

September 25, 2026

VIA E-MAIL

TO: PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES

RE: Supplemental Notice of October 2, 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 October 2026 meeting of the Participants Committee will be held **in person on Friday, October 2, 2026, at 10:00 a.m. at the AC Hotel Portsmouth Downtown/Waterfront, located at 299 Vaughan St., Portsmouth, NH 03801**, 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 AC Hotel Portsmouth is closed, please contact Laura Clark (lclark@daypitney.com; 860.275.0695) if you need a room; she may be able to assist.

Looking Ahead:

- **Thursday, November 12 Sector Meetings with ISO Board and State Official Panels** – The next Sector meetings with the ISO Board and State Officials are scheduled to be held in person on Thursday, November 12 at the Hilton Boston Back Bay (prior to the start of the Participants Committee meeting and **beginning for most Sectors at 9:00 a.m.**). ***Please work directly with your Sector's Vice-Chair to help prepare and finalize proposed agendas and any supporting material for those meetings.***
- **2027 NEPOOL Officers** – Each Sector needs to advise us, no later than **Wednesday, October 21**, of the voting member it has chosen to serve as its Sector's 2027 Participants Committee Officer. The Participants Committee will then select its 2027 Chair from among those Sector-selected Officers, using the required voting process for that selection. We have included with this notice a memorandum that provides more information about the selection process.

Respectfully yours,

/s/

Sebastian Lombardi, Secretary

FINAL AGENDA

1. To approve the draft minutes of the September 3, 2026 Participants Committee 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. Consent Agenda Item No. 3 has been removed at the request of the ISO and will be considered as Item 2A (*see immediately below*).
- 2A. To consider, and take action, as appropriate, on revisions to Planning Procedure 5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades). This item was removed from the Consent Agenda (Consent Agenda Item 3). Background materials and a draft resolution are included and posted with this supplemental notice.
3. To receive summaries of the ISO Board and 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 October System and Market Operations Report, reflecting September data, will be circulated and posted in advance of the meeting.
5. To receive an ISO Draft 2027 Work Plan Report. A 2027 Annual Work Plan presentation is included and posted with this supplemental notice.
6. To consider, and take action, as appropriate, on the following proposed budgets:
 - a. 2027 ISO-NE Operating and Capital Budgets; and
 - b. 2027 NESCOE budget.Background materials and draft resolutions are included and posted with this supplemental notice.
7. To consider, and take action, as appropriate, on the membership application of the Environmental League of Massachusetts, Inc. Background materials and a draft resolution are included and posted with this supplemental notice.
8. 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.
9. To receive reports from Committees, Subcommittees and other working groups:

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

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

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates
FROM: Pat Gerity, NEPOOL Counsel
DATE: September 18, 2026
RE: 2027 Participants Committee Officer Elections

In order to ensure that the selection process requirements in the Participants Committee Bylaws for 2027's Participants Committee officers can be timely completed, each Sector needs to identify, no later than **Wednesday, October 21, 2026**, who the Sector has selected to serve as the Sector's Participants Committee officer for 2027. A description of the qualifications, responsibilities, and expectations of the Sector officers selected has been included with this memorandum.

By way of reminder, the Bylaws require that one voting member from each Sector be selected by a majority of all the voting members in its Sector (i) to serve as a nominee for Chair of the Participants Committee and (ii) if not elected Chair, to serve as a Participants Committee Vice-Chair. A confidential, written balloting process will then be conducted to elect the 2027 Chair from among the Participants Committee officers selected by each of the Sectors. To allow time for that balloting process ahead of the December 2 Annual Meeting, as required by the Bylaws, we need the Sectors' officers to be identified by October 21, 2026.

If any Sector needs assistance in conducting a vote for its Sector officer, please let us know (preferably no later than October 14). We would be pleased to help however we can. Also, if you have any questions, please contact me at pmgerity@daypitney.com or (860) 275-0533.

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

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

Responsibilities and Expectations of Participants Committee Sector Vice-Chairs:

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

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September 3, 2026 Minutes



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RESOLVED, that the Participants Committee approves the preliminary minutes of the September 3, 2026 meeting, as circulated in advance of this meeting, with additional non-material clarifications, as the final minutes of the September 3, 2026 meeting.

PRELIMINARY

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held beginning at 10:00 a.m. on Thursday, September 3, 2026, at the Portland Sheraton at Sable Oaks in South Portland, Maine. 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, including Maine Public Utilities Commission Chair Philip Barlett, and Commissioners Patrick Scully and Carolyn Gilbert. She thanked each of the Maine Commissioners for their continued engagement with NEPOOL.

APPROVAL OF AUGUST 6, 2026 MINUTES

Ms. Bresolin referred the Committee to the preliminary minutes of the August 6, 2026 meeting, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of that meeting with additional non-material clarifications were approved unanimously, 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 an abstention by Mr. Lamson noted.

ISO BOARD & BOARD COMMITTEE SUMMARIES

Ms. Bresolin then referred the Committee to the summaries of the ISO Board & Board Committee meetings held since the last Participants Committee meeting, which had been circulated and posted in advance of the meeting. There were no questions or comments on those summaries.

ISO Strategic Plan Update

Dr. Vamsi Chadalavada, ISO Chief Executive Officer (CEO), provided an update on the ISO's work to revise its strategic plan. He explained that the ISO was reassessing its longer-term planning approach in light of a number of uncertainties, including the following: supply entry, permitting and logistics; the pace of electrification and potential growth of large loads; tightening system margins and affordability concerns; more extreme weather; greater uncertainty regarding assistance from neighboring regions; and increasingly sophisticated cybersecurity threats.

Dr. Chadalavada reported that, against that backdrop, the ISO was developing a portfolio of initiatives and goals to be evaluated and delivered over shorter long-term timeframes, the first by 2032. He expected that additional details would be ready for presentation and feedback at both the November 10 open ISO Board meeting and November 12 Participants Committee meeting, with materials expected to be published in January. He emphasized that the strategic plan, which he hoped would be clear, direct and candid, would be a "living document", one that would be adapted and updated as circumstances change, supporting confidence in New England's markets and ensuring New England's long-term success.

In response to a member's question as to how artificial intelligence (AI) would be incorporated into the strategic plan, Dr. Chadalavada said that the ISO viewed AI less as an initiative in and of itself and more as a key capability that would support and enable the ISO's

progress on its strategic plan. Another member emphasized the importance of including as a core element of the ISO's revised strategic plan the strengthening of confidence in wholesale markets. He strongly implored the ISO to serve, not just as an administrator, but as a guardian of sound market design and champion for competitive markets.

ISO SYSTEM & MARKET OPERATIONS REPORT

Mr. Stephen George, ISO Vice President of System & Market Operations and Capital Projects, referred the Committee to the September System & Market Operations Report (Report), which had been circulated and posted in advance of the meeting. He reviewed Report highlights (noting that data in the Report was through August 26, 2026), which included: (i) the Peak Hour for August 2026, with 24,191 MW of Revenue Quality Metered (RQM) Data, occurred on August 7, 2026 during the hour ending at 6:00 p.m. (meaning, with the end of summer approaching, the peak for 2026 was likely set on July 2 at 25,832 MW); (ii) August averages for Day-Ahead Hub Locational Marginal Price (LMP) (\$52.81/MWh), Real-Time Hub LMP (\$57.08/MWh), and natural gas prices (\$2.30/MMBtu); (iii) Energy Market value for August 2026 was \$591 million, down 27% from July 2026 and up 17% from August 2025; (iv) Ancillary Markets value (\$8 million) was down 53% from July 2026 and 43% from August 2025; (v) average Day-Ahead cleared physical energy during peak hours as a percentage of forecasted load was up from August 2025 and down from July 2026; (vi) Net Commitment Period Compensation (NCPC) payments for August totaled \$2.2 million (representing 0.4% of August's monthly Energy Market value), comprised of \$2.2 million in First Contingency payments (including \$718,000 in Dispatch Lost Opportunity Costs, \$291,000 in Rapid Response Pricing Opportunity Costs, \$95,000 paid to resources at external locations, down \$34,000 from July, and less than

\$1,000 paid to Real-Time Deviations); and (vii) a Forward Capacity Market (FCM) value of \$77 million.

Using slides from the Report, Mr. George then (i) reviewed specifics from the August 7, 2026 M/LCC-2 (Abnormal Conditions Alert) event (during which peak system load reached 23,702 MW in the hour ending at 7:00 p.m.), (ii) noted that, in connection with the DAAS Market and subject to further confirmation, the updates made effective August 1, 2026 appeared to be ~~workperform~~ing as expected, (iii) highlighted the year-over-year growth in offshore wind, which had increased by approximately 70% from August 2025 (noting that on August 30, 2026, hour ending 23:00, the region's three offshore wind resources produced a combined all-time high output of approximately 930 MW); and (iv) noted the continuing enhancements to the Report.

In response to questions on the data for offshore wind resources, Mr. George said that the capacity factors were generally expected to be lower in the summer and higher in the winter. He said the ISO would continue to monitor those resources' readiness and performance in the coming months, particularly in the winter, and would be in a position to address the data in more detail thereafter.

Turning to planned transmission and generation outages, Mr. George highlighted the following scheduled transmission outages: (i) a Phase 2 outage (from October 5, 2026 through November 2, 2026) (reducing Phase 2 Total Transfer Capability (TTC) to 0 MW for that period); (ii) a 12-day outage of the New England Clean Energy Connect (NECEC) (scheduled from November 5, 2026 through November 17, 2026); and (iii) a 5-day outage of the 390/3016 tie between Orrington, Maine and Point Lepreau, New Brunswick (scheduled from November 16, 2026 through November 20, 2026). Each were expected to affect TTC into and out of New England. Mr. George confirmed in response to a question that the 390/3016 outage was for

routine maintenance, and noted that the planned return date for a New Brunswick generator then out of service remained an estimate based on the ISO's latest information.

2027 ISO AND NESCOE BUDGETS

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 the proposed 2027 ISO and New England States Committee on Electricity (NESCOE) Budgets. He reported that the 2027 budgets had been presented at the August 7, 2026 B&F Subcommittee meeting, with no concerns or objections expressed with respect to the proposed budgets.

2027 ISO Budgets

Ms. Kelly Reyngold, ISO Vice President and Chief Financial Officer, reported that the proposed 2027 ISO Operating Budget, before the annual true-up, totaled approximately \$350 million, inclusive of costs associated with the Asset Condition Reviewer (ACR) function. The proposal was approximately \$1.3 million below the preliminary estimate presented at the June Summer Meeting. She attributed the reduction primarily to lower projected salaries for planned new hires, a greater allocation of employee time to capital projects, employee time charged to reimbursable studies, and lower projected employee benefit costs.

Addressing capital project governance, Ms. Reyngold explained that the project scope, timing and estimated costs continue to develop as the design work progresses. She reported that the ISO authorized project funding through its established governance process, remained within approved budget amounts and reported quarterly to the B&F Subcommittee on material changes. Unspent funds, including funds associated with the ACR function or a potential second longer-term transmission planning study, would be returned through the true-up process.

Ms. Reyngold then highlighted potential risks to the [accuracy of](#) Budget projections, including cybersecurity exposure, volatile technology costs, increased AI and cloud usage, regulatory and policy changes, labor-market conditions and inflation. She noted that the ISO used contingency funding and dedicated financial operations governance to monitor cloud and AI costs and would reprioritize work if costs exceeded available contingency.

Ms. Reyngold stated that state agencies had until September 7, 2026 to submit comments regarding the Budget. She reported that the ISO expects to review the Budget with its Board later in September, respond to comments approximately one week later and provide projected Schedules 1, 2 and 3 [rates](#) around the same time, adding that the ISO would explore whether AI could help accelerate the rate calculation process. Ms. Reyngold stated that the ISO expects to return to the Participants Committee at its October 2, 2026 meeting for a vote, and to file the Budget with the FERC by October 15, 2026.

In response to a member's question, Ms. Reyngold confirmed that the smaller projected true-up would increase the overall rate impact relative to the prior year. She explained that the true-up reflected in the 2027 budget (\$7 million), reflecting both underspending and Tariff collections, was smaller than the true-up reflected in the 2026 budget (\$15 million).

Ms. Reyngold also provided an update on the ISO's new Holyoke facility, reporting that financing and permitting had been secured, demolition was beginning and groundbreaking was expected in approximately one month. She also reported that the ISO continued to target the first quarter of 2028 for occupancy of the new facility.

2027 NESCOE Budget

Turing to the 2027 NESCOE budget, Ms. Bresolin referred members to the materials circulated in advance of the meeting and indicated that Ms. Heather Hunt, NESCOE Executive Director, was available to answer any questions. In response to a question regarding the expiration of NESCOE's current five-year *pro forma* budget noted in the materials, Ms. Hunt explained that, following past practice, NESCOE would develop and present a new five-year *pro forma* in the spring of 2027, which would then be filed with the FERC and in turn inform the presentation and consideration of NESCOE's 2028 Budget. There were no further questions or comments regarding the 2027 NESCOE Budget materials.

FINANCIAL ASSURANCE POLICY CHANGES (OPINION 594 ROE REFUNDS)

Mr. Kaslow referred the Committee to the materials circulated and posted in advance of the meeting regarding proposed revisions to the Financial Assurance Policy (FAP) to address resettlements related to the Return on Equity (ROE) refunds required by FERC Opinion ~~No.~~ 594 (FAP Changes). He explained that Opinion 594 required the New England Transmission Owners (TOs) to apply a replacement base ROE beginning in October 2014, and to provide refunds with interest. Mr. Kaslow explained that because of the atypical impact of the resulting resettlements on the TOs' financial assurance obligations, the ISO had asked the B&F Subcommittee to review the FAP Changes.

Mr. Kaslow reported that the B&F Subcommittee considered the FAP Changes at its August 25, 2026 meeting. Members asked clarifying questions, but expressed no concerns or objections. In response to a question regarding timing, ISO representatives stated that the ISO planned to file the FAP Changes with the FERC in the fall and would seek an effective date

before January 11, 2027, when the refunds were expected to begin flowing through the settlements process.

There being no further questions or discussion, the following motion was duly made, seconded and approved unanimously, with an abstention by Mr. Lamson noted:

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 such non-substantive changes as may be approved by the Chair of the Budget & Finance Subcommittee.

LITIGATION REPORT

Mr. Lombardi referred the Committee to the September 1, 2026 Litigation Report that had been circulated and posted before the meeting. He reported that several ISO and NEPOOL filings remained pending before the FERC, including changes related to the Day-Ahead Ancillary Services market, the treatment of system-backed exports, the Balancing Ratio Cap compliance proceeding and the ACR role. He also reported that the FERC had earlier that week accepted the reduction to the Payment Performance Rate.

Mr. Lombardi also reported that the FERC had granted the joint motion by the ISO and Participating Transmission Owners Administrative Committee (PTO AC) to hold the New England Large and Co-Located Show Cause proceeding in abeyance for 90 days; the deadline for filing proposed Tariff changes, or responses, had been extended to November 16, 2026, which he noted would support the anticipated stakeholder process as well as Participants Committee action at its November 12, 2026 meeting.

Finally, in an update regarding the FERC's PJM governance and stakeholder process reforms proceeding, Mr. Lombardi noted that post-technical conference comments had been filed on August 21, 2026, and interested parties were meeting in Washington, D.C. that week with the FERC's Dispute Resolution Services, which was mediating discussions on possible reforms. In response to a member's question, Mr. Lombardi reported that some of the post-technical conference comments had identified elements of New England's governance and stakeholder process as potential models for PJM reforms.

COMMITTEE REPORTS

Markets Committee (MC). Ms. Emily Laine, MC Chair, reported that the next MC meeting would be held the following week, September 8-10, 2026, with most of the meeting conducted as a joint meeting of the MC, RC and TC to consider the Capacity Auction Reforms: Seasonal/Accreditation (CAR-SA) proposal, including proposed stakeholder amendments.

Reliability Committee (RC). Mr. Frank Etori, RC Vice-Chair, reported that the RC would be held by Webex on September 16, 2026. The RC expected to vote on several Operating and Planning Procedures and continue its discussion of changes to Planning Procedure No. 4.

Transmission Committee (TC). Mr. Dave Burnham, TC Vice-Chair, reported that the next TC meeting would be held in person on September 15, 2026 at the DoubleTree Hotel in Westborough, MA at which the TC was scheduled to discuss the ISO's response to the Large and Co-Located Loads Show Cause Order and receive an introductory presentation on the ISO's compliance with FERC Order 1920. Mr. Burnham also directed members to a memo circulated the night before describing the remaining stakeholder process for the Large and Co-Located Loads project, which included notice of two additional joint MC/RC/TC meetings scheduled for October 27, 2026 and November 3, 2026, with Technical Committee votes on the Large and Co-

Located Loads project targeted for the November 3, 2026 meeting. He directed members to the ISO [and NEPOOL](#) calendars for further details.

Budget & Finance Subcommittee. Mr. ~~Tom~~ Kaslow, ~~B&F Subcommittee Chair~~, reported that the next B&F Subcommittee meeting would be held by Webex on September 22, 2026. The main topics of discussion were expected to include CAR-SA related revisions to the FAP and Billing Policy.

Membership Subcommittee. Mr. Brian Thomson, Membership Subcommittee Chair, reported that the next Membership Subcommittee meeting would be held virtually on September 14, 2026, with six membership applications and no terminations expected to be considered. He encouraged all those interested to participate.

ADMINISTRATIVE MATTERS

Ms. Bresolin reported that the next Participants Committee meeting would be held in person, on Friday, October 2, 2026, at the AC Hotel Portsmouth Downtown/Waterfront in Portsmouth, New Hampshire. She also noted that the November 12, 2026 Participants Committee meeting would be held in person at the Hilton Boston Back Bay in Boston, MA, and the December 3, 2026 Participants Committee meeting would be held in person at the Colonnade Hotel in Boston, MA.

Mr. Lombardi reported that the November 12, 2026 meeting day would begin at 9:00 a.m. with Sector meetings involving ISO Board panels and State officials, and the Participants Committee meeting would begin at 2:00 p.m. that day. He emphasized that the November meeting would be held on the second (rather than the typical first) Thursday of the month.

There being no other business, the meeting adjourned at 10:57 a.m.

