item is identified, please explain whether and how these considerations informed development of the 2027 budget.

ISO-NE’s Response:

We believe our current approach and funding meets the needs at this time. The 2027 budget continues funding a position for a policy advisor for environmental and community affairs within the External Affairs department, which serves as a liaison between ISO New England and state government agencies, the Consumer Liaison Group, and community members and organizations, on policy matters including environmental justice. This policy advisor has coordinated the ISO’s engagement with personnel in New England state agencies responsible for public engagement on environmental justice; engaged ISO employees internally on environmental justice matters; translated and recorded ISO content for Spanish-speaking audiences; provided input to the stakeholder engagement components of the longer-term transmission planning RFP; arranged virtual meetings with national, regional, state and local environmental organizations; hosted environmental and community organizations for meetings and tours of the ISO; engaged community planning agencies and local governments on the intersection of regional and local planning for energy infrastructure; and actively monitors municipal and community engagement on data centers as inputs to the ISO. In

Submitted by Connecticut PURA and Massachusetts DPU

addition to these actions, the system planning process includes certain related work efforts, such as tracking emissions from the region's existing generation fleet and considering environmental impact and community engagement plans when conducting competitive procurements. The budget is developed based on the resources needed to fulfill the ISO's core responsibilities and support the ISO's work plan, which is informed by input from the states and stakeholders. This phase of the budget process provides a further opportunity for the states to provide input to the budget for 2027.

PURA staff reviewed ISO-NE's presentation materials with the assistance of a generative artificial intelligence, Microsoft Copilot, in adherence with the State of Connecticut's AI Responsible Use Framework.² PURA staff provided an offline copy of the publicly accessible slide deck presented at the August 7th external stakeholder meeting and prompted Microsoft Copilot to convert pictures of tables to static Excel files and identify any instances where cost increases were unsubstantiated, with page references. All questions included herein were drafted by PURA staff. All references provided by Microsoft Copilot were verified by PURA staff to be valid and accurate.

² Available at: <https://portal.ct.gov/OPM/Fin-General/Policies/-/media/D13D6F704FA3408998F20E67EBDA8AAB.ashx>.

Follow up responses to ISO New England 2027 Proposed Budget questions from the August 7, 2026 NEPOOL Budget & Finance Subcommittee Meeting

- Questions on **the funding to support Tariff-required Net CONE (Cost of New Entry) recalculation activities** (noted on slide 40, and elsewhere, in the presentation) related to the timing, level of costs, and what impact Capacity Auction Reforms (move to prompt seasonal market) will have on this work
 - Commencing work in 2027 is necessary to support the 2030-2031 Capacity Commitment Period, with the stakeholder process occurring in 2028 and a FERC filing anticipated in Q4 2028 or Q1 2029. This schedule, which is in line with past Net CONE recalculation cycles, will allow sufficient time to update the capacity market demand curve and related tariff-required parameters.
 - The potential impacts of transitioning to a prompt/seasonal capacity market are still being evaluated. If that assessment results in a material change in scope, the updated information will be presented to stakeholders in 2027.
 - Estimated costs were developed based on a combination of previous Net CONE updates conducted by ISO-NE and a review of other ISOs/RTOs' recent CONE and Net CONE project costs. However, work on the project has not yet commenced, and no vendor selection process has been initiated.
- Question on the ISO role related to **Environmental & Community Affairs policy advising**, as noted on slide 26 of the presentation
 - During the 2024 budget development process certain New England State's officials requested that ISO New England create an Environmental Justice position. After discussions and consultation with the state officials, that requested the position, the ISO added a *Policy Advisor, Environmental & Community Affairs* position.

Attached is the formal letter sent to the ISO requesting the new position and here is a link to a video, with the current position holder Ruben Flores-Marzan, briefly providing information about his position [ISO Minute: Meet ISO New England's First Policy Advisor for Environmental and Community Affairs](#)

August 1, 2023

Robert Ludlow
Chief Financial Officer
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040

Re: Request to Create an Executive-Level Environmental Justice Position at ISO New England (ISO-NE)

Dear Mr. Ludlow:

Thank you for your June 23, 2023 briefing to the New England states on ISO-NE's preliminary operating and capital budgets for 2024 and 2025.¹ We appreciate the opportunity to provide feedback at this early stage of the budget process. We also appreciate ISO-NE's focus on ensuring that it has the necessary personnel to support New England's clean energy transition. We understand ISO-NE's challenge in attracting and retaining a qualified and skilled workforce, including those with technical expertise in areas that are in high demand. While we are still reviewing the budget materials and are awaiting additional materials later this summer, we are interested in supporting investments to achieve a clean regional power grid that is reliable, affordable, and equitable.

At the June 23 briefing, a state official advocated for ISO-NE to include in its budget the creation of a dedicated, executive-level position focusing on energy and environmental justice (EJ) to align ISO-NE's organizational objectives and operations with a just and equitable clean energy transition. You asked for more information and definition regarding the proposed position. This communication responds to that request.

Below is a preliminary, and non-exhaustive, list of the responsibilities and functions that the executive-level EJ position could carry out. At the highest level, this position would provide an EJ and equity lens to ISO-NE's management and staff, inform the development of ISO-NE initiatives, rules, and operations, and engage EJ communities and stakeholders.

Responsibilities for this position could include, but would not be limited to the following:

- Advise the ISO-NE Board of Directors and senior management on (i) the relationship and intersection of ISO-NE market rules, transmission planning, and operations on EJ communities, as defined by each state, and state and federal laws and policies related to EJ, and (ii) procedures, rule changes, and other actions needed to integrate EJ priorities into ISO-NE's day-to-day work and corporate strategies.
- Establish and foster relationships with EJ communities and stakeholders and serve as an external resource on EJ, including establishing processes for engaging with EJ communities, ensuring that ISO-NE practices consider the perspectives of EJ

¹ ISO New England, *2024 and 2025 Preliminary Operating and Capital Budgets: Briefing for New England States*, June 23, 2023.

communities, and making technical information accessible and understandable to broader audiences.

- Coordinate across ISO-NE internal teams and working groups on understanding EJ principles and incorporating EJ principles into ISO-NE programs, initiatives, and the development of rules and practices.
- Develop and facilitate internal trainings and workshops on meaningful engagement of EJ communities.
- Coordinate with regional partners on cross-state collaboration and implementation of EJ principles.
- Develop tracking systems and mechanisms to ensure accountability in incorporating energy and EJ principles into ISO-NE corporate strategies, programs, initiatives, and development of rules and practices.
- Communicate with the public about ISO-NE's progress on integrating EJ principles into its strategies, programs, initiatives, rules, and practices.

As community engagement and responsibilities grow, this executive position could build out and manage additional team members providing EJ expertise to ISO-NE and enhancing community, government, and industry engagement. We welcome further discussion on the possible scope of responsibilities for the role and note that consultation with others, including and especially EJ communities and stakeholders, is critical in informing the duties and functions of this position.

* * *

There is a gap in ISO-NE's budget proposal and its current management team without a position reflecting EJ experience and the skillset described above. ISO-NE's budget presentation accurately states: "Urgency around the transition to clean energy will increase, leading to a greater focus on ISO actions and the need for more and different types of public and regulatory engagement."² A successful clean energy transition cannot happen without community engagement and a meaningful role for EJ communities in helping to shape decisions that impact wholesale power and transmission rates and affect how the benefits and burdens of our electric system are apportioned. Creating this position would serve as a critical bridge from ISO-NE to the communities it serves.

ISO-NE's regulator, the Federal Energy Regulatory Commission (FERC), has emphasized the need to prioritize environmental justice. For example, Chairman Willie Phillips has led efforts at FERC to hire the first Senior Counsel for Environmental Justice and Equity and, earlier this year, hosted FERC's first Roundtable on Environmental Justice and Equity in Infrastructure Permitting.³ Chairman Phillips recently testified to Congress that it is his "goal as Chairman to do all that we reasonably can to ensure that environmental justice communities affected by [FERC's] decisions do not bear too great a share of the burdens or too small a share of the benefits that new energy infrastructure can provide."⁴

² *Id.* at Slide 19.

³ Testimony of Chairman Willie Phillips, Federal Energy Regulatory Commission, Senate Energy and Natural Resources Committee, May 4, 2023, at 3.

⁴ *Id.*

We understand that if ISO-NE creates a dedicated EJ position, it may be the only independent system operator or regional transmission organization in the country that has established such a role. We encourage ISO-NE to be first in this critical area. Thank you for your consideration, and we look forward to continuing discussion on this and other budget priorities.

Sincerely,

/s/ Jason Marshall

Jason Marshall
Deputy Secretary for Federal and Regional
Energy Affairs
Massachusetts Executive Office of Energy and
Environmental Affairs

/s/ María Belén Power

María Belén Power
Undersecretary of Environmental Justice
and Equity
Massachusetts Executive Office of Energy
and Environmental Affairs

/s/ James M. Van Nostrand

James M. Van Nostrand
Chair
Massachusetts Department of Public Utilities

/s/ Staci Rubin

Staci Rubin
Commissioner
Massachusetts Department of Public
Utilities

/s/ Cecile M. Fraser

Cecile M. Fraser
Commissioner
Massachusetts Department of Public Utilities

/s/ June E. Tierney

June E. Tierney
Commissioner
Vermont Department of Public Service

/s/ Anthony Z. Roisman

Anthony Z. Roisman
Chair
Vermont Public Utility Commission

/s/ Margaret Cheney

Margaret Cheney
Commissioner
Vermont Public Utility Commission

/s/ Riley Allen

Riley Allen
Commissioner
Vermont Public Utility Commission

/s/ Christopher Kearns

Christopher Kearns
Acting Commissioner
State of Rhode Island Office of Energy
Resources

/s/ Katie Dykes

Katie Dykes
Commissioner
Connecticut Department of
Energy & Environmental Protection

/s/ Marissa Gillett

Marissa Gillett
Chair
Connecticut Public Utilities Regulatory
Authority

/s/ Phil Bartlett
Phil Bartlett
Chair
Maine Public Utilities Commission

/s/ Carolyn Gilbert
Carolyn Gilbert
Commissioner
Maine Public Utilities Commission

5.b

2027 NESCOE Budget

REPORT

NESCOE Proposed 2027 Budget

	2027
Salaries and Wages	
Salaries	1,270,104
Payroll Taxes	127,010
Health and Other Benefits	165,000
Retirement \$401(k)	50,804
Total, Salaries and Wages	1,612,919
Direct Expenses - Consulting	
Technical Analysis	575,000
Legal (FERC)	225,000
Total, Direct Expenses, Consulting	800,000
General and Administrative	
Rent	-
Utilities	-
Office and Administrative Expenses	60,000
Professional Services	70,000
Travel/Lodging/Meetings	150,000
Total General and Administrative	280,000
Capital Expend. & Contingencies	
Computer Equipment	15,000
Contingencies	270,792
Capital Expend. & Contingencies	285,792
TOTAL EXPENSES	2,978,711

NESCOE
Proposed 2027 Budget

	2027
Salaries and Wages	
Salaries	1,270,104
Payroll Taxes	127,010
Health and Other Benefits	165,000
Retirement §401(k)	<u>50,804</u>
Total, Salaries and Wages	<u>1,612,919</u>
Direct Expenses - Consulting	
Technical Analysis	575,000
Legal (FERC)	<u>225,000</u>
Total, Direct Expenses, Consulting	<u>800,000</u>
General and Administrative	
Rent	-
Utilities	-
Office and Administrative Expenses	60,000
Professional Services	70,000
Travel/Lodging/Meetings	<u>150,000</u>
Total General and Administrative	<u>280,000</u>
Capital Expend. & Contingencies	
Computer Equipment	15,000
Contingencies	<u>270,792</u>
Capital Expend. & Contingencies	<u>285,792</u>
TOTAL EXPENSES	<u><u>2,978,711</u></u>

New England States Committee on Electricity

2027 Budget Presentation

NEPOOL Budget & Finance Subcommittee

August 7, 2026

The logo for NESCOE, featuring the word "NESCOE" in a bold, orange, sans-serif font. The letter "O" is stylized with a white lightning bolt symbol inside it. The logo is centered within a white circle that has a thin blue outline.

Background: Budget Review

Term Sheet Provision: "... the annual review of its [NESCOE's] proposed budgets by at least the NEPOOL Participants Committee will be limited to considerations of accounting and reconciliation, so long as spending remains within the boundaries established by those frameworks..... NESCOE will develop an operating budget recommendation for each year in consultation with NEPOOL, the PTO Administrative Committee and ISO-NE within the boundaries of the then-approved five year budget framework ..."

- ✓ Proposed 2027 budget conforms to:
 - Boundaries of 5-year pro forma (2023-2027) reviewed by Budget & Finance
 - NESCOE commitment not to seek an increase over pro forma budget of more than 10% in any 1 year: 2027 proposed budget is less than 2027 5-year pro forma budget
- ✓ Following calendar year 2025, independent auditor concluded NESCOE books conform to generally accepted accounting principles

Background: Policy Priorities

Term Sheet Provision Governing Identification of Policy Priorities:

“Each year NESCOE will produce a ***Report to the New England Governors*** that will document its accomplishments from the preceding year and its projected policy priorities for the coming two years. This report will include a full accounting of spending by NESCOE during the preceding year and proposed budgets for each of the upcoming two years.”

Consistent with Term Sheet, 2025 *Report to the New England Governors*:

- ✓ Reviewed work in 2025
- ✓ Projected policy priorities
- ✓ Provided spending from prior year
- ✓ Projected budget information for upcoming two years

Projected Policy Priorities

- ✓ NESCOE provided to the Governors the **2025 Annual Report to New England Governors**
- ✓ Report simultaneously released to NEPOOL & ISO-NE & circulated to the Participants Committee
- ✓ NESCOE identified forward looking policy priorities at Section V, pages 15

Report in “Resource Center”

www.nescoe.com



Projected Policy Priorities

Looking ahead, affordability will be the lens through which regional decisions must be evaluated.

Transmission continues its strong presence in forward-looking priorities.

This includes, but is not limited to:

- ✓ Asset Condition Project Review and Oversight
- ✓ Continue work with ISO-NE and stakeholders on evaluating the bids received in response to the region's first solicitation for longer-term transmission and continue discussions on ways to further enhance longer-term transmission planning.
- ✓ Procedures to ensure timely and effective consideration of advanced transmission technologies to get the most out of the existing system and new investments
- ✓ FERC's efforts to reform transmission planning through Order 1920, including state law-based transmission planning and cost allocation.

Wholesale Market Reforms. Continued engagement on capacity market reforms and understanding the market and consumer implications.

Large Load Growth. Work with ISO -NE, consumer advocates, and stakeholders to develop large load policies and approaches that balance economic opportunity against risks to consumers, protect local communities, and safeguard regional grid reliability, and participate meaningfully in any related FERC proceedings.

NESCOE Organization & Misc.

Employees

- ✓ Retain and attract diversity in academic training, skills; blend of private & public sector experience
- ✓ Steady state after retaining experienced staff member at reduced hours in 2025;

Office Space

- ✓ No office leases at this time; renting meeting space as needed

Other Organization Matters

Technical Consultants

Technical consultants assist NESCOE in the regular course of business in analyzing ISO-NE studies and data.

Continue work with technical consultants to conduct independent analysis to inform state officials' decisions on key issues, including, for example:

- ✓ Wilson Energy Economics
- ✓ M&L Energy Advisors
- ✓ MP Energy LLC
- ✓ RLC Engineering
- ✓ Stickney Brook Consulting
- ✓ GDS Associates
- ✓ Oxford Power Systems
- ✓ Apex Analytics

Legal Counsel

Litigation is not the primary means by which NESCOE seeks to accomplish its objectives & thus, greater resource and focus has historically, and thus far in 2026, been on technical consulting. Further, while NESCOE produces most legal pleadings and analysis internally, the frequency and type of litigation brought by others influences the extent to which NESCOE engages outside counsel.

- ✓ Primary FERC Counsel: Phyllis G. Kimmel Law Office PLLC

5-Year Pro Forma

Proposed 2027 budget conforms to 2027 budget in 5-year Pro Forma Framework

- ✓ 2027 Projected Budget in 5-Year Pro Forma: \$3,194,896
 - ✓ 2027 Proposed Budget: \$2,978,711
 - ✓ 2026 Budget, for reference: \$2,731,108
-

The 2027 Proposed Budget reflects:

- ✓ Continued emphasis on technical consultants (vs. outside legal services)
- ✓ Sustained inflationary assumptions
- ✓ No office rent or utilities
- ✓ More travel for meetings

5-Year Pro Forma, for reference

NESCOE
PRO FORMA BUDGET 2023-2027*



Expense Category	Year 16 (2023)	Year 17 (2024)	Year 18 (2025)	Year 19 (2026)	Year 20 (2027)
Salaries and Wages					
Salaries	1,311,718	1,377,304	1,446,169	1,518,478	1,594,401
Payroll Taxes	131,172	137,731	144,617	151,848	159,440
Health and Other Benefits	110,098	115,603	121,383	127,452	133,825
Retirement §401(k)	52,469	55,092	57,847	60,739	63,776
Total, Salaries and Wages	1,605,457	1,685,730	1,770,016	1,858,517	1,951,443
Direct Expenses - Consulting					
Technical Analysis	342,933	353,221	363,818	374,732	385,974
Legal (FERC)	342,933	353,221	363,818	374,732	385,974
Total, Direct Expenses, Consulting	685,866	706,442	727,635	749,464	771,948
General and Administrative					
Rent		12,000	12,360	12,731	13,113
Utilities		2,500	2,575	2,652	2,732
Office and Administrative Expenses	50,000	51,500	53,045	54,636	56,275
Professional Services	41,500	42,745	44,027	45,348	46,709
Travel/Lodging/Meetings	60,000	61,800	63,654	65,564	67,531
Total General and Administrative	151,500	170,545	175,661	180,931	186,359
Capital Expenditures & Contingencies					
Computer Equipment	8,666	8,926	9,194	9,470	9,754
Contingencies	244,682	252,022	259,583	267,371	275,392
Capital Expenditures & Contingencies	253,348	260,948	268,777	276,840	285,145
TOTAL EXPENSES**	2,696,171	2,823,665	2,942,090	3,065,753	3,194,896

*Projected 5% salaries and wages annual adjustment, and projected 3% annual adjustment on all other items. Line items and categories subject to increase greater than, or decrease from, amounts projected.

Any such changes will be subject to review, input, and recommendations by the NEPOOL Participants Committee (and/or its designees).

**At no time during this 5-year period will NESCOE seek a budget increase of more than 10% in any 1 year of more than 30% on a cumulative basis.

2027 Proposed Budget

	2027
Salaries and Wages	
Salaries	1,270,104
Payroll Taxes	127,010
Health and Other Benefits	165,000
Retirement §401(k)	<u>50,804</u>
Total, Salaries and Wages	<u>1,612,919</u>
Direct Expenses - Consulting	
Technical Analysis	575,000
Legal (FERC)	<u>225,000</u>
Total, Direct Expenses, Consulting	<u>800,000</u>
General and Administrative	
Rent	-
Utilities	-
Office and Administrative Expenses	60,000
Professional Services	70,000
Travel/Lodging/Meetings	<u>150,000</u>
Total General and Administrative	<u>280,000</u>
Capital Expend. & Contingencies	
Computer Equipment	15,000
Contingencies	<u>270,792</u>
Capital Expend. & Contingencies	<u>285,792</u>
TOTAL EXPENSES	<u>2,978,711</u>

2025 & 2026 Spending & Implications for 2027

Unspent funds in any year credited toward future year

2025 Total Spending: \$1,910,875*

2026 Spending to end of June: \$863,525

2026 Projected Year End: \$2,234,525*

*Cumulative prior years' true up, including 2024, was reflected in the 2026 revenue requirement and rates. The 2025 true up will be reflected in the 2027 revenue requirement and rates (see next slide). Any 2026 true up will be reflected in the 2028 revenue requirements and rates.

2027 Projected Billing Rate

With thanks to ISO-NE for calculations -

2027 Budget: \$2,978,711

Less 2025 True Up: (\$814,301)

Total Revenue Recovery: \$2,164,410

Divided by Total Network Load: 223,165,587

(total network load from 2026 ISO-NE tariff; no escalation or reduction used in calculation)

2027 Schedule 5 Estimated Rate \$0.00970 per kW-month

Thank you.

Questions?

The Nescoe logo is centered within a white circle that has a thin blue border. The circle is positioned on the right side of the slide, overlapping a solid blue vertical bar that runs from the top to the bottom of the page. The logo itself consists of the word "NESCOE" in a bold, orange, sans-serif font. The letter "O" is replaced by a stylized lightning bolt icon, also in orange.

NESCOE

6

Financial Assurance Policy Revisions



66.67%

Sep 3, 2026
Meeting

To consider and take action, as appropriate, on revisions to the Financial Assurance Policy addressing the treatment of resettlements associated with FERC *Opinion 594* Return on Equity (ROE) refunds.

RESOLVED, that the Participants Committee supports the revisions to the ISO New England Financial Assurance Policy to address the treatment of resettlements related to FERC *Opinion No. 594* ROE refunds, as reflected in the materials circulated to this Committee in advance of this meeting, together with [any changed agreed to by the Participants Committee at this meeting and] such non-substantive changes as may be approved by the Chair of the Budget & Finance Subcommittee.

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates
FROM: Rosendo Garza, NEPOOL Counsel
DATE: August 27, 2026
RE: Updates to the Financial Assurance Policy Related to FERC Opinion No. 594

At its September 3, 2026 meeting, the Participants Committee will be asked to vote on proposed revisions to the Financial Assurance Policy (FAP) to address the treatment of resettlements related to FERC Opinion No. 594¹ Return on Equity (ROE) refunds. The following background materials are included with this memorandum:

- Attachment A: Redlined FAP Sheets
- Attachment B: ISO-NE's August 25, 2026 Presentation to the Budget & Finance (B&F) Subcommittee

BACKGROUND & OVERVIEW

In *Opinion 594*, the FERC determined that the 11.14% base ROE in effect in 2011 was presumptively unjust and unreasonable and established a replacement base ROE of 9.57%. *Opinion 594* requires the New England Transmission Owners (NETOs) to apply the replacement base ROE beginning October 16, 2014 and provide refunds, with interest, for two refund periods – (i) October 1, 2011 through December 31, 2012; and (ii) October 16, 2014 to March 19, 2026 (the date of *Opinion 594*). The required resettlements must be completed by May 2027 and will result in charges to the NETOs, estimated to total approximately \$1.5 billion. Absent a change to the existing methodology for calculating transmission FA requirements, the required resettlements will inflate and distort NETOs FA requirements.

By way of explanation, the FAP requires each Market Participant to provide financial assurance sufficient to cover its Transmission Obligation (Transmission FA Requirement). Under the existing methodology, a Market Participant's Transmission FA Requirement is calculated based on its average Transmission Charges over the two most recently invoiced calendar months multiplied by 2.5. This methodology is intended to approximate Transmission Charges that have been incurred but not yet invoiced. Because the existing methodology relies on historical monthly charges to estimate prospective exposure, it was not designed to address the large, multi-period resettlements arising from FERC *Opinion 594*, which will be reflected in a limited number of invoices.

¹ *Coakley v. Bangor Hydro-Elec. Co.*, Opinion No. 594, 194 FERC ¶ 61,208 (2026) (“*Opinion 594*”).

As described in Attachment B, the ISO proposes to account for the atypical nature of the *Opinion 594* resettlements by modifying the existing methodology for calculating a Market Participant's Transmission FA Requirement. Specifically, the ISO proposes to exclude *Opinion 594* resettlement charges, and associated interest, from the ordinary calculation of Transmission Requirements and instead account for those amounts through a new "Commission Opinion 594 Adder" to a Market Participant's Transmission Obligation. The Adder is designed to cover both unpaid *Opinion 594* charges reflected on the most recent invoice and an estimate of *Opinion 594* charges expected on the next invoice. The Adder would decline as the applicable invoices are paid and would cease to apply after the final invoice with FERC *Opinion 594* resettlement charges has been paid. Attachment B provides additional detail regarding the proposed calculation of the Commission Opinion 594 Adder, while Attachment A provides the corresponding revisions to the FAP.

BUDGET & FINANCE (B&F) SUBCOMMITTEE REVIEW

At the July 17 and August 25, 2026 B&F Subcommittee meetings, the ISO presented its proposed revisions to the FAP. At the July meeting, Subcommittee members offered feedback, and at the August meeting, the ISO provided further explanation to stakeholder questions. No Subcommittee member present at either meeting expressed opposition to the proposed FAP revisions.

Accordingly, the following form of resolution can be used for Participants Committee action:

RESOLVED, that the Participants Committee supports the revisions to ISO New England Financial Assurance Policy to address the treatment of resettlements related to FERC Opinion No. 594 ROE refunds, as reflected in the materials circulated to this Committee in advance of this meeting, together with [any changes agreed to by the Participants Committee at this meeting and] such non-substantive changes as may be approved by the Chair of the Budget & Finance Subcommittee.

EXHIBIT IA

ISO NEW ENGLAND FINANCIAL ASSURANCE POLICY

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- III. MARKET PARTICIPANTS' REQUIREMENTS
 - A. Determination of Financial Assurance Obligations

* * * *

or to the allocation applied by the ISO in the case of an Affiliate that provided no determination) such that the sum is no greater than \$50 million.

III. MARKET PARTICIPANTS' REQUIREMENTS

Each Market Participant that provides the ISO with financial assurance pursuant to this Section III must provide the ISO with financial assurance in one of the forms described in Section X below and in an amount equal to the amount required in order to avoid suspension under Section III.B below (the "Market Participant Financial Assurance Requirement"). A Market Participant's Market Participant Financial Assurance Requirement shall remain in effect as provided herein until the later of (a) 150 days after termination of the Market Participant's membership or (b) the end date of all FTRs awarded to the Market Participant and the final satisfaction of all obligations of the Market Participant providing that financial assurance; provided, however that financial assurances required by the ISO New England Financial Assurance Policy related to potential billing adjustments chargeable to a terminated Market Participant shall remain in effect until such billing adjustment request is finally resolved in accordance with the provisions of the ISO New England Billing Policy. Furthermore and without limiting the generality of the foregoing, (i) any portion of any financial assurance provided under the ISO New England Financial Assurance Policy that relates to a Disputed Amount shall not be terminated or returned prior to the resolution of such dispute, even if the Market Participant providing such financial assurance is terminated or voluntarily terminates its MPSA and otherwise satisfies all of its obligations to the ISO and (ii) the ISO shall not return or permit the termination of any financial assurance provided under the ISO New England Financial Assurance Policy by a Market Participant that has terminated its membership or been terminated to the extent that the ISO determines in its reasonable discretion that that financial assurance will be required under the ISO New England Financial Assurance Policy with respect to an unsettled liability or obligation owing from that Market Participant.

A Market Participant that knows that it is not satisfying its Market Participant Financial Assurance Requirement shall notify the ISO immediately of that fact.

A. Determination of Financial Assurance Obligations

For purposes of the ISO New England Financial Assurance Policy:

- (i) a Market Participant's "Hourly Requirements" at any time will be the sum of (x) the Hourly Charges (excluding Daily FCM Charges) for such Market Participant that have been invoiced but not paid (which amount shall not be less than \$0), plus (y) the Hourly

Charges (excluding Daily FCM Charges) for such Market Participant that have been settled but not invoiced, plus (z) the Hourly Charges (excluding Daily FCM Charges) for such Market Participant that have been cleared but not settled which amount shall be calculated by the Hourly Charges Estimator. The Hourly Charges Estimator (which amount shall not be less than \$0) shall be determined by the following formula:

$$\text{Hourly Charges Estimator} = \sum_{i=t-n+1}^t \text{HC}_i \times \text{LMP ratio} \times 1.15$$

Where:

t = The last day that such Market Participant's Hourly Charges (excluding Daily FCM Charges) are fully settled;

n = The number of days that such Market Participant's Day-Ahead Energy has been cleared but not settled;

HC = The Hourly Charges (excluding Daily FCM Charges) for such Market Participant for a fully settled day; and

LMP ratio = The average Day-Ahead Prices at the New England Hub over the period of cleared but not settled n days divided by the average Day-Ahead Prices at the New England Hub over the period of most recent fully settled n days. For purposes of this Section III.A.(i), the "New England Hub" shall mean the Hub located in Western and Central Massachusetts referred to as .H.INTERNAL_HUB;

- (ii) A Market Participant's "Daily FCM Requirements" at any time will be the sum of (x) the Daily FCM Charges that have been invoiced but not paid (which amount shall not be less than \$0), plus (y) the Daily FCM Charges that have been settled but not invoiced, plus (z) the Daily FCM Charges for such Market Participant that have been incurred but not settled which amount shall be calculated by the Daily FCM Obligation Estimator. The Daily FCM Obligation Estimator (which amount shall not be less than \$0) shall be determined by the following formula:

$$\text{Daily FCM Obligation Estimator} = \text{MAX}(\text{FCM\_Daily\_Credit\_CM} \times \text{NDAY\_CM} + \text{FCM\_Daily\_Credit\_PM} \times \text{NDAY\_PM} + \text{FCM\_Charge\_LD} \times \text{NDAY\_P2} \times \text{FCA\_Price\_Ratio}, 0)$$

Where:

FCM_Daily_Credit_CM is the portion of the Daily FCM Charges that corresponds to Capacity Supply Obligations for the Market Participant in the current month;

FCM_Daily_Credit_PM is the portion of the Daily FCM Charges that corresponds to Capacity Supply Obligations for the Market Participant in the month preceding the current month;

NDAY_CM is the number of days in the current month within the period from the last day the Daily FCM Charges have been settled to the current day (when financial assurance is assessed);

NDAY_PM is the number of days in the month preceding the current month within the period from the last day of the Daily FCM Charges have been settled to the current day (when financial assurance is assessed);

FCM_Charge_LD is the portion of the Daily FCM Charges that corresponds to Capacity Load Obligations for the Market Participant from the last day the Daily FCM Charges have been settled; and

NDAY_P2 is the number of days from the last day the Daily FCM Charges have been settled to the current day (when financial assurance is assessed) plus 2.