Respectfully submitted,

Sebastian Lombardi, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 3, 2026 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Acadia Center	End User	Joe LaRusso		
Advanced Energy United	Assoc. Non-Voting		Alex Lawton (W)	
Ashburnham Municipal Light Plant	Publicly Owned Entity			Dan Murphy (W)
AVANGRID (CMP/UI)	Transmission	Alan Trotta (W)	Jason Rauch	
Bath Iron Works	End User			Bill Short
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh (W)		Michael Lazorchak
Boylston Municipal Light Department	Publicly Owned Entity			Dan Murphy (W)
BP Energy Company (BP)	Supplier		Christine Huhgey (W)	José Rotger
Braintree Electric Light Department	Publicly Owned Entity	Dave Cavanaugh (W)		Michael Lazorchak
Brookfield Energy Trading and Marketing LLC	Supplier	Aleks Mitreski (W)		
Chester Municipal Light Department	Publicly Owned Entity		Dan Murphy (W)	
Chicopee Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy (W)
Clear River Electric	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
CLEAResult Consulting Inc.	AR-DG	Tamera Oldfield (W)		
Clearway Power Marketing LLC	Supplier			Pete Fuller (W)
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw (W)		
Connecticut Office of Consumer Counsel	End User		Jamie Talbert-Slagle (W)	
Conservation Law Foundation	End User	Nick Krakoff (W)		
Constellation Energy Generation (Constellation)	Supplier	Andy Gillespie (W)	Gretchen Fuhr	
Cranberry Point Energy Storage, LLC	AR-DG	Mandy Meadors (W)		
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Dartmouth Power Associates, L.P.	Generation			Sarah Yasutake (W)
Dominion Energy Generation Marketing, Inc.	Generation	Wes Walker (W)		
DTE Energy Trading, Inc. (DTE)	Supplier			José Rotger
Elektrisola, Inc.	End User			Bill Short
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Eversource Energy	Transmission		Dave Burnham	
First Point Power	Supplier	Peter Schieffelin (W)		
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Fiscal Alliance Foundation, Inc.	End User			Lisa Linowes (W)
Gabel Associates, Inc.	Supplier	Sarah Yasutake (W)		
Galt Power, Inc.	Supplier	José Rotger	Jeff Iafrati (W)	
Garland Manufacturing Company	End User			Bill Short
Generation Bridge Companies	Generation		Steve Kirk	
Generation Group Seat	Generation		Abby Krich (W)	
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Green Oceans	End User			Lisa Linowes (W)
Groton Electric Light Department	Publicly Owned Entity			Dan Murphy (W)
Grid United LLC	Provisional Member	Mike Spector		
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Hammond Lumber Company	End User			Bill Short
Harvard Dedicated Energy Limited	End User			Doug Hurley (W)
High Liner Foods (USA) Inc.	End User		Bill Short	
Hingham Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Holden Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Holyoke Gas & Electric Department	Publicly Owned Entity			Dan Murphy (W)
H.Q. Energy Services (US)	AR-RG	Louis Guilbault (W)		
Hudson Light and Power Department	Publicly Owned Entity			Dave Cavanaugh (W)
Hull Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy (W)

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 3, 2026 MEETING**

PARTICIPANT NAME	SECTOR/GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Industrial Wind Action Corp	End User	Lisa Linowes (W)		
Ipswich Municipal Light Department	Publicly Owned Entity			Dan Murphy (W)
Lamson, Jon	End User	Jon Lamson (W)		
Littleton (MA) Electric Light and Water Dept.	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Long Island Power Authority (LIPA)	Supplier	Bill Kilgoar (W)		
Maine Power LLC	Supplier	Jeff Jones		
Maine Public Advocate's Office	End User	Drew Landry		
Mansfield Municipal Electric Department	Publicly Owned Entity			Dan Murphy (W)
Marble River, LLC	Supplier	John Brodbeck (W)		
Marblehead Municipal Light Department	Publicly Owned Entity			Dan Murphy (W)
Mass. Attorney General's Office (MA AG)	End User	Jackie Bihle	Jamie Donovan (W)	
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Mass. Department of Capital Asset Management	End User		Paul Lopes (W)	
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity		Dan Murphy (W)	
MDC – The (CT) Metropolitan District	Publicly Owned Entity		Dave Cavanaugh (W)	
Mercuria Energy America, LLC	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Midcoast Regional Redevelopment Authority	Publicly Owned Entity		Dave Cavanaugh (W)	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Moore Company	End User			Bill Short
New England Power (d/b/a National Grid)	Transmission	Tim Brennan (W)	Tim Martin	
New England Power Gens. Assoc. (NEPGA)	Assoc. Non-Voting	Bruce Anderson	Dan Dolan	Molly Connors (W)
New Hampshire Electric Cooperative	Publicly Owned Entity			Brian Forshaw (W)
New Hampshire Office of Consumer Advocate	End User	Matthew Fossum		
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	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 (W)
Peabody Municipal Light Department	Publicly Owned Entity			Dan Murphy (W)
PowerOptions, Inc.	End User			Doug Hurley (W)
Princeton Municipal Light Department	Publicly Owned Entity			Dan Murphy (W)
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
RENEW Northeast, Inc.	Assoc. Non-Voting	Francis Pullaro (W)		Carter Scott
Rhode Island Energy (Narragansett Electric Co.)	Transmission	Brian Thomson	Robin Lafayette (W)	
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Russell Municipal Light Dept.	Publicly Owned Entity			Dan Murphy (W)
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 (W)
South Hadley Electric Light Department	Publicly Owned Entity			Dan Murphy (W)
Sterling Municipal Electric Light Department	Publicly Owned Entity			Dan Murphy (W)
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
Taunton Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh (W)	
Templeton Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy (W)

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN THE SEPTEMBER 3, 2026 MEETING**

Veolia Flexible Energy Services North America	AR-LR	Doug Hurley (W)		
Vermont Electric Company	Transmission	Frank Ettori		
Vermont Energy Investment Corp.	AR-LR			Doug Hurley (W)
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw (W)
Versant Power	Transmission	Dave Norman	Stephen Johnston	
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity	Dave Cavanaugh (W)		
Vistra (Dynegy Marketing and Trade, Inc.)	Generation	Ryan McCarthy		
Vitol Inc.	Supplier	Seth Cochran (W)		
Wakefield Municipal Gas & Light Department	Publicly Owned Entity			Dan Murphy (W)
Wallingford DPU Electric Division	Publicly Owned Entity		Dave Cavanaugh (W)	
Wellesley Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
West Boylston Municipal Lighting Plant	Publicly Owned Entity			Dan Murphy (W)
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh (W)	Michael Lazorchak
ZTECH, LLC	End User			Bill Short

2

Consent Agenda



66.67%

1. Revisions to OP-21 (Data Usage Clarifications and Survey Updates)
2. Revisions to PP5-1 and PP5-3 (Proposed Plan Application (PPA) Process Enhancements)
3. [REMOVED (see Agenda Item 2A)]

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

Oct 2, 2026
Meeting

CONSENT AGENDA

Reliability Committee (RC)

*From the previously-circulated notice of RC actions at the **September 16, 2026 RC Meeting**, dated September 16, 2026.¹*

1. Revisions to OP-21 (Data Usage Clarifications and Survey Updates)

Support revisions to ISO New England Operating Procedure (OP) No. 21 (Operational Surveys, Energy Forecasting & Reporting and Actions During an Energy Emergency),² as recommended by the RC at its September 16, 2026 meeting, together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

2. Revisions to PP5-1 and PP5-3 (Proposed Plan Application (PPA) Process Enhancements)

Support revisions to ISO New England Planning Procedure (PP) No. 5-1 (Procedure for Review of Market Participant's or Transmission Owner's Proposed Plans) and PP No. 5-3 (Guidelines for Conducting and Evaluating PPA Analyses),³ as recommended by the RC at its September 16, 2026 meeting together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

3. REMOVED FROM CONSENT AGENDA; SEE DISCUSSION ITEM #2A

Revisions to PP5-6 (Revisions to Support First Full Cluster Study and Other Conforming Changes)

Support revisions to PP No. 5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades),⁴ as recommended by the RC at its September 16, 2026 meeting together with such non-material changes as may be approved by the RC Chair and Vice-Chair.

The motion to recommend Participants Committee support was approved unanimously.

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>.

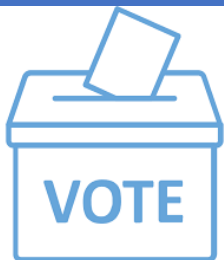
² The OP-21 changes include revisions to clarify the use of generator fuel and emissions survey responses for capacity accreditation and for IMM reference level calculations, and to improve ISO-NE situational awareness through more precise survey questions related to fuel deliveries and access to demineralized water or ammonia.

³ The PP5-1 and PP5-3 changes include revisions to: (i) enhance and clarify the PPA review process (including clarifying expectations regarding the level of analysis and required documentation); (ii) update existing forms (to a fillable PDF format with enhanced fields); and (iii) add a load PPA form and describe the changes made to a load facility that would require the submission of a load PPA.

⁴ The PP5-6 changes include revisions to: (i) update reactive power requirements and power factor evaluation methodology for use in the first Cluster Study and subsequent Interconnection Studies; (ii) revise model acceptance tests and add a new attestation requirement related to ISO-NE's adoption of certain clauses of IEEE 2800-2022; (iii) refine the scenarios that may be assessed for steady-state and stability analyses; (iv) specify base network topology resource assumptions used for Cluster Studies, including treatment of Resource deactivations, state jurisdictional projects, and transmission projects that are under study; and (v) reflect miscellaneous clean-up revisions.

2A

PP5-6 Revisions



66.67%

To consider, and take action, as appropriate, on revisions to Planning Procedure 5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades). This item was removed from the Consent Agenda (Consent Agenda Item 3).

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

Oct 2, 2026
Meeting

MEMORANDUM

TO: NEPOOL Participants Committee

FROM: Pat Gerity, NEPOOL Counsel

DATE: September 25, 2026

RE: NPC Vote on PP5-6 Revisions

You will be asked at the October 2, 2026 Participants Committee meeting to vote on proposed revisions to ISO Planning Procedure 5-6¹ (“PP5-6 Revisions”). The Reliability Committee unanimously recommended Participants Committee support for the PP5-6 Revisions (with the exception of a newly-identified additional ISO-proposed change) at its September 16, 2026 meeting. For the reasons more fully explained in the ISO’s voting memo included with this memorandum, the PP5-6 Revisions have been pulled from the Consent Agenda to allow for the PP5-6 Revisions to be supported with the additional change. Materials supporting consideration of the PP5-6 Revisions are included (or linked to) in the materials circulated and posted with the supplemental materials.

Specifically, in addition to the unanimously recommended PP5-6 Revisions, the ISO has identified the need to update a parameter for one of the new model acceptance tests (Test 17 – Consecutive Voltage Deviation) in PP5-6 Appendix C-2. The ISO states that this update does not materially change how the new model acceptance tests are performed.

The following resolution could be used for Participants Committee consideration of the PP5-6 Revisions:

RESOLVED, that the Participants Committee supports the PP5-6 Revisions, as circulated to the Participants Committee in advance of its October 2, 2026 meeting, together with [any changes agreed to at the meeting and] such non-substantive changes as may be agreed to after the meeting by the Chair and Vice-Chair of the Reliability Committee.

¹ The PP5-6 changes include revisions to: (i) update reactive power requirements and power factor evaluation methodology for use in the first Cluster Study and subsequent Interconnection Studies; (ii) revise model acceptance tests and add a new attestation requirement related to ISO-NE’s adoption of certain clauses of IEEE 2800-2022; (iii) refine the scenarios that may be assessed for steady-state and stability analyses; (iv) specify base network topology resource assumptions used for Cluster Studies, including treatment of Resource deactivations, state jurisdictional projects, and transmission projects that are under study; and (v) reflect miscellaneous clean-up revisions.



memo

To: NEPOOL Participants Committee (PC)

From: Pradip Vijayan, Senior Manager, Modeling and Integration

Date: September 25, 2026

Subject: ISO New England Planning Procedure No. 5-6

The ISO is requesting a vote by the PC on revisions to ISO New England Planning Procedure No. 5-6 – Interconnection Planning Procedure for Generation and Elective Transmission Upgrades (PP5-6). The proposed revisions provide clarity around the requirements for inverter-based resources participating in the first Cluster Study. The opening of the first Cluster Request Window is on October 5, 2026. These proposed revisions were unanimously supported by the Reliability Committee (RC).¹

Following the RC's recommendation for PC support, the ISO has identified the need to update a parameter for one of the new model acceptance tests (Test 17 – Consecutive Voltage Deviation) in PP5-6, Appendix C-2. By way of background, PP5-6, Appendix C-2 details the model acceptance tests that are required to support an Interconnection Request. The proposed revisions supported by the RC add three new model acceptance tests that evaluate the conformance of inverter-based resources with the ISO-adopted clauses of IEEE 2800-2022.

The ISO has identified that the new model acceptance Test 17 inadvertently specified a short circuit ratio (SCR) of infinity. To correct this, the ISO is updating the new model acceptance Test 17 by specifying testing at a SCR of 2.5 and 20, respectively, which aligns with similar RC-supported Appendix C-2 model acceptance tests. This update does not materially change how the new model acceptance tests are performed.

The proposed revisions to PP5-6 for the PC's consideration have been presented at the RC meeting dates outlined below:

- July 23, 2026; [agenda item #6.3](#)
- August 18-19, 2026; [agenda item #12.3\(a\)](#)
- September 16, 2026; [agenda item #6.3](#)

¹ [September 16, 2026 RC Actions Letter](#)

Appendix C-2
Model Acceptance Tests for Inverter-Based Resources (IBR)
Revision 2.0

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Section 1

Introduction

The positive sequence and electromagnetic transient (EMT) model submittals in support of an Interconnection Request, or subsequent changes to the models, must be accompanied by model acceptance tests (MAT). This document outlines dynamic performance and benchmarking requirements, applicable tests, and the procedures for conducting these tests.

1.1 Scope of Model Acceptance Tests

To assess the consistency, accuracy, and dynamic performance of the models provided in support of an Interconnection Request (IR), a series of tests shall be conducted in a single machine infinite bus (SMIB) system bounded by low and relatively high short circuit ratio (SCR)¹ conditions. Additionally, the tests verify the IBR plant model's ability to demonstrate compliance with the IEEE 2800 sub-clauses adopted by PP5-6 Appendix F, and the performance requirements noted below reflect these sub-clauses. While the Appendix F requirements only apply to IBR plants starting with the first Cluster Study and subsequent Interconnection Studies, the tests provided in the Appendix will be performed for model reviews of IBR plants that interconnected prior to the first Cluster Study as well. In the case of the latter, for tests that specifically reference IEEE 2800, the performance requirements employed will be relaxed to reflect the applicable performance requirements for the interconnection study associated with the IBR plant. An overview of the tests is provided in Table 1 below.

Table 1 Model Acceptance Tests

Test No	Test Name
1	Flat Run
2	Steady-State Reactive Power Limit
3	Dynamic Reactive Power Limit
4	Voltage Reference Step Change
5	Active Power Reference Step Change
6	Grid Frequency Magnitude Change
7	Balanced Fault Ride-Through
8	Balanced Remote Fault Ride-Through
9	Unbalanced Fault Ride-Through

¹ SCR is a measure of the strength of the network to which the equipment is connected (or to be connected). Further details can be found in Annex C of IEEE Std. 2800-2022.

10	Voltage Protection Verification
11	NERC PRC-024 Voltage Ride-Through
12	Frequency Ride-Through
13	Rate of Change of Frequency (ROCOF) Ride-Through
14	Grid Voltage Phase Angle Change Ride-Through
15	Point of Interconnection SCR Change Ride-Through
16	Power Factor Verification Test
17	Consecutive Voltage Deviation Ride-through
18	Voltage Oscillation Ride-through

1.1.1.1 Battery Energy Storage System (BESS)

For battery energy storage system (BESS), all model acceptance tests must be performed in both discharging and charging mode.

1.1.1.2 Hybrid IBR Plant

Should a plant incorporate multiple IBR technologies, such as a combination of photovoltaic (PV) and BESS, model assessment tests must be applied to each technology type individually per its designated operational strategy. For instance, in a PV-BESS facility, should the BESS be designed to inject or absorb power from the transmission network, irrespective of the PV's operational status, the testing should encompass the stand-alone operation of the PV and BESS and their concurrent functioning.

1.1.1.3 SCR for Model Acceptance Tests

The model acceptance tests shown in Table 1 shall be conducted for the three SCRs listed below:

1. SCR = 2.5 and X/R = 10
2. SCR = 20 and X/R = 10
3. SCR = Infinite ²

The SCR and X/R shown above and IBR's rated aggregate MVA value shall determine the required grid impedance between the IBR plant's Point of Interconnection (POI) and the infinite bus representing the transmission grid. For a HVDC connected IBR plant, the MVA capability of the HVDC transmission facility shall be used.

For a hybrid IBR plant, the grid impedance calculated for model acceptance tests is guided by the plant's designated operational strategy. If each technology type (e.g., PV, BESS) in the plant is

² For any test that uses an infinite SCR, if reactive drift is observed during testing, this can be changed to a finite value that is still sufficiently high to where the generator will not influence the dynamics of the POI.

intended to operate in stand-alone mode only, the grid impedance will be determined using the aggregate rating of the specific IBR resource being evaluated. If not, the total aggregated rating of all IBR resources will be used.

1.1.4 Reference Point of Applicability for Dynamic Performance and Benchmarking Requirements

The reference point of applicability for the dynamic performance and benchmarking requirements is the Point of Measurement (POM)³. The applicable requirements are provided along with each model acceptance test.

1.1.5 Simulation Tools

The model acceptance tests shall be conducted using PSSE for positive sequence modeling and PSCAD for EMT modeling. The software version used shall be the ISO-NE version in effect.⁴

1.1.6 Benchmarking Report

A benchmarking report must be submitted to document the analysis results, as specified in section 5.

1.1.7 Results Evaluation

ISO-NE will use good engineering judgment and the requirements outlined herein to evaluate submitted model dynamic performance and benchmarking results for acceptability.

1.1.8 Interconnection Stage Applicability

The model acceptance tests in this Appendix correspond to, and leverage, the design-evaluation activities described in IEEE 2800.2-2026 Section 7.3, conducted in support of a Cluster Study.

³ Definitions adopted as used in IEEE Std. 2800-2022, and per PP5-6 Appendix F

⁴ The list of software and software versions used by ISO for interconnection studies is posted on its website at <https://askiso.iso-ne.com/s/article/Modeling-Data-Software-Compatibility>

Section 2

Test System

The model acceptance tests in Table 1 shall be conducted using an SMIB test system.

2.1 Single Machine Infinite Bus

A SMIB test system generally consists of an equivalent IBR plant connected to a bus representing the transmission grid (i.e., infinite bus). The transmission line between the IBR POI and the infinite bus represents the grid impedance. The following figure provides a representation of the appropriate equivalent to be used.

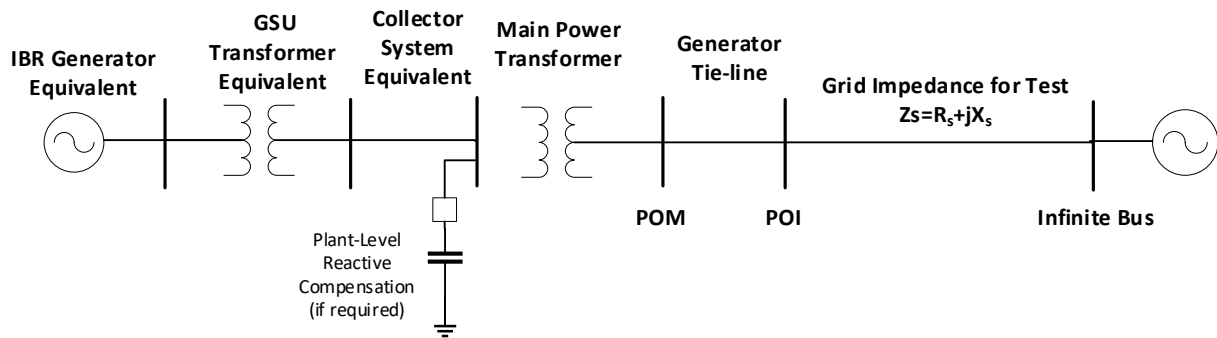


Figure 1 Single Machine Infinite Bus Test System

2.1.1 Equivalent IBR generator representation in PSSE and PSCAD

The equivalent IBR generator represents all the inverters' total generating capacity.

2.1.2 Equivalent Generator Step-up Transformer in PSSE and PSCAD

The equivalent generator step-up transformer represents the aggregate effect of all step-up transformers.

2.1.3 Equivalent Collector System in PSSE and PSCAD

The equivalent collector system branch represents the aggregate effect of the IBR plant collector system.

2.1.4 Main Power Transformer (MPT)⁵

Where applicable, the main power transformer shall be modeled as two-winding.

2.1.5 Voltage Control

2.1.5.1 Equivalent IBR generator

By default, the equivalent IBR generator shall be in voltage control mode. For the MAT's purposes, the voltage control target shall be set to regulate the POI according to the voltage schedule defined

⁵ The MPT is the power transformer that steps up voltage from the collection system voltage to the nominal transmission/interconnecting system voltage for dispersed power producing resources.

in Table 2. If an auxiliary device (e.g., STATCOM) is used to regulate the POI voltage, adequate technical rationale must be provided on the proposed coordination between the IBR and the auxiliary device.

Table 2 Voltage Schedule Assumption

Voltage Schedule Assumption for MAT	
Nominal Voltage (kV) at POI	Voltage Schedule (kV) at POI
345	355
230	234
115	118

2.1.5.2 GSU, MPT, and reactive compensation device

GSU, MPT taps, and any reactive compensation device within the plant should be configured such that the plant's reactive power capability is utilized to its fullest extent; this utilization of the plant's reactive power capability shall be evaluated at the maximum net active power injection and absorption at the POI⁶. In addition, this configuration should respect the inverter terminal's continuous operating voltage range. Transformer taps and switched shunt settings should not be adjusted between tests.

- If an On-Load Tap Changer (OLTC) transformer is used, the tap should adjust based on the load flow solution; it should not be set manually to a specific tap.

2.1.6 Infinite Bus Setup

The infinite bus, as shown in Figure 1, is connected to the IBR plant POI bus through a transmission line; the impedance of this transmission line is determined using the information provided in Section 1.1.3 and represents the grid impedance for model acceptance tests. The infinite bus must be numbered 101.

2.1.6.1 Infinite bus source load flow representation in PSSE

The source connected to the infinite bus is modeled as a generator with a machine base of 10,000 MVA with an impedance of $R = 0$ and $X = 0.01$ per unit. The infinite bus generator voltage set point is set to a default value of 1.0 p.u., and may be adjusted to achieve the required reactive power at the POI for the model acceptance tests.

2.1.6.2 Infinite bus source PSSE dynamic model

The infinite bus generator in PSSE will use two different dynamic models depending on the model acceptance test being simulated. The specific model to be used is provided with the test details.

1. GENCLS with parameters $H=D=0$

⁶ Refer to Appendix D of ISO-NE Planning Procedure for additional guidance.

2. PLBVF1 to play-in voltage and/or frequency signal

2.1.6.3 Infinite bus source representation in PSCAD

An equivalent generator model shall be used in PSCAD to represent the infinite bus.

2.2 Grid Impedance Calculation

The grid impedance to be used for model acceptance testing can be calculated using the method below.

Grid impedance as per Figure 1 is $Z_S = R_S + jX_S$ where Z_S is in per unit. The following steps can be used to determine R_S and X_S :

Step 1. Determine base impedance Z_B

$$i. \quad Z_B = \frac{V_B^2}{MVA_B}$$

where

V_B is the nominal line-line POI voltage in kV

MVA_B is the system base MVA. MVA_B is assumed to be 100 MVA for calculation.

Step 2. Determine X_Ω using formula below

$$X_\Omega = \frac{V_B^2}{\frac{SCR \times IBR_{MVA}}{\sqrt{1 + \frac{1}{\left(\frac{X}{R}\right)^2}}}}$$

where,

V_B is the nominal line-line POI voltage in kV

SCR is the SCR required for the specific model acceptance test

X/R is the value required for the specific model acceptance test

IBR_{MVA} is the aggregate MVA of the IBR (MVA capability of HVDC, where applicable)

Step 3. Determine R_Ω

Given:

$$\frac{X}{R} = k$$

where k is the $\frac{X}{R}$ ratio

$$R_\Omega = \frac{X_\Omega}{k}$$

Step 4. Using Z_B , X_Ω , and R_Ω calculated above

$$X_S = \frac{X_\Omega}{Z_B}$$

$$R_S = \frac{R_\Omega}{Z_B}$$

Section 3 PSSE and PSCAD Simulation Setup

This section provides details on the dynamic simulation setup required for the model acceptance tests outlined in Table 1 of Section 1.1.

3.1 Solution Parameters

3.1.1 PSSE Dynamic Simulation Parameters

The default dynamic simulation solution parameters are shown below.

Settings	Values
Network solution iterations	100
Acceleration	0.5
Tolerance	0.0001
Island frequency acceleration	1.0
Island frequency tolerance	0.0005
Time step	4.16 ms
Frequency filter	0.033
Delta threshold intermediate	0.05
Delta threshold island frequency	0.116667

The number of iterations and acceleration may be adjusted as needed, within reasonable values, to aid in network convergence. The same solution parameters must be utilized for all the simulations and documented in the benchmark report.

3.1.2 PSSE and PSCAD Simulation Run Time

Unless stated otherwise, all tests shall be run for at least 30 seconds from disturbance inception and show that the response has reached steady-state.

3.1.3 PSCAD Simulation Parameters

The simulation parameters, as provided by the OEM of the IBR inverter model, should be adhered to.

3.2 PSSE and PSCAD Simulation Plot

The simulation output signals to be plotted for all the model acceptance tests are shown in Table 3.

Table 3 PSSE and PSCAD Simulation Plots

Simulation Output Quantity	Measurement Point	Measurement Quantity
Active Power	IBR Terminal and POM	The simulation tool calculated Root Mean Square (RMS) quantity.
Reactive Power		
Voltage Magnitude		
Grid frequency (computed by Power Plant Controller (PPC), Phase-Locked Loop (PLL) output, etc.)	POM	
Instantaneous Phase Voltage	IBR Terminal	Instantaneous measured quantity in PSCAD.
Instantaneous Phase Current		

3.2.1 Plot Time Step

3.2.1.1 PSCAD

The plot time step must not exceed 500 μ s (microsecond). A plotting filter time constant of 0.02 seconds must be used.

3.2.1.2 PSSE

The plot time step must adequately capture the transient behavior due to the applied disturbance.

3.2.2 Plot Scale

Plot scales shall be set appropriately for the reviewers to discern the entirety of the plotted signals without clipping.

3.2.3 Benchmarking Analysis Plots

A trace-over-trace comparison plot of the simulation output quantity must be provided for the model acceptance tests that require benchmarking analyses.

3.3 Sample Plots

The sample plots provided in this section illustrate the expected format of plots included in the benchmarking report.

3.3.1 Voltage Reference Step Test

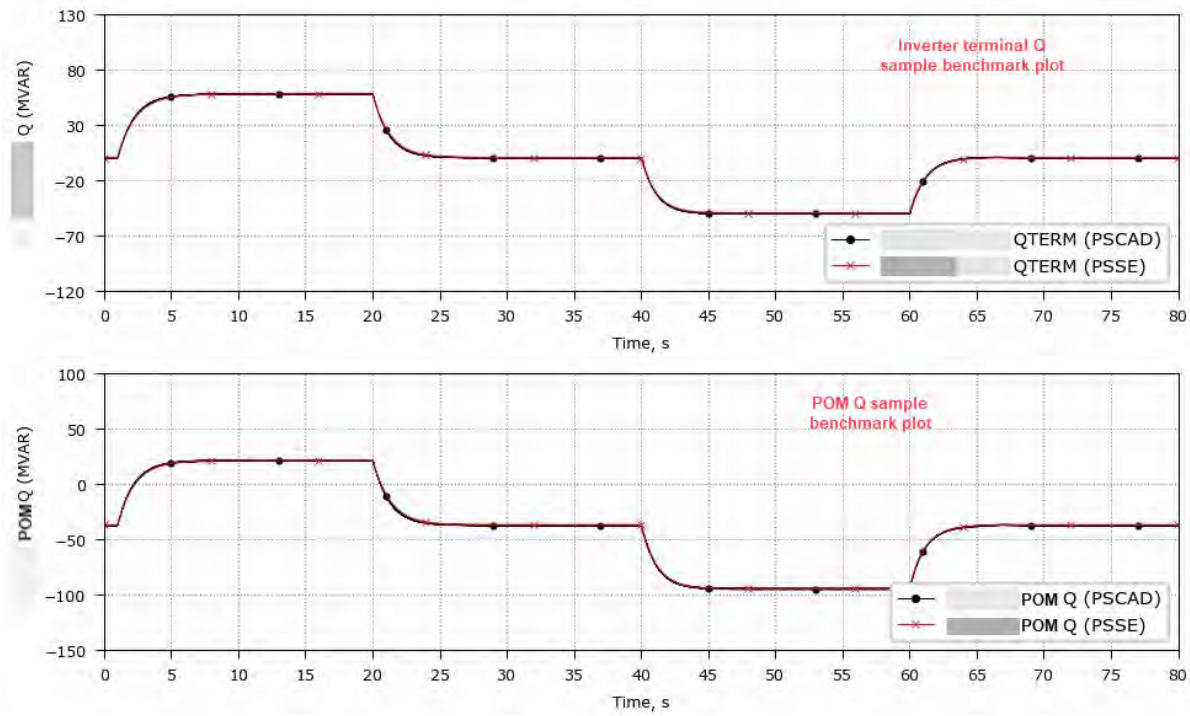
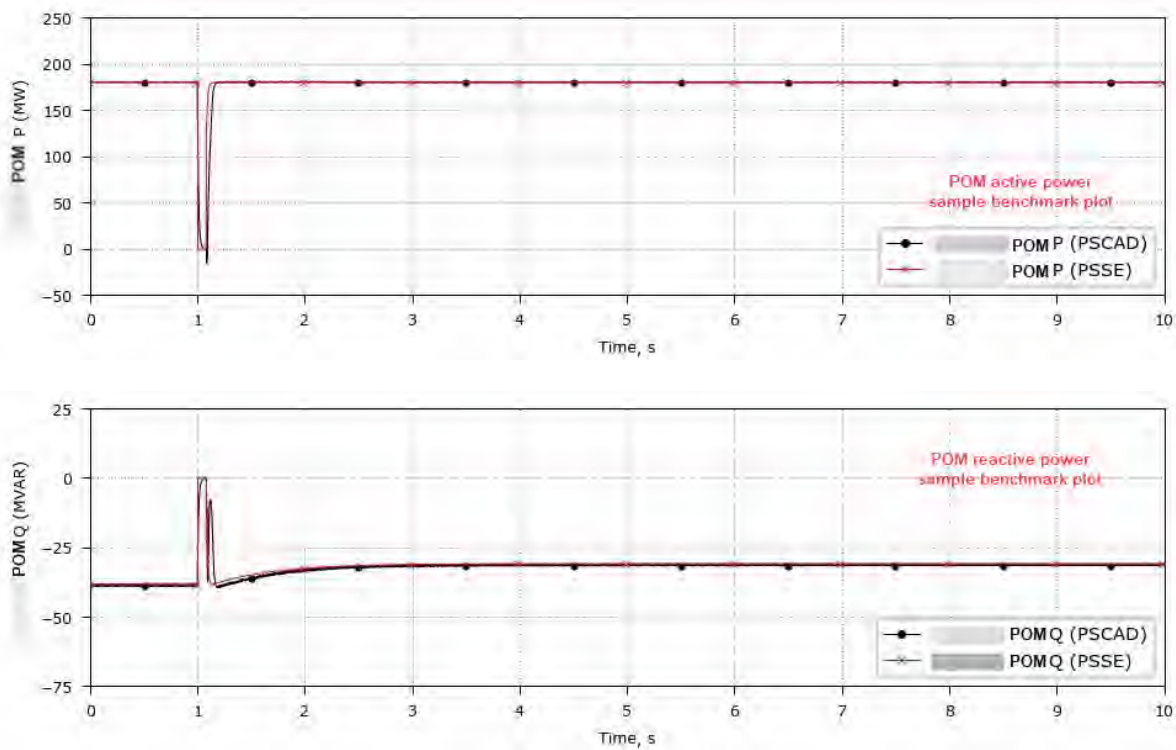


Figure 2 Voltage Reference Step Test

3.3.2 3-phase bolted fault



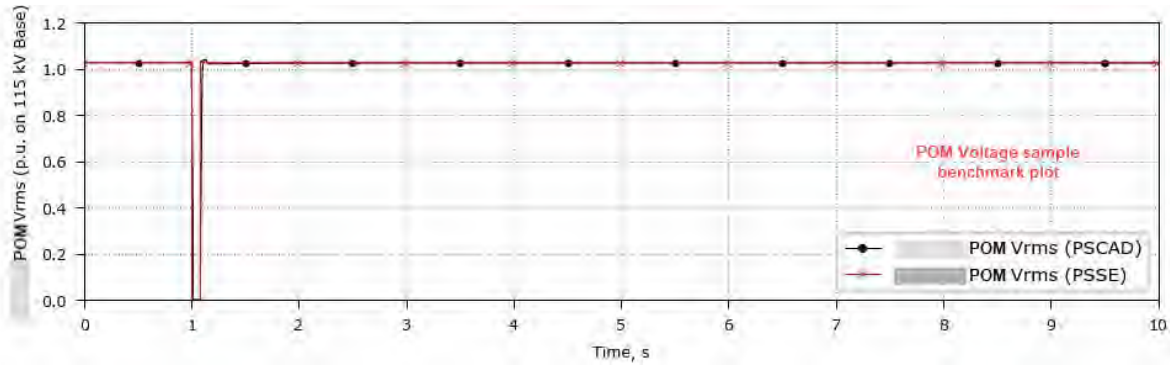


Figure 3 3-phase bolted fault – POM

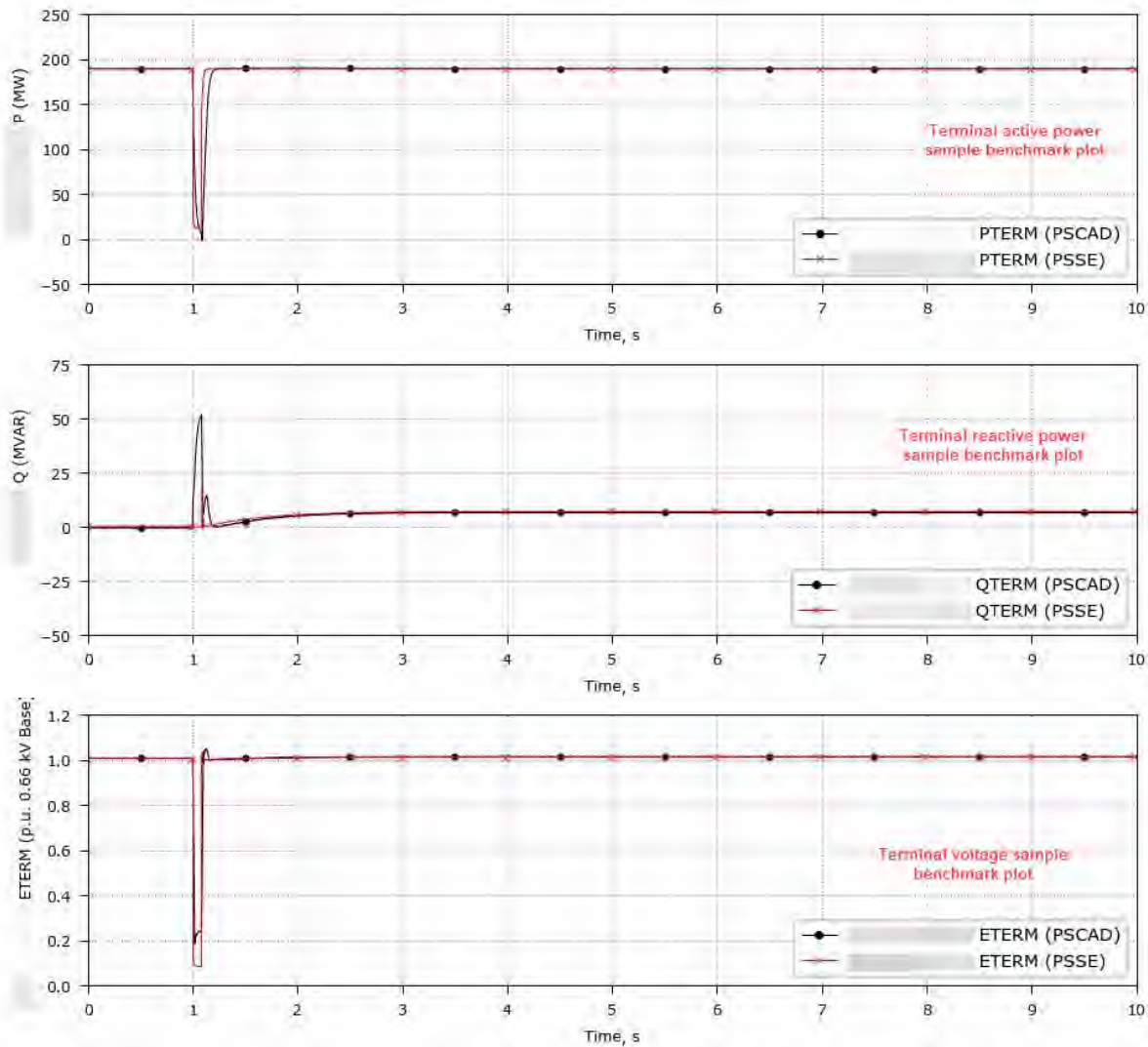


Figure 4 3-phase bolted fault - IBR Terminal

3.3.3 Instantaneous Phase Voltage and Current

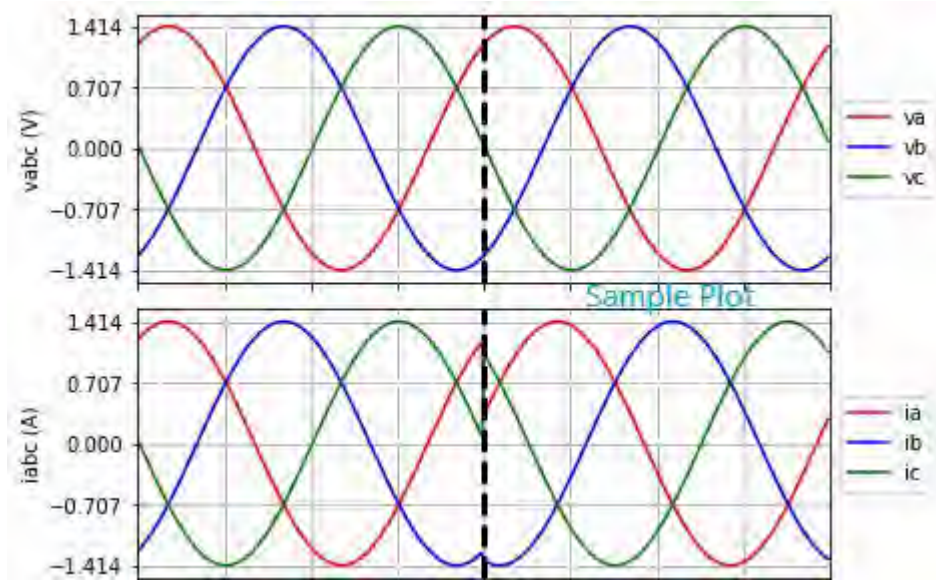


Figure 5 Instantaneous Phase Voltage and Current – IBR Terminal

Section 4 Model Acceptance Tests

The model acceptance tests specified in Table 1 of Section 1.1 are required to evaluate the provided models' consistency, accuracy, and dynamic performance. This section provides detailed guidance on simulating these tests and the dynamic performance and benchmarking requirements associated with each test.

The term Pnet used for all the tests refers to the net active power injection at the POI stated in the Interconnection Request. In model acceptance tests involving a BESS, Pnet refers to net injection (i.e., discharging) and absorption (i.e., charging) at the POI.

4.1 Test 1 – Flat Run

This test evaluates the model's ability to initialize accurately for given inputs and reach a steady-state output.

4.1.1 Test Description

The plant is initialized at the initial active and reactive power at POI values shown in Table 4. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 4 Flat Run Test

Test No	Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
1a	30	Infinite ⁷	Pnet	~0	PSSE and PSCAD	Dynamic Performance PSCAD model: The output reaches steady-state within 5 seconds PSSE model: Generator MW and MVAR will not change by 0.1 or more. Line Flow MW and MVAR will not change by 0.3 or more.
1b	30	Infinite	0.5 * Pnet ⁸	~0	PSSE and PSCAD	

⁷ Represented by a zero impedance line.

⁸ If the plant requires a minimum physical output, then test at the minimum value. Documentation must be provided to support the physical minimum value.