The FCA_Price_Ratio shall be calculated as the weighted average of the Capacity Clearing Prices for the Rest-of-Pool Capacity Zone for the relevant Capacity Commitment Periods divided by the Capacity Clearing Price for the Rest-of-Pool Capacity Zone corresponding to the Capacity Commitment Period that contains the last day the Daily FCM Charges have been settled, as determined by the following formula:

$$\text{FCA\_Price\_Ratio} = (((\text{Clearing Price\_CCP}_n \times \text{NDAY\_P2\_CCP}_n) + (\text{Clearing Price\_CCP}_{n+1} \times \text{NDAY\_P2\_CCP}_{n+1})) / \text{NDAY\_P2}) / (\text{Clearing Price\_CCP}_n)$$

Where:

Clearing Price_CCP_n is the Capacity Clearing Price for the Rest-of-Pool Capacity Zone corresponding to the Capacity Commitment Period that contains the last day that the Daily FCM Charges have been settled;

Clearing Price_CCP_{n+1} is the Capacity Clearing Price for the Rest-of-Pool Capacity Zone for the Capacity Commitment Period following CCP_n;

NDAY_P2_CCP_n is number of days in the CCP_n within NDAY_P2; and

NDAY_P2_CCP_{n+1} is number of days in the CCP_{n+1} within NDAY_P2.

- (iii) a Market Participant's "Non-Hourly Requirements" at any time will be determined by averaging that Market Participant's Non-Hourly Charges but not include: (A) the amount due from or to such Market Participant for FTR transactions, (B) any amounts due from such Market Participant for the Forward Capacity Market or System-Backed Export transactions, (C) any amounts due under Section 14.1 of the RNA, (D) any amounts due for NEPOOL GIS API Fees, and (E) the amount of any Qualification Process Cost Reimbursement Deposit (including the annual true-up of that amount) due from such Market Participant) over the two most recently invoiced calendar months; provided that such Non-Hourly Requirements shall in no event be less than zero;
- (iv) a Market Participant's "Transmission Requirements" at any time will be determined by averaging that Market Participant's Transmission Charges (excluding Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges) over the two most recently invoiced calendar months; provided that such Transmission Requirements shall in no event be less than \$0;
- (v) a Market Participant's Virtual Requirements at any time will equal the amount of all unsettled Increment Offers and Decrement Bids submitted by such Market Participant at such time (which amount of unsettled Increment Offers and Decrement Bids will be calculated by the ISO according to a methodology approved from time to time by the NEPOOL Budget and Finance Subcommittee and posted on the ISO's website);
- (vi) a Market Participant's "Financial Assurance Obligations" at any time will be equal to the sum at such time of:
 - a. such Market Participant's Hourly Requirements; plus
 - b. such Market Participant's Daily FCM Requirements; plus
 - c. such Market Participant's Virtual Requirements; plus
 - d. such Market Participant's Non-Hourly Requirements times 2.50 (subject to Section X.D with respect to Provisional Members); plus
 - e. such Market Participant's "FTR Financial Assurance Requirements" under Section VI below; plus

- f. such Market Participant's "FCM Financial Assurance Requirements" under Section VII below; plus
 - g. such Market Participant's "IEP Financial Assurance Requirement" under Section III.D below; plus
 - h. the amount of any Disputed Amounts received by such Market Participant; and
- (vii) a Market Participant's "Transmission Obligations" at any time will be such Market Participant's Transmission Requirements times 2.50; plus the Commission Opinion 594 Adder as determined by the following formula; provided that such Transmission Obligations shall in no event be less than \$0:

Commission Opinion 594 Adder = Current Unpaid 594 Invoice Amount + Estimated Next 594 Invoice Amount

Where:

Current Unpaid 594 Invoice Amount = the lesser of: (1) Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges; or (2) the Transmission Charges and any associated interest charges. Both values must be assessed utilizing the most recently issued monthly Statement until such Statement is paid, at which point the amount shall be \$0. Such amount shall be calculated individually for schedule 1, 8, and 9 charges and then totaled.

Estimated Next 594 Invoice Amount = (x) Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges, that are included on the most recently issued monthly Statement, times the ratio of (y) the number of Commission Opinion 594 resettlement months to be included on the next monthly Statement, and (z) the number of Commission Opinion 594 resettlement months included on the most recently issued monthly Statement. Such amount shall be calculated individually for Schedule 1, 8, and 9 charges and then totaled. The totaled amount shall be reduced by the net transmission credit on the most recently issued monthly Statement, as applicable, where the next monthly Statement is to include Commission Opinion 594 resettlement charges.

To the extent that the calculations of the components of a Market Participant's Financial Assurance Obligations (excluding FTR Financial Assurance Requirements) as described above produce positive and

negative values, such components may offset each other; provided, however, that a Market Participant's Financial Assurance Obligations shall never be less than zero.

B. Credit Test Calculations and Allocation of Financial Assurance, Notice and Suspension from the New England Markets

1. Credit Test Calculations and Allocation of Financial Assurance

The financial assurance provided by a Market Participant shall be applied as described in this Section.

- (a) "Market Credit Test Percentage" is equal to a Market Participant's Financial Assurance Obligations (excluding FTR Financial Assurance Requirements) divided by the sum of its Market Credit Limit and any financial assurance allocated as described in subsection (d) below.
- (b) "FTR Credit Test Percentage" is equal to a Market Participant's FTR Financial Assurance Requirements divided by any financial assurance allocated as described in subsection (d) below.
- (c) "Transmission Credit Test Percentage" is equal to a Market Participant's Transmission Obligations divided by the sum of its Transmission Credit Limit and any financial assurance allocated as described in subsection (d) below.
- (d) A Market Participant's financial assurance shall be allocated as follows:
 - (i) financial assurance shall be first allocated so as to ensure that the Market Participant's Market Credit Test Percentage is no greater than 100%;
 - (ii) any financial assurance that remains after the allocation described in subsection (d) (i) shall be allocated so as to ensure that the Market Participant's FTR Credit Test Percentage is no greater than 100%;
 - (iii) any financial assurance that remains after the allocation described in subsection (d) (ii) shall be allocated so as to ensure that the Market Participant's Transmission Credit Test Percentage is no greater than 100%;
 - (iv) if any financial assurance remains after the allocations described in subsection (d) (iii), then that remaining financial assurance shall be allocated by repeating the steps described in subsections (d) (i), (d) (ii), and (d) (iii) to ensure that the respective test percentages are no greater than 89.99%;
 - (v) if any financial assurance remains after the allocation described in subsection (d) (iv), then that remaining financial assurance shall be allocated by repeating the

* * * *

multi-year rate election shall be included in the amount calculated as described in Section VII.F.1(b) above, the net FCM revenue for all other months in the defined periods shall be determined by accounting for all charges and credits related to the purchase or sale of Capacity Supply Obligations in the Forward Capacity Market, and any accrued Capacity Performance Payments on positions currently or previously held are excluded.

- c. If a Designated FCM Participant is in default under the ISO New England Financial Assurance Policy or the ISO New England Billing Policy beginning at 8 a.m. (Eastern Time) on the tenth Business Day prior to the Forward Capacity Auction and does not cure such default by the earlier of (i) the end of the appropriate cure period and (ii) 5 p.m. (Eastern Time) on the second Business Day prior to the start of the Forward Capacity Auction, then the defaulting Designated FCM Participant shall be precluded from submitting a supply offer or demand bid that is subject to this Section VII.F.4.
- d. Upon the completion of the substitution auction, the amount to be included in the calculation of the FCM Financial Assurance Requirements for a Designated FCM Participant as described in Section VII.F.1 above shall be adjusted to reflect all charges and credits related to the purchase or sale of Capacity Supply Obligations in the substitution auction.

VIII. [Reserved]

IX. THIRD-PARTY CREDIT PROTECTION

The ISO shall obtain third-party credit protection, in the form of credit insurance coverage (“Credit Coverage”), on terms acceptable to the ISO in its reasonable discretion at least in an amount covering collectively the Credit Qualifying Rated Market Participants based on the formula below.

Notwithstanding the foregoing, if the entity providing such Credit Coverage cannot provide the amount required by this Section IX, the ISO will reduce the required coverage for all Credit Qualifying Rated Market Participants on a pro rata basis. The total amount of the Credit Coverage shall be at least the aggregate of the following formula; provided, however, if the entity providing the Credit Coverage denies coverage (in whole or in part) for any Credit Qualifying Rated Market Participant based on its rights under the insurance policy, the ISO will use reasonable efforts to obtain documentation regarding the denial and will make reasonable efforts to appeal such denial. For each Credit Qualifying Rated Market Participant, the portion of the Credit Coverage shall be the lesser of: (A) the sum of (x) 2.5 times the

average Hourly Charges for such Credit Qualifying Rated Market Participant within the previous fifty-two calendar weeks plus (y) 2.5 times the sum of the average Non-Hourly Charges (excluding charges or credits related to FTR transactions) and the average Transmission Charges for such Credit Qualifying Rated Market Participant within the previous twelve calendar months; or (B) \$50 million. For any Credit Qualifying Rated Market Participant, the applicable amount of the Credit Coverage shall be adjusted monthly if the above formula produces a change that is either (A) 10% or greater, or (B) greater than \$100,000. The Credit Coverage shall be provided by an insurance company rated “A-” or better by A.M. Best & Co. or “A” or better by S&P. Notwithstanding the foregoing, when determining the portion of the Credit Coverage for each Credit Qualifying Rated Market Participant, the ISO may consider the impacts of the Commission Opinion 594 resettlement charges to adjust such coverage amounts. The cost of the Credit Coverage obtained for each calendar year shall be allocated to all Credit Qualifying Rated Market Participants pro rata based, for each Credit Qualifying Rated Market Participant, on the average amount of the Invoices issued to that Credit Qualifying Rated Market Participant under the ISO New England Billing Policy in the preceding calendar year. Each Credit Qualifying Rated Market Participant shall provide the ISO with such information as may be reasonably necessary for the ISO to obtain the Credit Coverage at the lowest possible cost.

X. ACCEPTABLE FORMS OF FINANCIAL ASSURANCE

Provided that the requirements set forth herein are satisfied, acceptable forms of financial assurance include shares of registered or private mutual funds held in a shareholder account or a letter of credit, each in accordance with the provisions of this Section X. All costs associated with obtaining financial security and meeting the provisions of the ISO New England Financial Assurance Policy are the responsibility of the Market Participant or Non-Market Participant Transmission Customer providing that security (each a “Posting Entity”).

A. Shares of Registered or Private Mutual Funds in a Shareholder Account

Shares of registered or private mutual funds in a shareholder account are an acceptable form of financial assurance provided that the Posting Entity providing such collateral (i) completes all required documentation to open an account with the financial institution selected by the ISO, after consultation with the NEPOOL Budget and Finance Subcommittee, (ii) completes and executes a security agreement (“Security Agreement”) in the form of Attachment 1 to the ISO New England Financial Assurance Policy (as may be modified pursuant to Section X.B.1) and is in compliance with the Security Agreement, and (iii) completes and executes a Control Agreement in the form posted on



Financial Assurance for Resettlements Related to FERC Opinion 594

*Financial Assurance Policy redlines for treatment of
resettlements related to FERC Opinion 594*

Zach Shell

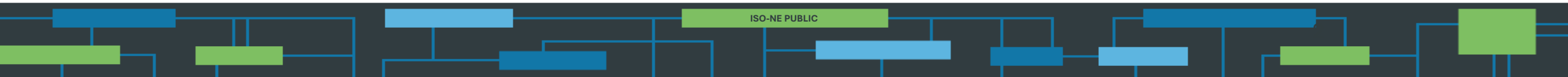
SUPERVISOR, MARKET AND CREDIT RISK



Financial Assurance for Resettlements Related to FERC Opinion 594

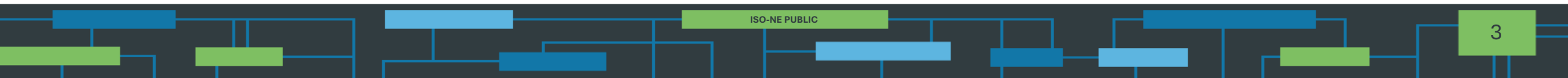
Proposed Effective Date: 60 days from FERC Filing (no later than January 11, 2026)

- During the July 17th BFS meeting, the ISO proposed an update to the Financial Assurance Policy (FAP) to align transmission Financial Assurance (FA) obligations with the special nature of the extraordinary resettlements resulting from FERC Opinion 594
- The proposal will remove FERC Opinion 594 resettlements from the existing transmission FA methodology and account for it as an adder to total transmission FA
- Today's discussion focuses on providing further design details along with the associated redlines to the FAP



PROPOSED FINANCIAL ASSURANCE POLICY CHANGE

A new FA adder exclusively for these resettlements



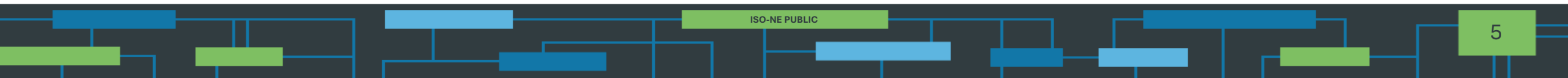
The Proposal – Updated

$$\text{Commission Opinion 594 Adder} = \text{Current Invoice Unpaid FERC Opinion 594 charges} + \text{Estimated Next Invoice FERC Opinion 594 charges}$$

- The ISO made one update to the proposal within the calculation of the estimated next invoice amount
- The estimated next 594 invoice amount is the ~~unpaid~~ amount of the FERC Opinion 594 resettlement charges on the current invoice scaled by a proxy ratio (resettlement months next invoice / resettlement months current invoice) less any net transmission credits on the current invoice
- The update to the proposal more precisely aligns the use of the proxy ratio to adjust only the FERC Opinion 594 resettlements
 - The proxy ratio should only adjust the FERC Opinion 594 resettlement charges and should not impact the expectation of ordinary transmission credits

Additional Details

- The interest charges associated with the FERC Opinion 594 resettlement charges will also be included in the calculation of the Commission Opinion 594 FA Adder
- The calculation of the Commission Opinion 594 Adder will be performed individually for Schedule 1, 8, and 9 charges and then added together
 - This is necessary because the resettlement schedule for schedule 1 charges is expected to vary in some months as compared to the schedule for schedule 8 and 9 charges, resulting in different proxy ratios being utilized for each specific charge type
- Any resettlements that flow through the ISO's Data Reconciliation Process (DRP) will continue to flow through the existing transmission FA methodology and not impact the new adder
 - This is immaterial as only 1 month of resettlements flows through onto each invoice from the DRP and no resettlements are anticipated to flow through the DRP past September 2026
 - Attempting to identify specific FERC Opinion 594 resettlements vs. standard resettlements within the DRP would take significant implementation effort with the result having an immaterial impact

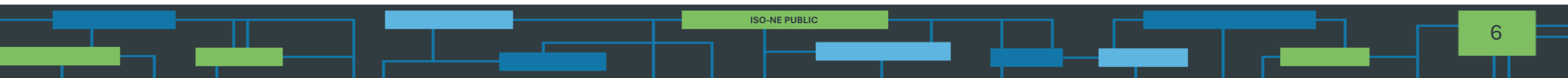


Example - Updated

- Hypothetical Scenario
 - Participant nets \$1 MM transmission credit each month with today's FA methodology requiring \$0 MM FA
 - January invoice adds \$6 MM of Opinion 594 resettlement charges, including interest (40 settlement months⁽¹⁾)
 - Net January Invoice: \$5 MM owed to the ISO
 - February invoice expected to carry 48 resettlement months⁽¹⁾
- The Current Unpaid 594 Invoice Amount will go to \$0 once the invoice is paid
 - Likewise, the entire FA requirement associated with the adder will fall to zero once the final resettlement invoice has been paid

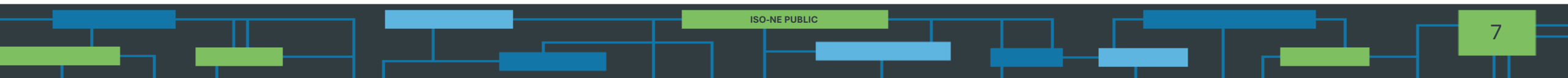
1	Current Unpaid 594 Invoice Amount The \$1 MM credit offsets part of it (lesser of \$6 MM resettlement charges or \$5 MM net Transmission Charges)	\$5.0 MM
2	Estimated Next 594 Invoice Amount Proxy ratio = $48 \div 40 = 1.2$. The $\$6.00 \times 1.2 - \$1.00$	\$6.2 MM
3	Total Commission Opinion 594 Adder \$5.0 MM + \$6.2 MM	\$11.2 MM

(1) The Hypothetical Scenario assumes the same number of resettlement months for schedule 1 charges as for schedule 8 and 9 charges



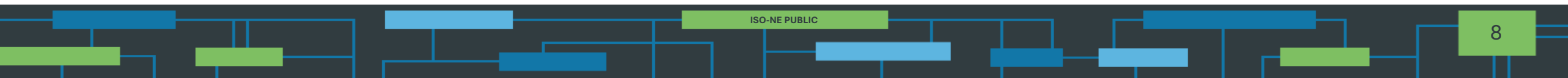
FINANCIAL ASSURANCE POLICY REDLINES

FAP redlines to reflect FERC Opinion 594 resettlement FA



Redlines – FAP Section III.A (iv)

- a Market Participant’s “Transmission Requirements” at any time will be determined by averaging that Market Participant’s Transmission Charges (excluding Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges) over the two most recently invoiced calendar months; provided that such Transmission Requirements shall in no event be less than \$0;



Redlines – FAP Section III.A (vii)

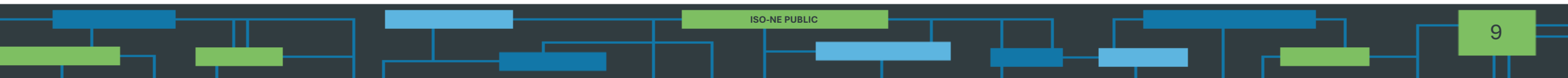
- a Market Participant's "Transmission Obligations" at any time will be such Market Participant's Transmission Requirements times 2.50: **plus the Commission Opinion 594 Adder as determined by the following formula; provided that such Transmission Obligations shall in no event be less than \$0:**

Commission Opinion 594 Adder = Current Unpaid 594 Invoice Amount + Estimated Next 594 Invoice Amount

Where:

Current Unpaid 594 Invoice Amount = the lesser of: (1) Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges; or (2) the Transmission Charges and any associated interest charges. Both values must be assessed utilizing the most recently issued monthly Statement until such Statement is paid, at which point the amount shall be \$0. Such amount shall be calculated individually for Schedule 1, 8, and 9 charges and then totaled.

Estimated Next 594 Invoice Amount = (x) Commission Opinion 594 resettlement charges that are not resettled within the Data Reconciliation Process and any associated interest charges, that are included on the most recently issued monthly Statement, times the ratio of (y) the number of Commission Opinion 594 resettlement months to be included on the next monthly Statement, and (z) the number of Commission Opinion 594 resettlement months included on the most recently issued monthly Statement. Such amount shall be calculated individually for Schedule 1, 8, and 9 charges and then totaled. The totaled amount shall be reduced by the net transmission credit on the most recently issued monthly Statement, as applicable, where the next monthly Statement is to include Commission Opinion 594 resettlement charges.

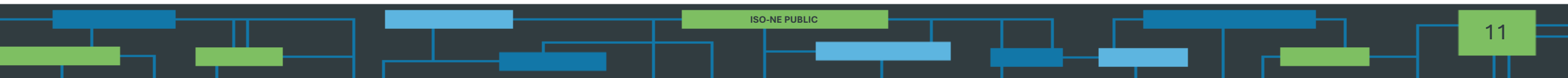


Redlines – FAP Section IX

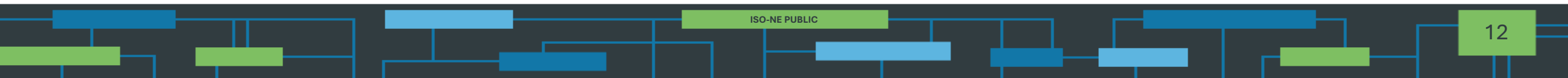
- For each Credit Qualifying Rated Market Participant, the portion of the Credit Coverage shall be the lesser of: (A) the sum of (x) 2.5 times the average Hourly Charges for such Credit Qualifying Rated Market Participant within the previous fifty-two calendar weeks plus (y) 2.5 times the sum of the average Non-Hourly Charges (excluding charges or credits related to FTR transactions) and the average Transmission Charges for such Credit Qualifying Rated Market Participant within the previous twelve calendar months; or (B) \$50 million. For any Credit Qualifying Rated Market Participant, the applicable amount of the Credit Coverage shall be adjusted monthly if the above formula produces a change that is either (A) 10% or greater, or (B) greater than \$100,000. The Credit Coverage shall be provided by an insurance company rated “A-” or better by A.M. Best & Co. or “A” or better by S&P. **Notwithstanding the foregoing, when determining the portion of the Credit Coverage for each Credit Qualifying Rated Market Participant, the ISO may consider the impacts of the Commission Opinion 594 resettlement charges to adjust such coverage amounts.**

Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Budget and Finance Subcommittee July 17, 2026	Introduce proposed transmission FA design change
Budget and Finance Subcommittee August 25, 2026	Present associated FAP redlines
Participants Committee September 3, 2026	Vote



Questions



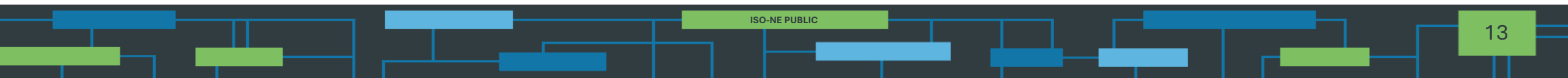
About the Presenter

Zach Shell

Supervisor, Market and Credit Risk

ISO New England

zshell@iso-ne.com



7

Litigation Report

REPORT

SEP 2, 2026 REPORT

NEPOOL PARTICIPANTS COMMITTEE
SEP 3, 2026 MEETING, AGENDA ITEM #7

EXECUTIVE SUMMARY

Status Report of Current Regulatory and Legal Proceedings as of September 1, 2026

The following activity, as more fully described in the attached Litigation Report, has occurred since the report dated August 5, 2026 ("last Report") was circulated. New matters/proceedings since the last Report are preceded by an asterisk '*'. Page numbers precede the matter description.

Executive Orders / Executive Memos / Agency Directives

* 1	Executive Order: Declaring a National Emergency To Secure the United States Bulk-Power System (EO 14421)	Aug 26	President declares a national emergency regarding foreign-supplied bulk-power equipment and authorizes DOE to restrict covered transactions, address existing high-risk equipment, and issue implementing rules by Dec. 24, 2026
* 1	NRC Review of NextEra-Dominion License Transfers	Aug 27	NRC publishes notice it's reviewing an application filed by NextEra and Dominion; comment deadline Sep 28, 2026 and hearing/intervention deadline is Sep 16, 2026
5	Executive Orders: Nuclear Energy Deployment and Reforms (EOs 14302, 14301, 14300, 14299)	Aug 11	NRC issues final rule; comment deadline Sep 10, 2026
3	Revolution Wind and Vineyard Wind Stop-Work Orders: Stop-Work Order II and Litigation	Aug 27 Sep1	Vineyard Wind files joint status report and request to stay the case until Nov 30, 2026 Court grants motion to stay and requires status report by Nov 30, 2026

I. Complaints/Section 206 Proceedings

* 7	ME Agencies RTO ROE Adder Complaint (EL26-103)	Sep 1	Maine Agencies file a Complaint against Maine TOs (CMP, Versant, MEPCO) and ISO-NE seeking an order finding unjust and unreasonable, and terminating, Maine TOs' RTO ROE Adder and directing refunds of related charges imposed after the Complaint's refund effective date; comment deadline Sep 21, 2026
8	DASI Complaint (Union Savings Bank) (FI 26-75)	Aug 13	FERC dismisses Complaint

Sep 3, 2026
Meeting

EXECUTIVE SUMMARY

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8	DASI Complaint (Union Savings Bank) (EL26-75)	Aug 13	FERC dismisses Complaint
8	New England Large and Co-Located Loads Show Cause Order (EL26-72)	Aug 7 Aug 14 Aug 20	NESCOE supports Compliance Abeyance Request FERC grants Compliance Abeyance Request (extending compliance deadline to Nov 16, 2026) FERC issues an Allegheny Notice, noting that the Eolian request for clarif and/or reh'g may be deemed denied by operation of law, but noting that the request will be addressed in a future order
10	State Consumer Advocates' Eversource X-178 Complaint (EL26-66)	Aug 14 Aug 17	Sen. R. Blumenthal (D-CT) submits comments K. Pastoriza submits comments

II. Rate, ICR, FCA, Cost Recovery Filings

18	New Base ROE - Attachment F Revisions (ER26-2389)	Aug 28	Hearing Briefs submitted by: NETOs, Acadia Center, Consumer Advocates, FERC Trial Staff, NECOS, Public Systems, State Entities
		Sep 2	NETOs request one-month extension, to Oct 28, 2026 , to file reply briefs in this proceeding

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

21	System-Backed Export Charge Proposal (ER26-3379)	Aug 10 Aug 21	Shell intervenes Financial Marketers Coalition protests filing
22	Balancing Ratio Cap Compliance Changes (ER26-3213)	Aug 11	NEPGA submits comments supporting Compliance Changes
22	DAAS Adjustments (ER26-3176)	Aug 6 Aug 10-13 Aug 18 Aug 21 Aug 25	Comments supporting the Adjustments filed by the IMM, EMM, ENE, NESCOE, and Identified End Users; protests filed by FirstLight and NEPGA; RI DPUC, MPUC intervene Interventions out-of-time: NH DOE, Engie FirstLight answers IMM comments ISO-NE answers FirstLight and NEPGA protests NEPGA answers ISO-NE's Aug 21 answer
22	PPR Reduction (ER26-3047)	Aug 31	FERC accepts reduction, eff. Sep 1, 2026
23	Waiver Request: ISO Tariff (McCallum Enterprises; Derby Hydroelectric Project) (ER26-3060)	Aug 20	FERC denies waiver request
23	Waiver Request: Return of CSO Payments (Brookfield) (ER26-143)	Aug 6	FERC approves Settlement Agreement; ISO-NE will distribute the Settlement Amount to FCM CLO for the months of Oct 2024 through Jan 2025 (\$125,328 plus interest) on or before Oct 5, 2026

IV. OATT Amendments / TOAs / Coordination Agreements

* 24	Asset Condition Reviewer Role (ER26-3533; ER26-3534)	Aug 17 Aug 18-Sep 2	ISO-NE, PTOs and NEPOOL jointly submit revisions to the OATT and TOA to establish ISO-NE as the New England region's Asset Condition Reviewer (ACR), and the process for ISO-NE to execute the ACR role; comment deadline Sep 7, 2026 AEU, Avangrid, EDF, CT OCC, MA AG, National Grid, NESCOE, NH OCA, NH DOE, Public Citizen intervene

V. Financial Assurance/Billing Policy Amendments

24	Calendar Year Rate Revisions (ER26-3061)	Aug 19	FERC accepts changes to Section IV of the Tariff, eff. <i>Sep 1, 2026</i>

VI. Schedule 20/21/22/23 Changes & Agreements

No Activity to Report

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports

* 25	Capital Projects Report – 2026 Q2 (ER26-3471)	Aug 7 Aug 17	ISO-NE files 2026 Q2 Report NEPOOL files supporting comments
* 25	Order 1920 Compliance Status Reports (RM21-17)	Aug 14	ISO-NE submits its Order 1920 Information Report (describing the stakeholder process schedule and its engagement with Relevant State Entities)
* 25	IMM Quarterly Markets Report (Spring 2026) (ZZ26-4)	Aug 24	IMM files Spring 2026 Report
* 25	ISO-NE FERC Form 3-Q (not docketed)	Aug 27	ISO-NE submits its 2026 Q2 FERC Form 3Q

IX. Membership Filings

* 26	Sep 2026 Membership Filing (ER26-3646)	Aug 28	New Member: SESCOE Enterprises; Termination: Uncia Energy, LP – Series G; comment date Sep 18, 2026
26	Jul 2026 Membership Filing (ER26-3056)	Aug 28	FERC accepts (i) the memberships of CarbonBridge; Nitor Energy; Trimount ESS; and Uncia Energy; and (ii) Transmission Developers Infrastructure's name change
26	May 2026 Membership Filing (ER26-2406)	Aug 6	FERC accepts the membership of Standard Normal Energy; and the termination of the Participant status of CS Berlin Ops; RWE Clean Energy Asset Holdings and RWE Clean Energy Solutions; and Wolverine Holdings, eff. Apr 1, 2026.