						Bus voltage will not change by 0.0001pu or more. Angle will not change by .1 or more The model shall not cause any DSTATE error.Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
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4.2 Test 2 - Steady-State Reactive Power Limit

This test evaluates the model's ability to initialize at its steady-state capacitive and inductive reactive power limits, demonstrating the IEEE 2800 clause 5.1 Reactive power capability envelope at the POM

4.2.1 Test Description

The plant is initialized at its capacitive and inductive limits (Qmax and Qmin). The grid voltage can be adjusted such that the inverter (or HVDC, where applicable) can inject or absorb maximum (Qmax)/minimum (Qmin) reactive power at the terminals. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 5 Steady-State Reactive Power Limit Test

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at Inverter Terminal (MVAR)	Simulation Tool	Acceptance Criteria
2a	30	Infinite ⁷	Pnet	Qmax	PSSE and PSCAD	Dynamic Performance The plant shall initialize at and maintain its stated steady-state capacitive and inductive limit for the duration of the simulation.
2b	30	Infinite	Pnet	Qmin	PSSE and PSCAD	

2c	30	Infinite	0 ⁹	Qmax	PSSE and PSCAD	PSSE model: Generator MW and MVAR will not change by 0.1 or more. Line Flow MW and MVAR will not change by 0.3 or more.
2d	30	Infinite	0	Qmin	PSSE and PSCAD	Bus voltage will not change by 0.0001pu or more. Angle will not change by .1 or more The model shall not cause any DSTATE error. Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.

4.3 Test 3 – Dynamic Reactive Power Limit

This evaluates the IBR plant's ability to dynamically reach its capacitive and inductive limits in conformity with IEEE 2800 clause 5.1 reactive power capability.

4.3.1 Test Description

A step increase and a step decrease in the POI voltage are applied such that the plant reaches inductive and capacitive limits, respectively. The step size applied should be such that the IBR does not transition to fault ride-through (FRT) mode. The simulation time should be sufficiently long that a steady-state condition is achieved before performing the next step event if multiple steps are performed in a single simulation. The PLBVF1 model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

NOTE: Transformer taps or capacitors shall remain locked for this test.

⁹ The real power output at the terminal is zero MW unless there is a physical minimum required output. Documentation must be provided to support the physical minimum value.

Table 6 Dynamic Reactive Power Limit Test

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
3	30	Infinite	Pnet	~0	PSSE and PSCAD	Dynamic Performance For the step increase and decrease in the grid voltage, respectively, the plant shall reach its inductive and capacitive MVAR limit. Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.

4.4 Test 4 - Voltage Reference Step Change

This test evaluates the IBR plant's dynamic performance to a step change in the plant controller's¹⁰ voltage reference in conformity with IEEE 2800 clause 5.2.

4.4.1 Test Description

A positive and a negative step change between 1% and 3% is applied such that the inverter and PPC¹¹ do not reach a reactive power or voltage limit. If the plant operates with a voltage droop, the droop value (percentage) is assumed larger than the applied voltage reference change; otherwise, a smaller step change may need to be used. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

¹⁰ The device regulating the active or reactive power at the POI, which can be the PPC, a supplementary dynamic reactive device, or a HVDC converter.

¹¹ A PPC regulates and controls the networked inverters, devices, and equipment at an IBR plant to meet specified set points and change grid parameters at the POI.

Table 7 Voltage Reference Step Change Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
4a	30	SCR=2.5, X/R=10	Pnet	~0	PSSE and PSCAD	Dynamic Performance The dynamic performance required in response to a change in voltage control reference is provided in Table 8. Any deviation from the performance target must be accompanied by adequate technical rationale. Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
4b	30	SCR=20, X/R=10	Pnet	~0	PSSE and PSCAD	

Table 8 Reactive Power- Voltage Performance¹² for Voltage Reference Step

Parameter ³	Performance Target	Notes
Reaction Time	< 200 ms	
Maximum step response time	< 10 seconds	The response time can be adjusted to allow for a stable and damped response. That is, if it is shown that for the applicable IBR plant and the given grid to which the IBR plant is connected, a stable response requires a response time that marginally exceeds the recommended response time, then this is preferred to provide a stable and damped response.
Damping	Damping Ratio of 0.3 or higher	

4.5 Test 5 - Active Power Reference Step Change

This test evaluates the IBR plant's dynamic performance to a step change in the plant controller's active power reference in conformity with IEEE 2800 Clause 6 active power dynamic performance requirements.

4.5.1 Test Description

A positive and a negative step change is simulated in the PPC's active power reference. The reference step size should be approximately 10% of the plant's net output; it should be such as to prevent the inverter from reaching a real power limit or transitioning into a charging mode of operation in the case of a BESS. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

¹² Reprinted with permission from IEEE. Copyright IEEE 2022. All rights reserved.

Table 9 Active Power Reference Step Change Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
5a	30	SCR=2.5, X/R=10	~0.5 *Pnet	~0	PSSE and PSCAD	Dynamic Performance The dynamic performance required in response to a change in active power control reference is provided in Table 10. Any deviation from the default value must be within the range of available values of Table 10 and must be accompanied by adequate technical rationale. Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
5b	30	SCR=20, X/R=10	~0.5 *Pnet	~0	PSSE and PSCAD	

Table 10 Active Power-Frequency Dynamic Performance¹²

Parameter ³	Units	Default Value	Range of available values	
			Minimum	Maximum
Reaction Time	Seconds	0.5	0.2 (0.5 for WTG)	1
Rise Time	Seconds	4.0	2.0 (4.0 for WTG)	20
Settling Time	Seconds	10.0	10	30
Damping Ratio	Unitless	0.3 or higher	0.2	1.0
Settling Band	% of change	Max (2.5 % of change or 0.5 % of ICR ¹⁴)	1	5
Note 1 – The reaction time starts when the fundamental-frequency component of the voltage measured at the POM has deviated outside of the applicable deadband¹⁵. Note 2 - The response time can be adjusted to allow for a stable and damped response. That is, if it is shown that for the applicable IBR plant and the given grid to which the IBR plant is connected, stable response requires a rise time or settling time that is marginally closer to the upper limit defined in Table 10, then this is preferred to provide stable and damped response.				

4.6 Test 6 - Grid Frequency Magnitude Change

This test evaluates the IBR plant's dynamic performance to a step change in the grid frequency magnitude in conformity with IEEE 2800 clause 6.1 primary frequency response requirements

¹⁴ ICR is defined as the Rated Active Power Output (or Rated Active Power Absorption, where applicable) at the POI.

¹⁵ https://www.iso-ne.com/static-assets/documents/rules_proceeds/operating/isone/op14/op14_rto_final.pdf

4.6.1 Test Description

A grid frequency magnitude step change of + 0.5 Hz and -0.5 Hz, relative to nominal grid frequency magnitude, is applied. The step size applied should be such as to prevent the inverter from reaching a real power limit or transitioning into a charging mode of operation in the case of a BESS. The PLBVF1 model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 11 Grid Frequency Magnitude Change Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
6a	30	SCR= 2.5, X/R=10	0.5 *Pnet	~0	PSSE and PSCAD	Dynamic Performance The dynamic performance required in response to a change in the grid frequency is provided in Table 10. Any deviation from the default value must be within the range of available values of Table 10 and must be accompanied by adequate technical rationale. Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
6b	30	SCR=20, X/R=10	0.5 *Pnet	~0	PSSE and PSCAD	

4.7 Test 7 – Balanced Fault Ride-Through Performance

This test evaluates the IBR plant's ability to ride-through a 3-phase bolted fault applied at the POI followed by an unsuccessful reclosing event in conformity with IEEE 2800 clause 7.2.2

For a HVDC connected IBR plant, an additional test evaluates the IBR's impact on the HVDC for a 3-phase bolted fault applied at the IBR collector system bus.

4.7.1 Test Description

A 3-phase bolted fault is applied at the POI and is cleared in 6 cycles without tripping any transmission element. A second 3-phase bolted fault is applied 5 seconds post first fault clearing and is cleared in 6 cycles without tripping any transmission element.

For a HVDC connected IBR plant, a 3-phase bolted fault is applied at the IBR collector system and cleared in 5 cycles. This fault is not simulated at the same time as the POI fault. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 12 Balanced Fault Ride-Through with Reclosing Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
7a	30	SCR=2.5, X/R=10	Pnet	~0	PSSE and PSCAD	Dynamic Performance 1. The IBR plant does not trip. If the IBR plant enters current blocking mode when the retained voltage at the POM is less than 10%, the IBR plant starts injecting current in 5 cycles or less once the applicable voltage at POM enters the continuous or mandatory operation region. 2. In fault ride-through (FRT) mode, the inverter injects current in accordance with clause 7.2.2.3.4 of IEEE 2800-2022, provides necessary reactive current support to help maintain system voltage and reactive power priority is maintained. 3. After the fault is cleared, the IBR restores pre-disturbance active power injection in accordance with clause 7.2.2.6 of IEEE 2800-2022 while remaining stable and damped (damping ratio > or = to 0.3 4. IBR reactive current response shall not exacerbate transient overvoltage conditions on the transmission system.
7b	30	SCR=20, X/R=10	Pnet	~0	PSSE and PSCAD	
7c	30	SCR=2.5, X/R=10	0.5*Pnet	~0	PSSE and PSCAD	
7d	30	SCR=20, X/R=10	0.5*Pnet	~0	PSSE and PSCAD	

						Benchmark Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
Additional Test for HVDC connected IBR plant						
7e	30	SCR=20, X/R=10	Pnet	~0	PSSE and PSCAD	Dynamic Performance The IBR plant is expected to ride-through. Benchmark Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power measured at the IBR collector bus.

4.8 Test 8 – Balanced Remote Fault Ride-Through

This test evaluates the IBR plant's ability to ride-through due to a balanced fault remote from the POI in conformity with IEEE 2800 clause 7.2.2

4.8.1 Test Description

A 3-phase fault is applied with a fault impedance at the POI such that the POI voltage reaches approximately 66%. The fault is cleared in 6 cycles without tripping any transmission elements. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 13 Balanced Remote Fault Ride-Through Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria

8a	30	SCR=2.5, X/R=10	Pnet	~0	PSSE and PSCAD	Dynamic Performance 1. The IBR plant does not trip. If the IBR plant enters current blocking mode when the retained voltage at the POM is less than 10%, the IBR plant starts injecting current in 5 cycles or less once the applicable voltage at POM enters the continuous or mandatory operation region. 2. In fault ride-through (FRT) mode, the inverter injects current in accordance with clause 7.2.2.3.4 of IEEE 2800-2022, provides necessary reactive current support to help maintain system voltage and reactive power priority is maintained. 3. After the fault is cleared, the IBR restores pre-disturbance active power and reactive power injection in accordance with clause 7.2.2.6 of IEEE 2800-2022 while remaining stable and damped (damping ratio > or = to 0.3 4. IBR reactive current response shall not exacerbate transient overvoltage conditions on the transmission system. Benchmark Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.
8b	30	SCR=20, X/R=10	Pnet	~0	PSSE and PSCAD	

4.9 Test 9 – Unbalanced Fault Ride-Through

This test evaluates the IBR plant's ability to ride-through an unbalanced fault applied at the POI in conformity with IEEE 2800 clause 7.2.2

4.9.1 Test Description

A single line-to-ground, double line-to-ground, and line-to-line (1LG, 2LG, LL) fault is applied at the POI and cleared in 15 cycles without tripping any transmission elements.

Table 14 Unbalanced Fault Ride-Through Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
9a	30	SCR=2.5, X/R=10	Pnet	~0	PSCAD	Dynamic Performance 1. The IBR plant does not trip. If the IBR plant enters current blocking mode when the retained voltage at the POM is less than 10%, the IBR plant starts injecting current in 5 cycles or less once the applicable voltage at POM enters the continuous or mandatory operation region. 2. In fault ride-through (FRT) mode, the inverter injects current in accordance with clause 7.2.2.3.4 of IEEE 2800-2022, provides necessary reactive current support to help maintain system voltage and reactive power priority is maintained. 3. After the fault is cleared, the IBR restores pre-disturbance active power injection in accordance with clause 7.2.2.6 of IEEE 2800-2022 while remaining stable and damped (damping ratio > or = to 0.3 4. IBR reactive current response shall not exacerbate transient overvoltage conditions on the transmission system.
9b	30	SCR=20, X/R=10	Pnet	~0	PSCAD	

						Benchmark Performance Not applicable.
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4.10 Test 10 – Voltage Protection Verification

This test aims to verify that respective high and low voltage protection exists and operates as intended.

4.10.1 Test Description

A grid voltage step relative to the initial voltage is applied, as shown in Figure 6 and Figure 7. If needed, a larger grid voltage step can be applied to cause the inverters to trip. The PLBVF1 model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 15 Voltage Protection Verification Test

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
10	30	Infinite	Pnet	~0	PSSE and PSCAD	Dynamic Performance The inverter trips due to the applied voltage. Benchmark Performance Not applicable.

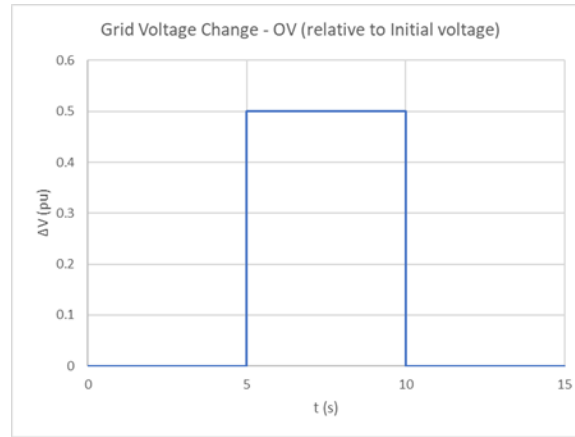


Figure 6 Voltage Protection Test - Grid Overvoltage

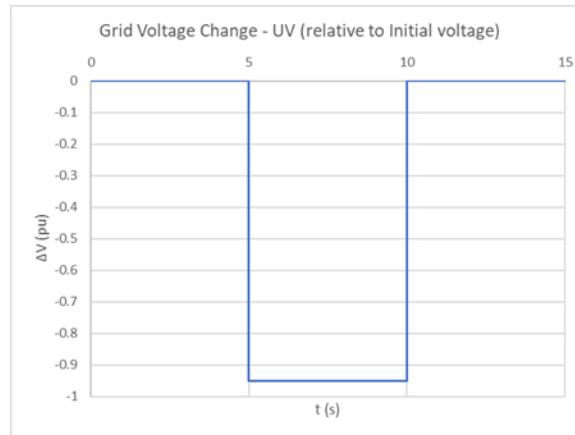


Figure 7 Voltage Protection Test - Grid Undervoltage

4.11 Test 11 –Voltage Ride-Through

This test evaluates the IBR plant’s ability to meet the IEEE 2800 clause 7.2.2 Table 12 ¹⁶ Voltage Ride-through requirement.¹⁷¹⁸

4.11.1 Test Description

The IEEE 2800 voltage ride-through curve is simulated at the IBR POM. The entire curve should be played back at one time and not each section individually. The PLBVF1 model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 16 Voltage Ride-Through Test

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
11	30	Infinite	Pnet	~0	PSSE and PSCAD	Dynamic Performance The plant successfully rides through with a stable and damped response. Benchmark Performance Not applicable.

4.12 Test 12 – Frequency Ride-Through

This test evaluates the IBR plant’s ability to meet the IEEE 2800 clause 7.3.2 Frequency Ride-through and PRC-006-NPCC¹⁹ low frequency ride-through requirement¹⁷. The low and high frequency thresholds to be evaluated are shown in Table 18.

¹⁶ If applicable PRC-029 requirements exceed IEEE 2800 clause 7.2.2, then PRC-029 will be used.

¹⁸ If auxiliary devices restrict ride through capabilities, table 11 values may be used for those specific points that fail.

¹⁹ As stated in Requirement 10 (<https://www.nerc.com/pa/Stand/Reliability%20Standards/PRC-006-NPCC-2.pdf>)

4.12.1 Test Description

The low frequency and high frequency ride-through threshold to be evaluated are simulated at the IBR POI. The test can be simulated as individual tests for each frequency threshold to be evaluated; it can also be simulated as two separate composite tests – one for low frequency and one for high frequency. If tested as a composite, sufficient time should be provided between frequency transitions to allow the IBR to settle at a steady-state output. The PLBVF1 model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 17 Frequency Ride-Through Test

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
12	30	Infinite	0.5 *Pnet	~0	PSSE and PSCAD	Dynamic Performance The plant successfully rides through with a stable and damped response. Benchmark Performance Not applicable.

Table 18 Low and High Frequency Test Threshold

Frequency	Minimum Ride Through Time (s) ¹⁷¹⁹
Low Frequency (Hz)	
57	As required in IEEE 2800 Table 15

High Frequency	
61.8	As required by IEEE 2800 Table 15

4.13 Test 13 - Rate of Change of Frequency (ROCOF) Ride-Through

This test evaluates the plant's ability to ride-through frequency excursions with a rate of change of frequency (ROCOF) magnitude equal to 5.0 Hz/s in conformity with IEEE 2800 7.3.2.3.5.

4.13.1 Test Description

A ROCOF event is simulated by ramping the grid frequency at a rate of 5.0 Hz/s from 60 Hz to 59 Hz. This test should be simulated in PSCAD only.

Table 19 Rate of Change of Frequency Ride-Through Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
13a	30	SCR=2.5, X/R=10	0.5 *Pnet	~0	PSCAD	Dynamic Performance The plant successfully rides through with a stable and damped response.
13b	30	SCR=20, X/R=10	0.5 *Pnet	~0	PSCAD	
						Benchmark Performance Not applicable.

4.14 Test 14 - Grid Voltage Phase Angle Change Ride-Through

This test evaluates the plant's ability to ride-through a balanced system voltage phase angle change of +/- 25° in conformity with IEEE 2800 clause 7.3.2.4.

4.14.1 Test Description

A balanced system voltage phase angle jump is simulated as per Table 21. This test should be simulated in PSCAD only.

Table 20 Grid Voltage Phase Angle Change Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
14a	30	SCR=2.5, X/R=10	Pnet	~0	PSCAD	Dynamic Performance - The plant successfully rides through with a stable and damped response. - Current blocking is not allowed in the post-disturbance period. Benchmark Performance Not applicable.
14b	30	SCR=20, X/R=10	Pnet	~0	PSCAD	

Table 21 Grid Voltage Phase Angle Change

Test Sequence	Phase A	Phase B	Phase C
Balanced system phase angle change			
Base	0°	-120°	120°

Base + 25°	+25°	-95°	145°
Base - 25°	-25°	-145°	95°

4.15 Test 15 - Point of Interconnection SCR Transition Ride-Through

This test evaluates the IBR plant's ability to ride-through successive changes in SCR at the POI.

4.15.1 Test Description

The SCR at the POI is changed as per Figure 8. A 3-phase grounded fault is applied at each SCR transition. The time between each transition may be adjusted to allow the plant to stabilize. Prior to each transition, the reactive power at the POI should be adjusted such that the IBR is not at its capacitive or inductive limit. The GENCLS model should be used in PSSE for the infinite bus dynamic model, and an equivalent model should be used in PSCAD.

Table 22 POI SCR Transition Test

Test No	Minimum Simulation Time (s)	SCR and X/R	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
15	30 ²⁰	As per Figure 8, X/R= 10	Pnet	~0	PSSE and PSCAD	Dynamic Performance The plant successfully rides through the minimum SCR capability²¹ as stated by inverter OEM. The response is expected to be stable and damped at up to SCR of 2. Benchmark Performance Not applicable.

²⁰ The simulation time can be extended to allow for testing all SCR transitions.

²¹ At the POI or as interpreted at the inverter terminal.

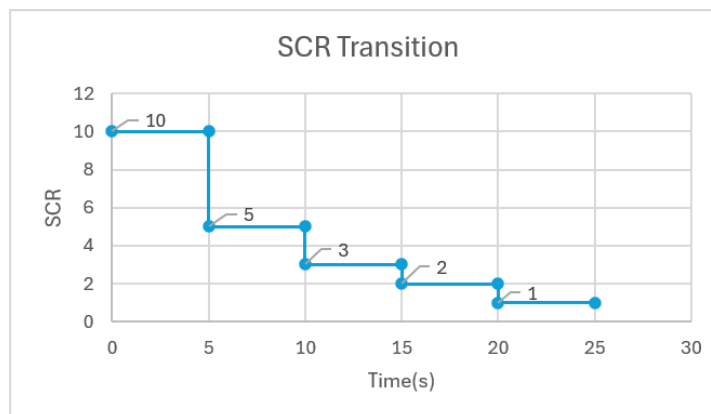


Figure 8 POI SCR Transition

4.16 Test 16 – Power Factor Verification

This tests verifies conformance with IEEE 2800 clause 5.1 minimum reactive power capability requirements

4.16.1 Test Description

The IBR plant is initialized at the specified active power level and commanded to deliver the specified reactive power at the POM. The voltage at the POM is set to the applicable corner-point voltage within .0001pu by adjusting the infinite bus voltage source and the IBR plant voltage reference. The plant must achieve and maintain the commanded operating point for the duration of the simulation without exceeding inverter terminal continuous operating voltage limits, without entering fault ride-through mode, and without protection trip or controller saturation.