X. Misc. - ERO Rules, Filings; Reliability Standards

26	Ground Induced Current Complaint (Center for Security Policy et al. v. NERC) (EL26-49)	Aug 28	FERC denies Complaint
* 27	Reliability Standard: PRC-029-2 (RD26-10)	Aug 28	NERC files revised PRC-029-2 for approval
27	Reliability Standard: EOP-004-5 (RD26-8)	Aug 10	FERC approves EOP-004-5
27	Reliability Standard: CIP-015-2 (RD26-6)	Aug 10	FERC approves CIP-015-2
* 28	2027 NERC/NPCC Business Plans and Budgets (RR26-3)	Aug 25	NERC submits proposed 2027 Business Plan and Budget for itself and its Regional Entities, including NPCC; comment deadline Sep 15, 2026

XI. Misc. - of Regional Interest

* 28	203 Application: CMEEC/CL&P (EC26-144)	Aug 6 Aug 27	CL&P requests authorization to re-purchase from CTMEEC the "M-N Segment" of CL&P's Middletown-to-Norwalk Project CTMEEC intervenes and urges approval of the transaction

28	203 Application: NextEra/Dominion (EC26-131)	Aug 10-25	Add'l interventions filed; New England parties include: CT OCC, EDF, Eversource, NESCOE, NRDC, RI DPUC, RI AG, CT DEEP, ME AG
		Aug 13	U.S. Senator Markey requests FERC deny the application
		Aug 18-19	State Parties and Public Interest Organizations request 60-day extension of time, until Nov 13, 2026, to submit comments; Eversource supports the requests
		Aug 24	NextEra/Dominion oppose extension request
		Aug 25	FERC partially grants extension of time; comment deadline extended to and including Sep 29, 2026
		Sep 2	U.S. Senator Blumenthal requests FERC deny application
29	203 Application: Hull Street/FirstLight Power Management et. al. (EC26-110)	Aug 6	JustUs Community Perpetualization Project <i>et al.</i> answer Applicants' Aug 5 Answer
		Aug 21	JustUs Community Perpetualization Project <i>et al.</i> supplement their protests and Aug 6 Answer
* 30	NSTAR (MMWEC) – HQUS Use Rights Transfer Agreement (ER26-3445)	Aug 6	NSTAR files for acceptance an Agreement with HQUS for the Transfer of MMWEC's Use Rights on the Phase I/II HVDC Transmission Facilities
30	NSTAR (CMEEC)-Vitol Use Rights Transfer Agreement (ER26-3440)	Aug 5-6	Vitol, CMEEC intervene
31	Wholesale Distribution Tariff Amendment – CMP (ER26-3158)	Aug 28	FERC accepts WDT amendments, eff. <i>Sep 1, 2026</i>
31	Revised CL&P and NSTAR IAs (ER26-3127)		ISO-NE and CL&P/NSTAR file non-conforming first revised las to reflect ownership and non-material changes to the technical specs for the applicable facilities
31	Wholesale Distribution Tariff – Rhode Island Energy (ER26-3084)	Aug 11	RIE amends filing of new Wholesale Distribution Tariff
31	CL&P/NSTAR 10-Year Software Depreciation Rate (ER26-2957)	Aug 20	FERC accepts 10-year depreciation rate for Account 351.2 (Computer Software), eff. <i>Aug 24, 2026</i>
31	PSNH 10-Year Software Depreciation Rate (ER26-2866)	Aug 6	FERC accepts 10-year depreciation rate for Account 351.2 (Computer Software), eff. <i>Aug 17, 2026</i>
32	RFA Cancellation – PSNH/NECEC (ER26-2824)	Aug 10	FERC accepts notice of cancellation, eff. <i>June 13, 2026</i>

XII. Misc. – Administrative & Rulemaking Proceedings



33	Technical Conf: PJM Governance and Stakeholder Reforms (AD26-7)	Aug 10	Notice that DRS will convene a Sep 1-3 forum to facilitate interest-based discussions on proposed reforms to PJM's governance and stakeholder processes.
		Aug 21	Post tech conf comments submitted by, among others: PJM , AEU , Capital Power , Constellation , Dominion , ENGIE , National Grid , Shell , Vitol , Public Interest Organizations , R Street
		Aug 26	FERC posts Tech Conf Transcript to eLibrary
		Sep 1-3	DRS led forum held
34	Joint Federal- State Current Issues Collaborative (AD24-7)	Aug 25	NARUC submits notice of newly-appointed NECPUC representatives

34	Tech Conf: Increasing Market and Planning Efficiency Through Improved Software (AD10-12)	Aug 11 Aug 19	Transcript posted to eLibrary Post-tech conf comments filed by ITC , PPL , G. Poulos

XIII. FERC Enforcement Proceedings*No Activity to Report***XIV. Natural Gas Proceedings***No Activity to Report***XV. State Proceedings & Federal Legislative Proceedings***No Activity to Report***XVI. Federal Courts**

40	Offshore Wind Orders Challenge (26-1910)	Aug 6 Aug 14	Court grants joint request for revised scheduling order States file an amended complaint
40	Order 904: Compensation for Reactive Power Within the Standard Power Factor Range (5th Cir. – 25-60055 et al.)	Aug 17-18 Aug 26	Paper copies of parties' briefs submitted (Petitioners' opening and reply briefs, FERC's appellee brief, and the Respondent-Intervenors' brief) Court calendared oral argument for week of Nov 2, 2026
41	Order 1920: Transmission Planning Reforms (4th Circuit – 24-1650)	Aug 4 Aug 7 Aug 21 Aug 31	FERC submits supplemental authority regarding D.C. Circuit decision upholding Order 2023 FERC submits proposal for oral argument; various public interest orgs submit supplemental authority Court sets oral argument for Sep 15, 2026 and orders FERC revise proposal FERC submits revised proposal and Court accepts
42	Opinion 531-A Compliance Filing Undo / Opinion 594 Review (20-1329, 26-1123, 26-1150, 26-1173)	Aug 6 Aug 20 Aug 28	Court grants respondent's extension of time to respond Court grants interventions Court denies motion to stay in 26-1150, returns other dockets to the active docket and orders respondent to file certified index to the record and parties to file proposed formats for briefing by Sep 28, 2026
43	Allco PURPA Enforcement Petition (D.CT) (Case No. 3:25CV01321)	Aug 31	Defendants submit supplemental authority
44	RENEW Northeast, et. al. APA Challenge (D. Mass. – Case No. 1:25CV13961)	Aug 20	Court sets scheduling conference for Sep 21, 2026

M E M O R A N D U M

TO: NEPOOL Participants Committee Members and Alternates

FROM: Pat Gerity and Joan Bosma, NEPOOL Counsel

DATE: September 2, 2026

RE: Status Report on Current Regional Wholesale Power and Transmission Arrangements Pending Before the Regulators, Legislatures and Courts

We have summarized below the status of key ongoing proceedings relating to NEPOOL matters before the Federal Energy Regulatory Commission (“FERC”),¹ state regulatory commissions, and the Federal Courts and legislatures through September 2, 2026. In addition, in the opening Section immediately below, we continue to summarize recent Executive Orders issued by the President of the United States and Executive Agency directives related to the energy industry. If you have questions on any of these summaries, please contact us.

Executive Orders / Agency Directives

Questions concerning any of the Executive Orders (“EO”) or Agency Directives summarized below can be directed to Joan Bosma (617-345-4651; jbosma@daypitney.com).

- **Executive Order: Declaring a National Emergency To Secure the US BPS (EO 14421)**

On August 26, 2026, President Trump issued an EO declaring a national emergency regarding national security and supply chain risks associated with foreign-produced bulk power system (“BPS”) electric equipment. The EO authorizes the Department of Energy (“DOE”) to prohibit or impose conditions on the acquisition, importation, transfer, or installation of foreign-produced BPS equipment where DOE determines that the equipment has ties to a “Covered Foreign Entity” and poses an unacceptable risk to the security or reliability of the U.S. electric grid. The EO applies to transactions initiated after August 26, 2026 and covers a broad range of equipment. The DOE may also impose conditions on foreign-produced equipment already installed or operating, including requirements to monitor, secure, replace, or remove equipment posing an unacceptable risk. The EO directs the DOE to issue implementing rules or regulations by **December 24, 2026** and to identify potentially high-risk equipment and develop recommendations for its identification, monitoring, isolation, or replacement.

- **NRC: Review of NextEra-Dominion License Transfers**

On August 27, 2026, the Nuclear Regulatory Commission (“NRC”) published notice that it is considering an application filed by NextEra, Dominion and certain Dominion subsidiaries seeking approval for the indirect transfer of control of multiple NRC licenses in connection with the proposed NextEra-Dominion merger. The requested transfers include the licenses for Millstone Power Station Units 1, 2 and 3 in Connecticut, as well as licenses for the Surry, North Anna, and V.C. Summer nuclear facilities and related spent fuel storage installations. The NRC will determine whether the proposed transfer would affect the licensees’ qualifications or otherwise be inconsistent with applicable law and NRC requirements. Comments on the application are due **September 28, 2026**, and requests for hearing and petitions to intervene are due **September 16, 2026**.

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement (the “Second Restated NEPOOL Agreement”), the Participants Agreement, or the ISO New England Inc. (“ISO” or “ISO-NE”) Transmission, Markets and Services Tariff (the “Tariff”).

- **DOE National Transmission Needs Study**

On July 9, 2026 the DOE released its draft 2026 National Transmission Needs Study, which evaluates transmission constraints and potential needs across the United States. For New England, the Draft Study identifies transmission constraints in northern Maine that limit the interconnection of new generation and identifies the ISO-NE and NYISO interface as a potentially high-value opportunity for additional interregional transmission, particularly during winter periods when New England's natural gas system is constrained. The Draft Study also notes that prior transmission investment has reduced congestion within ISO-NE, but contributed to comparatively high regional transmission rates. Comments on the draft Study are due on or before **September 8, 2026**.

- **Executive Memo: Presidential Determinations for Energy Infrastructure**

On April 20, 2026, President Trump issued five Presidential Determinations authorizing the Secretary of Energy to use the DOE's authority pursuant to section 303 of the Defense Production Act ("DPA") to support domestic energy production, infrastructure, and related supply chains. The Determinations waive the requirements of section 303(a)(1)-(a)(6) of the DPA and were issued in the context of the national energy emergency declared in Executive Order 14156.² The Determinations cover: (i) coal supply chains and baseload power generation capacity; (ii) development, manufacturing, and deployment of large-scale energy and energy-related infrastructure; (iii) grid infrastructure, equipment, and supply chain capacity; (iv) domestic petroleum production, refining, and logistics capacity; and (v) natural gas transmission, processing, storage, and liquefied natural gas capacity. Each Determination makes the findings necessary to authorize expedited DOE support under DPA section 303, including through purchases, purchase commitments, and financial support. On June 4, 2026, the Department of Energy announced that it plans to use \$500 million in DPA funds to support 13 coal-fired power plants and new coal export infrastructure. On June 15, 2026, the DOE issued a request for information seeking information on how distribution-transformer efficiency standards affect domestic manufacturing, equipment availability, national security, and grid-supply-chain resilience.³

- **Proclamation: Ratepayer Protection Pledge**

On March 4, 2026, President Trump issued a proclamation announcing the "Ratepayer Protection Pledge," under which seven major technology companies⁴ committed that electricity demand associated with their data centers will not increase household electricity costs. The Proclamation states that the participating companies will build, bring, or buy the new generation resources needed to serve their data centers, pay for all required power delivery infrastructure upgrades, negotiate separate rate structures with utilities and relevant State governments, and pay those rates and infrastructure costs whether the electricity is used or not. The Proclamation also states that the participating companies will invest in local communities and coordinate with grid operators to support grid reliability, and frames domestic data center development as important to the United States' economic, technological, and national security interests.

- **Executive Order: Strengthening US National Defense with America's Beautiful Clean Coal Power Generation Fleet (EO 14386)**

On February 11, 2026, President Trump issued an EO directing the Department of Defense (or the "Department of War") and the DOE, to prioritize approval of long-term power purchase agreements ("PPAs") or similar contracts with coal-fired energy production facilities to serve Department of Defense installations and other critical facilities. The EO calls for priority to be given to projects that enhance grid reliability and blackout prevention, on-site fuel security, and mission assurance for defense and intelligence capabilities. The EO's stated

² Exec. Order 14156, 90 FR 8433 (Jan. 20, 2025) ("Declaring a National Emergency").

³ *Energy Conservation Program: Energy Conservation Standards for Distribution Transformers*, Proposed Rule, 91 FR 35903 (June 15, 2026).

⁴ Amazon, Google, Meta, Microsoft, OpenAI, Oracle, and xAI signed the Ratepayer Protection Pledge.

objective is to ensure uninterrupted, on-demand baseload power for national defense facilities, and is issued in the context of two prior EOs⁵ and the national emergency declared pursuant to an EO.⁶

- **Revolution Wind and Vineyard Wind Stop-Work Orders**

Revolution Wind Stop-Work Order and Litigation. On August 22, 2025, the Bureau of Ocean Energy Management (BOEM) issued an order directing Revolution Wind to halt all activities related to the Revolution Wind Project on the Outer Continental Shelf and not resume activities until BOEM completed its review. Revolution Wind filed suit in the U.S. District Court for the District of Columbia challenging the order and moved for a stay pending review and preliminary injunction. On September 22, 2025, Revolution Wind's request to temporarily block BOEM from enforcing the order while the lawsuit continues was granted.⁷

Stop-Work Order II and Litigation. On December 22, 2025, the BOEM's Acting Director issued a second order related to Revolution Wind (as well as to 4 other off-shore wind projects, including Vineyard Wind) ordering Ørsted, among others, to suspend all ongoing activities related to the Revolution Wind Project for the next 90 days for reasons of national security ("the Second Stop Work Order").⁸ The national security risks, BOEM states, were identified by the Defense Department (Department of War) in recently completed classified reports.⁹ In response, Ørsted moved for leave to supplement its pending complaint and moved to preliminarily enjoin the Second Stop Work Order. The State of Rhode Island, State of Connecticut, and Katie Dykes ("State Plaintiffs") filed a motion for (i) stay pending review and (ii) a preliminary injunction. Other parties also challenged the Second Stop Work Order in federal court (e.g. Dominion in the US District for the Eastern District of Virginia, in connection with the CVOW – Commercial project). On January 12, 2026, U.S. District Court (D.C.) Judge Royce Lamberth granted a stay and preliminary injunction against enforcement of the Second Stop Work Order as it applied to Revolution Wind. On January 15, 2026, Vineyard Wind filed suit to enjoin the BOEM's Second Stop Work Order.¹⁰ On January 27, 2026, U.S. District Court (Mass.) Judge Brian Murphy blocked the Second Stop Work Order as it applied to Vineyard Wind, allowing construction to proceed while the lawsuits remain pending; and on May 28, 2026, the Judge stayed the Vineyard Wind federal stop-work case until August 26, 2026 with a joint status report due August 28, 2026. On September 1, 2026, Judge Murphy granted Vineyard Wind's filed motion to extend the stay (as part of its joint status report) until **November 30, 2026** with an additional status report due at that time.

Project Status and Vineyard Wind/GE Vernova Litigation. In March of this year, the 700-MW Revolution Wind project began delivering power to the New England grid,¹¹ and the 800-MW Vineyard Wind 1 project's construction was completed with commissioning and testing to come. In April, Massachusetts announced activation of the Vineyard Wind contracts, which the state reported will provide stable prices and save Massachusetts customers a projected \$1.4 billion over 20 years.¹² Separately, on April 17, 2026, Massachusetts

⁵ Exec. Order No. 14261, 90 Fed. Reg. 15517 (Apr. 8, 2025) ("*Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241*"); Exec. Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) ("*Strengthening the Reliability and Security of the United States Electric Grid*").

⁶ Exec. Order 14156, 90 FR 8433 (Jan. 20, 2025) ("*Declaring a National Emergency*").

⁷ *Revolution Wind, LLC v. Burgum*, No. 1:25-cv-02999 (D.D.C. Sept. 22, 2025), order granting preliminary injunction available at <https://www.courthousenews.com/wp-content/uploads/2025/09/judge-lamberth-revolution-wind-preliminary-injunction-order.pdf>.

⁸ See <https://www.doi.gov/pressreleases/trump-administration-protects-us-national-security-pausing-offshore-wind-leases>.

⁹ Unclassified US Government reports have found that the movement of massive turbine blades and the highly reflective towers create radar interference called "clutter." The clutter caused by offshore wind projects obscures legitimate moving targets and generates false targets in the vicinity of the wind projects. A 2024 DOE report stated that a radar's threshold for false alarm detection can be increased to reduce some clutter, but an increased detection threshold could cause the radar to "miss actual targets."

¹⁰ *Vineyard Wind 1 LLC v. U.S. Dept of the Interior*, 1:26-cv-10156, (D. Mass.).

¹¹ See <https://revolution-wind.com/news/2026/03/revolution-wind-begins-delivering-power-to-new-england> (Mar. 13, 2026).

¹² See Massachusetts Executive Office of Energy and Environmental Affairs Press Release, available at: <https://www.mass.gov/news/vineyard-wind-contracts-lower-electricity-prices-for-massachusetts-customers> (Apr. 27, 2026).

Superior Court Judge Peter Krupp issued a preliminary injunction to prevent GE Vernova/GE Renewables (contractor on the Vineyard Wind Project) from terminating its Turbine Supply Agreement with Vineyard Wind.¹³ On May 29, 2026, Judge Krupp denied GE Vernova's request for reconsideration, upheld the preliminary injunction requiring GE Vernova to remain on the project, and denied GE Vernova's motion to stay the case and compel arbitration.

- **Executive Order: Launching the Genesis Mission (EO 14363)**

On November 24, 2025, President Trump issued an EO to launch the "Genesis Mission." The EO directs DOE to create an integrated Artificial Intelligence ("AI") and high-performance computing platform to accelerate scientific discovery and advance national, economic, and energy security. The DOE Secretary must establish and operate the American Science and Security Platform, leveraging DOE supercomputers, secure cloud AI environments, and Federal scientific datasets to train scientific foundation models and deploy AI agents for automated experimentation. The EO set several milestones. On or before January 23, 2026, DOE was required to identify and submit at least 20 national science and technology challenges spanning priority domains such as advanced manufacturing, biotechnology, critical materials, nuclear fission and fusion energy, quantum information science, and semiconductors and microelectronics. Likewise, on or before February 22, 2026, the DOE Secretary was instructed to inventory Federal and industry computing, storage, and networking resources available to support the Genesis Mission. Following the EO, the DOE published 26 Genesis Mission AI challenges,¹⁴ and announced the launch of the Genesis Mission Consortium, a public-private partnership to advance the Genesis Mission and support collaboration among DOE, National Laboratories, industry, and academia. On March 17, 2026, the DOE announced requests for applications under the Genesis Mission.¹⁵ On or before **July 22, 2026**, the DOE must review robotic and AI-directed experimentation capabilities across the national labs; and, on or before **August 21, 2026**, the DOE must demonstrate an initial operating capability of the Platform for at least one of the identified national challenges. The EO also requires the DOE Secretary to report on the Platform's operational status to the President within one year and annually thereafter.¹⁶ The DOE's Genesis Mission Collaboration page lists ISO-NE among the Genesis Mission Partner Organizations. On June 4, 2026, DOE also announced a \$1 billion U.S.-Japan strategic partnership under the Genesis Mission; Japan is the first international partner in the program.

- **Executive Order: Accelerating Federal Permitting of Data Center Infrastructure (EO 14318)**

On July 23, 2025, President Trump issued an EO to facilitate "the rapid and efficient buildout" of AI data centers and associated infrastructure. The EO directs the Secretary of Commerce to launch an initiative to provide financial support for "Qualifying Projects," which are defined as data centers and related infrastructure that require over 100 MW of incremental electric load, a commitment of \$500 million or more in capital expenditures, or are otherwise designated as such. All relevant agencies were directed to identify existing National Environmental Policy Act ("NEPA") categorical exclusions that could facilitate the construction of Qualifying Projects to the Council on Environmental Quality within 10 days; the EO also establishes a presumption that federal financial assistance that is less than half of the total project cost does not constitute a "major Federal action" under NEPA. The Environmental Protection Agency ("EPA") is tasked with reviewing and revising permitting regulations under the Clean Air Act, Clean Water Act ("CWA"), and other laws to streamline approval processes. As directed by the EO, the EPA issued guidance in January to support the reuse of Superfund and

¹³ *Vineyard Wind 1, LLC v. GE Renewables US LLC*, No. 26-1041-BLS1 (Mass. Super. Ct. Apr. 17, 2026).

¹⁴ The Dept. of Energy Genesis Mission Science and Technology Challenges, are available here: <https://www.energy.gov/documents/genesis-mission-science-and-technology-challenges>.

¹⁵ See Notice for Request for Application, available at <https://science.osti.gov/-/media/grants/pdf/foas/2026/DE-FOA-0003612.pdf> (posted Mar. 17, 2026).

¹⁶ Updates are available on the DOE website: <https://genesis.energy.gov/>.

Brownfield sites for data centers.¹⁷ And, the Army must assess whether a new nationwide permit is necessary under the CWA or Rivers and Harbors Appropriation Act to facilitate the efficient permitting of Qualifying Projects. Additionally, the EO instructs the Departments of the Interior, Energy, and Defense to identify and authorize federal and military lands for qualifying development, including streamlined consultations under the Endangered Species Act for construction of Qualifying Projects over the next 10 years and competitively leasing sites for data centers. The EO also mandates FAST-41 transparency project designation and permitting dashboard integration by August 22, 2025.

- **Executive Order: Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources (EO 14315)**

On July 7, 2025, following the signing of the One Big Beautiful Bill Act (“OBBB”), President Trump issued an EO directing the Secretary of the Treasury to implement provisions of the OBBB aimed at eliminating federal support for wind and solar energy and directing the Department of the Interior to review and revise any policies that provide preferential treatment to wind and solar energy sources, by August 21, 2025. Specifically, the EO requires the Treasury to issue guidance to enforce the OBBB’s termination of Sections 45Y and 48E tax credits, including restricting safe harbor provisions and “beginning of construction” standards. On March 9, 2026, the Treasury and Internal Revenue Service issued Notice 2026-15 proposing guidance and regulations to implement the OBBB’s enhanced Foreign Entity of Concern restrictions.¹⁸

- **Executive Orders: Nuclear Energy Deployment and Reforms (EOs 14302, 14301, 14300, 14299)**

On May 23, 2025, President Trump issued four Executive Orders¹⁹ intended to accelerate the development, testing, licensing, deployment, and export of nuclear energy technology. The EOs direct the DOE, DoD, NRC, and other federal agencies to: (i) facilitate 5 GW of uprates to existing reactors and the start of construction on ten new large reactors by 2030; (ii) streamline DOE environmental reviews and establish a pilot program for test reactors; (iii) reform NRC licensing with expedited review timelines; and (iv) accelerate advanced nuclear deployment for national security missions, including AI/data center and military installation needs. The NRC issued a proposed rule to revise 10 CFR Parts 50 and 53 to facilitate NRC review of reactor designs previously authorized and tested by the DOE or DoD (comments were due on or before May 4, 2026), and the DOE announced that construction of the National Reactor Innovation Center’s Demonstration of Microreactor Experiments (“DOME”) test bed and its first-of-its-kind facility is complete. On May 14, 2026, the DOE announced the selection of eight companies to receive more than \$94 million in federal funding to support near-term deployment of advanced light-water small modular reactors. On June 4, 2026, the DOE announced that Antares Nuclear’s Mark-0 advanced reactor design successfully completed a zero-power fueled criticality demonstration at Idaho National Laboratory as part of DOE’s Reactor Pilot Program. On July 21, the Marine Minerals Administration (“MMA”) and the NRC signed a MOU that establishes how the agencies will work together in the event there is a proposal for nuclear energy projects on the U.S. Outer Continental Shelf. On August 11, the NRC issued a direct final rule implementing portions of EO 14300 with comments due **September 10, 2026**; the rule is scheduled to take effect October 26, 2026 unless significant adverse comments are received.

- **Executive Order: Zero-Based Regulatory Budgeting to Unleash American Energy (EO 14270)**

On April 9, 2025, President Trump issued an EO directing the FERC, along with DOE, EPA, and the NRC, to incorporate conditional sunset provisions into specified “Covered Regulations” that requires these regulations expire after one year unless extended at the agency’s discretion for a period of up to five years. The agencies

¹⁷ See https://www.epa.gov/system/files/documents/2026-01/guidance-on-the-redevelopment-of-superfund-and-brownfield-sites-as-ai-data-centers.pdf?utm_source.

¹⁸ Notice 2026-15 is available at <https://www.irs.gov/pub/irs-drop/n-26-15.pdf>.

¹⁹ The referenced executive orders, which were included separately in the last Report, are: “Reinvigorating the Nuclear Industrial Base” (EO 14302); “Reforming Nuclear Reactor Testing at the Department of Energy” (EO 14301); “Ordering the Reform of the Nuclear Regulatory Commission” (EO 14300); and “Deploying Advanced Nuclear Reactor Technologies for National Security” (EO 14299).

must provide the public with an opportunity to comment on the costs and benefits of each such regulation prior to its expiration. For the FERC, the EO applies to regulations promulgated under the FPA, Natural Gas Act (“NGA”), and the Powerplant and Industrial Fuel Use Act. On October 1, 2025, the FERC issued a direct final rule (*Order 914*) and a related NOPR, in response to EO 14270, to sunset 53 regulations identified as outdated or unnecessary. *Order 914* establishes a one-year sunset from its effective date (45 days after *Order 914*’s publication in the Federal Register), after which the regulations will be removed from the U.S. Code of Federal Regulations and the FERC will no longer treat them as effective.²⁰ On May 29, 2026 the DOE published a direct final rule to insert sunset provisions into certain DOE regulations under this EO. The rule was scheduled to become effective July 13, 2026; however, the DOE received adverse comments during the public comment period and withdrew its final rule on July 9, 2026. The proposed rule remains pending before DOE.

- **Executive Order: Strengthening the Reliability and Security of the United States Electric Grid (EO 14262)**

On April 8, 2025, President Trump issued an EO directing the Secretary of the DOE to strengthen use of emergency authority under Section 202(c) of the FPA and to implement a new national methodology for assessing electric reliability. The EO requires the DOE to streamline and expedite the issuance of 202(c) emergency orders during forecasted supply interruptions and to develop, within 30 days, a uniform framework for evaluating reserve margins across all FERC-jurisdictional regions. This framework will be used to identify regions with insufficient capacity and determine which generation resources are critical to reliability. The DOE is further directed to use the methodology to prevent the retirement or fuel conversion of any resource over 50 MW that would cause a net reduction in accredited capacity. While the FERC is not directly tasked under EO 14262, implementation of its provisions may influence FERC-jurisdictional processes.

DOE Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid (“DOE RA Report”). On July 7, 2025, the DOE released a Report in response to Section 3(b) of EO 14262 (which directed the DOE to develop a uniform methodology for analyzing current and anticipated reserve margins in FERC-regulated regions of the bulk power system). The DOE RA Report provides an assessment of the U.S. grid’s ability to meet projected load growth through 2030 using a deterministic approach that simulates system stress in all hours of the year and incorporates grid conditions and scenarios based on historical data.²¹ Overall highlights from the DOE RA Report include conclusions that: (i) the status quo is unsustainable; (ii) grid growth must match the pace of AI innovation; (iii) with projected load growth, retirements increase the risk of power outages by 100 times in 2030; (iv) planned supply falls short, reliability at risk; and (v) old tools won’t solve new problems.

Not New England. The DOE RA Report identifies several regions facing acute reliability issues in the near future, though not New England. The DOE RA Report cites sharp load growth from electrification, AI, and data centers as the key drivers of resource adequacy concerns. Noting the absence of additional AI/data center load growth in New England, the DOE RA Report concludes that no additional capacity in New England would be necessary to meet the study’s reliability standards.

Request for Rehearing – DOE RA Report. On August 6, 2025, Clean Energy Organizations,²² concluding that the DOE RA Report is a rule subject to rehearing, despite being styled as a report, requested rehearing of the DOE RA Report, asserting that the Report “fails to account for [] important aspects of the resource adequacy

²⁰ See *infra* Section XII.

²¹ The DOE RA Report employs three different 2030 cases: a Plant Closures Case (which assumes all announced retirements occur), a No Plant Closures Case (which assumes no announced retirements proceed and mature additions), and a Required Build Case (which compares impacts of retirements on perfect capacity additions necessary to return 2030 to current level of reliability). In the Plant Closures Case, only New England and NYISO met the reliability thresholds, while all other regions failed. ISO-NE’s peak demand is projected to grow from 28 GW in 2024 to 31 GW by 2030, with capacity rising from 40 GW to 45.5 GW in the No Plant Closures case and to 42.8 GW in the Plant Closures case.

²² “Clean Energy Organizations” are, for the purposes of this matter, the American Clean Power Association (“ACPA”), Advanced Energy United (“AEU”), and American Council on Renewable Energy (“ACORE”).

puzzle.”²³ Clean Energy Organizations request that DOE “withdraw the Resource Adequacy Protocol or otherwise address the errors contained in it.”

- **Executive Order: Reinvigorating America's Beautiful Clean Coal Industry and Amending EO 14241 (EO 14261)**

On April 8, 2025, President Trump issued an EO that (i) reclassifies Coal as a Strategic National Asset (granting coal eligibility for federal support programs, including those under the Defense Production Act and DOE’s loan authorities, and directing a review of policies that may discourage coal production, with agencies tasked to revise or rescind such policies within 60 days); (ii) accelerates coal access on federal lands (directing federal agencies to identify coal-rich areas on federal lands, address barriers to mining on federal lands and propose actions to maximize coal mining on federal lands, and prioritize coal leasing and encourage the use of emergency authorities to expedite permitting and environmental reviews, including a push for broader use of categorical exclusions under NEPA. The assessment requires an analysis of the impact the use of coal resources could have on electricity costs and grid reliability); and (iii) aligns coal with emerging industrial needs (positioning coal as a critical resource for emerging industries, directing agencies to assess its potential for powering AI data centers and supporting steelmaking, and calling for accelerated development of coal technologies and commercial applications in advanced manufacturing). To advance this effort, the DOE reconvened the National Coal Council on January 15, 2026, and on February 11, 2026, the DOE announced \$175 million to modernize coal plants. On June 4, 2026, the DOE announced the selection of four coal modernization and reliability projects to receive up to \$350 million through DOE’s “Restoring Reliability: Coal Recommissioning and Modernization” initiative.²⁴ On July 1, the DOE’s Office of Critical Minerals and Energy Innovation announced \$75 million for five projects that use coal and coal-based feedstocks to produce rare earth elements and other critical materials.