NOTE: Any taps or capacitor switching used to help meet dynamic requirements shall remain locked for this test.

Table 23 Power Factor Verification Test

Test No	Minimum Simulation Time (s)	SCR	POM Voltage (p.u.)	Initial Active	Minimum Initial Reactive	Simulation Tool	Acceptance Criteria

			(within 0.001 p.u. of)	Power at POI (MW)	Power at RPA (MVAR)		
16a ²²²³	30	SCR=20 X/R=10	0.90	Pnet	$0.3287 \times \text{Pnet}$ injecting	PSSE and PSCAD	Dynamic Performance The plant shall initialize at and maintain the minimum capacity inductive reactive power at the POM for the duration of the simulation. No protection trips, reduction in output, LVRT/HVRT Mode entry, PPC saturation, or any other change in electrical parameters is permitted. PSSE model: Generator MW and MVAR will not change by 0.1 or more. Line Flow MW and MVAR will not change by 0.3 or more. Bus voltage will not change by 0.0001pu or more. Angle will not change by .1 or more The model shall not cause any DSTATE error.
16b	30	SCR=20 X/R=10	0.95	Pnet	$0.3287 \times \text{Pnet}$ injecting	PSSE and PSCAD	
16c	30	SCR=20 X/R=10	POI <200kV: 0.99 ≥200kV: 1.00	Pnet	$0.3287 \times \text{Pnet}$ absorbing	PSSE and PSCAD	
16d	30	SCR=20 X/R=10	POI <200kV: 1.03 ≥200kV: 1.04	Pnet	$0.3287 \times \text{Pnet}$ injecting	PSSE and PSCAD	
16e	30	SCR=20 X/R=10	1.10	Pnet	$0.3287 \times \text{Pnet}$ absorbing	PSSE and PSCAD	
16f	30	SCR=20 X/R=10	POI <200kV: 0.99 ≥200kV: 1.00	0 MW ²⁴	$0.3287 \times \text{Pnet}$ absorbing	PSSE and PSCAD	Benchmarking Performance The dynamic performance between PSSE and PSCAD must align to the fullest extent possible, particularly for active and reactive power at the POM.

²² This test may not be applicable for IBR plants consisting of Type III WTGs (per IEEE P2800.2 Table 39 footnote a). For Type III WTG plants, the OEM-stated reduced capability curve below 0.95 p.u. shall be documented in lieu of the $0.7 \times \text{ICR}$ factor, and the corresponding reduced reactive power capability applies as the acceptance criterion. Reduced capability shall be supported by OEM type-test or equipment-level model evidence and noted in the benchmarking report.

²³ If tests fails at $0.3287 \times \text{Pnet}$, test will be re-run at $0.3287 \times 0.7 \times \text{Pnet}$ instead.

²⁴ The real power output at the terminal is zero MW unless there is a physical minimum required output. Documentation must be provided to support the physical minimum value.

4.17 Test 17 – Consecutive Voltage Deviation

This test aims to verify the IBR plants ability to ride through consecutive voltage deviations in conformity with IEEE 2800 clause 7.2.2.4

4.17.1 Test Description

A 3ph fault is first applied at the POI with impedance such that the voltage at the RPA is between 0 and .1 pu, after .32s, the fault is cleared. The simulation is then run for another 20 cycles, before applying another 3ph fault with impedance such that the RPA voltage is between .2 and .5PU, clear it after .88s

In a separate EMT simulation, the same test procedure is repeated using a 2ph fault instead.

Table 24 Consecutive Voltage Deviation

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
17a	30	SCR=2.5, X/R=10	Pnet	~0-+/- 10%	PSSE (3PH Only) and PSCAD (Both 3PH & 2PH)	Dynamic Performance 1. The IBR plant does not trip. If the IBR plant enters current blocking mode when the retained voltage at the POM is less than 10%, the IBR plant starts injecting current in 5 cycles or less once the applicable voltage at POM enters the continuous or mandatory operation region. 2. In fault ride-through (FRT) mode, the inverter injects current in accordance with clause 7.2.2.3.4 of IEEE 2800-2022, provides necessary reactive current support to help maintain system voltage and reactive power priority is maintained. 3. After the fault is cleared, the IBR restores pre-disturbance active power injection in accordance with
17b	30	SCR=20, X/R=10	Pnet	~0-+/- 10%	PSSE (3PH Only) and PSCAD (Both 3PH & 2PH)	

						clause 7.2.2.6 of IEEE 2800-2022 while remaining stable and damped (damping ratio $\geq$ 0.3 4. IBR reactive current response shall not exacerbate transient overvoltage conditions on the transmission system. Benchmark Performance Not applicable.
--	--	--	--	--	--	---

4.18 Test 18 – Voltage Oscillation Ride through

This test aims to verify the IBR plants ability to ride through post-fault dynamic voltage oscillations in conformance with IEEE 2800 clause 7.2.2.4

4.18.1 Test Description

A damped voltage oscillation of .25hz, .5hz, 1hz, and 2hz are each individually applied in separate simulations. The envelope of the oscillation has an upper limit of 1.15 PU and a lower limit of .8PU and a damping of 3%

Table 25 Voltage Oscillation Ride Through

Test No	Minimum Simulation Time (s)	SCR	Initial Active Power at POI (MW)	Initial Reactive Power at POI (MVAR)	Simulation Tool	Acceptance Criteria
18	30	SCR=2.5, X/R=10	Pnet	~0	PSCAD	Dynamic Performance

						1. The IBR plant successfully rides through(no trip, no momentary cessation, no blocking outside permitted permissive operation regions). Benchmark Performance Not applicable.
--	--	--	--	--	--	--

Section 5 Benchmarking Report

A benchmarking report must be submitted to document the analysis results. The report must include the following sections, at a minimum, and adhere to the order specified below.

5.1 Introduction

This section includes a brief description of the project, including Interconnection Request ID, proposed POI, and in-service date.

5.2 System Description

This section should include the following.

- a. A one-line diagram of the project up to the POI
- b. Component manufacturers (inverter, power-plant controller, auxiliary dynamic reactive device, etc.)
- c. As-modeled data, in PSSE and PSCAD, for the following in a tabular format including MVA base used for 'per unit' quantities
 - i. Individual and aggregated inverter ratings
 - ii. Inverter terminal continuous operating voltage range
 - iii. Individual and aggregated generator step-up (GSU) impedance and winding configuration
 - iv. Equivalent collector system impedance
 - v. Main power transformer (MPT) impedance and winding configuration
 - vi. Gen-tie impedance
 - vii. Static and dynamic reactive device

5.3 Modeling Methodology

This section should include the following.

- a. PSSE and PSCAD software versions used for the assessment (include minor release version number for e.g. PSSE 35.6.4²⁵ and PSCAD 5.1²⁵)
- b. PSSE and PSCAD model data revision used for the assessment
- c. PSSE and PSCAD simulation parameters which should include
 - i. Simulation time step
 - ii. Plotting time step

²⁵ Example only and may not be the version in use by ISO-NE.

- iii. Any other significant assumptions such as acceleration factor, tolerance
- d. Voltage droop, frequency droop, and applicable deadband
- e. GSU and MPT tap

5.4 Simulation Results

This section should include the following.

- a. Test order number as per Table 1 in Section 1
- b. Mode of operation if BESS (i.e., discharging or charging)
- c. Any specific assumptions for the test
- d. Technical rationale if requirements not met
- e. Trace-over-trace PSSE and PSCAD plots for simulation output quantities as per Table 5 and include the following.
Sample plots are provided in Section 3.
 - i. One set of plot at the POM
 - ii. One set of plot at the inverter terminal

5.5 PSCAD model instructions

This section should include the following.

- a. Directions for compiling and initializing the model
- b. Instructions on directory path settings if applicable, including a list of libraries, object files, or other files that may be required to run the model.

5.6 Plant-specific settings and description of the control scheme

In this section, any control parameters specific to an individual plant must be stated. Where applicable, these parameters shall align with the PSSE dynamic model. These parameters shall include (among others):

- a. Ride-through activation and deactivation thresholds and parameters
- b. Voltage and frequency ride-through settings
- c. Active power ramp rates following faults
- d. Plant-level voltage controller gains and time constants
- e. Interface parameters with auxiliary devices such as STATCOMs, if applicable
- f. Description of the planned (or installed) control schemes (such as voltage, frequency, reactive power and/or power factor, runback, etc.). The description should include:
 - i. The target of the control scheme

- ii. Overview of how it achieves its intended result
- iii. Parameters that directly affect the performance, trigger levels, deadband, etc.
- iv. Limitations of the control scheme

3

ISO Board & Board Committee Summaries

REPORT

Summary of ISO New England Board and Committee Meetings October 2, 2026 Participants Committee Meeting

Since the last update, the Information Technology and Cyber Security Committee, Markets Committee, System Planning and Reliability Committee, Compensation and Human Resources Committee, and the Nominating and Governance Committee each met on September 16. The Board of Directors met on September 15 and 17. All of the meetings were held in Boston, Massachusetts.

The Information Technology and Cyber Security Committee convened with the full Board for the Committee's annual "deep dive" on cyber security issues and welcomed guest consultants who conducted a tabletop ransomware exercise. The exercise was designed to strengthen understanding of the Board's role during a significant cyber event, evaluate the effectiveness of governance processes, and identify decisions that could require Board attention. Following the session with the full Board, the Committee conducted its regular business and received an update on major information technology projects. The Committee reviewed the implementation of the nGEM real-time markets clearing engine, which is the first in the nation, and discussed the next phase of single interval market clearing engine improvements which will begin in 2027. The Committee was then updated on the upcoming completion of compliance with FERC Order No. 2222 related to distributed energy resources.

The Markets Committee conducted its annual review of the External Market Monitor's business continuity and succession plans. The Committee then received an update from the Internal Market Monitor regarding the market concentration outlook following recent and planned mergers, and potential implications. Next, the Committee received a report on the Capacity Auction Reforms project, including expected stakeholder amendments. Finally, the Committee reviewed management's response to the recommendations in the market monitors' annual reports.

Oct 2, 2026
Meeting

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The System Planning and Reliability Committee received a status update on Regional System Plan projects. The Committee also received an overview of asset condition projects, including new projects and projects placed in-service. Next, the Committee received an annual update on renewable resources development, and discussed renewable project development in the New England region, fully developed interconnection plans for multiple large projects, and increased uncertainty for future renewable development due to development and policy environments. The Committee then received updates on compliance with FERC's large load show-cause order, the Longer-Term Transmission Planning RFP, and a preview of activities related to FERC Order No. 1920 compliance. In addition, the Committee discussed the development of the structure needed to support the Asset Condition Reviewer role, including hiring staff with specialized skills and knowledge and developing the necessary documentation to support the work before the requested effective date of January 1, 2027.

The Compensation and Human Resources Committee discussed the employee health and benefit plan renewals for 2027. The Committee noted that the final negotiated rate increases for medical and dental coverage were lower than the initial estimates. In reviewing the 2027 compensation budget, the Committee considered comparative information, including national compensation surveys of projected 2027 merit and promotional

increase budgets for utilities and all industries, as well as data from other system operators. The Committee approved as reasonable and competitive a 3.5% merit increase and a 1.0% promotional/equity increase for the 2027 operating budget, acknowledging the need to continue monitoring market movement, business needs, talent trends, affordability, and stakeholder requests for work. The Committee then received an annual report on the workforce and Company culture. The Committee discussed workforce demographics, and cultivating culture through the values and attributes embedded in the Company's strategic objectives.

The Nominating and Governance Committee discussed the Joint Nominating Committee process for 2027, and reviewed the Company's board succession process. Next, the Committee received an update on the political environment, including state and federal topics, and discussed significant energy legislation and policies considered by federal and state policymakers this year. The Committee also discussed potential topics for upcoming meetings with the NEPOOL sectors, and reviewed plans for the open Board meeting in November. Next, the Committee discussed highlights of the Company's strategic planning process, and reviewed the succession process for the Board chair.

The Board of Directors meeting began with a strategic planning session on September 15. On September 17, the Board prepared for its upcoming joint meeting with the states. The Board then received a report from management, including updates on activities related to FERC, the federal executive and legislative branches, and the New England states. The Board also received updates on corporate scorecard progress, business continuity and security functions, and the use of artificial intelligence and related governance practices. Next, the Board received the report of the Compensation and Human Resources Committee, during which it approved revisions to the Committee's charter to include oversight of workforce safety and security policies. The Board then held an executive session to review management succession planning. Following the executive session, the Board received a report from the Chief Financial Officer that included an overview of directors and officers liability insurance coverage. The Board then discussed the proposed 2027 operating and capital budgets, including the states' comments on the budgets and the impact on retail ratepayers, and noted the remaining stakeholder process, after which the Board will vote on the budgets. The Board also reviewed plans for the upcoming open Board meeting in November. Next, the Board received reports from the standing committees. During the System Planning and Reliability Committee report, the Board approved revisions to the Committee's charter to add oversight of the Asset Condition Reviewer function effective upon FERC approval, review of corporate goals, and changes to capture reliability and system efficiency transmission planning among the transmission planning processes under the Committee's purview. Regarding annual meeting matters, the Board re-elected Ms. LaFleur as Chair of the Board of Directors, and adopted the committee assignments recommended by the Nominating and Governance Committee:

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

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

The Board also elected the Company's officers for the upcoming year, and reviewed director liaison assignments to individual states.

4

System & Market Operations Report

REPORT

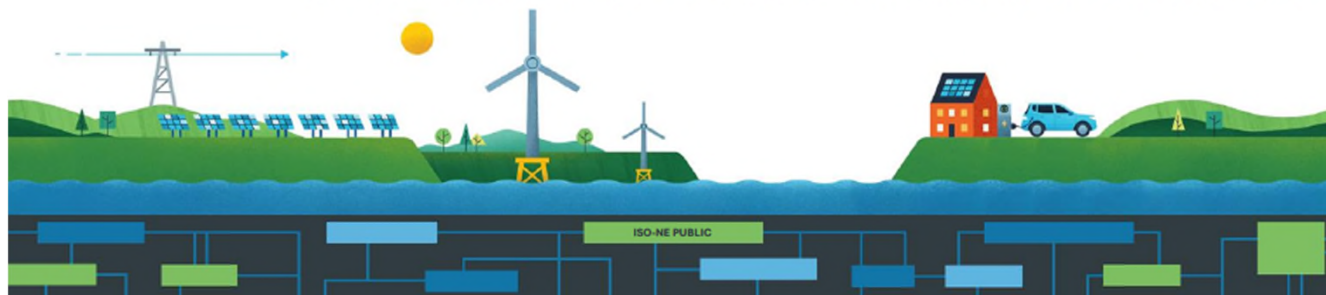


NEPOOL Participants Committee

*System & Market Operations Report –
October 2026*

Stephen M. George

VICE PRESIDENT, SYSTEM & MARKET OPERATIONS AND CAPITAL PROJECTS



Oct 2, 2026
Meeting



NEPOOL Participants Committee

System & Market Operations Report – October 2026

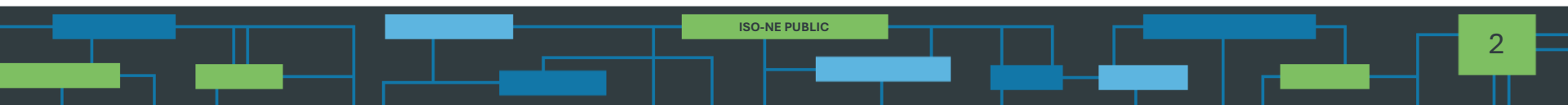
Stephen M. George

VICE PRESIDENT, SYSTEM & MARKET OPERATIONS AND CAPITAL PROJECTS



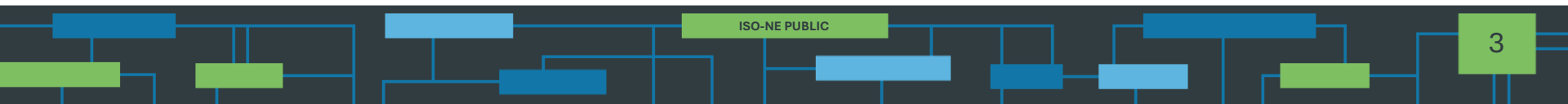
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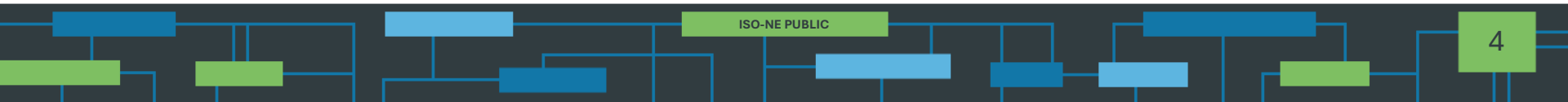


System & Market Operations Report Enhancements

- 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)
- A “Key Takeaways” slide has been added as part of this month's report (see slide 5)
- 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 34, DA vs. RT LMPs (\$/MWh)
 - Slide 44, Average Hourly DAAS Prices
 - Slide 45, Average Hourly DAAS Offered
- Further enhancements are planned in the coming months to continue simplifying and improving the report



HIGHLIGHTS



System & Market Operations Report

September Key Takeaways

- A strong nor'easter affected the region from Sept. 24–28 but had minimal impact on the transmission system (see slide no. 8)
- September peak demand (RQM) was ~8% higher than in September 2025 and ~23% lower than in August 2026 (see slide no. 9)
- September total market value (\$) was ~17% higher than in September 2025 and ~30% lower than in August 2026 (see slide no. 10)
- Regional wind generation continues to reach new highs: offshore output peaked at ~1,100 MW on Sept. 24, while combined onshore and offshore output peaked at ~2,000 MW on Sept. 27
- As expected, several significant transmission and generation outages are scheduled in the coming months (see slide no. 23 for a summary of transmission outages)
- ISO has begun its routine winter preparations and will present its Winter Outlook at the November Participants Committee meeting

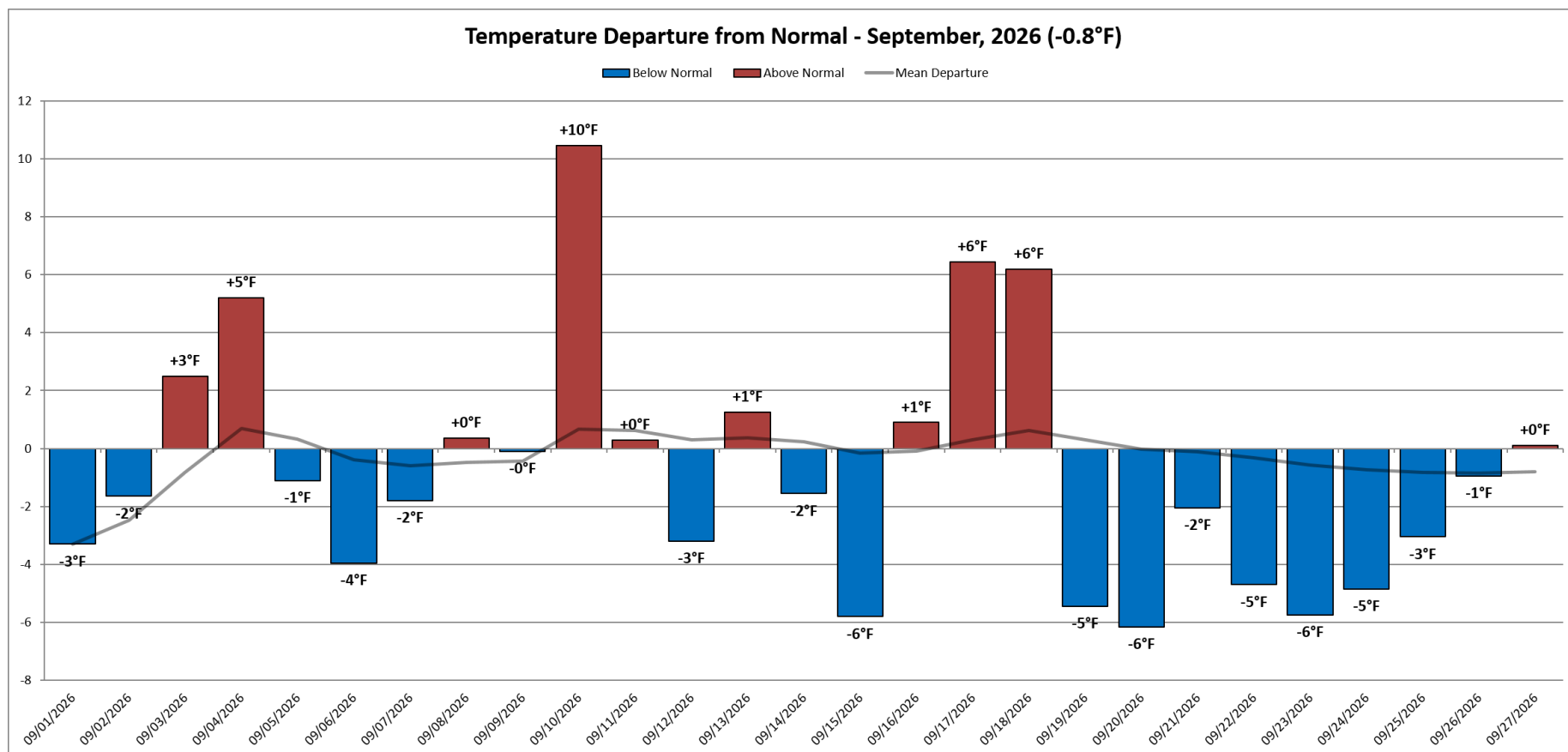
Weather At-a-Glance

*Data Through September 27, 2026**

<i>New England Weather</i>	Sep 2026	Change M-O-M	Change Y-O-Y
Avg Hourly Temperature (°F) <i>(23-City Weighted)</i>	63.1°	-8.8° ↓	-0.8° ↓
<i>Boston Weather</i>			
Temperature Departure from Normal (°F)	-1.1°	-3.6° ↓	-2.0° ↓
Maximum Temperature (°F)	87.0°	-7.0° ↓	1.0° ↑
Minimum Temperature (°F)	49.0°	-13.0° ↓	-2.0° ↓
Avg Hourly Temperature (°F)	65.1°	-10.1° ↓	-1.4° ↓
Precipitation Departure from Normal (inches)	1.17"	3.42" ↑	1.64" ↑
Precipitation (inches)	4.34"	3.36" ↑	1.25" ↑
<i>Hartford Weather</i>			
Temperature Departure from Normal (°F)	-0.9°	-1.6° ↓	-1.7° ↓
Maximum Temperature(°F)	87.0°	-5.0° ↓	1.0° ↑
Minimum Temperature(°F)	43.0°	-12.0° ↓	0.0° —
Avg Hourly Temperature (°F)	64.4°	-8.8° ↓	-1.3° ↓
Precipitation Departure from Normal (inches)	0.59"	-0.01" ↓	1.58" ↑
Precipitation (inches)	4.48"	-0.33" ↓	1.08" ↑

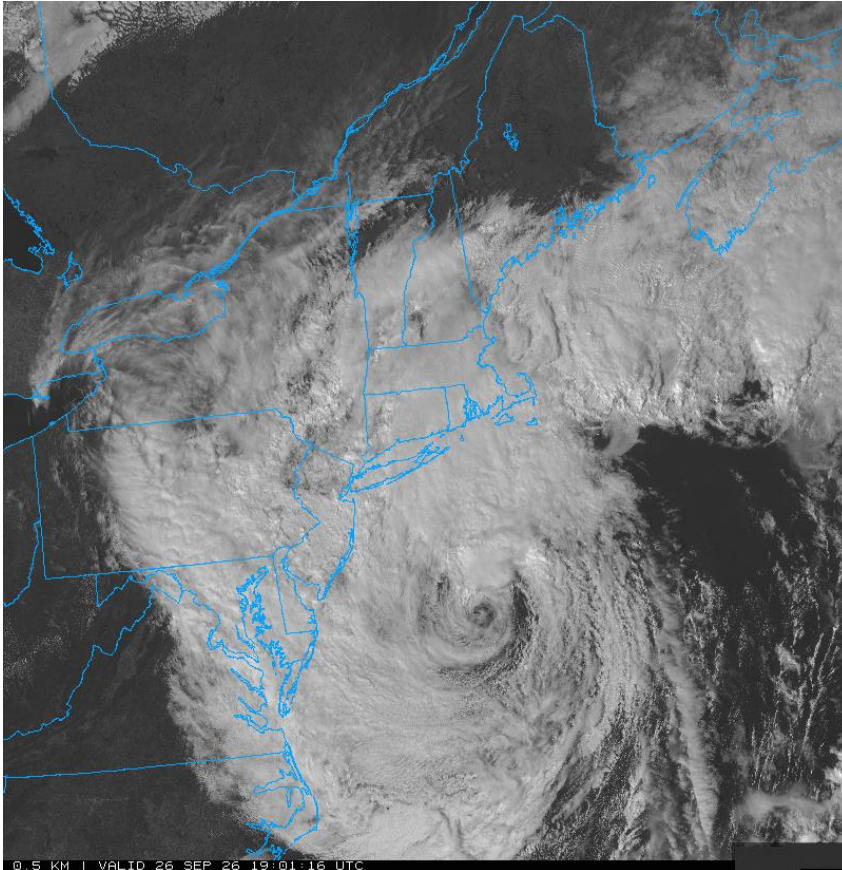
Weather At-a-Glance, cont.

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



*Data Through September 27, 2026

System Operations Highlights



- A strong nor'easter affected the region from September 24–28
- Wind gusts exceeded 70 mph in southeast New England and Long Island, while southern New England received 5–8 inches of rain
- The transmission system experienced minimal disruption, with one unplanned transmission-line outage
- Customer outages peaked at approximately 57,000

Markets At-a-Glance: Demand

Data Through September 27, 2026*

Data Through September 27, 2026*

Average Hourly Net Energy for Load (MWh)^[a]	Sep 2026	% Change M-O-M	% Change Y-O-Y
Revenue Quality Metered (RQM)	12,492	-18.4% ↓	1.9% ↑
Telemetered	11,977	-18.5% ↓	2.4% ↑

Max/Min Hourly System Load (MW)

Maximum RQM	18,669	-22.8% ↓	8.4% ↑
Maximum Telemetered	18,284	-22.9% ↓	8.8% ↑
Minimum Telemetered	7,358	-18.3% ↓	5.2% ↑

Thu, Sep 10, 2026 in HE19

Sat, Sep 19, 2026 in HE13

Year-To-Date Hourly Peak Load (MW)^[b]

RQM	25,832	0.0%	-2.9% ↓
Telemetered	25,361	0.0%	-2.5% ↓
Forward Capacity Market (FCM) Load ^[c]	25,303	0.0%	-2.6% ↓

Thu, Jul 2, 2026 in HE19

Thu, Jul 2, 2026 in HE19

Thu, Jul 2, 2026 in HE19

Other RT Load (Average Hourly MW)

Scheduled Exports	1,837	55% ↑	69% ↑
Energy Storage Load	281	-12% ↓	17% ↑

*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: Payments and Prices

*Data Through September 23, 2026**

*Data Through September 27, 2026**

Market Value (\$ millions)^[a]	Sep 2026	% Change M-O-M	% Change Y-O-Y
Energy Market Value ^[b]	404	-34% ↓	26% ↑
Ancillary Services ^[c]	6	-31% ↓	26% ↑
Forward Capacity Market (FCM)	77	0%	-13% ↓
Net Commitment Period Compensation (NCPC)	1	-37% ↓	-19% ↓
Total	489	-30% ↓	17% ↑

Average Power Prices (\$/MWh)

DA Hub LMP	41.79	-20% ↓	22% ↑
DA Hub LMP Plus Forecast Energy Requirement (FER) Price	43.27	-19% ↓	20% ↑
RT Hub LMP	39.51	-27% ↓	17% ↑

Average Generation Fuel Prices (\$/MMBtu)

Natural Gas (MA Avg.)	1.78	-21% ↓	-12% ↓
Diesel	37.46	16% ↑	110% ↑
No.6 Oil	17.63	17% ↑	59% ↑

*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: Supply

*Data Through September 23, 2026**

*Data Through September 27, 2026**

	Sep 2026 (MWh)	% Change M-O-M	% Change Y-O-Y
Average Hourly RQM Supply^[a]			
Total RQM Supply	14,619	-13% ↓	8% ↑
Natural Gas	6,052	-28% ↓	-14% ↓
Nuclear	3,312	2% ↑	0%
Solar	648	-14% ↓	-7% ↓
Hydro	429	-27% ↓	11% ↑
Wind	887	69% ↑	150% ↑
Other ^[b]	597	-3% ↓	13% ↑
Hybrid/Solar	78	-15% ↓	-4% ↓
Oil	1	-91% ↓	-90% ↓
Batteries	31	-2% ↓	63% ↑
Demand Response Resources (DRRs)	0.1	-79% ↓	-64% ↓
Scheduled Imports	2,585	2% ↑	124% ↑
Average Hourly Behind-The-Meter (BTM) Solar^[c]	1,322	-18% ↓	-3% ↓

*Based on available settled days.

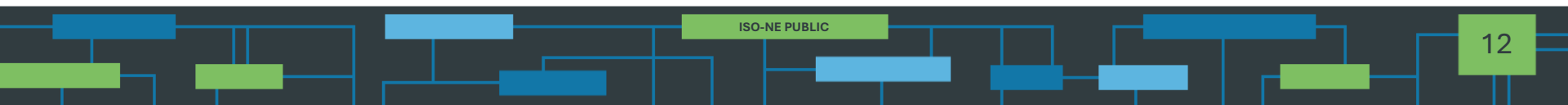
[a] Supply is RQM quality and includes both Modeled and Settlement Only Resources (SORs) and includes DRR and imports. Differs from NEL load due to not being adjusted for exports, Dispatchable Asset Related Demand (DARDs) and inadvertent tie flows.

[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

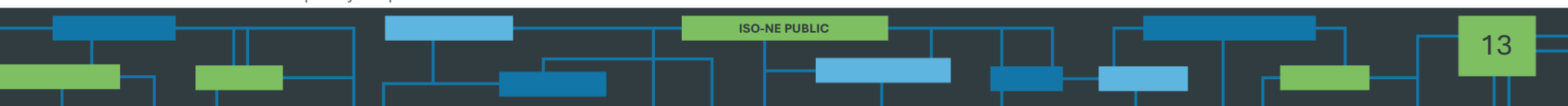
- The ISO posted the preferred Longer-Term Transmission Solution on 8/14/26
 - NESCOE had 30 days (until 9/14/26) to notify the ISO to cancel the RFP or request an alternative cost allocation. NESCOE did not pursue either option
 - The ISO notified the Qualified Transmission Project Sponsors (QTPSs) they were selected and need to execute Selected Qualified Transmission Project Sponsor Agreements within 30 days of the notification (until 10/15/26)
- CELT 2027 forecast discussions begin at the October 23 Load Forecast Committee meeting



Forward Capacity Market (FCM) Highlights

- 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 were posted on September 2, 2026.
 - The ISO presented the assumptions for the ICR and related values studies for the ARA3 at the August PSPC meeting.
 - The ISO reviewed the proposed tie benefits values for the ARA3 at the September 17, PSPC meeting.

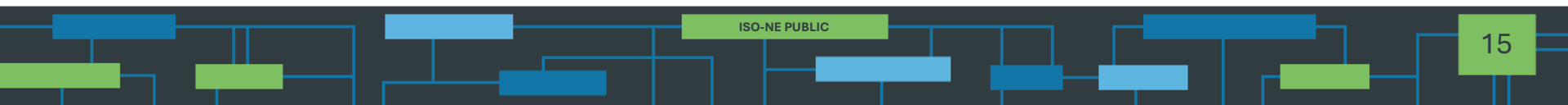
CCP – Capacity Commitment Period
ICR – Installed Capacity Requirement



FCM Highlights, cont.

- CCP 19 (2028-2029)
 - The ISO filed market rule changes to delay FCA 19 for two additional years with FERC on April 5, 2024
 - On May 20, 2024 FERC issued an order accepting the additional delay
 - 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 New Capacity Qualification Package (NCQP) submission window was open June 15-23, 2026
 - Qualification Determination Notifications will be issued on October 16, 2026 and Qualified Capacities will be finalized on November 2, 2026.
 - No ICR and related values will be calculated for CCP 19 until the CAR project is completed

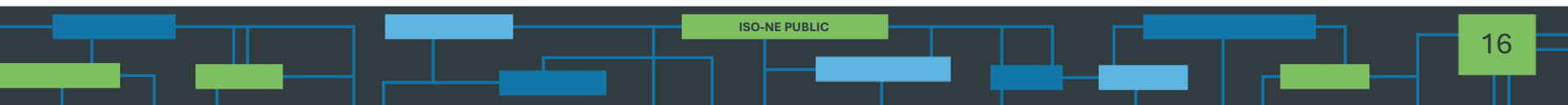
SYSTEM OPERATIONS



NPCC Simultaneous Activation of Ten-Minute Reserve Events

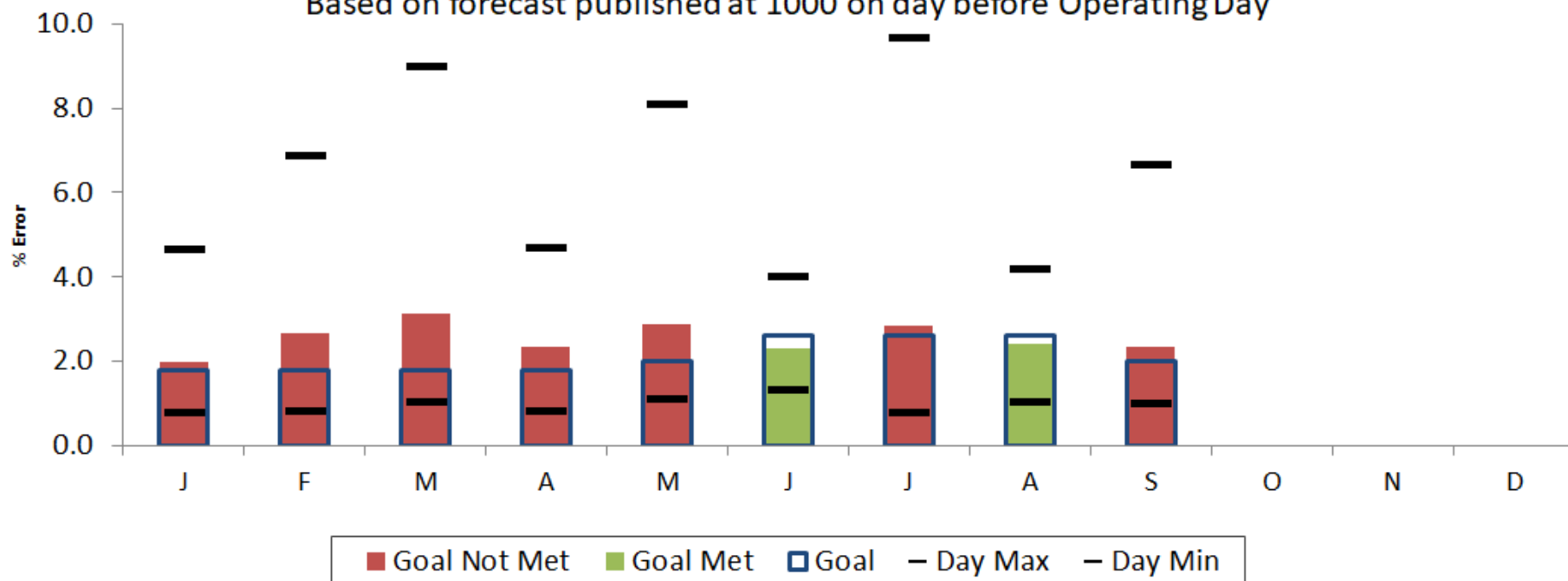
Date	Area	MW Lost
09/02/2026	NYISO	570
09/25/2026	NYISO	1250

**Data Through September 27, 2026*



2026 Load Forecast Accuracy

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

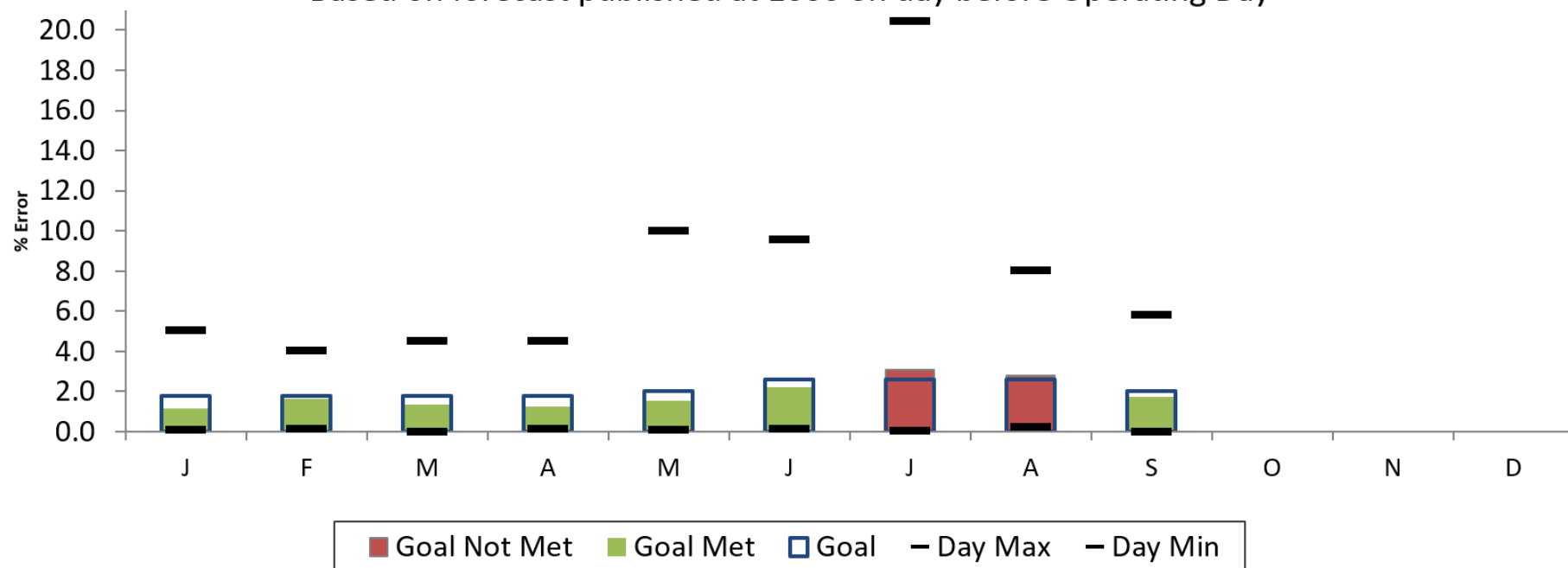


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.65	6.85	8.96	4.67	8.09	3.99	9.64	4.19	6.64				9.64
Day Min	0.76	0.82	1.01	0.80	1.09	1.29	0.77	1.01	0.98				0.76
MAPE	2.00	2.66	3.14	2.33	2.90	2.30	2.86	2.41	2.36				2.55
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60	2.00				