I. Complaints/Section 206 Proceedings

- **ME Agencies RTO ROE Adder Complaint (EL26-103)**

Maine (“ME”) Agencies²⁵ filed a complaint on September 1, 2026 against Central Maine Power (“CMP”), Versant Power (“Versant”), and Maine Electric Power Company (“MEPCO”) (collectively, “Maine TOs”) and ISO-NE seeking an order (i) finding unjust and unreasonable the continued collection by Maine TOs of the previously-authorized 50 basis point Return on Equity (“ROE”) Adder for participation in ISO-NE (“RTO ROE Adder”); (ii) directing a compliance filing terminating the adder; and (iii) directing a refund of any adder-related charges imposed after the refund effective date of the Complaint. Comments on the Complaint are due on or before **September 21, 2026**. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **CT Agencies RTO ROE Adder Complaint (EL26-79)**

As previously reported, CT Agencies²⁶ filed a complaint on June 11, 2026 against Eversource, UI and ISO-NE seeking an order (i) finding unjust and unreasonable the continued collection by Eversource and UI of the previously-authorized 50 basis point Return on Equity (“ROE”) Adder for participation in ISO-NE (“RTO ROE

²³ Clean Energy Organizations assert that DOE’s analysis “fails to take account of (or simply mischaracterizes) major developments that will affect resource adequacy in the next half-decade and beyond, primarily the pace of new resource development, the retirement of existing resources, and the well-established regulatory and market mechanisms that connect these threads. The [Report] also excludes mention of President Trump’s own policies aimed at making the headline outcomes of the [Report] highly unlikely.

²⁴ See announcement, available at <https://www.energy.gov/articles/energy-department-invest-350-million-build-modernize-and-restart-coal-plants>.

²⁵ “ME Agencies” are: the Maine Office of the Public Advocate (“MOPA”), Maine Public Utilities Commission (“MPUC”), and the Maine Department of Energy Resources (“ME DOER”).

²⁶ “CT Agencies” are: the Conn. Dept. of Energy and Environ. Protection (“CT DEEP”), Conn. Office of Consumer Counsel (“CT OCC”), Conn. Pub. Utils. Regulatory Authority (“CT PURA”), and William Tong, Conn. Atty. General (“CT AG”).

Adder”); (ii) directing a compliance filing terminating the adder; and (iii) directing a refund of any adder-related charges imposed after the refund effective date of the Complaint.

Comments on the Complaint were due on or before July 1, 2026. CL&P and UI (“CT TOs”) moved to hold the proceeding in abeyance pending final resolution of related federal district court litigation (“Abeyance Request”) and separately moved to dismiss and answered the Complaint (“CT TOs’ Motion to Dismiss/Answer”). Comments were filed by the MA AG, MMWEC, NESCOE, New England Consumer Advocates, NH OCA, Connecticut Industrial Energy Consumers (“CT IEC”), EEI and WIRES. Doc-less interventions were filed by MA AG, ME OPA, NH OCA, PSEG, RI Energy, RI PUC, MA DPU, MPUC, MD OPC, WIRES, and Public Citizen. On July 6, 2026, the CT State Agencies opposed CT TOs’ request for a shortened response period on the abeyance motion. On July 14, 2026, the FERC granted motion to extend until August 5, 2026 the deadline to answer CT TO’s Motion to Dismiss/Answer. On July 16, 2026, the CT State Agencies opposed the Abeyance Request, asserting that an abeyance would unduly delay resolution of the Complaint and jeopardize refund protection. On August 5, 2026, CT State Agencies answered CT TOs’ Motion to Dismiss/Answer.

ISO-NE Party Status. On June 26, 2026, ISO-NE moved to be dismissed as a party and, alternatively, answered the Complaint, taking no position on its merits and committing to comply with any FERC-directed Tariff amendments or refunds (on July 9, 2026, CT State Agencies stated that they did not oppose ISO-NE’s dismissal in light of its commitment to comply with any FERC decision).

This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **DASI Complaint (Union Savings Bank) (EL26-75)**

On August 13, 2026, the FERC dismissed the complaint by Union Savings Bank against ISO-NE alleging that increases in its retail electric supply rate following implementation of the Day Ahead Ancillary Services Initiative (“DASI”) are unjust, unreasonable, and unduly discriminatory.²⁷ The FERC found that the Complaint did not meet the requirements of Rule 206 because (i) it did not clearly identify or explain the action or inaction by ISO-NE that allegedly violates applicable statutory or regulatory requirements and (ii) did not articulate any requested relief or remedy.²⁸ Unless the August 13 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **New England Large and Co-Located Loads Show Cause Order (EL26-72)**

On June 18, 2026, the FERC issued a unanimous order instituting a Section 206 proceeding (with each Commissioner separately attaching a statement), preliminarily finding that the ISO-NE Tariff appears to be unjust, unreasonable, or unduly discriminatory or preferential because it does not adequately address the challenges associated with integrating large and co-located loads onto the transmission system.²⁹ The *New England Large and Co-Located Loads Show Cause Order* directs ISO-NE and the PTOs, on or before **August 17, 2026**, to either show cause why the Tariff remains just and reasonable and not unduly discriminatory or preferential or explain what Tariff changes would remedy the FERC’s concerns regarding: (i) the application, study, and ongoing operational requirements for transmission service to large loads; (ii) transparency and cost recovery for network upgrades needed to serve large loads, including a pro forma cost recovery agreement intended to mitigate cost shifting; (iii) the rates, terms, and conditions applicable to co-location arrangements; (iv) transmission services for co-located loads, loads with behind-the-meter generation, and flexible large loads; and (v) the rates, terms, and conditions applicable to interconnection customers serving electrically proximate large loads. The FERC said that

²⁷ *Union Savings Bank v. ISO New England Inc.*, 196 FERC ¶ 61,121 (Aug. 13, 2026).

²⁸ *Id.* at P 18.

²⁹ *ISO New England Inc.*, 195 FERC ¶ 61,215 (June 18, 2026) (“*New England Large and Co-Located Loads Show Cause Order*”). The FERC issued parallel, region-specific show cause orders for each of the six RTO/ISO markets in lieu of taking final action on the pending Large Load ANOPR (RM26-4).

ISO-NE and the PTOs could request, on or before August 3, 2026, an up to a 90-day abeyance to develop a Section 205 filing addressing the identified concerns. The FERC also directed ISO-NE to submit, on or before July 20, 2026, an informational report addressing resource adequacy and how sufficient generation will be available to serve existing and new large loads (“July 20 Informational Report”). NEPOOL Counsel presented a summary of the *New England Large and Co-Located Loads Show Cause Order* at the June 24, 2026 Transmission Committee meeting.

Interventions were due on or before July 9, 2026. Many parties doc-lessly intervened, including NEPOOL, NESCOE, NECPUC, state commissions and consumer advocates, and other Market Participants and stakeholders. On June 22, 2026, Vermont Electric Cooperative (“VEC”) requested issuance of an errata to remove it as a named Party; the FERC issued the requested errata on July 9, 2026. Out-of-time interventions were later filed by the Technology Industry Council and Capital Power Corp.

July 20 Informational Report. On July 20, 2026, ISO-NE submitted the required informational report. The July 20 Informational Report summarizes New England’s resource adequacy outlook, and addresses existing and potential new proposals to meet upcoming challenges. ISO-NE emphasized that the proposals rely on New England’s existing competitive markets as the most cost-effective and efficient means of ensuring resource adequacy in New England (which ISO-NE said requires both maintaining sufficient revenue for the existing fleet to remain commercially viable, and providing sufficient incentives for new resource investment). Responses to the July 20 Informational Report were due on or before August 19, 2026.

Compliance Abeyance Request – Responses or Section 205 Filing Due on or Before November 16, 2026. As permitted by the *New England Large and Co-Located Loads Show Cause Order*, ISO-NE and the TOs requested on August 3, 2026 that the FERC hold this in abeyance for 90 days, or until **November 16, 2026**. ISO-NE and the PTOs said that the abeyance will allow them to work through the stakeholder process to develop and refine a FPA Section 205 filing that will address the issues raised in the *New England Large and Co-Located Loads Show Cause Order*. ISO-NE and the PTOs committed to submit a FPA Section 205 filing on or before November 16, 2026. NESCOE supported the Compliance Abeyance Request.

On August 14, 2026, the FERC granted the Compliance Abeyance Request.³⁰ The FERC will hold this proceeding in abeyance, in full, for 90 days, with responses to the *New England Large and Co-Located Loads Show Cause Order* due on **November 16, 2026**, and answers to responses due on **December 16, 2026**. The submission of a FPA section 205 filing³¹ on or before November 16, 2026 will suspend the obligation of filers to respond to the *New England Large and Co-Located Loads Show Cause Order* and the FERC will continue to hold this proceeding in abeyance pending further FERC directive. Noting its expectation that ISO-NE and/or Participating Transmission Owners will implement tariff revisions as expeditiously as possible, the FERC encouraged ISO-NE and/or Participating Transmission Owners to propose an effective date that takes into account the necessary time to implement the proposed Tariff revisions and accommodate existing commercial arrangements

Eolian Request for Clarification and/or Rehearing. Eolian, L.P. requested clarification and/or rehearing of each of the Show Cause orders in the following two respects: (i) that electrically proximate generation may access permanent load-limited generator interconnection service where it is equally capable of enabling the large load to limit its withdrawals from the transmission system on a long-term basis without creating system reliability risks; and (ii) that any flexibility to tailor generator interconnection reforms to the unique circumstances of the region be paired with an obligation on the RTO/ISO to show that the set of reforms it proposes will enable a pathway for significant generating capacity to provide load-limited interconnection, in light of the pace of large load additions

³⁰ *ISO New England Inc. et al.*, 196 FERC ¶ 61,132 (Aug. 14, 2026) (“*Order Granting Compliance Abeyance Request*”).

³¹ To the extent that ISO-NE and/or Participating Transmission Owners intend to request in their FPA section 205 filing that the show cause proceeding be terminated in full or in part if the Commission accepts the filing, the FERC “encourage[d] ISO-NE and/or Participating Transmission Owners to explain, with specificity, which of their proposed Tariff revisions they believe resolve all or some of the Commission’s preliminary findings in the Show Cause Order, and whether the Commission should terminate the Show Cause Order, in full or in part.” (*Id.* at P 10.)

and their projected growth in the region (“Eolian Request”). On August 20, 2026, the FERC issued an *Allegheny Notice*,³² noting that the Eolian Request may be deemed denied by operation of law, but noting that the Eolian Request will be addressed in a future order.³³

If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **State Consumer Advocates’ Eversource X-178 Complaint (EL26-66)**

On May 12, 2026, State Consumer Advocates³⁴ filed a complaint alleging that Eversource illegally categorized the X-178 transmission upgrade as an asset management project under section 3.08(f) of the TOA (rather than as a regional transmission project under section 2.06 of the TOA) (“Eversource X-178 Complaint”). If properly categorized as an asset management project, State Consumer Advocates seek either modifications to the TOA or the establishment of a process for FERC review of challenges to a PTO’s classification of a project as an asset condition project under section 3.08(f).

Answers to and comments on the Eversource X-178 Complaint were due on or before June 1, 2026. On June 1, 2026, **Eversource** moved to dismiss the Complaint asserting that the Complaint fails to identify any violation of the TOA or ISO-NE OATT, relies on an incorrect reading of TOA section 3.08(f), and ignores other TOA provisions that Eversource asserts preserve PTO authority. **Indicated NETOs**³⁵ filed an answer opposing the requested TOA changes, taking no position on the X-178 Project, but arguing that the Complaint does not satisfy the section 206 burden, would improperly alter PTO rights and obligations, and could impair PTOs’ ability to maintain reliability. Comments were filed by: **NESCOE** (without taking a position on the Complaint, stating that the region needs additional oversight of asset condition projects and the Eversource X-178 Complaint exemplifies the need for reform), **MMWEC** (without taking a position on the Eversource X-178 Project, but sharing concerns that asset condition projects are displacing the regional transmission planning process), **CLF** and **MPUC** (each separately supporting the Complaint), the MA AG (providing additional context and support for the issues and concerns identified in the Petition), and **Kris Pastoriza** (one of two individual complainants on a previously-unsuccessful complaint that sought an investigation into the need and costs of the Project,³⁶ supported the Complaint in late-filed comments and additional materials). Doc-less interventions only were filed by ISO-NE, EEI, Public Citizen, and the Easton NH Selectboard.

On June 15, 2026, **State Consumer Advocates** answered Eversource’s Motion to Dismiss (arguing that the TOA provisions cited by Eversource preserve its authority to maintain its facilities but do not authorize regional cost recovery outside the regional planning process, and that those provisions are no longer just and reasonable if they permit such recovery). On June 16, 2026, the **MPUC** separately responded to Eversource and the Indicated NETOs (requesting that the FERC deny the Motion to Dismiss and either hold a hearing or audit the X-178 Project, arguing that portions of the project constitute upgrades subject to regional planning). On June 29, 2026,

³² The FERC issues an “*Allegheny Notice*” when it does not act within 30 days after receiving a challenge (a request for clarification and/or rehearing, a motion for reconsideration) to a FERC order. An *Allegheny Notice* confirms that the request is deemed denied by operation of law (see *Allegheny Def. Project v. FERC*, 964 F.3d 1, 2020 WL 3525547 (D.C. Cir. June 30, 2020) (*en banc*)) and the FERC order is final and ripe for appeal. The FERC has the right, up to the point when the record in a proceeding is filed with a Federal Court of appeals, to modify or set aside, in whole or in part, any finding or order made or issued by it. The FERC’s intention to avail itself of its right and to issue a further order addressing the issues raised in the request (a “merits order”) is signaled by the phrase “and providing for Further Consideration”; the absence of that phrase signals that the FERC does not intend to issue a merits order in response to the rehearing request.

³³ *ISO New England Inc. et al.*, 196 FERC ¶ 62,093 (Aug. 20, 2026) (“*Eolian Request Allegheny Notice*”).

³⁴ “State Consumer Advocates” are: the ME OPA, CT OCC, RI Division, NH OCA and VT DPS.

³⁵ “Indicated NETOs” are: CMP, MEPCO, National Grid, RI Energy, UI, and Versant Power.

³⁶ See *Kristina Pastoriza and Ruth Ward v. Pub. Svc. Co. of New Hampshire*, 194 FERC ¶ 61,156 (Mar 2, 2026) (“PSNH Rebuild Complaint Order”) (summarized in the [Mar 4, 2026 Litigation Report](#)).

Eversource answered the State Consumer Advocates, MPUC, NESCOE, and MA AGO filings (asserting that they do not cure the Complaint's defects, improperly narrow the scope of permissible asset condition projects, and misinterpret the TOA and Mobile-Sierra doctrine). On July 9, 2026, the **State Consumer Advocates** answered Eversource's June 29 answer (clarifying that they do not challenge Eversource's authority to maintain its facilities but rather its right to recover certain project costs regionally outside the regional planning process). Letters were submitted by US Senator Richard Blumenthal (D-CT) (urging the FERC to act in the best interest of consumers and establish a mechanism for greater oversight of asset condition projects) and K. Pastoriza (urging the FERC not to make any determination in this proceeding that rests on an assumption that the New Hampshire Site Evaluation Committee will assess Eversource's X-178 project for prudence or need.)

The State Consumer Advocates' Eversource X-178 Complaint is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **ISO-NE Tariff Correction Mechanism Show Cause Order (EL26-45)**

On March 10, 2026, the FERC issued a show cause order finding that the ISO-NE Tariff may be unjust and unreasonable because it lacks provisions that would enable ISO-NE to correct for improper or erroneous charges or payments made to Market Participants ("Correction Mechanism").³⁷ The *Correction Mechanism Show Cause Order* directed ISO-NE, on or before May 9, 2026, to either: (i) show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential given its lack of a Correction Mechanism or (ii) explain how it will revise the Tariff to remedy the identified concerns if the FERC were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish replacement Tariff provisions. The FERC also stated that ISO-NE could instead submit a Section 205 filing to propose revisions to the Tariff and seek abeyance of this proceeding while such revisions are under consideration by the FERC. Interventions were due on or before March 31, 2026 and were filed by NEPOOL, Avangrid (out-of-time), Brookfield, Constellation, Dynegy (Vistra), Eversource, National Grid, NEPGA, Public Systems,³⁸ and Public Citizen.

ISO-NE Response. On May 8, 2026, ISO-NE responded to the *Correction Mechanism Show Cause Order* by (i) explaining potential changes to the Billing Policy that, if adopted, would address the majority of the issues that the FERC raised in the Show Cause Order, (ii) explaining why it is not appropriate to modify certain, discrete, market settlement provisions that are at issue in this proceeding, and (iii) requesting that the FERC provide guidance with respect to adding a provision to the ISO's Tariff to enable the extension of settlement deadlines by FERC action to address settlement errors.³⁹ ISO-NE requested that, if changes described in (i) above would be sufficient, it be given 120 days in any order on its response to submit a compliance filing with specific Billing Policy changes. On June 8, Public Systems⁴⁰ submitted comments (supporting Tariff changes that permit ISO-NE to accept and re-distribute repayments of erroneously or otherwise improperly received funds, but reserving comment on the specific Tariff changes and its implementation until they have had an opportunity to review the Tariff language and ISO-NE's implementation in specific cases). This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

³⁷ *ISO New England Inc.*, 194 FERC ¶ 61,187 (Mar. 10, 2026) ("Correction Mechanism Show Cause Order").

³⁸ "Public Systems" for purposes of this proceeding are Mass. Municipal Wholesale Electric Co. ("MMWEC"), Conn. Municipal Electric Energy Coop. ("CMEEC"), New Hampshire Electric Coop., Inc. ("NHEC"), and Vermont Public Power Supply Authority ("VPPSA").

³⁹ ISO-NE reviewed its plans for its May 9 response with the Budget & Finance Subcommittee ("B&F") at the B&F's April 17 meeting.

⁴⁰ For purposes of this proceeding, "Public Systems" are: MMWEC, CMEEC and VPPSA.

- **BP Phantom Load Complaint (EL26-5)**

On October 14, 2025, as supplemented October 17, BP Energy Retail Company (“BP”) filed a complaint seeking relief from invoices issued by ISO-NE for July, August, and September of 2024 based on phantom load shifted from the NEMA to the SEMA zone, which BP asserts was incorrectly assigned to BP by Eversource (NSTAR) due to an IT system error. Answers, comments and interventions were due on or before December 12, 2025.

Answers and comments in response to the BP Complaint were filed by **ISO-NE** (opposing the Complaint and BP waiver request, asserting that the alleged error constitutes a Meter Data Error and that BP requested relief would require resettlement of final bills outside the ISO-NE Tariff and Manual M-28 settlement timelines), **Eversource** (supporting BP’s request for waiver of the Market Rule 1 time limitations and requesting that the FERC direct ISO-NE to complete billing adjustments for July, August, and September 2024 based on updated data, with any resettlement extending to all affected Market Participants), and the Retail Energy Supply Association (“**RESA**”) (supporting the Complaint, stating that phantom load errors harm Market Participants and requesting that any resettlement ordered by the FERC extend to all Market Participants) filed answers/comments. ISO-NE answered the December 8 comments of Eversource and BP on December 26. On December 29, BP opposed Eversource’s motion to dismiss and replied to ISO-NE’s December 12 answer and December 26 response (reiterating its request that the FERC direct ISO-NE to correct the July through September 2024 invoices). ISO-NE answered BP’s December 29 answer on January 9, 2026. Interventions only were filed by Calpine, ENGIE, National Grid, NRG, and Public Citizen.

Supplement. On March 3, 2026, BP advised the FERC that NSTAR had concluded working with the MA DOER to update data that provides the basis for renewable portfolio standard (“RPS”) compliance, and that BP’s MA RPS had been re-determined based on this data, reducing BP’s RPS obligation to \$6 million (“BP Supplement”). In the Supplement, BP stated that it has been unable to determine whether NSTAR intends to adjust BP’s load allocation for settlement charges, and it continues to seek relief with respect to the remaining disputed amount under FERC jurisdiction. On March 6, 2026 NSTAR answered the BP Supplement. NSTAR asserted that, should the FERC determine—as ISO-NE argued—that the filed-rate doctrine and Market Rule 1’s finality provisions bar reopening past invoices, then the Complaint must be dismissed. “If ISO-NE cannot lawfully grant relief, [BP] likewise cannot obtain relief from Eversource or NSTAR, which have no authority to provide what the tariff forbids.”⁴¹ On March 19, 2026, RESA filed an answer supporting BP’s Complaint and Supplement, asserting that ISO-NE should be ordered to make the settlement corrections and that any relief granted should be extended to all affected Market Participants, not just BP.

This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Local Transmission Planning Complaint (EL25-44)**

Still pending is the complaint filed more than 15 months ago (December 19, 2024), by a group of “Consumer Complainants,”⁴² against all FERC-jurisdictional public utility transmission providers with local planning tariffs (including ISO-NE and the remaining ISO/RTOs), asserting that the transmission providers’ tariffs, which authorize individual transmission owners to plan FERC-jurisdictional transmission facilities at 100 kV and above (“Local Planning”) without regard to whether such Local Planning approach is the more efficient or cost-effective transmission project for the interconnected transmission grid and cost-effective for electric consumers, coupled

⁴¹ Motion for Leave to Answer and Answer of Eversource Energy and NSTAR Elec. Co., *BP Energy Retail Co. LLC v. ISO New England Inc., et al.*, Docket No. EL26-5-000 (filed Mar. 6, 2026).

⁴² “Consumer Complainants” are Industrial Energy Consumers of America (“IECA”), American Forest & Paper Assoc., R Street Institute, Glass Packaging Institute, Public Citizen, PJM Industrial Customer Coalition, Coalition of MISO Transmission Customers, Assoc. of Businesses Advocating for Tariff Equity, Carolina Utility Customers Assoc., PA Energy Consumer Alliance, Resale Power Group of Iowa, Wisconsin Industrial Energy Group, Multiple Intervenor (NY), Arkansas Elec. Energy Consumers, Inc., Public Power Assoc. of NJ, OK Industrial Energy Consumers, Large Energy Group of Iowa, Industrial Energy Consumers of PA, MD Office of People’s Counsel, Pennsylvania Office of Consumer Advocate, Consumer Advocate Div. of the Public Service Commission of WV, and Missouri Industrial Energy Consumers.

with the absence of an independent transmission system planner, “are unjust and unreasonable, having produced inefficient planning and projects that are not cost-effective, resulting in unjust and unreasonable rates for both individual projects and cumulative regional transmission plans and portfolios.” Specifically, the Consumer Complainants asserted that the FERC must mandate (i) revision of local and regional planning tariffs to (a) prohibit individual transmission owner planning of FERC-jurisdictional transmission facilities 100 kV and above; and (b) require exclusive regional planning of all transmission facilities 100 kV and above, utilizing existing *Order 1000* regions; and (ii) that all regional planning must be conducted through an Independent Transmission Planner as described in their Complaint.

Answers, interventions, comments, and protests to the Consumers RTP Complaint were filed by, among others, [ISO-NE](#), [New England Transmission Owners](#) (“NETOs”),⁴³ [AEU](#), [CT OCC](#), [NECPUC](#), [NESCOE](#), [MA AG](#), [NH OCA](#) (supporting the Complaint), [MPUC](#) (urging the FERC to reject the remedies proposed by the Complainants and open its own investigations pursuant to Section 206 of the FPA), [EEL](#), [NARUC](#), [Public Interest Organizations](#),⁴⁴ and [WIRES](#). Interventions only were filed by more than 100 parties, including NEPOOL. On April 4, 2025, [ISO-NE](#) answered certain comments and reiterated its request that it be dismissed as a respondent to the proceeding. Answer and reply comments were also filed by [Complainants](#) (requesting FERC grant the Complaint and deny the motions to dismiss), [NESCOE](#) (addressing the standard of review that may apply to certain reforms), [MOPA](#) (asking FERC to reject motions to dismiss and open an investigation), [MPUC](#) (requesting FERC accept its motion for to leave to answer and consider its answer), and [AMP](#) (asking FERC to deny motions to dismiss). On May 20, 2025, ISO-NE responded to Complainant’s Answer and the responses of NESCOE, MPUC, and MOPA, again requesting it be dismissed as a respondent to the proceeding as a matter of law and because the Complainants failed to meet their burden under FPA Section 206. On June 30, 2025, [Complainants](#) answered the May 22 answer by “Southeast Respondents”⁴⁵ and on July 25, 2025 [ATC](#) answered Complainants April 24, 2025 answer. The [Industrial Energy Consumers of America](#) submitted comments in November rebutting utilities’ opposition to competitive transmission development. The [IECA](#) submitted supplemental comments highlighting points made in the Complaint, including the rise of electricity rates tied to electric transmission, and requested that the FERC grant the Complaint. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Allco PP5 Complaint (EL25-43)**

Still pending is the December 19, 2024 complaint by Allco Finance Limited (“Allco”) asking the FERC to (i) direct ISO-NE to abolish its Planning Procedure No. 5 (“PP5”) procedures by (ii) finding that PP5’s procedures are unjust and unreasonable and unduly discriminatory and/or preferential in violation of section 206 of the FPA; and (iii) find that ISO-NE has violated the FPA by forcing on State jurisdictional interconnections, such as Allco’s, the requirement to pay for transmission level interconnection studies, to pay for Power Systems Computer Aided Design (“PSCAD”) models in connection with such studies, and by causing delays to the execution by distribution utilities of State jurisdictional generator interconnection agreements (particularly for Allco’s 2 MW Winsted solar energy project). ISO-NE answered the Allco PP5 Complaint on January 15, 2025 (as corrected on January 30, 2025). On January 23, 2025, Allco answered ISO-NE’s January 15 Answer. On February 7, 2025, ISO-NE answered Allco’s January 23 Answer and on February 25, 2025 Allco

⁴³ For purposes of this proceeding, “NETOs” are: Eversource Energy Service Company on behalf of The Connecticut Light and Power Co. (“CL&P”), Public Service Co. of New Hampshire (“PSNH”), and NSTAR Elec. Co. (“NSTAR”, and together with CL&P and PSNH, “Eversource”); Central Maine Power Co. (“CMP”), Maine Elec. Power Co., Inc. (“MEPCO”), and The United Illuminating Co. (“UI”); New England Power Co. d/b/a National Grid; The Narragansett Elec. Co. d/b/a Rhode Island Energy (“RI Energy”); Vermont Electric Power Co., Inc. (“VELCO”) and Vermont Transco LLC (“VTransco”), and Versant Power (“Versant”).

⁴⁴ “Public Interest Organizations” or “PIOs” are Earthjustice, Natural Resources Defense Council (“NRDC”), Sustainable FERC Project, and the Southern Environmental Law Center.

⁴⁵ Complainants defined “Southeast Respondents” as: Dominion Energy South Carolina, Inc. (“DESC”), Duke Energy Progress, LLC, Duke Energy Carolinas, LLC, and Duke Energy Florida, LLC (together, “Duke Energy”), Louisville Gas and Electric Co. and Kentucky Utilities Co. (together, “LG&E/KU”), Tampa Electric Co. (“TEC”), Florida Power and Light (“FPL”), and Alabama, Georgia and Mississippi Power Companies.

answered ISO-NE's February 7 Answer. Doc-less interventions only were filed by NEPOOL, Calpine, National Grid, the MA DPU, and Public Citizen. There has been no activity in this proceeding since Allco's February 24, 2025 answer. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **206 Proceeding: TO Initial Funding Show Cause Order (EL24-83)**

As previously reported, on June 13, 2024, the FERC instituted a Section 206 proceeding finding that the ISO-NE Tariff appears to be unjust, unreasonable, and unduly discriminatory or preferential because it includes provisions for transmission owners to unilaterally elect transmission owner ("TO") Initial Funding (the funding of network upgrade capital costs that the TO incurs to provide interconnection service to an interconnection customer, with the network upgrade capital costs subsequently recovered from the interconnection customer through charges that provide a return on and of those network upgrade capital costs).⁴⁶ TO Initial Funding, the FERC found, may increase the costs of interconnection service without corresponding improvements to that service, may unjustifiably increase costs such that it results in barriers to interconnection, and may result in undue discrimination among interconnection customers.⁴⁷ The FERC also found that there may be no risks associated with owning, operating, and maintaining network upgrades for which transmission owners are not already otherwise compensated.⁴⁸ Accordingly, ISO-NE was directed, on or before September 11, 2024, to either: (1) show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential; or (2) explain what changes to the Tariff it believes would remedy the identified concerns if the FERC were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory.⁴⁹ The refund effective date for this proceeding is June 24, 2024.⁵⁰ A more detailed summary of the *TO Initial Funding Show Cause Order* was circulated to, and was reviewed with, the Transmission Committee.

Interventions were due on or before July 5, 2024 and were filed by the following New England-related parties:⁵¹ NEPOOL, Advanced Energy United ("AEU"), Avangrid, Calpine, CMEEC (out-of-time), EDP Renewables, Eversource, Invenergy, MA AG, National Grid, NESCOE, NextEra, NRDC, PPL, Maine Public Utilities Commission ("MPUC"), Massachusetts Department of Public Utilities ("MA DPU"), American Clean Power Association ("ACPA"), American Council on Renewable Energy ("ACRE"), Edison Electric Institute ("EEI"), Electric Power Supply Association ("EPSA"), RENEW Northeast ("RENEW"), Solar Energy Industries Association ("SEIA"), WIRES, Cordelio Services, and Public Citizen.

NE Response to Show Cause Order (Attaching Substantive Response by NETOs). On September 11, 2024, ISO-NE submitted a response ("NE Response") explaining that, because the rules identified in the *TO Initial Funding Show Cause Order*⁵² fall within the exclusive purview of, and are implemented by, the Participating Transmission Owners ("PTOs") under the Transmission Operating Agreement ("TOA") between ISO-NE and the PTOs, it had requested that the PTOs respond to the *TO Initial Funding Show Cause Order* and attached the

⁴⁶ *ISO New England Inc. et al.*, 187 FERC ¶ 61,170 (June 13, 2024) ("*TO Initial Funding Show Cause Order*").

⁴⁷ *Id.* at P 1.

⁴⁸ *Id.*

⁴⁹ *Id.* at P 2.

⁵⁰ Notice of this 206 proceeding was published in the *Fed. Reg.* on June 24, 2024 (Vol. 89, No. 121) pp. 52,454-52,455.