**Data Through September 27, 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

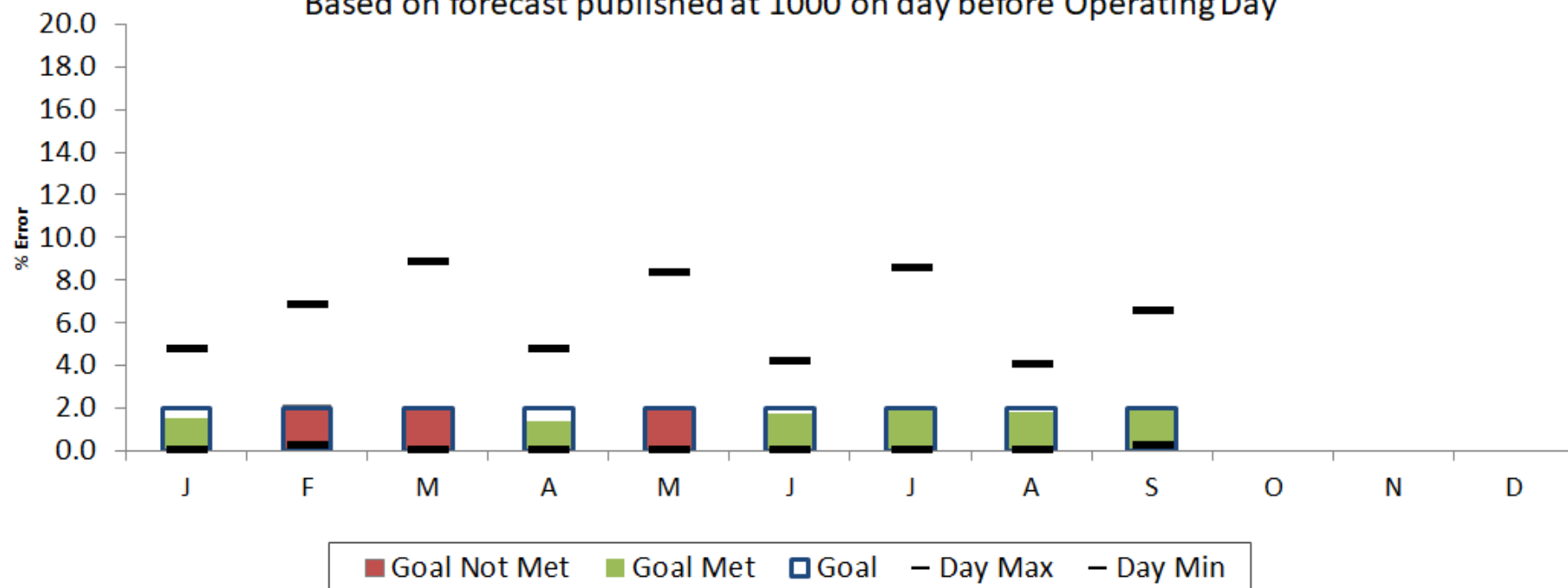


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	5.05	4.02	4.51	4.51	10.02	9.58	20.46	8.02	5.82				20.46
Day Min	0.08	0.12	0.01	0.16	0.11	0.14	0.03	0.24	0.01				0.01
MAPE	1.17	1.64	1.34	1.24	1.52	2.23	3.08	2.77	1.71				1.86
Goal	1.80	1.80	1.80	1.80	2.00	2.60	2.60	2.60	2.00				

**Data Through September 27, 2026*

2026 Load Forecast Accuracy, cont.

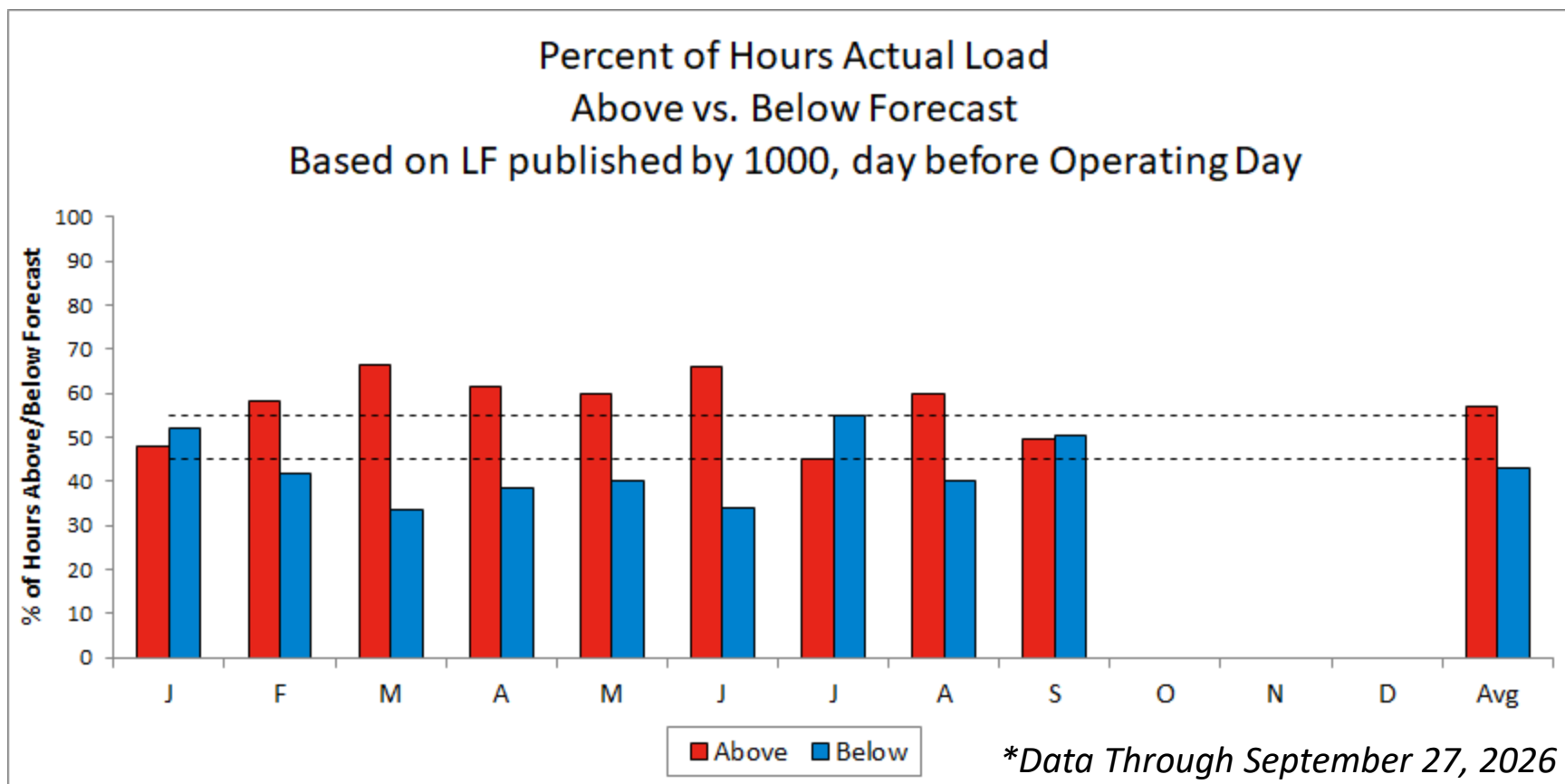
Daily Energy
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day



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	4.03	6.57				8.85
Day Min	0.01	0.22	0.03	0.00	0.06	0.07	0.03	0.05	0.24				0.00
MAPE	1.57	2.12	2.11	1.42	2.06	1.75	1.94	1.82	1.93				1.86
Goal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00				

**Data Through September 27, 2026*

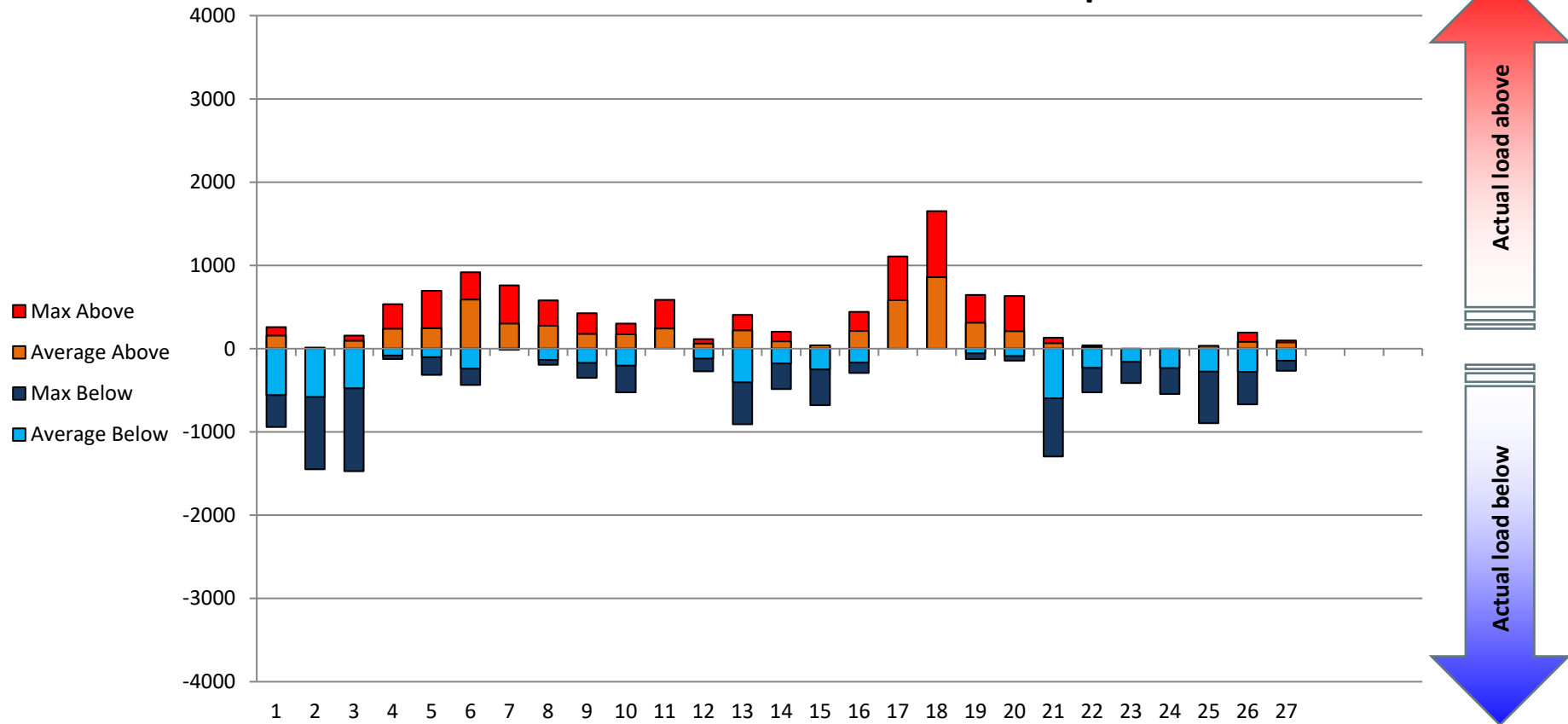
2026 Load Forecast Accuracy, cont.



	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	59.9	49.5				57
Below %	52.2	41.8	33.6	38.6	40.3	33.9	55.1	40.1	50.5				43
Avg Above	203	299.6	325	240.4	296.5	304	259.1	298.3	178.7				325
Avg Below	-233.3	-271.5	-290.0	-157.2	-194.4	-160.0	-432.7	-256.5	-194.6				-433
Avg All	-20	59	130	91	106	138	-139	51	4				46

2026 Load Forecast Accuracy, cont.

Deviation of Actual Load from Forecasted Load September 2026



**Data Through September 27, 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](#)

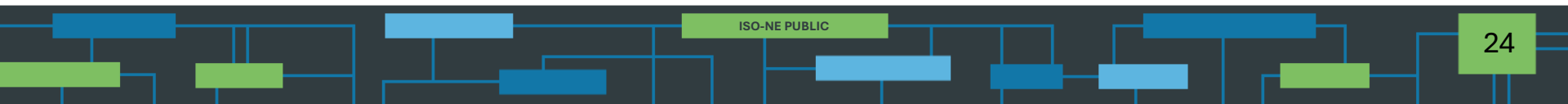
Notable Planned Transmission Outages

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

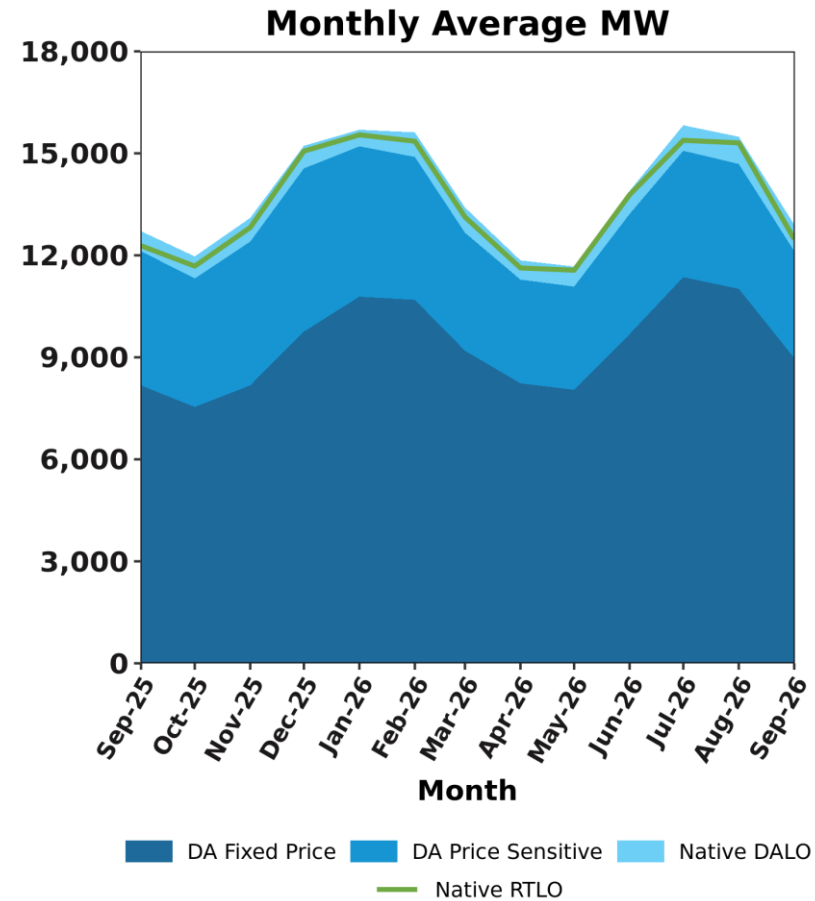
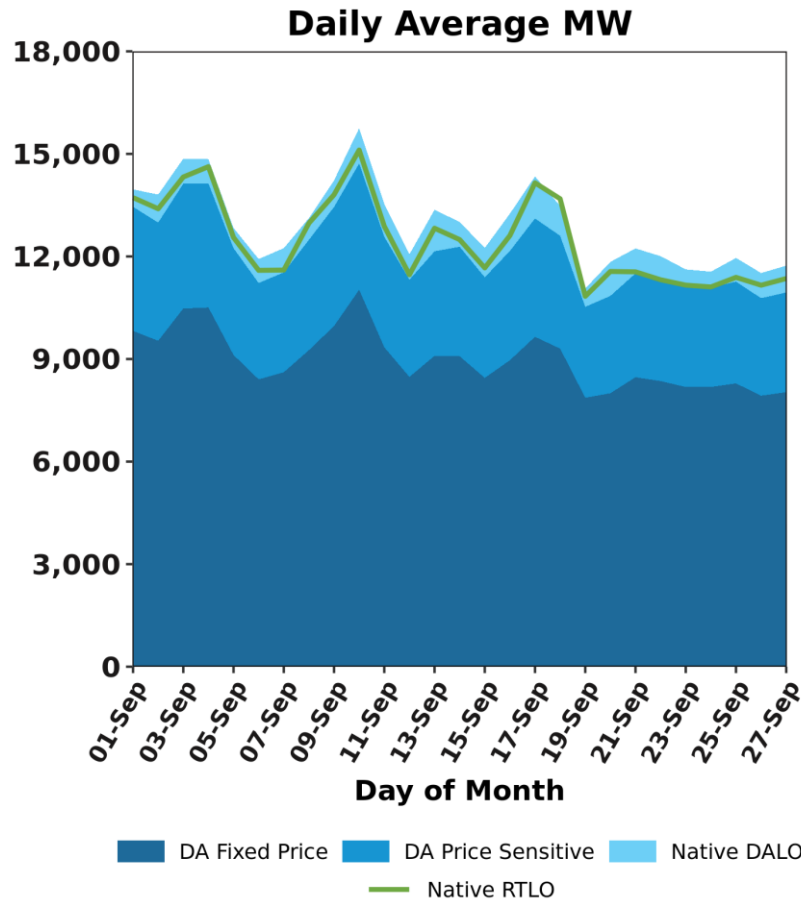
Outage	Start	Planned End	Total Transfer Capability (TTC) Impacts
Phase 2	10-7-2026	11-02-2026	Phase 2 = 0 MW in both directions
Cross Sound Cable	10-19-2026	10-31-2026	CSC = 0 MW in both directions
NECEC	11-05-2026	11-17-2026	TTC = 0 MW
390/3016	11-16-2026	11-20-2026	New Brunswick-New England = 575 MW New England-New Brunswick = 0 MW
393	11-17-2026	11-19-2026	New York – New England = 800 MW New England – New York = 600 MW NNC = 0 MW in both directions
398	11-21-2026	11-24-2026	New York – New England = 1000 MW New England – New York = 600 MW NNC = 60 MW in both directions Phase 2 – New England = 1400 MW

MARKET OPERATIONS

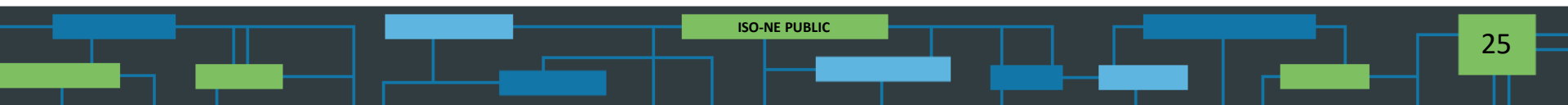
Supply and Demand Volumes



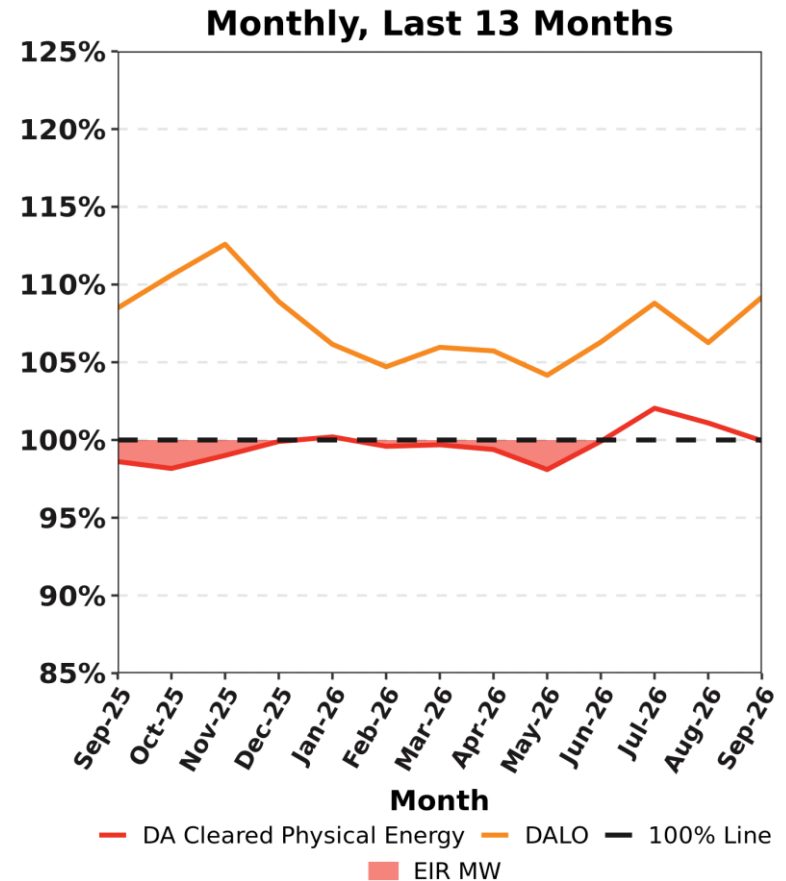
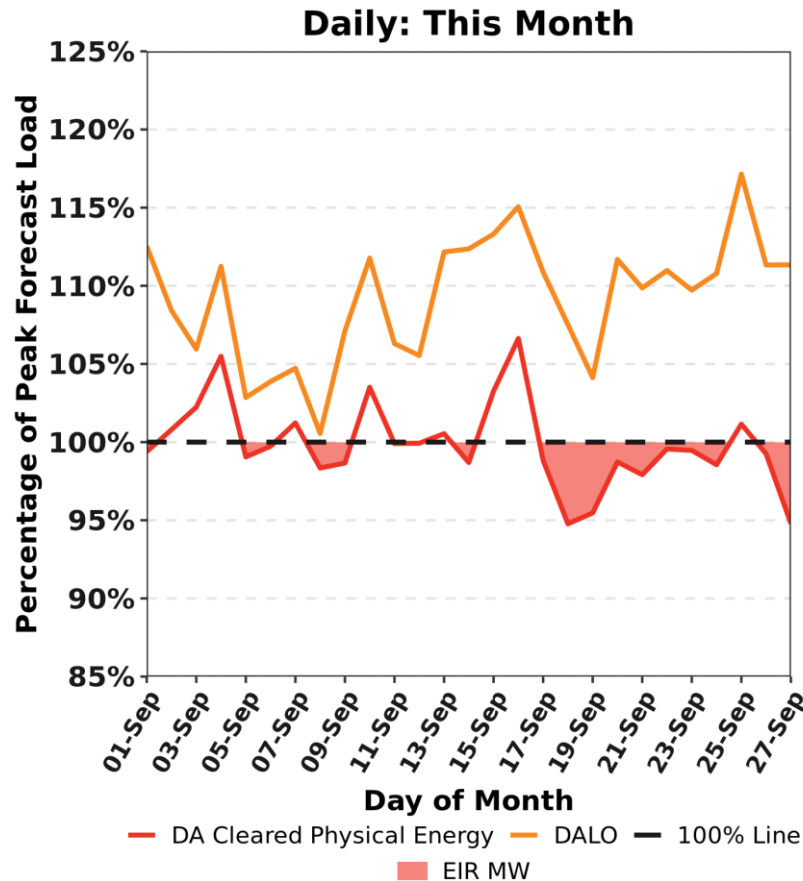
DA Cleared Native Load by Composition Compared to Native RT Load



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.