⁵¹ The notice instituting this 206 proceeding was issued in the following four unconsolidated dockets (which resulted in some parties intervening in all four proceedings): EL24-80 (MISO); EL24-81 (PJM); EL24-82 (SPP); and EL24-83 (ISO-NE).

⁵² The rules identified in the *Order to Show Cause* were those that establish the methodology to recover costs associated with interconnection-related upgrades, and the related financial obligations of the PTO or the interconnecting party – in New England, set forth in Article 11.3 of the LGIA, Article 5.2 of the SGIA, and Article 11.3 of the ETU IA, as well as Schedule 11 of the OATT.

response of Indicated New England Transmission Owners (“NETOs”)⁵³ to the NE Response. NETOs’ response identified several reasons why the FERC’s proposal is in their view beyond the FERC’s authority and power.

Responses to the September NE Response were due on or before October 25, 2024. Responses from ISO-NE-related parties to this joint proceeding were filed by, among others: [NE TOs](#), [Invenergy](#), [Public Interest Organizations](#), [Public Systems](#), [Clean Energy Associations](#), [EEL](#), [WIRES](#), and the [Harvard Law Initiative](#). ISO-NE IMM filed comments in the MISO version of this proceeding to urge the FERC to reject MISO’s request for a broad, and what the IMM asserts is an inappropriately limited, declaration on the authority of an IMM to monitor long-term transmission planning for impacts on the wholesale markets and assumed efficiency improvements to those markets. Each of the regional matters, including the New England-specific docket, remain pending before the FERC.

Federal Court Appeals. On August 30, 2024, certain parties⁵⁴ filed a petition for review of the FERC’s orders in this proceeding in the 8th Circuit, since challenged by the FERC. Developments on the federal court appeals will be reported in Section XVI below. In the meantime, if you have questions on this proceeding, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mzczepiel@daypitney.com).

- **Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64)**

As previously reported, the FERC issued on March 19, 2026, *Opinion 594*,⁵⁵ which addressed the following long-running challenges to the New England Transmission Owner’s (“NETO”) return on equity (“Base ROE”) for regional transmission service:

- **Base ROE Complaint I (EL11-66).** In the first Base ROE Complaint proceeding, the FERC concluded that the TOs’ ROE had become unjust and unreasonable,⁵⁶ set the TOs’ Base ROE at 10.57% (reduced from 11.14%), capped the TOs’ total ROE (Base ROE *plus* transmission incentive adders) at 11.74%, and required implementation effective as of October 16, 2014 (the date of *Opinion 531-A*).⁵⁷ However, the FERC’s orders were challenged, and in *Emera Maine*,⁵⁸ the U.S. Court of Appeals for the D.C. Circuit (“DC Circuit”) vacated the FERC’s prior orders, and remanded the case for further proceedings consistent with its order. The FERC’s determinations in *Opinion 531* are

⁵³ The NETOs, for purposes of this proceeding, are: Eversource; CMP; The United Illuminating Company (“UI”); New England Power Company (“National Grid”); RI Energy; Fitchburg Gas and Electric Light Co. (“Unitil”); and Versant Power (“Versant”).

⁵⁴ The parties to the 8th Circuit Appeal are: Ameren Services Co., Ameren Illinois Co., Union Elec. Co. d/b/a Ameren Missouri, Ameren Trans. Co. of IL, American Trans. Co. LLC, Duke Energy Corp., Duke Energy Business Services, LLC, Duke Energy Ohio, Inc., Duke Energy KY, Inc., Duke Energy IN, LLC, Exelon Corp., Atlantic City Elec. Co., Baltimore Gas and Elec. Co., Commonwealth Edison Co., Delmarva Power & Light Co., PECO Energy Co., Potomac Elec. Power Co., Northern Indiana Pub. Svc. Co. LLC, Xcel Energy Services Inc., Northern States Power Co., a MN Corp., Northern States Power Co., a WI Corp., and Southwestern Pub. Svc. Co. (“8th Circuit Parties”).

⁵⁵ *Coakley, Mass. Attorney Gen., et al. v. Bangor Hydro-Electric Co. et al.*, Opinion No. 594, 194 FERC ¶ 61,208 (Mar. 19, 2026) (“*Opinion 594*”), reh’g pending.

⁵⁶ The TOs’ 11.14% pre-existing Base ROE was established in *Opinion 489*. *Bangor Hydro-Elec. Co.*, Opinion No. 489, 117 FERC ¶ 61,129 (2006), *order on reh’g*, 122 FERC ¶ 61,265 (2008), *order granting clarif.*, 124 FERC ¶ 61,136 (2008), *aff’d sub nom.*, Conn. Dep’t of Pub. Util. Control v. FERC, 593 F.3d 30 (D.C. Cir. 2010) (“*Opinion 489*”).

⁵⁷ *Coakley Mass. Att’y Gen. v. Bangor Hydro-Elec. Co.*, 147 FERC ¶ 61,234 (2014) (“*Opinion 531*”), *order on paper hearing*, 149 FERC ¶ 61,032 (2014) (“*Opinion 531-A*”), *order on reh’g*, 150 FERC ¶ 61,165 (2015) (“*Opinion 531-B*”).

⁵⁸ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) (“*Emera Maine*”). *Emera Maine* vacated the FERC’s prior orders in the Base ROE Complaint I proceeding, and remanded the case for further proceedings consistent with its order. The Court agreed with both the TOs (that the FERC did not meet the Section 206 obligation to first find the existing rate unlawful before setting the new rate) and “Customers” (that the 10.57% ROE was not based on reasoned decision-making, and was a departure from past precedent of setting the ROE at the midpoint of the zone of reasonableness).

thus no longer precedential, though the FERC remains free to re-adopt those determinations on remand as long as it provides a reasoned basis for doing so.

- **Base ROE Complaints II & III (EL13-33 and EL14-86) (consolidated).** The second (EL13-33)⁵⁹ and third (EL14-86)⁶⁰ ROE complaint proceedings were consolidated for purposes of hearing and decision, though the parties were permitted to litigate a separate ROE for each refund period. After hearings were completed, ALJ Sterner issued a 939-paragraph, 371-page *Initial Decision*, which lowered the base ROEs for the EL13-33 and EL14-86 refund periods from 11.14% to 9.59% and 10.90%, respectively.⁶¹ The *Initial Decision* also lowered the ROE ceilings.
- **Base ROE Complaint IV (EL16-64).** The fourth and final ROE proceeding⁶² also went to hearing before an Administrative Law Judge (“ALJ”), Judge Glazer, who issued his initial decision on March 27, 2017.⁶³ The *Base ROE IV Initial Decision* concluded that the currently-filed base ROE of 10.57%, which may reach a maximum ROE of 11.74% with incentive adders, was **not** unjust and unreasonable for the Complaint IV period, and hence was not unlawful under Section 206 of the FPA.⁶⁴

Opinion 594. *Opinion 594*,⁶⁵ an order on remand, briefs and initial decisions in the above-captioned proceedings, adopted a revised methodology that relies primarily on the discounted cash flow (“DCF”) model and capital asset pricing model (“CAPM”), rejected the expected earnings (“Expected Earnings”) and risk premium (“Risk Premium”) models, and used a composite zone of reasonableness with presumptive ranges tied to utility risk. Applying that framework, the FERC found both the original NETO ROE of 11.14% in place at the commencement of these proceedings and the ROE set by the FERC during these proceedings at 10.57% to be unjust and unreasonable and set a replacement base ROE of 9.57%. The FERC ordered refunds under FPA Section 206 for the 15-month period associated with the First Complaint (October 1, 2011 to December 31, 2012). The FERC also ordered refunds for the period from October 16, 2014 to [March 19, 2026]... The FERC dismissed Complaints II, III and IV. A memo summarizing in more detail the procedural background and substance of *Opinion 594* was provided to the Transmission Committee and can be found [here](#).

⁵⁹ The 2012 Base ROE Complaint, filed by Environment Northeast (now known as Acadia Center), Greater Boston Real Estate Board, National Consumer Law Center, and the NEPOOL Industrial Customer Coalition (“NICC”, and together, the “2012 Complainants”), challenged the TOS’ 11.14% ROE, and seeks a reduction of the Base ROE to 8.7%.

⁶⁰ The 2014 Base ROE Complaint, filed July 31, 2014 by the MA AG, together with a group of State Advocates, Publicly Owned Entities, End Users, and End User Organizations (together, the “2014 ROE Complainants”), seeks to reduce the current 11.14% Base ROE to 8.84% (but in any case no more than 9.44%) and to cap the Combined ROE for all rate base components at 12.54%. 2014 ROE Complainants state that they submitted this Complaint seeking refund protection against payments based on a pre-incentives Base ROE of 11.14%, and a reduction in the Combined ROE, relief as yet not afforded through the prior ROE proceedings.

⁶¹ *Environment Northeast v. Bangor Hydro-Elec. Co. and Mass. Att’y Gen. v. Bangor Hydro-Elec. Co.*, 154 FERC ¶ 63,024 (Mar. 22, 2016) (“2012/14 ROE Initial Decision”).

⁶² The 4th ROE Complaint asked the FERC to reduce the TOS’ current 10.57% return on equity (“Base ROE”) to 8.93% and to determine that the upper end of the zone of reasonableness (which sets the incentives cap) is no higher than 11.24%. The FERC established hearing and settlement judge procedures (and set a refund effective date of April 29, 2016) for the 4th ROE Complaint on September 20, 2016. Settlement procedures did not lead to a settlement, were terminated, and hearings were held subsequently held December 11-15, 2017. The September 26, 2016 order was challenged on rehearing, but rehearing of that order was denied on January 16, 2018. *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 156 FERC ¶ 61,198 (Sep. 20, 2016) (“Base ROE Complaint IV Order”), *reh’g denied*, 162 FERC ¶ 61,035 (Jan. 18, 2018) (together, the “Base ROE Complaint IV Orders”). The *Base ROE Complaint IV Orders*, as described in Section XVI below, have been appealed to, and are pending before, the DC Circuit.

⁶³ *Belmont Mun. Light Dept. v. Central Maine Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) (“Base ROE Complaint IV Initial Decision”).

⁶⁴ *Id.* at P 2.; Finding of Fact (B).

⁶⁵ *Coakley v. Bangor Hydro-Elec. Co.*, Opinion No. 594, 194 FERC ¶ 61,208 (2026).

Requests for Rehearing of Opinion 594 (EL16-64-006). On April 20, 2026, NETOs filed a request for rehearing of *Opinion 594*, and Vermont Transco separately filed a motion for reconsideration, or in the alternative a supplemental request for rehearing, referencing the net charges on Vermont ratepayers as a result of the refund directive. Answers/ responses to the NETOs' April 20 requests were filed by Consumer Advocates⁶⁶ and the VT DPS. On May 21, 2026, the FERC issued an *Allegheny Notice*,⁶⁷ noting that NETO's request and VTransco's motion may be deemed denied by operation of law, but noting that the NETOs' request and VTransco's motion will be addressed in a future order.⁶⁸

Petitions for Review. On May 18, 2026, NETOs filed a petition for review in the D.C. Circuit (case no. 26-1123) seeking review of the FERC's October 6, 2017 order and *Opinion 594* with respect to the FERC's denial of the NETOs' request to reinstate the status quo ante ROE that was in effect before the D.C. Circuit's vacatur in *Emera Maine*. NETOs filed, on June 5, 2026, another petition for review in the D.C. Circuit (case no. 26-1150) seeking review of *Opinion 594* and the May 21 *Allegheny Notice*. Those petitions have since been consolidated with D.C. Circuit case no. 20-1329⁶⁹ and will be reported on in Section XVI.

Request for Stay of Refund Obligation Denied. On May 13, 2026, the FERC denied Indicated NETOs⁷⁰ request for a stay of the **\$1.5 billion** refund obligation and associated reporting requirements pending judicial review of these proceedings ("Request for Stay").⁷¹ In denying the Request for Stay, the FERC found that "Indicated NETOs have failed to establish that the [FERC]'s order to pay refunds for the period from the date of Opinion No. 531-A until the date of Opinion No. 594 meets the standard of irreparable harm required to justify a stay."⁷² The FERC went on to say that, while it "need not reach whether granting a stay may substantially harm other parties or whether a stay is in the public interest ... we also find that neither of those factors would support a different outcome."⁷³ Because the FERC denied the Request for Stay, the refund deadline remains **May 20, 2027** (see immediately below).

Refund Extension (Clarification and/or Reconsideration Requested). On April 14, 2026, the FERC partially granted a request by ISO-NE and NETOs⁷⁴ for an extension of Opinion 594's deadline⁷⁵ for completing

⁶⁶ "Consumer Advocates" are CT OCC, IECG, MA AG, MMWEC, MOPA, NHEC, NH OCA, PowerOptions, RI Div, TEC, CT AG, CT PURA, and MA DPU.

⁶⁷ The FERC issues an "*Allegheny Notice*" when it does not act within 30 days after receiving a challenge (a request for clarification and/or rehearing, a motion for reconsideration) to a FERC order. An *Allegheny Notice* confirms that the request is deemed denied by operation of law (see *Allegheny Def. Project v. FERC*, 964 F.3d 1, 2020 WL 3525547 (D.C. Cir. June 30, 2020) (*en banc*)) and the FERC order is final and ripe for appeal. The FERC has the right, up to the point when the record in a proceeding is filed with a Federal Court of appeals, to modify or set aside, in whole or in part, any finding or order made or issued by it. The FERC's intention to avail itself of its right and to issue a further order addressing the issues raised in the request (a "merits order") is signaled by the phrase "and providing for Further Consideration"; the absence of that phrase signals that the FERC does not intend to issue a merits order in response to the rehearing request.

⁶⁸ *Martha Coakley, Att'y Gen. of the Commonwealth of Mass.*, 195 FERC ¶ 62,112 (May 21, 2026) ("*Opinion 594 Allegheny Notice*").

⁶⁹ See *infra* Section XVI.

⁷⁰ "Indicated NETOs" are CMP, Eversource (on behalf of CL&P, NSTAR, and PSCNH), and UI.

⁷¹ *Coakley v. Bangor Hydro-Electric Co.*, Docket Nos. EL11-66-001 *et al.*, 195 FERC ¶ 61,108 (May 13, 2026) (denying stay of refund obligation).

⁷² *Id.* at P 37.

⁷³ *Id.* at P 42.

⁷⁴ In this context, "NETOs" are: Versant Power f/k/a Emera Maine f/k/a Bangor Hydro-Electric Co.; CMP; Green Mountain Power Corp. ("GMP"); New England Power Company d/b/a National Grid; New Hampshire Transmission, LLC; Eversource; UI; Unitil Energy Systems, Inc.; Fitchburg Gas and Electric Light Co.; VELCO; Vermont Transco, LLC ("VTransco"); and RI Energy.

⁷⁵ ISO-NE and NETOs requested that the deadline for completing refunds and for submitting a refund report be extended to Dec. 13, 2027 and Feb. 1, 2028, respectively.

refunds and for submitting a refund report, extending the deadline to complete refunds to **May 20, 2027** and the deadline to submit the refund report to **June 4, 2027** (“Extension Notice”).⁷⁶ On May 8, 2026, Extension Respondents⁷⁷ filed for clarification or, in the alternative, reconsideration of the Extension Notice, asking that the FERC clarify or provide that periodic reports by NETOs/ISO-NE on the status of their efforts to process the refunds ordered by *Opinion 594* are required. On May 21, 2026, NETOs answered the Extension Respondents’ May 8 request, opposing the requested reporting requirements. On May 26, 2026, NESCOE supported Extension Respondents’ May 8 request (asserting that periodic status reporting would provide transparency and allow the FERC and stakeholders to monitor progress toward completion of the refunds, noting the PTO-AC’s pending Section 205 filing in Docket No. ER26-2389 as reason for added urgency and oversight of the refund process). Extension Respondents’ May 8 request remains pending before the FERC.

If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com), Margaret Czepiel (202-218-3906; mczepiel@daypitney.com) or Joe Fagan (202-218-3901; jfagan@daypitney.com).

II. Rate, ICR, FCA, Cost Recovery Filings

- **New Base ROE (11.39%) - Attachment F Revisions (ER26-2389)**

On June 29, 2026, the FERC accepted, subject to the outcome of further proceedings, the Participating Transmission Owners Administrative Committee’s (“PTO-AC”) proposed 11.39% Base ROE.⁷⁸ Based on its preliminary finding that the proposed Base ROE had not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful, the FERC suspended the proposed Base ROE for five months, to become effective *November 30, 2026*, and established paper hearing procedures concerning PTO-AC’s application of the FERC’s revised ROE methodology under *Opinion Nos. 569 et seq.* and *594*.

Initial briefs were due on or before August 28, 2026, and were submitted by: [NETOs](#), [Acadia Center](#), [Consumer Advocates](#),⁷⁹ [FERC Trial Staff](#), [NECOS](#), [Public Systems](#),⁸⁰ and [State Entities](#).⁸¹ Responses to the initial briefs are currently due on or before **September 28, 2026**. On September 2, 2026, NETOs requested that the FERC grant a one-month extension, to **October 28, 2026**, for reply briefs to be filed in this proceeding. NETOs also requested that the FERC rule on this motion by **September 9, 2026**. Recall that the FERC said in the *New Base ROE Initial Order* that no additional answers or briefs will be permitted.⁸² If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Joan Bosma (jbosma@daypitney.com; 617-345-4651).

- **Transmission Rate (2027) Annual Update/Informational Filing (ER20-2054)**

On July 31, 2025, the PTO AC submitted its annual filing identifying adjustments to Regional Transmission Service charges, Local Service charges, and Schedule 12C Costs under Section II of the Tariff for

⁷⁶ Notice of Extension of Time, *Coakley v. Bangor Hydro-Electric Co.*, Docket Nos. EL11-66-001 *et al.* (issued Apr. 14, 2026).

⁷⁷ “Extension Respondents” are: MA AGO, MA DPU, CT AG, CT PURA, MOPA, NH OCA, RI Div, MMWEC, AIM, TEC, Power Options, IECG, and NHEC.

⁷⁸ *Eversource and ISO-NE*, 195 FERC ¶ 61,258 (June 29, 2026) (“*New Base ROE Initial Order*”). As previously reported, the PTO-AC had filed proposed revisions to the Annual Transmission Revenue Requirements (“ATRR”) Template found in Appendix A to Attachment F of the ISO-NE OATT on Apr. 30, 2026. The proposal included an increase of the Base ROE to 11.39%, (“Attachment F Revisions”). The Attachment F Revisions were reviewed, but not supported, by the Participants Committee at its special April 30, 2026 Webex meeting.

⁷⁹ “Consumer Advocates” or “CANE” are: the MA Attorney General’s Office (“MA AGO”), the CT Office of Consumer Counsel (“CT OCC”), MOPA, NH OCA, and the Rhode Island Division of Public Utilities and Carriers (“RI DPUC”).

⁸⁰ “Public Systems” are MMWEC and NHEC.

⁸¹ “State Entities” are the CT PURA, CT DEEP, CT AG, MPUC, and MA DPU.

⁸² *New Base ROE Initial Order* at P 48.

2026. The filing reflected the charges to be assessed under annual transmission and settlement formula rates, reflecting actual 2025 cost data, plus forecasted revenue requirements associated with projected PTF, Local Service and Schedule 12C capital additions for 2025 and 2026, as well as the Annual True-up including associated interest. The PTO AC states that the annual updates results in a Pool “postage stamp” RNS Rate of \$183.60/kW-year effective January 1, 2027, an increase of \$5.97 /kW-year from the charges that went into effect on January 1, 2025. In addition, the filing includes updates to the revenue requirements for Scheduling, System Control and Dispatch Services (the Schedule 1 formula rate), which result in a Schedule 1 charge of \$1.87 kW-year (effective June 1, 2026 through May 31, 2027), a \$0.36/kW-year decrease from the Schedule 1 charge that last went into effect on June 1, 2026.

While this filing will not be noticed for public comment, this filing triggers the commencement of an Information Exchange Period and a Review Period under the Protocols. Interested Parties have until **September 15, 2026** to submit information and document requests, and the PTOs are required to make a good faith effort to respond to all requests within 15 calendar days, but by no later than **October 16, 2026**. During the Review Period, Interested Parties have until November 17, 2026 to submit Informal Challenges to the PTOs, and the PTOs are required to make a good faith effort to respond to any Informal Challenges no later than **December 15, 2026**. Interested Parties have until **February 2, 2027** to file a Formal Challenge with the FERC.

- **Transmission Rate (2026) Supplement (*Opinion 594* Updates) (ER20-2054)**

On June 30, 2026, the PTO AC submitted updated rates and associated revenue requirements to reflect *Opinion 594* changes to the data inputs in its July 31, 2025 annual information filing. The changes result in a Pool RNS Rate of \$177.63/kW-year effective January 1, 2026 through December 31, 2026 (a decrease of \$6.12/kW-year from the 2026 Pool RNS Rate of \$183.75/kW-year that was submitted on July 31, 2025). The PTOs presented the changes at the July 16, 2026 Joint RC/TC meeting and at a Technical Session on July 22, 2026. Under the Protocols, Interested Parties have until **September 15, 2026** to submit information and document requests, and the PTOs are required to make a good faith effort to respond to all requests within 15 calendar days, but by no later than **October 16, 2026**. During the Review Period, Interested Parties have until November 17, 2026 to submit Informal Challenges to the PTOs, and the PTOs are required to make a good faith effort to respond to any Informal Challenges no later than **December 15, 2026**. Interested Parties have until **February 2, 2027** to file a Formal Challenge with the FERC.

- **Transmission Rate (2026) Annual Filing Formal Challenge (NESCOE Eversource Challenge) (ER20-2054)**

On April 1, 2026, NESCOE filed a formal challenge to the rate schedules of CL&P, NSTAR Electric Company (East) (“NSTAR East”), NSTAR Electric Company (West) (“NSTAR West”), and PSNH (together with CL&P, NSTAR East, and NSTAR West, “Eversource”). As with its CMP Formal Challenge, NESCOE challenged Eversource’s recovery through its formula rates of incentive compensation based on financial performance targets that benefit only utility shareholders (“NESCOE Eversource Formal Challenge”). NESCOE requested that the FERC either (i) direct that those costs be removed from the Eversource rate schedules and customers reimbursed for such costs collected to date; or (ii) initiate a Section 206 proceeding *sua sponte* to revise the formula rate to make it clear that costs for incentive compensation that are based on financial targets are not recoverable from customers. On April 22, NH OAC submitted comments supporting NESCOE’s Eversource Formal Challenge, and Eversource responded to that Challenge. On May 7, NESCOE answered Eversource’s April 22 response. On May 22, Eversource answered NESCOE’s May 7 answer. This matter is pending before the FERC. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Transmission Rate (2026) Annual Filing Formal Challenge (NESCOE CMP Challenge) (ER20-2054)**

As previously reported, NESCOE filed, on February 9, 2026, a formal challenge to CMP’s rate schedules included in the PTO AC’s 2025-26 Annual Update, challenging CMP’s recovery through its formula rates of incentive compensation based on financial performance targets that benefit only utility shareholders (“NESCOE CMP Formal Challenge”). Following a 21-day extension of time granted by the FERC, CMP answered the NESCOE

CMP Formal Challenge on March 23, 2026, moving to dismiss or have the FERC reject the Formal Challenge.⁸³ NESCOE answered the March 23 CMP answer on April 7, 2026. On June 4, CMP filed an errata to its March 23 motion to dismiss and response to NESCOE's February 9 Formal Challenge, submitting revised privileged materials to correct an erroneous Annual Performance Award incentive compensation plan objective and to make minor conforming edits (there were no changes to the text available in the public version of its response). This matter is pending before the FERC. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Transmission Rate (2024) Annual Filing Formal Challenge (MOPA) (ER20-2054)**

As previously reported, on September 18, 2025, the FERC accepted in part and denied in part⁸⁴ the Maine Office of the Public Advocate's formal challenge ("MOPA Formal Challenge")⁸⁵ to the TO's 2023-24 Annual Update ("2024 Update").⁸⁶ Specifically, the FERC directed Eversource, National Grid, and MEPCO to respond to Maine OPA's Information Request Questions 1(b)(1) and 1(c)(2), and directed all of the Identified NETOs (Eversource; National Grid; MEPCO; Narragansett; and VELCO/VTransco) to respond to Question 4,⁸⁷ on or before October 19, 2025. In addition, the FERC granted MOPA's request to permit it to supplement the MOPA Formal Challenge, as requested, with regard to the prudence of Identified NETOs' asset condition project costs reflected in the 2024 Update, with such supplement to be filed on or before December 18, 2025. Of note, Commissioner Chang's concurrence emphasized stakeholders' fundamental right to transmission planning and investment information through existing formula rate protocols and encouraged transmission owners/planners to proactively share information on transmission projects and planning.

MOPA Supplemental Formal Challenge. On December 17, 2025, MOPA supplemented its Formal Challenge, asserting that it had established serious doubt about the prudence of the NETOs planning practices governing asset management projects to trigger a formal prudence inquiry, and asking the FERC to establish evidentiary hearing and/or settlement judge procedures. On January 8, 2026, MOPA amended its December 17 supplement to incorporate additional information provided to it by VTransco subsequent to that supplement. Comments in support of MOPA's supplement were filed by Advanced Energy United, NH OCA and CT OCC. Comments opposing MOPA's supplement were filed by Eversource and National Grid. On February 9, Eversource

⁸³ CMP argued that "there is nothing unusual about CMP's incentive compensation plans and, like similar utility incentive programs, they are balanced pay-at-risk mechanisms used to align workforce performance with utility goals... NESCOE has not raised a prudence challenge to these expenses or otherwise demonstrated why disallowance is appropriate in this case. Accordingly, the Commission should reject NESCOE's Challenge and decline to initiate a Section 206 proceeding." Motion to Dismiss and Response of Central Maine Power Co., Docket No. ER20-2054-000 (filed Mar. 23, 2026).

⁸⁴ *ISO New England Inc.*, 192 FERC ¶ 61,234 (Sep. 18, 2025) ("MOPA 2023-24 Annual Rate Update Challenge Order").

⁸⁵ In the MOPA Formal Challenge, MOPA asserted that, (i) with respect to the cost of asset condition projects placed into service in 2022, "Identified TOs" (Eversource (CL&P, NSTAR East, NSTAR West, and PSNH); National Grid; MEPCO; Narragansett; and VELCO/VTransco) have refused to answer questions regarding investment policies and practices related to prudence of these investments and (ii) that the Identified TOs' decision not to respond to these questions violates their obligation under the OATT's Protocols.

⁸⁶ On July 31, 2023, the PTO-AC submitted its annual filing identifying adjustments to Regional Transmission Service charges, Local Service charges, and Schedule 12C Costs under Section II of the Tariff for 2024 (the "2023-24 Annual Update"). The filing reflected the charges to be assessed under annual transmission and settlement formula rates, reflecting actual 2022 cost data, plus forecasted revenue requirements associated with projected PTF, Local Service and Schedule 12C capital additions for 2023 and 2024, as well as the Annual True-up including associated interest. The PTO-AC stated that the annual updates result in a Pool "postage stamp" RNS Rate of \$154.35/kW-year effective Jan. 1, 2024, an increase of \$12.71 /kW-year from the charges that went into effect on Jan. 1, 2023. In addition, the filing included updates to the revenue requirements for Scheduling, System Control and Dispatch Services (the Schedule 1 formula rate), which result in a Schedule 1 charge of \$1.95 kW-year (effective June 1, 2023 through May 31, 2024), a \$0.20/kW-year increase from the Schedule 1 charge that last went into effect on June 1, 2023.

⁸⁷ Question 1(b)(1) requested copies of any written policies that describe the procedures and processes employed to evaluate the need for a particular asset condition project; Question 1(c)(2) requested copies of any documents (or a narrative description if no documents exist) identifying the reasons why those participating in the decision-making process recommended against proceeding with a particular asset condition project; Question 4 related to the existence and employment of safeguards against the placement of asset condition projects into service before they are needed.

answered MOPA's Jan 8 and Jan 29 amendments to its formal challenge supplement, asserting that the amendments underscore the impermissible vagueness of MOPA's supplement and stating support for the removal of MEPCO, RIE, and VTransco along with all New England Transmission owners from the challenge. On February 17, 2026, MOPA filed an answer to the January 30 pleadings filed by NEPCO and Eversource in response to MOPA's December 17 supplement, disputing their requests that the FERC summarily reject the supplement; and Eversource filed an answer to the comments filed by NH OCA, CT OCC, and Advanced Energy United, asserting that those comments include misstatements and unsupported new claims and reiterating that MOPA's supplement should be rejected. On March 4, 2026, National Grid filed a limited answer to respond to MOPA's February 17 answer, asserting that MOPA mischaracterized National Grid's asset condition process and has failed to present evidence sufficient to justify an evidentiary hearing, and requesting that the FERC dismiss MOPA's Formal Challenge and deny MOPA's request for a hearing.

Order Denying MOPA Supplemental Formal Challenge. On August 21, 2026, the FERC denied MOPA's Supplemental Formal Challenge.⁸⁸ Although the FERC found that MOPA did not meet two of the Protocol's requirements for filing a formal challenge,⁸⁹ it nonetheless considered MOPA's allegations. And, having considered MOPA's allegations, the FERC found, ultimately, that MOPA did not raise serious doubt about the prudence of actual costs of asset condition projects included in the 2024 Update (by failing to clearly demonstrate, with sufficient specificity, how Eversource's and National Grid's practices for determining transmission facility replacement needs led to imprudent investment decisions in specific asset condition projects whose costs were included in the 2024 Update).⁹⁰

Challenges, if any, to the *Order Denying MOPA Formal Challenge* are due on or before **September 14, 2026**. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

- **System-Backed Export Charge Proposal (ER26-3379)**

On July 31, 2026, ISO-NE and NEPOOL jointly filed Market Rule revisions to better align the treatment of exports under the Pay for Performance ("PFP") Market Rules with the objective of incentivizing resource performance during Capacity Scarcity Conditions. The revisions, which implement EMM and IMM recommendations, charge net System-Backed Exports ("SBE") the Performance Payment Rate ("PPR") during Capacity Scarcity Conditions. The revisions also revise the allocation of SBE Charges, remove net SBE values from the calculation of the Capacity Balancing Ratio ("Balancing Ratio" or "BR"), establish a SBE financial assurance requirement, and modify the Billing Policy to reference SBE Charges. The revisions were supported by the Participants Committee at its 2026 Summer Meeting. ISO-NE requested an effective date of *October 1, 2026* for the revisions.

Comments on the revisions were due on or before August 21, 2026. Financial Marketers Coalition protested the SBE Charge Proposal (asserting that the Proposal is unjust, unreasonable and unduly discriminatory as applied to exports by entities that do not hold CSOs in the capacity market and suggesting adjustments to address the asserted impacts). Interventions were filed by Constellation and Shell. This matter is pending before

⁸⁸ *Connecticut Light & Power Co. et al.*, 196 FERC ¶ 61,150 (Aug. 21, 2026) ("*Order Denying MOPA Formal Challenge*")

⁸⁹ The FERC found that MOPA did not meet the requirements of Protocols section VI.2.a.iii(h) (which requires the "actual costs and expenditures" being challenged as imprudent be specifically identified and section VI.2.a.iv (which requires a good faith effort to quantify the financial impact of the items comprising the Formal Challenge). Specifically, the FERC found, respectively, that the broad statements in challenge did not satisfy the 'actual costs and expenditures' requirement and MOPA did not make the required good faith effort because it "did not draw a connection between the practices and procedures that are allegedly imprudent, and any costs in the [2024 Update] that had a resulting financial impact on rates".

⁹⁰ *Order Denying MOPA Formal Challenge* at PP 42-43.

the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Balancing Ratio Cap Compliance Changes (ER26-3213)**

On July 21, 2026, in response to the NEPGA BR Complaint Order,⁹¹ ISO-NE and NEPOOL jointly filed Tariff revisions to cap the Capacity Balancing Ratio at 1.0 (“Cap”) and make conforming changes necessary to effectuate the Cap.⁹² The revisions were supported by the Participants Committee at its 2026 Summer Meeting. ISO-NE requested an effective date of *October 1, 2026* for the revisions. Comments on the revisions were due on or before August 11, 2026, with one set filed by NEPGA (supporting the Compliance Changes). Doc-less interventions only were filed by Constellation, Shell, Vistra, and the MA DPU. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **DAAS Adjustments (ER26-3176)**

On July 16, 2026, ISO-NE and NEPOOL jointly filed certain post-implementation adjustments (“Proposed Adjustments”) to the jointly-optimized Day-Ahead Ancillary Services Market (“DAAS”) and Day-Ahead Energy Market (together, “Day-Ahead Market”). Specifically, the adjustments: (i) adjusting the Forecast Energy Requirement Demand Quantity (“FER Demand Quantity”) to better reflect the expected contribution of front-of-the-meter (“FoM”) wind and solar resources to meeting the Forecasted Energy Requirement (“FER”); (ii) set a floor on the DAAS Strike Price (“Strike Price”), based on the empirically observed marginal costs of energy of combustion turbine resources selling DAAS; (iii) adjust the threshold for the Impact Test to have a floor of \$3/MWh; and (iv) remove the credit adjustment to the Hourly Revenue calculation of NCPC to prevent Day-Ahead External Transactions that do not have a corresponding Real-Time offer and are ineligible to receive the Forecast Energy Requirement Price (“FER Price”) from receiving the equivalent in NCPC. The Proposed Adjustments were supported by the Participants Committee at its 2026 Summer Meeting. ISO-NE requested an effective date of *October 23, 2026* for the revisions.

Comments on the Proposed Adjustments were due on or before August 6, 2026. **Comments in support** were filed by the *ISO-NE IMM, ISO-NE EMM, ENE, NESCOE, and Identified End Users*.⁹³ **Protests** were filed by *FirstLight* (protesting the addition of the Strike Price Floor) and *NEPGA* (protesting ISO-NE’s proposal to reduce the hourly measure of demand based on ISO-NE’s Day-Ahead expectation of the quantity of energy front-of-the-meter wind and solar resources will produce in Real-Time (“Demand Reduction Proposal”). Interventions only were filed by Avangrid, CPV Towantic, Dominion, Engie, HQ US, NEPGA, Shell, Vistra, MA DPU, MPUC, NH DOE, and EPSA. On August 18, 2026, *FirstLight* answered the IMM’s comments. *ISO-NE* answered the FirstLight and NEPGA protests on August 21, 2026. On August 25, NEPGA answered ISO-NE’s August 21 Answer, reiterating its request that the FERC reject ISO-NE’s Demand Reduction Proposal. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **PPR Reduction (ER26-3047)**

On August 31, 2026, the FERC accepted, effective September 1, 2026, the reduction of the PFP PPR from the current rate of \$9,337 per MWh to a rate of \$3,500 per MWh.⁹⁴ In accepting the PPR Reduction, the FERC

⁹¹ *New England Power Generators Assoc. v. ISO New England Inc.*, 194 FERC ¶ 61,052 (Jan. 22, 2026) (“NEPGA BR Complaint Order”).

⁹² The conforming changes: (i) modify the allocation of deficient or excess Capacity Performance Payments; (ii) eliminate Capacity Performance Bilateral transactions; and (iii) modify the definition of Average Balancing Ratio (“ABR”) in the Financial Assurance Policy to account for the Cap.

⁹³ “Identified End Users” are: the MA AG, Acadia Center, MOPA, MMWEC, NH OCA, PowerOptions, and the RI DPUC.

⁹⁴ *ISO New England Inc. and New England Power Pool Participants Comm.*, 196 FERC ¶ 61,172 (Aug. 31, 2026) (“PPR Reduction Order”).

found that ISO-NE and NEPOOL “sufficiently demonstrated that a Capacity Performance Payment Rate of \$3,500 per MWh is just and reasonable,” – “the record here detailing ISO-NE’s operational experience gained since the Pay for Performance market rules became effective sufficiently supports a Capacity Performance Payment Rate of \$3,500 per MWh.”⁹⁵ Challenges, if any, to the PPR Reduction Order are due on or before **September 30, 2026**. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Waiver Request: ISO Tariff (Derby Hydroelectric Project) (ER26-3060)**

On August 20, 2026, the FERC denied the request filed by McCallum Enterprises 1 Limited Partnership (“McCallum”) for a temporary or permanent waiver of Section 206 of the OATT (later explained to be the OATT dispatch provisions that require the installation of a Remote Terminal Unit (“RTU”) and 24/7/365 monitoring for dispatch instructions) at its Derby Hydroelectric Project (“Derby”).⁹⁶ In denying the request, the FERC found that McCallum did not demonstrate that the waiver request satisfied the FERC’s waiver criteria.⁹⁷ This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Waiver Request: Return of CSO Payments (Brookfield) (ER26-143)**

On August 6, 2026, the FERC approved⁹⁸ the May 18, 2026 settlement agreement pursuant to which Brookfield refunded and repaid to ISO-NE the payments that it received on behalf of the Lièvre Power portfolio⁹⁹ for having a CSO in the FCM for the months of October 2024 through January 2025, plus interest (“Settlement Agreement”). ISO-NE will distribute the Settlement Amount,¹⁰⁰ as appropriate, to the FCM’s Capacity Load Obligation (“CLO”) for the months of October, November, and December 2024 and January 2025 (calculated as Settlement Amount (plus interest) × (Customer CLO ÷ Pool CLO)) on or before **October 5, 2026**. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Syncarpha Solar Entities Refund Report (QF26-468 et al.)**

On July 9, 2026, ISO-NE requested that the FERC direct it to accept **\$45,996.94** from Marie’s Way Solar 1 and **\$17,509.13** from Syncarpha North Adams (representing capacity market revenues received prior to effectiveness of QF status plus interest) and approve an allocation of the refund amounts to FCM Capacity Load Obligation (“CLO”) for January 2026. On June 9, 2026, Marie’s Way Solar and Syncarpha North Adams filed a refund report identifying ISO-NE FCM capacity market revenues received before submitting self-certifications as qualifying small power production facilities (“QF”) (QF wholesale sales made without a prior exemption from FPA

⁹⁵ *Id.* at PP 38-40.

⁹⁶ *McCallum Enterprises I Limited Partnership*, 196 FERC ¶ 61,147 (Aug. 20, 2026).

⁹⁷ *Id.* at P 6. The FERC has granted waiver of Tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.

⁹⁸ *Brookfield Renewable Trading and Marketing LP*, 196 FERC ¶ 61,110 (Aug. 6, 2026).

⁹⁹ Brookfield stated that, because it failed to shed a portion of its full-year CSO through the respective monthly reconfiguration auctions, it received payments for the months of October, November, and December 2024 and January 2025 that it should not have received. Brookfield seeks to refund these payments (“BRTM CSO Refund”), with interest, to ISO-NE. Because the Tariff does not have a provision that allows ISO-NE to accept the BRTM Refund or specifies how refunds should in turn be made, Brookfield asked the FERC for an order allowing ISO-NE to accept the BRTM Refund and directing ISO-NE to return the BRTM Refund to the Forward Capacity Market’s (“FCM”) Capacity Load Obligation for the months of October, November, and December 2024 and January 2025 (“FCM Refund”).

¹⁰⁰ The settlement amount (“Settlement Amount”) is **\$125,328 plus interest** (calculated from October 2024 (the month for which Brookfield first received CSO payments) until August 6, 2026 (the day the Settlement Agreement was approved by the FERC)).

Section 205 must be refunded).¹⁰¹ The Refund Report and ISO-NE's request are pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

IV. OATT Amendments / TOAs / Coordination Agreements

- **Asset Condition Reviewer Role (ER26-3533; ER26-3534)**

On August 17, 2026, ISO-NE, the PTOs and NEPOOL jointly submitted revisions to the OATT (ER26-3533) and the TOA (ER26-3534) to establish ISO-NE as the New England region's Asset Condition Reviewer ("ACR") and the process for ISO-NE to execute the ACR role (collectively, the "ACR Revisions").¹⁰² The ACR Revisions were unanimously supported by the Participants Committee at its August 6, 2026 meeting (Consent Agenda Item #1). ISO-NE requested an effective date of **January 1, 2027** for the changes. Comments on the ACR Revisions are due on or before **September 7, 2026**. Thus far, interventions have been filed by: AEU, Avangrid, Environmental Defense Fund ("EDF"), CT OCC, MA AG, National Grid, NESCOE, NH OCA, NH DOE, and Public Citizen. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

V. Financial Assurance/Billing Policy Amendments

- **Calendar Year Rate Revisions (ER26-3061)**

On August 19, 2026, the FERC accepted revisions to Section IV of the Tariff designed to ensure that ISO-NE's existing calendar year rates and capital budget will remain in effect in the unlikely event that revised rates or a revised capital budget have not become effective by January 1 of a new operating year ("Calendar Year Rate Revisions").¹⁰³ The Calendar Year Rate Revisions were accepted effective as of *September 1, 2026*, as requested. Unless the August 19 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

VI. Schedule 20/21/22/23 Changes & Agreements¹⁰⁴

No Activity to Report

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

¹⁰¹ See 16 U.S.C. § 824d; 18 C.F.R. § 35.19a; *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at p. 61,980, *order on reh'g*, 65 FERC ¶ 61,081 (1993).

¹⁰² ISO-NE plans to include the conforming revisions to Schedule 1, Section IV.A of the Tariff to add language regarding recovery of ISO-NE's costs for AC Reviewer-related functions with its 2027 Capital Budget filing.

¹⁰³ *ISO New England Inc.*, Docket No. ER26-3061-000 (Aug. 19, 2026) (unpublished letter order).

¹⁰⁴ Reporting on the following Time Value Refunds Reports, which have each been pending before the FERC for more than a year and a half, has been suspended and will be continued if and when there is new activity to report: Schedule 21-VP: Versant/Jonesboro LSA (ER24-24); Schedule 21-GMP: National Grid/Green Mountain Power LSA (ER23-2804); and Schedule 21-VP: Versant/Black Bear LSAs (ER23-2035). Reporting has also been suspended and will be continued if and when there is new activity to report on the notice of cancellation of the Green Mountain Power/Hardwick NITSA under Schedule 21-GMP (ER25-298).

VIII. Regional Reports¹⁰⁵

- **Capital Projects Report – 2026 Q2 (ER26-3471)**

On August 7, 2026, ISO-NE filed its Capital Projects Report and Unamortized Cost Schedule covering the second quarter (“Q2”) of calendar year 2026 (the “Report”), requesting an effective date of July 1, 2026. ISO-NE is required to file the Report under section 205 of the FPA pursuant to Section IV.B.6.2 of the Tariff. Report highlights included the following new projects: (i) Interconnection Request Tracking Upgrade (\$2,411,800); (ii) Settlement Market System (“SMS”) Technology Upgrade (\$1,191,700); (iii) Total Transfer Capability Utility (“TTCU”) Implementation for Resource Outage Coordination (“ROC”) (\$1,144,400); (iv) Atlassian Cloud Migration (\$994,300); (v) Application and Infrastructure Portfolio (\$762,600); (vi) Migration of Market Information System (“MIS”) File Transfer Protocol (“FTP”) Server to Cloud (\$525,000); (vii) Security System Software Upgrade 2026 (\$431,900); and (viii) 2026 Issue Resolution Project Phase II (\$284,000). Four projects were completed this quarter: (i) Upgrade SMS Application Technology Phase II; (ii) Pool Control Error Calculator (“PCEC”) Upgrade; (iii) Voltage Ampere Reactive (“VAR”) Capability Testing; and (iv) Solver Performance Study. Projects with significant budget changes included: Oracle Platform Replacement (decrease of \$640,000 to \$1,969,400); Unified Data Platform Cloud (decrease of \$472,400 to \$1.582 million); and Storage as Transmission Only Asset (“SATO”) (decrease of \$305,000 to \$968,600). Significant budget changes for projects in planning included a decrease of \$500,000 for the Solar Do Not Exceed Dispatch Phase III project, which has been deferred due to higher-priority initiatives. ISO-NE’s non-project capital spending budget increased by \$436,400 for total costs of \$1,636,400, reflecting updated project spending forecasts and changes in project in-service dates (which increased the amount of capitalized interest and loan fees associated with the capital program). Comments on this filing were due on or before August 28, 2026. NEPOOL filed comments supporting the Report. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Order 1920 Compliance Status Reports (RM21-17)**

On August 14, 2026, ISO-NE submitted its *Order 1920* Information Report (describing the stakeholder process schedule and its engagement with Relevant State Entities).¹⁰⁶ If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **IMM Quarterly Markets Report – Spring 2026 Report (ZZ26-4)**

On August 24, 2026, the IMM filed with the FERC its Spring 2026 report of “market data regularly collected by [the IMM] in the course of carrying out its functions under...Appendix A and analysis of such market data,” as required pursuant to Section 17.2.2 of Appendix A to Market Rule 1. The Report covers the period from March 1, 2026 through May 31, 2026. The Spring 2026 Report will be reviewed with the Markets Committee at its September 8-10, 2026 meeting. These filings are not noticed for public comment by the FERC.

- **ISO-NE FERC Form 3-Q (not docketed)**

On August 27, 2026, ISO-NE submitted its 2026/Q2 FERC Form 3Q (quarterly financial report of electric utilities, licensees, and natural gas companies). FERC Form 3-Q is a quarterly regulatory requirement, which supplements the annual FERC Form 1 financial reporting requirement. These quarterly filings are not noticed for public comment.

¹⁰⁵ Reporting on the *Opinion 531* Refund Reports (EL11-66) has been suspended and will be continued if and when there is new activity to report.

¹⁰⁶ See Notice of Extension of Time, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 191 FERC ¶ 61,129 (2025) (accepting the Filing Parties’ proposal that ISO-NE submit an informational filing and status reports).

IX. Membership Filings

Questions concerning any of the Membership Filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Sep 2026 Membership Filing (ER26-3646)**

On August 28, 2026, NEPOOL requested that the FERC accept: (i) NEPOOL membership of SESCO Enterprises LLC (Supplier Sector); and (ii) the termination of the Participant status of Uncia Energy, LP - Series G [Related Person to Trafigura Trading (Supplier Sector)]. Comments on this filing are due on or before **September 18, 2026**.

- **Aug 2026 Membership Filing (ER26-3331)**

On July 30, 2026, NEPOOL requested that the FERC accept: (i) the membership of Electrade Analytics LLC (Supplier Sector) in NEPOOL; and (ii) the termination of the Participant status of Celtic Power Analytics LLC (Supplier Sector)]. Comments on this filing were due on or before August 20, 2026; none were filed. This matter is pending before the FERC.

- **Jul 2026 Membership Filing (ER26-3056)**

On August 28, 2026, the FERC accepted: (i) the memberships in NEPOOL of CarbonBridge LLC (Supplier Sector); Nitor Energy Inc. (Supplier Sector); Trimount ESS LLC [Related Person to Agilitas Companies (AR Sector, DG Sub-Sector)]; and Uncia Energy, LP [Related Person to Trafigura Trading *et al.* (Supplier Sector)]; and (ii) the name change of Transmission Developers Infrastructure LLC (f/k/a TDI DevCo LLC).¹⁰⁷

- **May 2026 Membership Filing (ER26-2406)**

On August 6, 2026, the FERC accepted: (i) the following Applicant's membership in NEPOOL: Standard Normal Energy (Supplier Sector); and (ii) the termination of the Participant status of CS Berlin Ops [Generation Group Seat]; RWE Clean Energy Asset Holdings and RWE Clean Energy Solutions [Related Persons to Cassadaga Wind LLC (Supplier sector)]; and Wolverine Holdings (Supplier Sector).¹⁰⁸

X. Misc. - ERO Rules, Filings; Reliability Standards¹⁰⁹

Questions concerning any of the ERO Reliability Standards or ERO-related rule-making proceedings or filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Ground Induced Current Complaint (Center for Security Policy et al. v. NERC) (EL26-49)**

On August 28, 2026, the FERC denied the March 9, 2026 complaint by the Center for Security Policy and Secure the Grid Coalition that alleged that TPL-007-4 (NERC's current reliability standard for geomagnetically induced current protection) is inadequate and does not sufficiently protect the Bulk Power System from ground induced current ("GIC") damage associated with geomagnetic disturbances and E3 high-altitude electromagnetic pulse events.¹¹⁰ The FERC denied the Complaint because the Complaint: (i) failed to meet the minimum requirements applicable to complaints under the FERC's Rules of Practice and Procedure; (ii) failed to establish that TPL-007-4 is no longer just, reasonable, not unduly discriminatory or preferential, and in the public interest;

¹⁰⁷ *New England Power Pool Participants Comm.*, Docket No. ER26-3056-000 (Aug. 28, 2026) (unpublished letter order).

¹⁰⁸ *New England Power Pool Participants Comm.*, Docket No. ER26-2406-000 (Aug. 6, 2026) (unpublished letter order).

¹⁰⁹ Reporting on the following ERO Reliability Standards or related rule-making proceedings has been suspended and will be continued if and when there is new activity to report: NERC Report on Evaluation of Physical Reliability Standard (CIP-014) (RD23-2); *Order 901*: IBR Reliability Standards (RM22-12); and 2024 Reliability Standards Development Plan (RM05-17 *et al.*).

¹¹⁰ *Complaint and Petition of the Center for Security Policy and the Secure the Grid Coalition v. NERC*, 196 FERC ¶ 61,161 (Aug. 28, 2026) ("*TPL-007-4 Complaint Order*").

and (iii) failed to specify appropriate relief within the scope of FPA section 215.¹¹¹ Challenges, if any, to the *TPL-007-4 Complaint Order* will be due on or before **September 28, 2026**.

- **Reliability Standard: PRC-029-2 (RD26-10)**

On August 28, 2026 (as corrected on September 1), NERC filed for approval a proposed revised Reliability Standard PRC-029-2 (Frequency and Voltage Ride-through Requirements for Inverter-Based Generating Resources). NERC also requested approval of the associated Implementation Plan, Violation Risk Factors (“VRFs”) and Violation Severity Levels (“VSLs”), and the retirement of currently-effective Reliability Standard PRC-029-1. NERC states that the changes proposed in revised PRC-029-2 respond to the requirements of *Order 909*¹¹² by providing for a narrow expansion of the exemption criteria for IBR Ride-through requirements to include projects (i) under active development with an executed interconnection agreement and equipment procurement contract in place by the applicable effective dates and (ii) to HVDC-connected IBRs with a well-documented hardware limitation. The limited exemptions, NERC asserts, will help avoid unnecessary delays, abandonment, or retirement of these resources, and allow for these resources to remain or come into service to support resource adequacy and generation capacity demands. Comments on this filing are due on or before **September 18, 2026**.

- **Reliability Standard: EOP-004-5 (RD26-8)**

On August 10, the FERC approved Reliability Standard EOP-004-5 (Event Reporting), the associated Implementation Plan, Violation Risk Factors (“VRFs”) and Violation Severity Levels (“VSLs”), and the retirement of EOP-004-4.¹¹³ NERC stated that these changes would address reliability concerns associated with the existing generation loss event reporting criteria not capturing Disturbance events involving the loss of Inverter-Based Resources (“IBR”), adding a new reportable event type and calculation methodology specifically designed for IBR operating conditions. Unless the August 10 order is challenged, this proceeding will be concluded.

- **Reliability Standard: EOP-004-5 (RD26-6)**

Also on August 10, 2026, the FERC approved CIP-015-2 (Cyber Security - Internal Network Security Monitoring), as well as its associated Implementation Plan, VRFs and VSLs, and the retirement of CIP-015-1.¹¹⁴ As previously reported, the changes are to establish requirements that extend internal network security monitoring (“INSM”) to include Electronic Access Control or Monitoring systems (“EACMS”) and Physical Access Control systems (“PACS”) outside of the Electronic Security Perimeter (“ESP”), so as to prevent a potential gap in the coverage of the standard that could allow an attacker to use compromised EACMS and PACS outside the ESP to access the operational technology environment inside the ESP. CIP-015-2 addresses FERC’s directive in *Order 907* that NERC modify CIP-015-1 to provide such protections. Unless this August 10 order is challenged, this proceeding will be concluded.

- **Wildfire Report: Wildfire Prevention, Detection, and Mitigation Best Practices (RD25-9)**

On May 1, 2026, NERC issued, as directed,¹¹⁵ a wildfire report that identified best practices to reduce wildfire ignition risk from the Bulk-Power System (“BPS”), including vegetation management, hazardous fuel removal, engineering approaches, operational practices, and emerging technologies (“Wildfire Report”).¹¹⁶ On

¹¹¹ *Id.* at P 22.

¹¹² *Reliability Standards for Frequency and Voltage Protection Settings and Ride-Through for Inverter-Based Resources*, Order No. 909, 192 FERC ¶ 61,076 (2025) (“*Order 909*”). *Order 909* directed NERC, among other things, to (i) consider whether additional exemptions in the PRC-029 standard were necessary for projects with long lead times and high voltage direct current (“HVDC”)-connected Inverter-Based Resources (“IBR”) with choppers and (ii) clarify the acceptable types of evidence of a hardware limitation for an exemption request.

¹¹³ *N. Am. Elec. Rel. Corp.*, Docket No. RD26-8-000 (Aug. 10, 2026) (unpublished letter order).

¹¹⁴ *N. Am. Elec. Rel. Corp.*, Docket No. RD26-6-000 (Aug. 10, 2026) (unpublished letter order).

¹¹⁵ *N. Am. Elec. Rel. Corp.*, 192 FERC ¶ 61,212 at P 1 (Sep. 10, 2025).

¹¹⁶ NERC’s report and informational filing are available at: https://www.nerc.com/globalassets/who-we-are/legal--regulatory/filings--orders/nerc-filings-to-ferc/2026/wildfire-report-filing_signed.pdf.

June 1, 2026, EEI responded to the Wildfire Report with general and specific comments. On July 10, 2026, NERC submitted a supplement to its Wildfire Report, providing its Wildfire Action Plan outlining how NERC plans to implement and support the recommendations in the Wildfire Report. No comments on the Wildfire Report supplement were filed by the July 24, 2026 comment deadline. This matter is pending before the FERC.

- **2027 NERC/NPCC Business Plans and Budgets (RR26-3)**

On August 25, 2026, NERC submitted its proposed Business Plan and Budget, as well as the Business Plans and Budgets for the six Regional Entities,¹¹⁷ including NPCC, for 2027. FERC regulations require NERC to file its proposed annual budget for statutory and non-statutory activities 130 days before the beginning of its fiscal year (January 1), as well as the annual budget of each Regional Entity for their statutory and non-statutory activities, including complete business plans, organization charts, and explanations of the proposed collection of all dues, fees and charges and the proposed expenditure of funds collected.¹¹⁸ NERC reports that its proposed 2027 funding requirement represents an increase of 9.1% from 2026 with a total budget and funding requirement of approximately \$140 million. The NPCC U.S. allocation of NERC's net funding requirement is \$17.65 million. The NPCC has requested \$24.7 million in total U.S. statutory funding (a U.S. assessment per kWh (2025 NEL) of \$0.0000918) and \$1.2 million for non-statutory functions. NERC proposed to allocate to NPCC \$14.9 million of its 2027 assessment. Comments on this filing are due on or before **September 15, 2026**.

XI. Misc. - of Regional Interest

- **203 Application: CMEEC/CL&P (EC26-144)**

On August 6, 2026, CL&P asked for authorization to re-purchase from the Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC") the "M-N Segment" (a 10.2 mile section of a 345 kV line that runs from CL&P's Beseck substation in Wallingford south to CL&P's East Devon substation in Milford and various 345 kV and 115 kV "reconfigurations" around Beseck substation and certain dead-end structures within the Beseck substation, located primarily within the Wallingford, CT retail service area).¹¹⁹ CL&P requested authorization by **November 30, 2026**. Comments on the 203 application were due on or before August 27, 2026. CTMEEC filed comments urging the FERC to authorize the transaction as requested. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: NextEra/Dominion (EC26-131)**

On July 15, 2026, as supplemented on July 17, 2026, NextEra and Dominion (together, "Applicants") requested authorization for their proposed combination, following which the combined company will be owned approximately 74.5% by NextEra shareholders and 25.5% by Dominion shareholders. Applicants requested authorization by **January 11, 2027**. Following a notice of extension of time,¹²⁰ comments on this application are due on or before **September 29, 2026**. Thus far, interventions have been filed by: ISO-NE IMM, CT OCC, EDF, Eversource, MA AG, MOPA, NESCOE, NRDC, NH OCA, RI DPUC, CT AG, CT DEEP, MA DPU, ME AG, MPUC, RI AG,

¹¹⁷ The Regional Entities are Midwest Reliability Organization ("MRO"), Northeast Power Coordinating Council, Inc. ("NPCC"), ReliabilityFirst Corporation ("ReliabilityFirst"), SERC Reliability Corporation ("SERC"), Texas Reliability Entity ("Texas RE"), and Western Electricity Coordinating Council ("WECC").

¹¹⁸ 18 CFR § 39.4(b) (2026).

¹¹⁹ The M-N Segment was constructed by CL&P as part of the Middletown-to-Norwalk Project, which went into service in Dec. 2008. CL&P transferred the M-N Segment portion of that Middletown-to-Norwalk Project to CTMEEC in 2011.

¹²⁰ The Aug. 25, 2026 notice of extension of time granted, *in part*, a request by State Parties (CT AG, MA AG, RI AG, VA AG, NH OCC, MD Office of People's Counsel, CT OCC, CT DEEP, RI DPUC, and ME OPA) and Public Interest Organizations (The Environmental Defense Fund ("EDF"), Appalachian Voices, North Carolina Justice Center, Southern Alliance for Clean Energy, and South Carolina Coastal Conservation League) for an extension of time to submit comments (which was subsequently supported by Eversource). State Parties and Public Interest Organizations asked for a 60-day extension; a 14-day extension was granted. As noted above, comments now due **Sep. 29, 2026**.

AEP, Central Electric Power Cooperative, Florida Municipal Power Agency, Maryland Office of People's Counsel, North Carolina Electric Membership Corporation, North Carolina Justice Center, Old Dominion Electric Cooperative, PJM, PJM IMM, VA AG, National Rural Electric Cooperative Association ("NRECA"), Rockland Electric, South Carolina Coastal Conservation League, South Carolina Office of Regulatory Staff, Southern Alliance for Clean Energy, Virginia Municipal Electric Association No. 1, and Public Citizen. Comments requesting the FERC deny NextEra's application have been submitted by two U.S. Senators -- MA Senator Markey (on August 13) and CT Senator Blumenthal (Sep 2). If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Hull Street/FirstLight Power Management et. al. (EC26-110)**

On June 15, 2026, FirstLight Power Management LLC, FirstLight CT Housatonic LLC, FirstLight MA Hydro LLC, Northfield Mountain LLC, and Hull Street Energy, LLC (collectively, the "Applicants") requested that the FERC authorize a transaction pursuant to which HSE FirstLight, LLC, an entity owned by affiliates of Hull Street Energy, will acquire 100% of the ownership interests in PSP FL USA LLC, which indirectly owns the FirstLight applicants. Following consummation, the FirstLight applicants and their generation, including the approximately 1,168 MW Northfield Mountain pumped-storage facility and hydroelectric facilities in Connecticut and Massachusetts, will be indirect wholly owned subsidiaries of Hull Street affiliates. Applicants requested authorization by **August 31, 2026**. On July 20, 2026, Applicants supplemented the Application's competitive analysis to reflect Hull Street's Taft Facility, an approximately 200 MW battery energy storage facility located near Uxbridge, Massachusetts that is expected to commence operation by Q1 2027. Applicants' revised analysis concluded that inclusion of the Taft Facility does not alter their conclusion that the transaction presents no competitive concerns. Comments were due on or before July 30, 2026 and were filed by JustUs Community Perpetualization Project et al. and several individual citizens ("Protestors"). On August 21, 2026, Protestors supplemented their protests and Answer. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Vistra/Cogentrix (Nautilus Power et al.) (EC26-63)**

On August 5, 2026, the FERC authorized¹²¹ a transaction (the "Vistra/Cogentrix Transaction") pursuant to which Vistra Operations Company LLC, an indirect wholly-owned subsidiary of Vistra, will acquire 100% of the voting equity interests in the Cogentrix Public Utilities (including Nautilus Power, LLC and its Related Persons¹²²; collectively, the "Applicants").¹²³ As previously noted, upon consummation, Vistra Operations Company LLC will indirectly own and control the Cogentrix Public Utilities, making Nautilus Power and Dynegy Marketing and Trade Related Persons.

In the *Vistra/Cogentrix Order*, addressing concerns raised by the ISO-NE IMM,¹²⁴ the FERC declined to require additional market power analyses from Applicants or to set the proceeding for hearing. The FERC declined to rely on ISO-NE's analysis based on a Pivotal Supplier Test and Residual Supply Index, instead relying on the Delivered Price Test and Competitive Analysis Screen provided, which it said was "conservative enough so that

¹²¹ *Bridgeport Energy LLC, et al.*, 196 FERC ¶ 61,107 (Aug. 5, 2026) ("*Vistra/Cogentrix Order*").

¹²² Nautilus Power's Related Persons include: Acadia Renewable Energy (which is not part of the 203 application), Essential Power Massachusetts, Essential Power Newington, and Revere Power.

¹²³ Applicants include: Bridgeport Energy LLC, Essential Power Massachusetts, LLC, Essential Power Newington, LLC, Essential Power OPP, LLC, Essential Power Rock Springs, LLC, Hamilton Liberty LLC, Hamilton Patriot LLC, Hamilton Projects Acquiror, LLC, Lakewood Cogeneration, L.P., Nautilus Power, LLC, Revere Power, LLC, Rumford Power LLC, Tiverton Power LLC, and Vistra Corp.

¹²⁴ The ISO-NE IMM urged the FERC to require that Applicants submit a more robust market power analysis than the Competitive Analysis Screen that relies on HHI. 50. The ISO-NE IMM submitted Pivotal Supplier Test and Residual Supply Index metrics evaluating the transaction, finding that the combined portfolio of Applicants would be pivotal in a substantial share of Real-Time intervals, including the majority of high-load hours. The ISO-NE IMM's preliminary supply curve analysis indicated that the combined entity may have both the ability and the incentive to profitably raise prices. Further, noting that its existing market power mitigation rules may not fully constrain the incentives created by the transaction, the ISO-NE IMM argued that transaction-specific behavioral conditions may be warranted to address the risks posed by a portfolio of Applicants' size and composition.

parties and the Commission can be confident that an application that clears the screen would have no adverse effect on competition.”¹²⁵ The FERC also found the IMM’s simulation-based market power analysis on whether the Vistra/Cogentrix Transaction presents effects on withholding strategies within the ISO-NE market “insufficient to show an adverse effect on horizontal competition as it is backward-looking”, “lacks supporting documentation”, and “fails to consider elements such as the existing ISO-NE market power rules and Vistra’s forward obligations that limit the ability to engage in successful withholding.”¹²⁶ As a result, the FERC found no adverse effect on horizontal competition from the Vistra/Cogentrix Transaction.

With respect to Applicants’ supplement that reflected a June 17, 2026 agreement to sell Casco Bay Energy Company, LLC (“Casco”) (which owns the 492 MW Maine Independence Station) to a buyer that is jointly owned by affiliates of Olympus Power, LLC (“Olympus”) and Northampton Capital Partners LLC (“Northampton”) (the “Casco Sale”), the FERC found that the Casco Sale would reduce the market concentration and HHI changes such that the Vistra/Cogentrix Transaction would be even further below the FERC’s thresholds. The FERC said that it considered the Casco Sale in its analysis and noted that, “if the Casco Sale is not consummated, that would constitute a material change in circumstances that would require notice to the Commission.”¹²⁷

Challenges, if any, to the *Vistra/Cogentrix Order* will be due on or before **September 4, 2026**. Pursuant to the *Vistra/Cogentrix Order*, Applicants must file a notice within 10 days of consummation of the Vistra/Cogentrix Transaction, which as of the date of this Report has not been submitted. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NSTAR (MMWEC)-HQUS Use Rights Transfer Agreement (ER26-3445)**

On August 6, 2026, NSTAR filed for acceptance an Agreement for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities (“Transfer Agreement”) between itself and H.Q. Energy Services (U.S.) Inc. (“HQUS”). The Transfer Agreement reflects NSTAR’s transfer of transmission capacity Use Rights previously held by the Massachusetts Municipal Wholesale Electric Company (“MMWEC”) on the HQ Interconnection. An effective date of October 31, 2026 was requested. Comments on this filing were due on or before August 27, 2026; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NSTAR (CMEEC)-Vitol Use Rights Transfer Agreement (ER26-3440)**

On August 5, 2026, NSTAR filed for acceptance an Agreement for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities (“Transfer Agreement”) from CMEEC to Vitol. While CMEEC has the contractual right under the Restated Use Agreement to enter into a transfer agreement to transfer its Use Rights to another party, CMEEC is relying on NSTAR to effectuate the transfer since CMEEC does not offer its capacity pursuant to an open access transmission tariff or OASIS page. An effective date of October 31, 2026 was requested. Comments on this filing were due on or before August 26, 2026; none were filed. Vitol and CMEEC intervened doc-lessly. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Wholesale Distribution Tariff Amendment – CMP/MRRA (ER26-3419)**

On August 4, 2026, CMP filed amendments to its Wholesale Distribution Tariff (“WDT”) with Midcoast Regional Redevelopment Authority (“MRRA”) to make the MRRA WDT consistent with CMP’s distribution rates most recently approved by the Maine Public Utilities Commission (“MPUC”), which reflects a small rate decrease compared to the rates currently on file with the FERC. CMP requested a September 1, 2026 effective date. Comments on the MRRA WDT are due on or before August 25, 2026; none were filed. This matter is pending

¹²⁵ *Vistra/Cogentrix Order* at P 70.

¹²⁶ *Id.* at P 71.

¹²⁷ *Id.* at P 67.

before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Wholesale Distribution Tariff Amendment – CMP (ER26-3158)**

On August 28, 2026, the FERC accepted amendments to CMP's Wholesale Distribution Tariff ("WDT") to align the WDAT rates with the revised rates recently approved by the Maine Public Utilities Commission ("MPUC") and to reflect minor clean-up revisions to the WDAT to eliminate erroneous references to certain rate classes for customers interconnected directly with CMP's transmission system.¹²⁸ As previously reported, CMP stated that the proposed rate changes would affect a modest rate decrease compared to the currently effective WDAT rates. The WDT amendments were accepted effective September 1, 2026, as requested. Unless the August 28 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Revised IAs: CL&P/NSTAR (ER26-3127)**

On July 10, 2026, ISO-NE and CL&P/NSTAR filed non-conforming first revised Generation Interconnection Agreements ("IAs") to reflect ownership and non-material changes to the technical specs for a number of FirstLight facilities.¹²⁹ The Filing Parties stated that "neither the service levels, nor the configuration of the Generating Facilities or Interconnection Facilities have been materially altered". The Filing Parties requested a September 8, 2026 effective date. Comments on this filing were due on or before July 31, 2026; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Joan Bosma (jbosma@daypitney.com; 617-345-4651).

- **Wholesale Distribution Tariff – Rhode Island Energy (ER26-3084)**

On July 2, 2026, as amended on August 11, 2026, RIE filed a new Wholesale Distribution Tariff ("WDT") to provide for RIE's recovery of costs associated with the provision of Wholesale Distribution Service ("WDS") to customers who own electric energy storage systems ("ESS") connected to RIE's distribution system. The WDT allows such customers to utilize RIE's distribution system when charging their ESS for the purpose of participating in the wholesale (New England) market. A September 1, 2026 effective date was requested. Comments on the RIE WDT were due on or before July 23 and September 1, 2026; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **CL&P and NSTAR 10-Year Software Depreciation Rate (ER26-2957)**

On August 20, 2026, the FERC accepted, effective August 24, 2026, CL&P's and NSTAR's 10-year depreciation rate for Account 351.2 (Computer Software) set forth in each company's Appendix D to Attachment F of the ISO-NE OATT.¹³⁰ The rates are estimated to increase each company's depreciation expense annual by approximately **\$112,116** in the case of CL&P and **\$24,514** in the case of NSTAR. Unless the August 20 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **PSNH 10-Year Software Depreciation Rate (ER26-2866)**

On August 6, 2026, the FERC accepted, effective August 17, 2026, PSNH's 10-year depreciation rate for Account 351.2 (Computer Software) set forth in PSNH's Appendix D to Attachment F of the ISO-NE OATT.¹³¹ The rate is estimated to increase PSNH's depreciation expense by approximately **\$391,298** annually. Unless the

¹²⁸ *Central Maine Power Co.*, Docket No. ER26-3158-000 (Aug. 28, 2026) (unpublished letter order).

¹²⁹ The facilities are: (1) Rocky River; (2) Stevenson 14A; (3) Cabot Station; (4) Bulls Bridge; (5) Falls Village; (6) Robertsville 16K; (7) Scotland 15B; (8) Taftsville Station; (9) Tunnel 12S; and (10) Turner Falls No. 1.

¹³⁰ *Conn. Light and Power Co. and NSTAR Elec. Co.*, Docket No. ER26-2957-000 (Aug. 20, 2026) (unpublished letter order).

¹³¹ *Public Service Co. of New Hampshire*, Docket No. ER26-2866-000 (Aug. 6, 2026) (unpublished letter order).

August 6 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **RFA Cancellation – PSNH/NECEC (ER26-2824)**

On August 10, 2026, the FERC accepted PSNH's notice of cancellation of the Related Facilities Agreement ("RFA") between itself and NECEC Transmission LLC. As previously reported PSNH stated that all work and billings contemplated under the RFA have been completed and finalized. Unless the August 10 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Joan Bosma (jbosma@daypitney.com; 617-345-4651).

- **CMP ESF Rate (ER24-1177)**

On August 4, 2025, the FERC approved the settlement agreement that resolves all issues set for settlement in this proceeding,¹³² effective August 4, 2025.¹³³ CMP was directed to make a compliance filing with revised tariff records in eTariff format on or before September 3, 2025, reflecting that effective date and the FERC's action in the Settlement Order. CMP submitted that compliance filing on September 3, 2025, with any comments due on or before September 24, 2025; none were filed. On September 15, 2025, CMP submitted a refund report confirming the \$365,000 was refunded to Rumford ESS, LLC. Comments on the refund report were due on or before October 6, 2025; none were filed. The refund report remains pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

XII. Misc. - Administrative & Rulemaking Proceedings¹³⁴

- **ISO/RTO Petition for CEII Protections Rulemaking (AD26-9; RM26-14)**

On June 3, 2026, ISO-NE and other Indicated ISOs/RTOs,¹³⁵ together with transmission-owning utilities,¹³⁶ (together, the "Petitioners") filed a petition for rulemaking requesting that the FERC consider improvements to its protections for Critical Energy/Electric Infrastructure Information ("CEII") and related sensitive electric infrastructure information. Petitioners asserted that current CEII rules generally apply to information submitted to or generated by the FERC, but do not provide uniform protections for CEII and CEII-like information exchanged among ISOs/RTOs, transmission providers, market participants, interconnection and transmission customers, consultants, and others. Petitioners cited increasing cyber threats, growing requests for CEII, and inconsistent regional requirements, and asked the FERC to convene a technical conference or other record-building proceeding and then initiate a rulemaking to consider stronger and more uniform protections. As of the date of this Report, the Petition has not been noticed for public comment and the FERC has not issued a NOPR as requested.

¹³² See *Central Maine Power Co.*, 187 FERC ¶ 61,002 (Apr. 1, 2024) ("*CMP ESF Rate Order*") (accepting, subject to refund and settlement judge procedures, CMP's rate schedule for distribution services for electric storage facilities ("ESFs") seeking to participate in the ISO-NE Market ("ESF Rate")).

¹³³ *Central Maine Power Co.*, 192 FERC ¶ 61,110 (Aug. 4, 2025) ("*CMP ESF Rate Settlement Order*").

¹³⁴ Reporting on the following administrative and rulemaking proceedings has been suspended and will be continued if and when there is new activity to report: Annual Reliability Technical Conference (AD25-8); Tech Conf: Meeting the Challenge of Resource Adequacy in ISO/RTOs (AD25-7); Large Loads Co-Located at Generating Facilities (AD24-11); Annual Reliability Tech. Conf. (AD24-10); Innovations and Efficiencies in Generator Interconnection (AD24-9); and ANOPR: Implementation of Dynamic Line Ratings (RM24-6).

¹³⁵ The "Indicated ISO/RTO" are the Alberta Electric System Operator ("AESO"); the Independent Electricity System Operator ("IESO") of Ontario; ISO New England Inc. ("ISO-NE"); Midcontinent Independent System Operator, Inc. ("MISO"); New York Independent System Operator, Inc. ("NYISO"); and Southwest Power Pool, Inc. ("SPP").

¹³⁶ The "transmission-owning utilities" are Central Hudson Gas & Elec. Corp.; Consolidated Edison Co. of New York, Inc.; Niagara Mohawk Power Corp. d/b/a National Grid; the New York Power Authority, New York State Elec. & Gas Corp.; Orange & Rockland Utilities, Inc.; Rochester Gas & Elec., and Tucson Elec. Power Co.

- **Technical Conf: PJM Governance and Stakeholder Reforms (AD26-7)**

On Thursday, **July 23, 2026**, the FERC convened a technical conference to discuss PJM's governance and stakeholder processes, with a particular focus on identifying and evaluating concrete, actionable reforms to improve PJM's ability to address operational and market needs in a timely and efficient manner. The conference explored specific governance features and stakeholder processes in PJM that impact timely action on operational and market needs. It is noteworthy that, in comments and during the technical conference, many features of New England's governance arrangements and processes were identified as potential models for improvements. The FERC invited the filing of post-conference comments by all interested persons. Post-technical conference comments were due on or before August 21, 2026 and were filed by, among others: [PJM](#), [AEU](#), [Capital Power](#), [Constellation](#), [Dominion](#), [ENGIE](#), [National Grid](#), [Shell](#), [Vitol](#), [Public Interest Organizations](#),¹³⁷ and [R Street](#).

Dispute Resolution Services Forum (Sep 1-3). From September 1-3, 2026, the FERC's Director of Dispute Resolution Services ("DRS") convened a forum to facilitate interest-based discussions on proposed reforms to PJM's governance and stakeholder processes. The stated objective of the forum is to gather feedback from PJM members and stakeholders, identify areas of consensus and divergence, and evaluate actionable reforms to inform a future filing.

Preliminary Term Sheet. In its Forum notice, the FERC directed PJM to prepare preliminary governance and stakeholder process reforms focused on major themes of a July 23 FERC technical conference. PJM filed with the FERC and presented to its stakeholders on August 19 a framework of eight governance reforms to be addressed in connection with the FERC-mediated discussions ("Term Sheet"). Specific Term Sheet terms proposed by PJM include:

- Expanding PJM Section 205 filing rights to include energy and ancillary services markets and the Regional Transmission Expansion Planning protocol;
- Changing PJM's stakeholder process to advisory rather than binding voting and providing for expedited consideration of issues;
- Extending the PJM Board of Managers terms of service from three to nine years;
- Granting the Organization of PJM States, Inc. ("OPSI"), access to Section 205 filing rights on certain matters of resource adequacy subject to certain conditions including a Member vote and a reliability safety valve; and
- Adding state-appointed representatives to the Nominating Committee for the PJM Board of Managers.

PJM has also proposed a Memorandum of Understanding ("States MOU") Framework Between the PJM States and PJM, which would establish reliability and resource adequacy as shared responsibilities, and delineates wholesale and retail roles and responsibilities.

We understand that there are stakeholder-proposed alternatives to the Term Sheet and States MOU that have been prepared and are under discussion in the DRS process. PJM has indicated its plans to present a package of reforms for final action at its September 24, 2026 Members Committee meeting.

¹³⁷ "Public Interest Organizations" are: RMI, Sierra Club, Earthjustice, NRDC, and Southern Environmental Law Center.

- **Joint Federal-State Current Issues Collaborative¹³⁸ (AD24-7)**

2026-27 NECPUC Representatives. On August 25, 2026, NARUC provided notice of the two state commission representatives from each of the NARUC regions for the 2026-27 term.¹³⁹ MPUC Commissioner Carrie Gilbert and NH PUC Commissioner Pradip Chattopadhyay were elected as NECPUC representatives.¹⁴⁰

- **Tech Conf: Increasing Market and Planning Efficiency Through Improved Software (AD10-12)**

On July 7-8, 2026, the FERC held its 17th annual technical conference addressing grid-enhancing technologies, load forecasting, and opportunities for increasing market and planning efficiency through improved software. Presentations and a transcript from the conference have been posted to eLibrary. Post-conference comments were due on or before August 19, 2026 and were filed by: [ITC](#), [PPL](#), and [G. Poulos](#). Additional information is available on the FERC's website.¹⁴¹

- **Order 917: Revisions to EQR Data Collection and Filing Process (RM23-9)**

On March 19, 2026, the FERC issued *Order 917* adopting revisions to the data collection and filing process requirements for Electric Quarterly Reports ("EQRs").¹⁴² The FERC stated that the *Order 917* changes are intended to update data collection, improve data quality, increase market transparency, reduce filing costs over time, and streamline compliance with future filing changes. Among other things, *Order 917* adopts eXtensible Business Reporting Language-Comma-Separated Values ("XBRL-CSV") as the standard for EQR filings, amends the FERC's regulations to require RTOs and ISOs to produce reports containing market participant transaction data, modifies existing EQR reporting requirements, and extends the quarterly filing window to four months after the end of the quarter.¹⁴³ *Order 917* includes EQR Data Dictionary Version 4.0, which reflects the revised reporting framework and new data fields. *Order 917* became effective May 26, 2026.¹⁴⁴ While compliance with *Order 917* is mandatory, the actual timeline for compliance with *Order 917* remains to be seen. The FERC said that "industry

¹³⁸ *Joint Federal-State Task Force on Elec. Transmission and Federal and State Current Issues Collaborative*, 186 FERC ¶ 61,189 (Mar. 21, 2024) ("Order Establishing Collaborative"). The Collaborative will provide a venue for federal and state regulators to share perspectives, increase understanding, and, where appropriate, identify potential challenges and coordination on matters that impact specific state and federal regulatory jurisdiction, including (but not limited to) the following: electric reliability and resource adequacy; natural gas-electric coordination; wholesale and retail markets; new technologies and innovations; and infrastructure. The Collaborative will be comprised of all FERC Commissioners as well as representatives from 10 state commissions, who will be nominated for and serve one-year terms from the date of appointment by the FERC. The FERC will issue notices announcing the time, place and agenda for each meeting of the Collaborative, after consulting with members of the Collaborative and considering suggestions from state commissions. Collaborative meetings will be on the record, and open to the public for listening and observing. The Collaborative will expire 3 years after its first public meeting but may be extended for an additional period of time prior to its expiration by agreement of both FERC and NARUC.

¹³⁹ Commission representatives from each of the five NARUC regions serve a one-year term from the date of appointment for no more than three consecutive terms.

¹⁴⁰ The 2026-27 Commission representatives are: Chair Christine Guhl-Sadovy, NJ BPU and Commr. Kathryn Zerfuss, PA PUC (MACRUC); Chair Sarah Martz, IA UC and Commr. Stacey Paradis, IL CC (MARC); Commr. Carrie Gilbert, MPUC and Commr. Pradip Chattopadhyay, NH PUC (NECPUC); Chair Doyle Webb, AK PSC and Chairman Gabriella Passidomo Smith FL PSC and (SEARUC); and Commr. Greg Nibert, NM PRC and Chair Brian Rybarik, WA UTC (WESTERN).

¹⁴¹ <https://www.ferc.gov/news-events/events/increasing-market-and-planning-efficiency-through-improved-software-technical>.

¹⁴² *Filing Process and Data Collection for the Electric Quarterly Report*, 194 FERC ¶ 61,195 (Mar. 19, 2026) ("Order 917").

¹⁴³ Specifically, *Order 917*: (a) Adopts a single collection method for EQR reporting based on the XBRL-CSV standard; (b) amends the FERC's regulations to extend the quarterly filing window to four months after the end of the quarter; (c) amends the FERC's regulations to require RTOs and ISOs to produce reports containing market participant transaction data in XBRL-CSV format that adheres to the FERC EQR taxonomies, which Sellers can use to prepare their EQR submissions; (d) provides the option to file data on a rolling basis before the close of the filing window; (e) retains the EQR refiling policy to require re-filings for up to 12 quarters when there are material corrections or material omissions to previously filed EQRs; (f) eliminates the requirement for Sellers to report transmission capacity reassignment information in the EQR; (g) eliminates the requirement for Sellers to identify the index price publisher(s) to which they report transactions in the EQR; (h) eliminates the requirement for Sellers to identify which exchange or broker was used to consummate transactions; (i) improves data quality and transparency by adopting new data fields and clarifies the definitions and requirements of certain data fields; and (j) streamlines the EQR filing process by eliminating certain data that Sellers must submit each quarter with their EQRs.

¹⁴⁴ *Order 917* was published in the *Fed. Reg.* on Mar. 24, 2026 (Vol. 91, No. 56) pp. 14,306-14,348.

participants will be afforded a reasonable amount of time to develop their software and we will make available a platform for filers to test their submissions. We plan to allow a reasonable amount of time following the technical conference process for software evaluation, development, implementation, and testing.”¹⁴⁵

Request for Rehearing/Clarification. A request for rehearing and/or clarification was filed on April 17, 2026 by Energy Compliance Consulting, LLC (“ECC”). On May 18, 2026, the FERC issued an *Allegheny Notice*, noting that ECC’s request may be deemed denied by operation of law, but noting that the ECC’s request will be addressed in a future order.¹⁴⁶ The FERC issued that order on July 20, 2026,¹⁴⁷ modifying the discussion in *Order 917*, setting aside *Order 917*, in part, and clarifying *Order 917*. Specifically, the FERC agreed with ECC’s arguments regarding: (i) the definition of Transaction Identifier data field; (ii) the elimination of certain allowable reporting options for Rate Units; and (iii) the need to modify the definition of FERC Tariff Reference. The FERC provided clarification regarding: (a) the implementation for eliminating certain reporting requirements; (b) the Notes data field; (c) the Agent’s role in filing EQRs; (d) the Rate Description data field; and (e) the Type of Rate data field, directing FERC Staff to discuss the Type of Rate data field at the future technical conference(s) to be held in this proceeding.

Notice of New Webpage and Staff Guidance on Initial Implementation. On May 5, 2026, the FERC issued a “Notice of New Webpage and Staff Guidance on Initial Implementation of Order No. 917”, stating that “to help inform filers about how to implement the initial changes to the EQR reporting requirements set forth in Order No. 917, [FERC] staff has developed a under new [webpage](#) with filing guidance.¹⁴⁸ Going forward, this webpage will also help inform filers and other interested parties of future changes to the EQR filing process and reporting requirements Order No. 917.” Additionally, the FERC said that “to stay up-to-date with developments in this rulemaking proceeding, you may join our [contact list](#).”

If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

XIII. FERC Enforcement Proceedings

Electric-Related Enforcement Actions

- **American Efficient Show Cause Order (IN24-2)**

As previously reported, the FERC issued on December 16, 2024 a show cause order¹⁴⁹ in which it directed American Efficient, LLC, its various subsidiary companies,¹⁵⁰ and its corporate parents¹⁵¹ (collectively, “American Efficient”) to show cause why they should not be found to have violated (i) Section 222 of the FPA and § 1c.2 of the FERC’s regulations through a manipulative scheme and course of business in PJM and MISO that extracted millions of dollars in capacity payments for a purported energy efficiency project that did not actually cause reductions in energy use;¹⁵² and (ii) provisions of MISO’s and PJM’s Tariffs for failure to satisfy the tariff

¹⁴⁵ *Order 917* at P 39.

¹⁴⁶ *Filing Process and Data Collection for the Elec. Quarterly Rpt.*, 195 FERC ¶ 62,103 (May 18, 2026) (“*Order 917 Allegheny Notice*”).

¹⁴⁷ *Filing Process and Data Collection for the Elec. Quarterly Rpt.*, 196 FERC ¶ 61,045 (July 20, 2026).

¹⁴⁸ The webpage is available at <https://www.ferc.gov/order-917>.

¹⁴⁹ *American Efficient, LLC et al.*, 189 FERC ¶ 61,196 (Dec. 16, 2024) (“*American Efficient Show Cause Order*”).

¹⁵⁰ Affirmed Energy LLC, Wylan Energy L.L.C., Midcontinent Energy LLC, and Maple Energy LLC.

¹⁵¹ Modern Energy Group LLC and MIH LLC.

¹⁵² OE concludes that “[w]hat American Efficient passes off as energy efficiency in its capacity supply offers really is just market research. It buys sales data of energy efficient products from large retailers like The Home Depot, Lowes, and Costco and then figures out how many MWs of electricity would be saved if end-use customers installed those products and used them in accordance with predictive

requirements for participation as an Energy Efficiency Resource (“EER”).¹⁵³ American Efficient was also directed to show cause why they should not (i) **disgorge \$2,116,057 and \$250,937,821**, back to MISO and PJM, respectively (in each case plus interest); (ii) **disgorge additional unjust profits** received between April 2024 and the date of any future FERC order directing disgorgement back to PJM; and (iii) pay a **\$722 million** civil penalty. American Efficient could have sought a modification of these amounts consistent with FPA § 31(d)(4).¹⁵⁴

On March 17, 2025, American Efficient answered the show cause order explaining that American Efficient did not violate a tariff or commit fraud, requesting the FERC dismiss the proceeding and close its investigation without further action. OE replied to American Efficient’s answer on April 15, 2025 and American Efficient subsequently responded to OE’s April 15 reply, supplemented its answer with financial information, and provided updates on some related federal court developments, each of which it asserted weigh against rushing if not issuing a penalty order. On July 10, 2025, American Efficient filed another letter supporting its position that this “proceeding should be terminated without further action.”

On November 3, 2025, American Efficient requested that the FERC conclude its Order to Show Cause proceeding by declining the Office of Enforcement and Regulatory Accounting’s (“OERA”) request for an Order Assessing Penalties and closing out this investigation. FERC’s OERA Litigation Staff replied to the November 3 motion on November 24, 2025. On December 12, 2025, American Efficient requested that the FERC terminate this proceeding. On January 16, 2026, American Efficient requested that the FERC not issue an Order assessing a penalty before the Supreme Court has rendered a decision in *AT&T, Inc v. FCC (asserting that a decision from the Supreme Court will implicate the constitutionality of FERC’s civil penalty authority)*.

Order Assessing Civil Penalties. On April 15, 2026, the FERC issued an Order Assessing Civil Penalties¹⁵⁵ finding that American Efficient, LLC and its various subsidiary companies violated the PJM and MISO tariffs, section 222 of the FPA, and the FERC’s Anti-Manipulation Rule in connection with their energy efficiency resource program. The FERC directed American Efficient to disgorge approximately **\$410 million** in profits and pay a civil penalty of **\$722 million by June 15, 2026**, and for PJM and MISO to submit to the FERC a proposal for the allocation of disgorgement funds to the harmed participants. American Efficient did not respond to the Order Assessing Civil Penalties.

If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

Natural Gas-Related Enforcement Actions

- **Rover Pipeline, LLC and Energy Transfer Partners, L.P. (CPCN Show Cause Order) (IN19-4)**

Procedural Schedule Suspended. As previously reported, on May 24, 2022, the Honorable Judge Karen Gren Scholer of the U.S. District Court for the Northern District of Texas (“Northern District”) issued an order staying this proceeding. Consistent with that order and out of an abundance of caution, ALJ Joel DeJesus, who will

models. It then bids those energy savings into the capacity markets as if it caused the savings. But American Efficient does not cause the energy savings.”

¹⁵³ OE’s Report notes that American Efficient initially cleared 10.6 MWs (worth \$518,000) in an ISO-NE Forward Capacity Auction. When American Efficient sought to expand its Program in ISO-NE from 10.6 MWs to 189 MWs, “ISO-NE and its IMM sent a series of emails and letters critiquing the Program and then disqualified the Company from expanded participation in the FCA. In one of those letters, ISO-NE explained that it never would have qualified any of American Efficient’s capacity if it had understood the true nature of the Program from the beginning.” Similar disqualification occurred in MISO. American Efficient expressly kept information about those disqualifications from PJM and expanded the Program in PJM. No disgorgement with respect to American Efficient’s New England activity is contemplated.

¹⁵⁴ Under Section 31(d)(4) of the FPA, 16 U.S.C. § 823b(d)(4), the Commission may “compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed . . . at any time prior to a final decision by the court of appeals . . . or by the district court.”

¹⁵⁵ *American Efficient, LLC et. al.*, 195 FERC ¶ 61,043 (Apr. 15, 2026) (“*American Efficient Penalties Order*”).

be the presiding judge for hearings in this matter,¹⁵⁶ suspended the procedural schedule until such time as the Court's stay is lifted and the parties provide jointly a proposed amended procedural schedule.

On June 14, 2023, the FERC issued an Order on Presiding Officer Reassignment,¹⁵⁷ which (i) directed the Chief ALJ to reassign this proceeding to another ALJ not previously involved in the proceeding (i.e., designate a new presiding officer) once the *June 14 Order* takes effect; (ii) held that the *June 14 Order* will take effect once the Northern District clarifies or lifts its stay for the limited purpose of allowing the *June 14 Order* to take effect or the stay is lifted or dissolved such that hearing procedures may resume; and (iii) stated that this proceeding otherwise remains suspended until the Northern District's stay is lifted or dissolved such that hearing procedures may resume.

- **Rover and ETP (Tuscarawas River HDD Show Cause Order) (IN17-4)**

On December 16, 2021, the FERC issued a show cause order¹⁵⁸ in which it directed Rover and ETP (together, "Respondents") to show cause why they should not be found to have violated NGA section 7(e), FERC Regulations (18 C.F.R. § 157.20); and the FERC's Certificate Order,¹⁵⁹ by: (i) intentionally including diesel fuel and other toxic substances and unapproved additives in the drilling mud during its horizontal directional drilling ("HDD") operations under the Tuscarawas River in Stark County, Ohio, in connection with the Rover Pipeline Project;¹⁶⁰ (ii) failing to adequately monitor the right-of-way at the site of the Tuscarawas River HDD operation; and (iii) improperly disposing of inadvertently released drilling mud that was contaminated with diesel fuel and hydraulic oil. The FERC directed Respondents to show why they should not be assessed **\$40 million** in civil penalties.

On March 21, 2022, Respondents answered and denied the allegations in the *Rover/ETP CPCN Show Cause Order*. On April 20, 2022, OE Staff answered Respondents' March 21 answer. On May 13, 2022, Respondents submitted a surreply, reinforcing their position that "there is no factual or legal basis to hold either [Respondent] liable for the intentional wrongdoing of others that is alleged in the Staff Report." The FERC denied Respondents' request for rehearing of the FERC's January 21, 2022 designation notice.¹⁶¹ This matter is pending before the FERC.

¹⁵⁶ See *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 178 FERC ¶ 61,028 (Jan. 20, 2022) ("*Rover/ETP Hearings Order*"). The hearings will be to determine whether Rover Pipeline, LLC ("Rover") and its parent company Energy Transfer Partners, L.P. ("ETP" and collectively with Rover, "Respondents") violated section 157.5 of the FERC's regulations and to ascertain certain facts relevant for any application of the FERC's Penalty Guidelines.

¹⁵⁷ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 183 FERC ¶ 61,190 (June 14, 2023) ("*June 14 Order*").

¹⁵⁸ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 177 FERC ¶ 61,182 (Dec. 16, 2021) ("*Rover/ETP Tuscarawas River HDD Show Cause Order*").

¹⁵⁹ *Rover Pipeline LLC*, 158 FERC ¶ 61,109 (2017), *order on clarification & reh'g*, 161 FERC ¶ 61,244 (2017), *Petition for Rev., Rover Pipeline LLC v. FERC*, No. 18-1032 (D.C. Cir. Jan. 29, 2018) ("*Certificate or Certificate Order*").

¹⁶⁰ The Rover Pipeline Project is an approximately 711-mile-long interstate natural gas pipeline designed to transport gas from the Marcellus and Utica shale supply areas through West Virginia, Pennsylvania, Ohio, and Michigan to outlets in the Midwest and elsewhere.

¹⁶¹ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 179 FERC ¶ 61,090 (May 11, 2022) ("*Designation Notice Rehearing Order*"). The "Designation Notice" provided updated notice of designation of the staff of the FERC's Office of Enforcement ("OE") as non-decisional in deliberations by the FERC in this docket, with the exception of certain staff named in that notice.

XIV. Natural Gas Proceedings

For further information on any of the natural gas proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com).

New England Pipeline Proceedings

The following New England pipeline projects are currently under construction or before the FERC:

- **Algonquin Cape Cod Canal Pipeline Relocation Project (CP25-552; PF25-4)**
 - ▶ Project to relocate and rebuild the Sagamore and Bourne meter and regulation (“M&R”) stations to continue providing uninterrupted natural gas transportation service to National Grid to supply end users on both sides of the Cape Cod Canal. The proposed Project will not result in new or incremental capacity and is therefore not an expansion of the Algonquin system.
 - ▶ Abbreviated Application for a Certificate of Public Convenience and Necessity (“CPCN”) and for Related Authorizations and Order Approving Abandonment (“Application”) filed September 29, 2025. Application includes authorizations to (i) construct, install, own, operate, and maintain approximately 5.24 miles of pipeline; (ii) abandon by removal approximately 0.75 miles of existing pipeline; (iii) abandon by removal 2 existing M&R stations; and (iv) construct, install, own, operate, and maintain 4 new M&R stations.
 - ▶ Algonquin submits supplemental information to its Application on October 30, 2025.
 - ▶ Interventions filed by NSTAR Electric, NSTAR Gas, National Grid Gas Delivery Companies, and New York State Gas & Electric and Maine Natural Gas Co. Comments filed by a number of Chambers of Commerce on the Cape.
 - ▶ FERC issues November 13 data request; Algonquin submits response on November 20, 2025.
 - ▶ FERC issues December 11, 2025 data request; Algonquin submits response on January 6, 2026 and on February 3 and February 5, 2026.
 - ▶ FERC issues January 16, 2026 data request; Algonquin submits response on January 26, 2026 and on February 3, 2026.
 - ▶ FERC issues February 9, 2026 data request; Algonquin submits response on February 17 and February 20, 2026. Algonquin supplements response on April 7, 2026.
 - ▶ FERC issues March 9, 2026 data request; Algonquin submits responses on March 16, 2026.
 - ▶ Staff issues environmental assessment (“EA”) on May 29, 2026; comments were due on or before June 29, 2026.
 - ▶ Algonquin Gas Transmission submits comments on EA on June 9, 2026.
 - ▶ June 11 – June 29, 2026: Parties submit comments on EA.
 - ▶ July 9, 2026 - Algonquin Gas Transmission, LLC submits response to certain claims raised in comments on the EA.
 - ▶ July 21-24: Algonquin Gas Transmission, LLC submits supplemental information to the June 9 *et al.* comments on the EA and in response to claims made in comments on the EA.
 - ▶ 90-day Federal Authorization Decision Deadline was Aug 27, 2026.
- **Iroquois ExC Project (CP20-48)**
 - ▶ 125,000 Dth/d of incremental firm transportation service to ConEd and KeySpan by building and operating new natural gas compression and cooling facilities at the sites of four existing Iroquois compressor stations in Connecticut (Brookfield and Milford) and New York (Athens and Dover).
 - ▶ Three-year construction project; service now requested for **March 25, 2027**.
 - ▶ On March 25, 2022, after procedural developments summarized in previous Reports, the FERC issued to Iroquois a certificate of public convenience and necessity, authorizing it to construct and operate

the proposed facilities.¹⁶² The certificate was conditioned on: (i) Iroquois' completion of construction of the proposed facilities and making them available for service within **three years** of the date of the; (ii) Iroquois' compliance with all applicable FERC regulations under the NGA; (iii) Iroquois' compliance with the environmental conditions listed in the appendix to the order; and (iv) Iroquois' filing written statements affirming that it has executed firm service agreements for volumes and service terms equivalent to those in its precedent agreements, prior to commencing construction. The March 25, 2022 order also approved, as modified, Iroquois' proposed incremental recourse rate and incremental fuel retention percentages as the initial rates for transportation on the Enhancement by Compression Project.

- ▶ On April 18, 2022, Iroquois accepted the certificate issued in the *Iroquois Certificate Order*.
- ▶ On June 17, 2022, in accordance with the *Iroquois Certificate Order*, Iroquois submitted its Implementation Plan, documenting how it will comply with the FERC's Certificate conditions.
- ▶ On October 28, 2024, Iroquois requested an extension of time, until **March 25, 2027**, to construct and place into service its Enhancement by Compression Project (Project) located in Greene and Dutchess Counties, New York and Fairfield and New Haven Counties, Connecticut as authorized in the *Iroquois Certificate Order*. (The *Iroquois Certificate Order* required Iroquois to complete construction of the Project and make it available for service within three years of the date of the Order or by March 25, 2025.) Iroquois stated that construction of the Project has been delayed due to pending state permit approvals, specifically air permits from the New York State Department of Environmental Conservation and the Connecticut Department of Energy and Environmental Protection. Iroquois asserts that it has been working in good faith with these agencies and expects to receive approvals for the Project in the near future.
- ▶ Comments on Iroquois' request were due on or before November 15, 2024. Protests and comments were filed by the Sierra Club of Connecticut, Save the Sound, and nearly 20 individual citizens. A number of others requested an extension of time to comment, but those requests have not been (nor should be expected to be) acted on by the FERC.¹⁶³
- ▶ On February 19, 2025, the FERC granted the requested two-year extension of time, to March 25, 2027, to construct the project and place it into service.¹⁶⁴ The FERC found that Iroquois has worked and continues to work toward obtaining the state permits necessary to enable construction to commence, no bad faith or delay on Iroquois's behalf, and therefore good cause to grant the two-year extension of time to complete construction of the project.¹⁶⁵

XV. State Proceedings & Federal Legislative Proceedings

No Activity to Report

¹⁶² *Iroquois Gas Transmission Sys., L.P.*, 178 FERC ¶ 61,200 (2022) ("*Iroquois Certificate Order*").

¹⁶³ The FERC will aim to issue an order acting on the request within 45 days. The FERC will address all arguments relating to whether the applicant has demonstrated there is good cause to grant the extension. The FERC will not consider arguments that re-litigate the issuance of the certificate order, including whether the Commission properly found the project to be in the public convenience and necessity and whether the Commission's environmental analysis for the certificate complied with NEPA.

¹⁶⁴ *Iroquois Gas Transmission System, L.P.*, 190 FERC ¶ 61,112 (Feb. 19, 2025).

¹⁶⁵ *Id.* at P 15.

XVI. Federal Courts

The following are matters of interest, including petitions for review of FERC decisions in NEPOOL-related proceedings, that are currently pending before the federal courts (unless otherwise noted, the cases are before the U.S. Court of Appeals for the District of Columbia Circuit (“DC Circuit”). An “*” following the Case No. indicates that NEPOOL has intervened or is a litigant in the appeal. The remaining matters are appeals as to which NEPOOL has no organizational interest but that may be of interest to Participants. For further information on any of these proceedings, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Offshore Wind Orders Challenge (26-1910)**

Case Title: *State of New York et al. v. U.S. Dept. of Interior et al.*

Underlying Proceeding:

Status: Briefing underway

On June 2, 2026, New York, New Jersey, Connecticut, Maine, Massachusetts, Rhode Island, and Vermont (the “States”) filed a complaint in the U.S. District Court for the District of Columbia challenging the U.S. Department of the Interior’s cancellation of BOEM Lease No. OCS-A 0538 and the related settlement agreement between the U.S. and Attentive Energy LLC. The Complaint seeks declaratory relief, vacatur of the lease cancellation and settlement agreement, and temporary, preliminary, and permanent injunctive relief. The New England plaintiff states allege that cancellation of the lease could affect New England by constraining NYISO’s ability to export power to ISO-NE. A Standing Order was entered on June 4, 2026. Attentive Energy LLC’s answer was due August 10, 2026. On August 6, the Court granted the parties’ joint request for leave to file an amended complaint and to revise the briefing schedule. On August 14, 2026, the States filed an amended complaint asking the Court to overturn the lease cancellation on grounds it is arbitrary and capricious, contrary to law and procedurally defective, and overturn the settlement agreement on grounds it is unlawful, as well as require the federal government to comply with OCSLA. Defendants’ answers to the complaint are due by **October 9, 2026**; the States reply is due by **November 13, 2026**, and all defendants must reply by **December 11, 2026**.

- **Order 904: Compensation for Reactive Power Within the Standard Power Factor Range (5th Circuit – 25-60055 et al.) (consolidated)**

Case Title: *Leeward v. FERC*

Underlying FERC Proceeding: RM22-22¹⁶⁶

Status: Briefing Complete; Oral Argument Tentatively Scheduled

Appeals of *Order 904* have been transferred to and consolidated in the 5th Circuit Court of Appeals, with 25-60055 as the lead docket. A briefing schedule was established on November 18, 2025 following the filing of a certified list in lieu of the administrative record, triggering the following specific dates for the approved briefing schedule: (Procedural Motions (December 2, 2025); Petitioners’ Briefs (February 19, 2026); FERC’s Brief (April 17, 2026); Response Brief Intervenors in Support of FERC (May 1, 2026); Petitioners’ Reply Briefs (July 6, 2025; updated from June 1, 2026); Deferred Joint Appendix (June 8, 2026); and Final Briefs (June 15, 2026)). The FERC filed its appellee brief on May 20, 2026; a joint Respondent-Intervenors brief was filed in support of FERC, by MISO TOs, PJM, certain state consumer advocate offices, among others. The Court deemed the intervenor brief deadline satisfied and updated Petitioners’ reply brief deadline to July 6, 2026. Since the Last Report, the Court received the required paper copies of the parties’ briefs. On August 26, 2026, the Court tentatively calendared the consolidated appeals for oral argument during the week of **November 2, 2026**.

¹⁶⁶ *Compensation for Reactive Power Within the Standard Power Factor Range*, Order No. 904, 189 FERC ¶ 61,034 (Oct. 17, 2024).

- **Order 1920: Transmission Planning Reforms (4th Circuit – 24-1650)**

Case Title: *Appalachian Voices v. FERC*

Underlying FERC Proceeding: RM21-17¹⁶⁷

Status: Briefing Completed; Oral Argument Scheduled

As previously reported, on July 18, 2024, AEU/ACPA/SEIA and Invenenergy petitioned the DC Circuit Court of Appeals for review of the FERC's *Order 1920*.¹⁶⁸ Petitions were also filed in the First, Second, Fourth, Fifth, Sixth, Seventh, Ninth, and Eleventh Circuits. The Judicial Panel on Multidistrict Litigation randomly selected the Fourth Circuit as the Circuit in which to consolidate the petitions for review. The DC Circuit ordered that its cases be transferred to the 4th Circuit. The 4th Circuit lead case no. is 24-1650. On August 26, 2024, the 4th Circuit granted the FERC's motion to hold the petitions for review in abeyance. On September 10, 2025, Appalachian Voice et al submitted their opening brief. FERC's opening brief was filed on January 5, 2026. Intervenor briefs and amicus curiae briefs were filed on February 6, 2026, and a motion to reconsider the order granting filing of amicus curiae briefs was filed February 9, 2026. Petitioners' and Intervenor's reply briefs were filed February 25, 2026. On March 4, 2026, the Fourth Circuit extended by two days the deadline for submission of the Joint Appendix (from March 4, 2026 to March 6, 2026) and final briefs from (March 11, 2026 to March 13, 2026). The Joint Appendix was filed on March 6, 2026. On March 13, 2026, final briefs were filed, including the respondent's brief, petitioners' and intervenors' final briefs, and *amicus curiae* briefs, including one filed by the Commonwealth of Massachusetts. On August 4, the FERC submitted supplemental authority under Rule 28(j) referencing and attaching the D.C. Circuit's decision issued on July 31, 2026 upholding Order 2023.¹⁶⁹ On August 7, the FERC submitted a consent motion scheduling oral argument for September 15, 2026 with proposed oral argument format in all consolidated appeal dockets.¹⁷⁰ Also on August 7, Clean Air Task Force, Earthjustice, NRDC, Sierra Club, Southern Enviro Law Center, and Invenenergy submitted supplemental authority and response to the FERC's August 4 letter. On August 21, the Court set the consolidated appeals' oral argument for **September 15, 2026** and limited the argument times to 60 minutes per side with a directive to adjust proposals accordingly. As directed, the FERC resubmitted its proposal, and the Court accepted it on August 31, 2026.

- **CASPR (20-1333, 21-1031) (consolidated)****

Case Title: *Sierra Club, et al. v. FERC*

Underlying FERC Proceeding: ER18-619¹⁷¹

Petitioners: Sierra Club, NRDC, RENEW Northeast, and CLF

Status: Being Held in Abeyance; Fifth Abeyance Request Filed Mar 2, 2026

As previously reported, the Sierra Club, NRDC, RENEW Northeast, and CLF petitioned the DC Circuit Court of Appeals on August 31, 2020 for review of the FERC's order accepting ISO-NE's CASPR revisions and the FERC's subsequent *CASPR Allegheny Order*. Appearances, docketing statements, a statement of issues to be raised, and a statement of intent to utilize deferred joint appendix were filed. A motion by the FERC to dismiss the case was dismissed as moot by the Court, referred to the merits panel (Judges Pillard, Katsas and Walker), and is to be addressed by the parties in their briefs.

Petitioners have moved to hold this matter in abeyance now five times, with the most recent request filed March 2, 2026. The Court granted Petitioners' request, on March 18, 2026, to hold the case in abeyance; and the

¹⁶⁷ *Constellation Mystic Power, LLC*, 185 FERC ¶ 61,170 (Dec. 5, 2023) ("*Second CapEx Info Filing Order*"); *Constellation Mystic Power, LLC*, 186 FERC ¶ 62,048 (Feb. 5, 2024) ("*Second CapEx Info Filing Order Allegheny Notice*").

¹⁶⁸ Petitioners for review of *Order 1920* have also been filed in the 1st, 4th, 5th, and 9th Circuits.

¹⁶⁹ *Advanced Energy United v. FERC*, No. 23-1282 (D.C. Cir. July 31, 2026) (denying petitions for review).

¹⁷⁰ In this case, the consolidated dockets are the following: 24-1650, 24-1748, 24-1756, 24-1758, 24-1760, 24-1765, 24-1770, 24-1785, 24-1804, 24-1857, 24-1862, 24-1867, 24-1876, 24-1885, 24-1887, 24-1979, 24-1991, 24-2162, 24-2163, 25-1073, 25-1080, 25-1197, 25-1349.

¹⁷¹ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("*CASPR Order*").

Court amended its order, on March 19, 2026, to clarify that motions to govern future proceedings are due by **April 3, 2028**.

- **Opinion 531-A Compliance Filing Undo / Opinion 594 Petitions for Review (20-1329, 26-1150, 26-1123, 26-1173) (consolidated)**

Case Title: Central Maine Power Co., et al. v. FERC

Underlying FERC Proceeding: ER15-414¹⁷² and EL11-66, et. al.

Petitioners: TOs (CMP et al.)

Status: Initial Submissions Due July 8, 2026 in 26-1150

On August 28, 2020, the TOs¹⁷³ petitioned the DC Circuit Court of Appeals for review of the FERC's October 6, 2017 order rejecting the TOs' filing that sought to reinstate their transmission rates to those in place prior to the FERC's orders later vacated by the DC Circuit's *Emera Maine*¹⁷⁴ decision. As previously reported, this case has been held in abeyance since On October 2, 2020.

On May 18, 2026, NETOs filed a petition in case no. 26-1123 seeking review of *Opinion 594*. The Court held 26-1123 in abeyance and consolidated it with case 20-1329 on May 21, 2026. On June 5, 2026, NETOs filed a separate petition for review in case no. 26-1150 seeking review of *Opinion 594* and the FERC's May 21, 2026 Allegheny Notice (see Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64), Section II above). On June 8, 2026, the Court consolidated this case with case nos. 20-1329 and 26-1123 and directed Petitioners to file a docketing statement and statement of issues in case 26-1150 by July 8, 2026. Petitioners filed that docketing statement on July 8, 2026.

On June 15, Petitioners moved to stay *Opinion 594*'s refund obligations. That motion was opposed by the FERC and by a group comprised of the CT PURA, MA AGO, NHEC, MMWEC, MA DPU, CT AG, NH DOE, NH OCA, RI AG and RI DPUC. The motion for stay is pending before the Court. On July 23, Petitioners filed a 120-day status report. The Court granted the Respondent's unopposed motion for extension of time to respond to the June 15, 2026 motion to stay until July 15, 2026; the Court granted the motions to intervene by CT OCC, CT PURA, and CT AG's Office and separately, granted a motion to intervene by various New England state entities and public utilities.¹⁷⁵ On August 28, 2026, the Court denied the motion to stay in No. 26-1150, and ordered Nos. 20-1329, 26-1123, and 26-1173 be returned to the Court's active docket, and ordered the respondent file the certified index to the record by September 28, 2026. The Court also directed parties to submit proposed formats for briefing the consolidated cases by **September 28, 2026**.

- **Avangrid/NextEra NECEC Civil Suit (D.MA) (Case No. 3:24CV30141)**

Case Title: Avangrid, Inc. et al. v. NextEra Energy, Inc. et al.

Status: Federal Anti-Trust Claims Dismissed; State Law Claims Remain Pending

On November 12, 2024, Avangrid sued NextEra in US District Court for the District of Massachusetts ("D.MA") claiming NextEra's illegal use political and regulatory channels to delay or prevent Avangrid from obtaining the approvals needed to construct the NECEC project resulted in damages in excess of \$350 million. Specifically, Avangrid alleged NextEra violations of US (Sherman Act) and MA Anti-Trust laws (alleging actual,

¹⁷² *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) ("Order Rejecting Filing").

¹⁷³ The "TOs" are CMP; Eversource Energy Service Co., on behalf of its affiliates CL&P, NSTAR and PSNH; National Grid; New Hampshire Transmission; UI; Unitil and Fitchburg; VTransco; and Versant Power.

¹⁷⁴ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*").

¹⁷⁵ The motions for leave to intervene were filed by: MOPA, Taunton Municipal Lighting Plant, Concord Municipal Light Plant, Pascoag Utility District, Reading Municipal Light Department, Middleborough Gas, Electric Department, Braintree Electric Light Department, Hingham Municipal Lighting Plant, Belmont Municipal Light Department, Georgetown Municipal Light Department, Groveland Electric Light Department, Middleton Electric Light Department, Rowley Municipal Lighting Plant, Wellesley Municipal Light Plant, Norwood Municipal Light Department, Littleton Electric Light & Water Department, NHEC, MA DPU, NH OCA, RI DPUC, MA AGO, NH DOE, RI AG's Office, Green Mountain Power Corporation, and MMWEC.

attempted, and conspiracy to monopolize the markets) (the “Anti-Trust Claims”), as well as state law violations related to NextEra’s: (i) conspiracy with others (to perpetuate an attack campaign based on false and misleading claims against NECEC using dark money in violation of campaign finance law, and to intervene without basis in NECEC’s permitting process for unlawful purpose), (ii) intentional interference with CMP contracts, (iii) unjust enrichment; and (iv) unfair business practices (together the “State Law Claims”).

On September 22, 2025, the presiding US District Judge, Mark Mastroianni, dismissed Avangrid’s Antitrust Claims, noting that NextEra’s motion to dismiss as to the State Law Claims remains under advisement. On October 6, 2025, Avangrid and NextEra submitted a joint request for a second oral argument to cover the remaining claims after the September 22 order, and Avangrid submitted an unopposed request for a status conference to discuss how to seek relief from the monopolizations claims in the September 22 order (either by seeking leave to amend or request for an appeal). A status conference was scheduled for and held on October 16, 2025. A hearing on NextEra’s motion to dismiss the State Law Claims was held on December 18, 2025 and an official transcript was filed.

- **Allco PURPA Enforcement Petition (D.CT) (Case No. 3:25CV01321)**

Case Title: *Allco Finance Limited Inc. v. Dykes et al.*

Status: Motions to Dismiss Pending

Following a FERC notice¹⁷⁶ that it had decided not to act on Allco’s PURPA Complaint related to Connecticut’s¹⁷⁷ implementation under section 210 of PURPA of its Shared Clean Energy Facility (“SCEF”) Program,¹⁷⁸ Allco brought an enforcement action against Connecticut in federal district court in Connecticut.¹⁷⁹ *Allco Finance Limited Inc. v. Dykes et al.* (case no. 3:25CV01321). On November 24, 2025, Defendants¹⁸⁰ filed a motion to dismiss the Complaint and stay discovery. DEEP Commissioner, Katie S. Dykes, PURA Commissioners, David Arconti, Michael Caron, and Marissa Gillett,¹⁸¹ and DOAG Commissioner, Bryan P. Hurlburt, (the “State Agency Defendants”) also filed a joint motion to dismiss the Complaint; and on December 9, 2025, Allco filed a memo in opposition to the motion to dismiss filed by the Defendants and the State Agency Defendants. On December 23, 2025, a motion to dismiss the complaint was filed by the Defendants and a joint motion to dismiss was filed by the State Agency Defendants. On January 7, 2026, the Court granted the unopposed Motions to Stay Discovery by the State Agency Defendants and Defendants, respectively, pending the resolution of the Defendants Motions to Dismiss. On March 31, 2026, the State Agency Defendants filed a notice of supplemental authority in support of their joint motion to dismiss. On April 13, 2026, Allco responded to the State Agency Defendants’ notice of supplemental authority and filed a petition for rehearing or rehearing *en banc*. On August 31, 2026, the

¹⁷⁶ *Allco Finance Limited*, 192 FERC ¶ 61,116 (Aug. 4, 2025).

¹⁷⁷ For purposes of this proceeding, “Connecticut” is the Connecticut Department of Energy and Environmental Protection (“CT DEEP”), Connecticut Public Utilities Regulatory Authority (“CT PURA”), and the Connecticut Department of Agriculture (“CT DoA”).

¹⁷⁸ Allco asserted that CT is improperly implementing PURPA by requiring the following criteria for participation in the Shared Clean Energy Facility (“SCEF”) program: (i) that no more than 10% of the project site contains slopes greater than 15%; (ii) that separate QFs on the same parcel cannot receive a contract even when the total of the two QFs is less than 5MWs; (iii) documentation of “community outreach and engagement” regarding the bid for a contract; (iv) restrictions related to “Prime Farmland” location; (v) a QF cannot have been constructed or started construction; (vi) a workforce development program, and for certain projects a community benefits agreement; (vii) a contract that includes renewable energy credits; and (viii) a bidder must bear costs related to a utility’s voluntarily seeking to re-sell the QF’s energy in the ISO-NE market, if the utility chooses not to use the energy to supply its own customers. Allco argues that the criteria are neither objective nor reasonable and are unrelated to a QF’s commercial viability or financial commitment. Allco further contends that some of CT’s SCEF program requirements violate its constitutional rights. Allco also states that bids it submitted in 2024 and 2025 were rejected on the basis of these unlawful requirements.

¹⁷⁹ 16 U.S.C. § 824a-3(h)(2)(B).

¹⁸⁰ Defendants are UI, Avangrid Networks, Inc., Avangrid, Iberdrola, S.A., Charlotte Ancel, and Pedro Azagra Blázquez.

¹⁸¹ Marissa Gillett resigned her position as chair of PURA, effective Oct. 10, 2025.

Defendants submitted supplemental authority relevant to their pending motion to dismiss citing the July 9, 2026 Connecticut Superior Court's decision.¹⁸²

- **RENEW Northeast, et. al. APA Challenge (D. Mass. – Case No. 1:25CV13961)**
Case Title: *Renew Northeast, et al. v. U.S. Department of Interior, et al.*
Status: Preliminary Injunction granted; Case pending

On December 23, 2025, RENEW Northeast and several other clean energy trade associations¹⁸³ filed suit against certain federal agencies¹⁸⁴ challenging the agencies' actions affecting wind and solar project permitting. Plaintiffs alleged that the challenged agency actions concerning wind and solar development, which followed federal executive actions including the January 20, 2025 Presidential Memorandum temporarily withdrawing outer continental shelf areas from offshore wind permitting and Executive Order 14315 directing the DOI to eliminate preferential treatment for wind and solar resources, violated the Administrative Procedure Act (5 U.S.C. §§ 551 *et seq.*).

On January 12, 2026, Plaintiffs filed an amended complaint, adding Green Energy Consumers Alliance ("GECA") as a plaintiff, and moved for a preliminary injunction. Plaintiffs sought to enjoin five agency actions: (1) DOI's review procedures memorandum for wind and solar actions; (2) USFWS's restriction on wind and solar projects' use of the IPaC database; (3) DOI's "capacity density" Land Order; (4) the Army Corps' memorandum prioritizing permit applications for higher-capacity-density projects; and (5) DOI's Zerk M-Opinion concerning OCSLA § 8(p)(4). Defendants opposed the preliminary injunction motion on February 10, 2026, and the Court held a hearing on March 4, 2026. On March 16, 2026, Defendants moved to dismiss the amended complaint; Plaintiffs opposed that motion on March 24, 2026. On April 21, 2026, the Court granted Plaintiffs' motion for a preliminary injunction as to the five agency actions, with respect to GECA and the Regional Organization Plaintiffs' members.

On June 16, 2026, finding that Plaintiffs are likely to succeed on the merits of their claims, the Court allowed Plaintiffs' Motion for a Preliminary Injunction. Accordingly, Defendants are enjoined from implementing (1) the DOI Review Procedures Memo or otherwise taking any steps to require agency action related to wind and solar energy facilities to be submitted to the Office of the Executive Secretariat and Regulatory Affairs, subsequently reviewed by the Office of the Deputy Secretary and finally reviewed by the Office of the Secretary as a prerequisite of said action; (2) the Wind and Solar IPaC Ban or otherwise taking any action to prevent solar and wind projects from utilizing the Information for Planning and Consultation website based upon completion of the review procedure outlined DOI Review Procedures Memo; (3) Defendants are enjoined from implementing § 4 of the DOI Land Order or otherwise taking any action to limit permitting of energy projects based on a project's comparative "capacity density"; (4) § 4(c) of the Corps' Memo or otherwise taking any action to prioritize processing Clean Water Act and Rivers and Harbor Act permit applications based on whether a project would generate the most annual potential energy generation per acre over projects with low potential generation per acre; and (5) the Zerk M-Opinion (M-Opinion 37086) or otherwise taking any action to treat M-Opinion 37059 as binding and authoritative or to re-evaluate agency action taken in reliance upon M-Opinion 37067.

On July 30, 2026, Defendants responded to the Amended Complaint for Declaratory and Injunctive Relief. A remote Scheduling Conference was set for **September 21, 2026**.

¹⁸² *Allco Finance Ltd. v. PURA*, No. HHB-CV-25-6095406-S (Conn. Super. Ct. July 9, 2026) (dismissing Allco's appeal).

¹⁸³ Plaintiffs include: RENEW Northeast, Mid-Atlantic Renewable Energy Coalition Action, Alliance for Clean Energy New York, Renewable Northwest, Southern Renewable Energy Association, Interwest Energy Alliance, Clean Grid Alliance, Carolinas Clean Energy Business Association, and the Green Energy Consumers Alliance, Inc. (added in the subsequent amended complaint).

¹⁸⁴ Defendants include: Department of Interior ("DOI"), Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, U.S. Fish and Wildlife Service ("USFWS"), U.S. Army Corps of Engineers ("Army Corp"), and related federal officials.

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Admin
Matters

Sep 3, 2026
Meeting