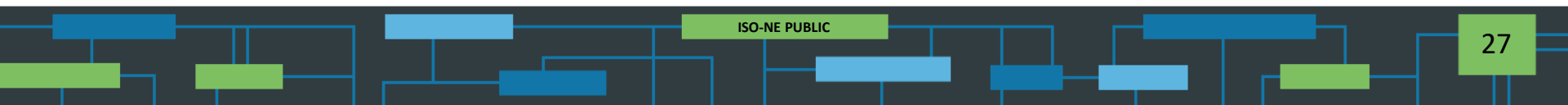
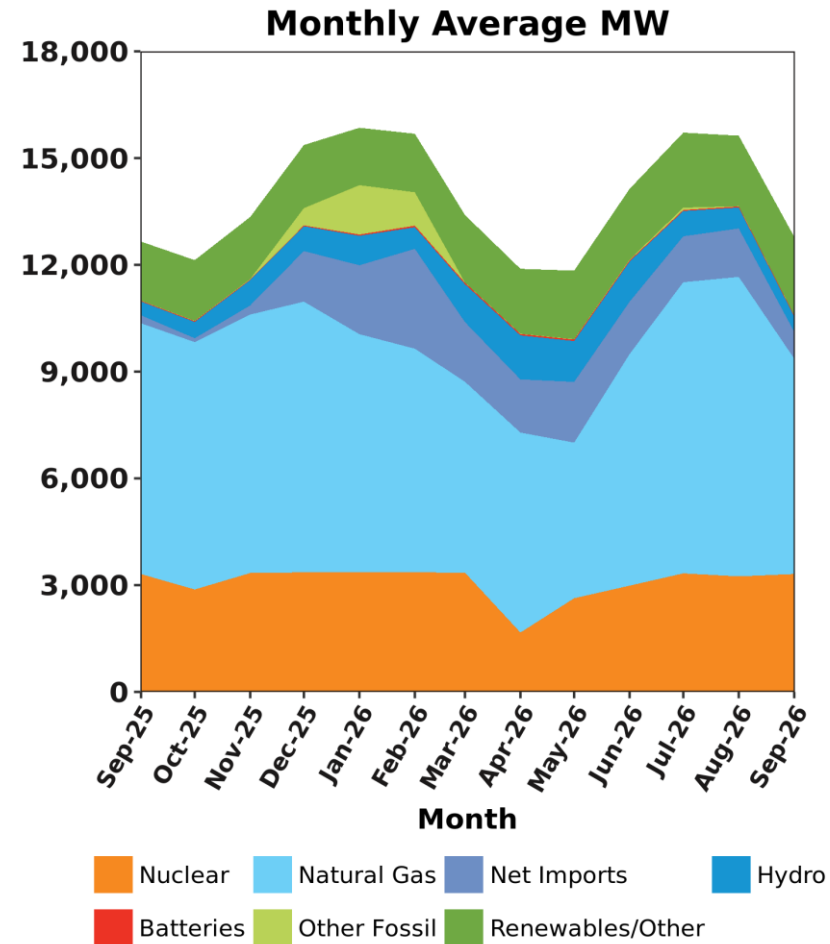
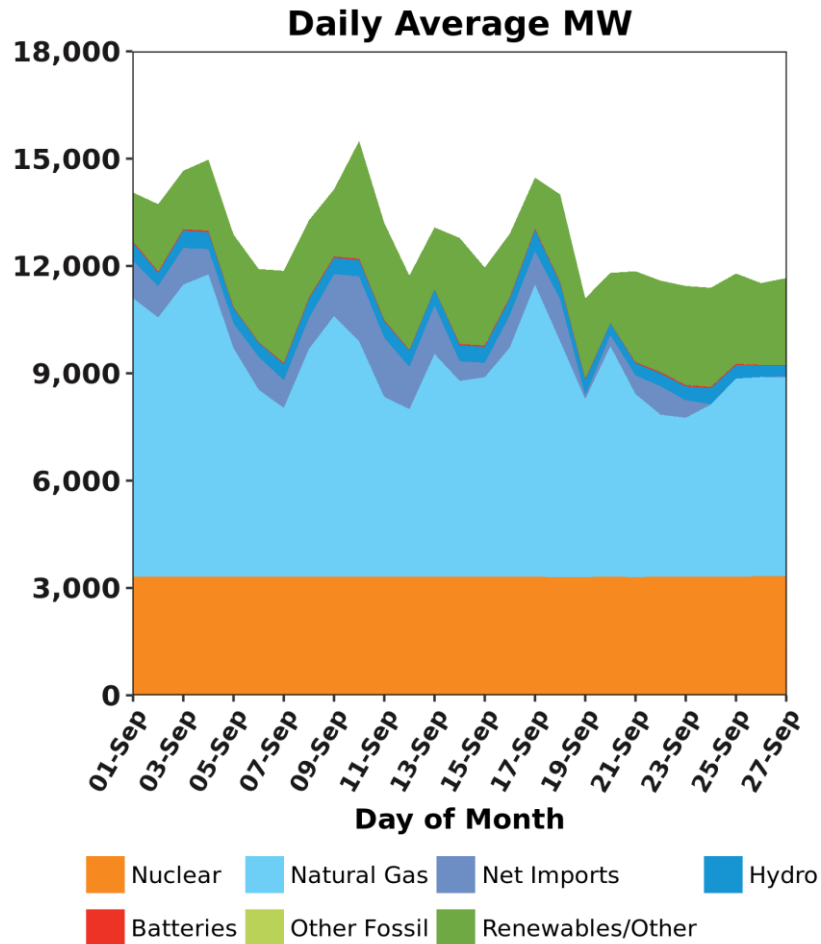


DA Volumes as % of Forecast in Peak Hour

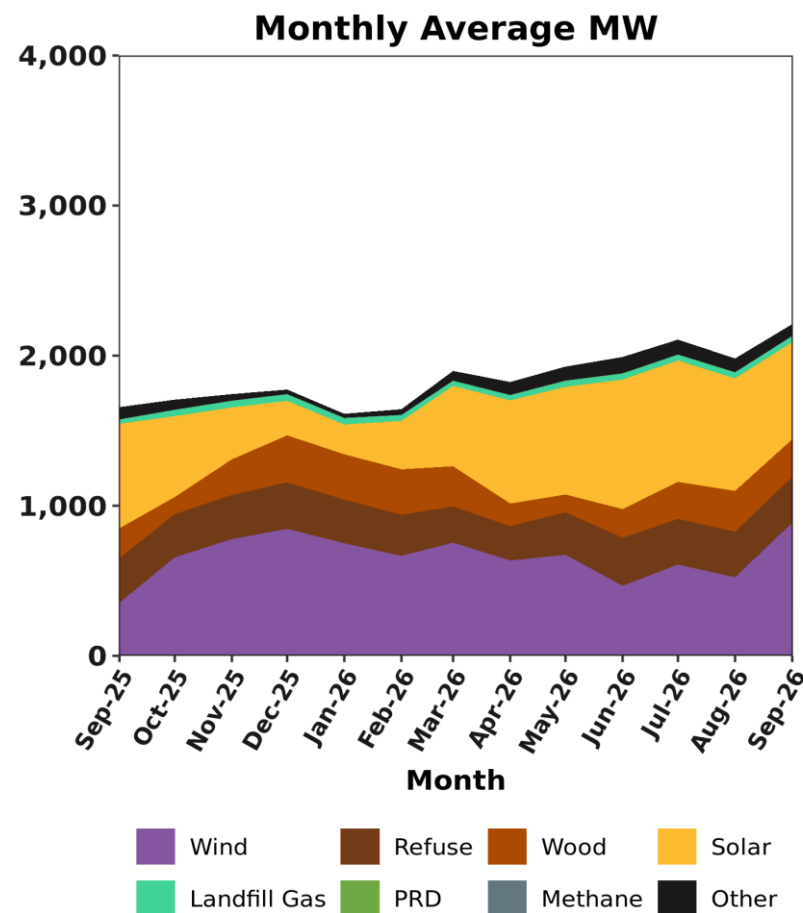
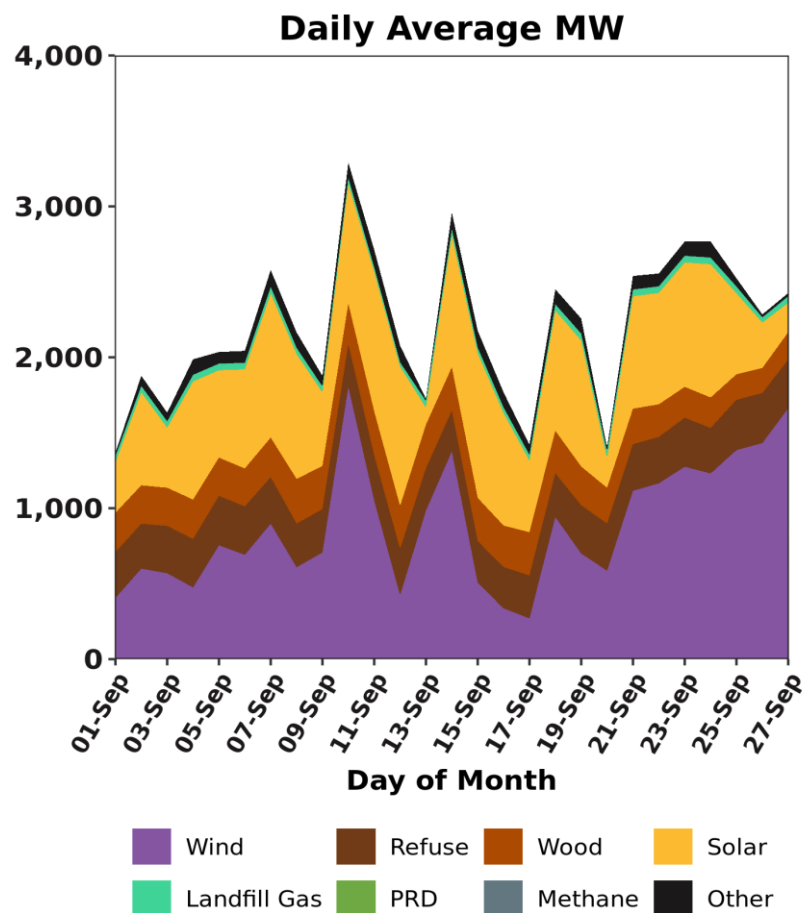


*DA cleared physical energy is the sum of generation, DRR and net imports cleared in the DA Energy Market and does not include EIR MW. EIR MW obligations from physical generation and DRR are additionally procured up to (but not exceeding) 100% of the forecasted energy requirement.

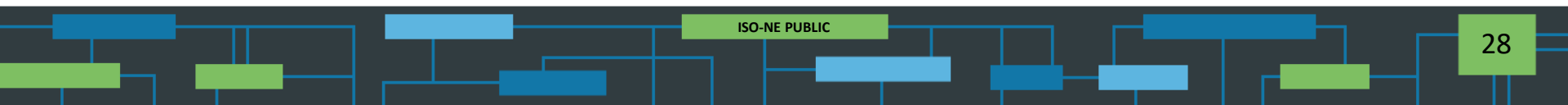
Resource Mix



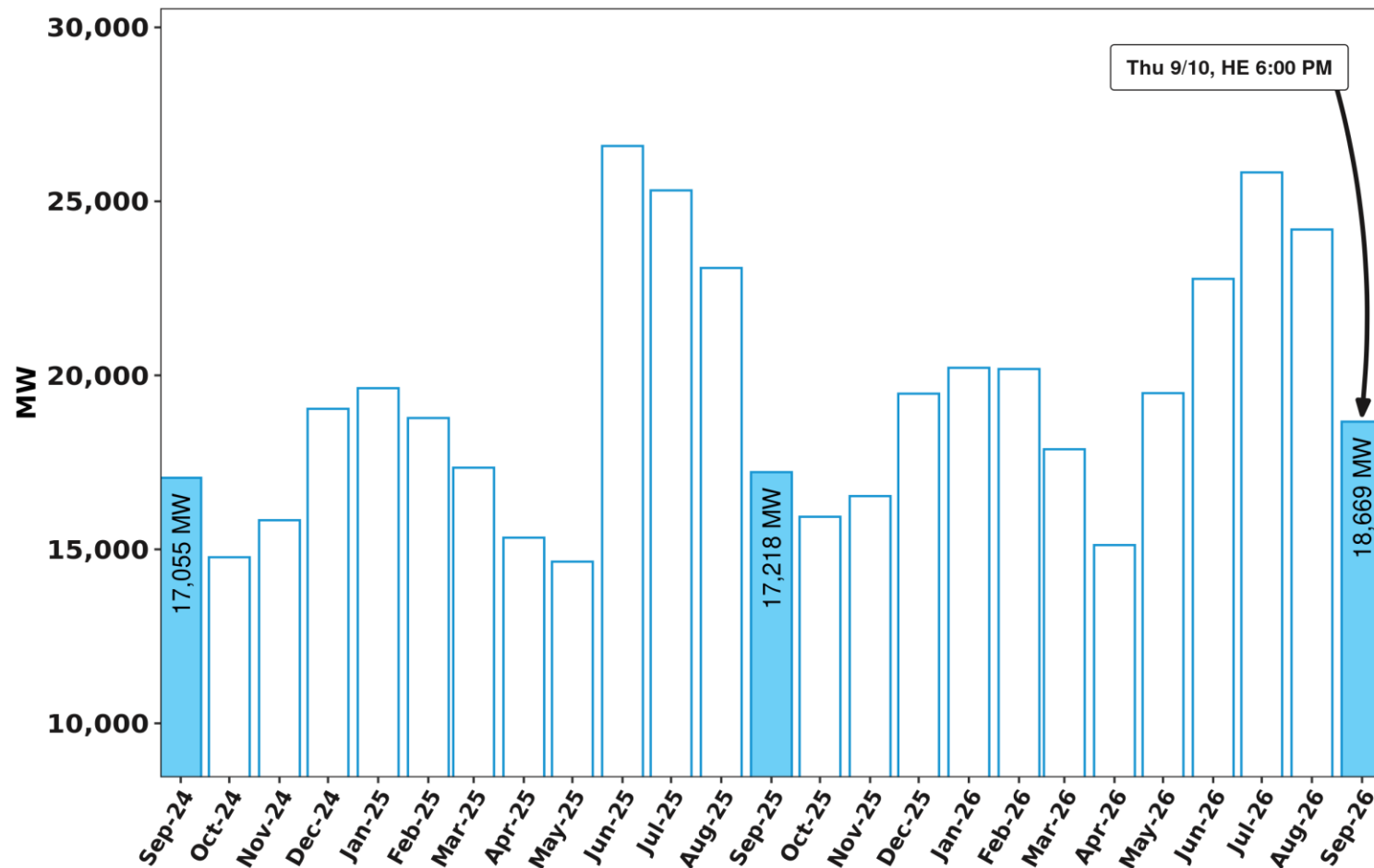
Renewable/Other Generation by Fuel Type



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

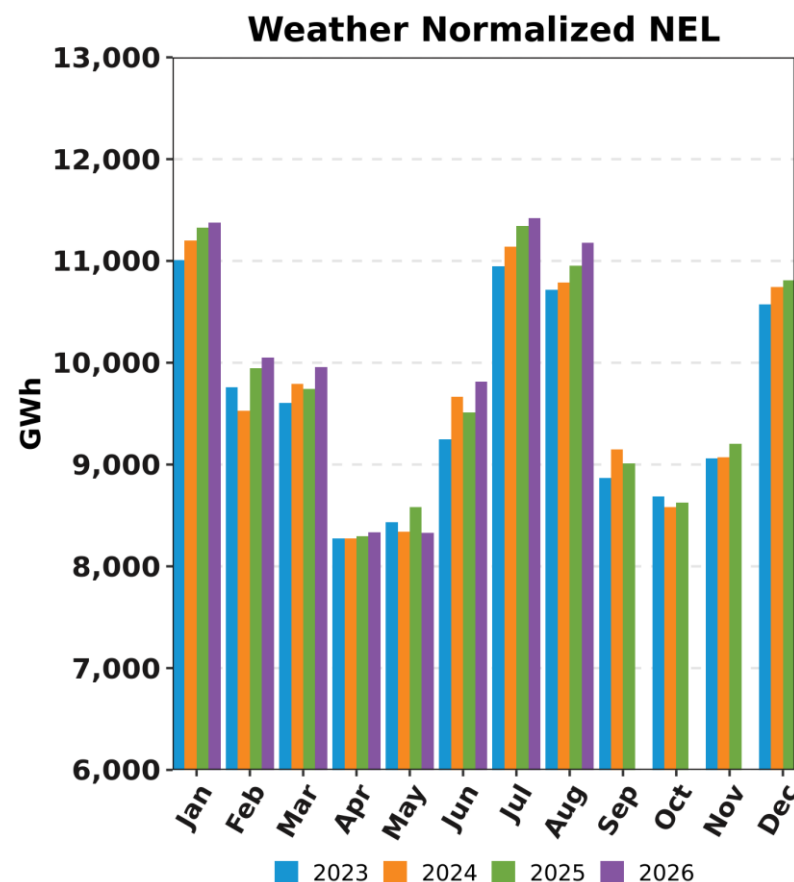
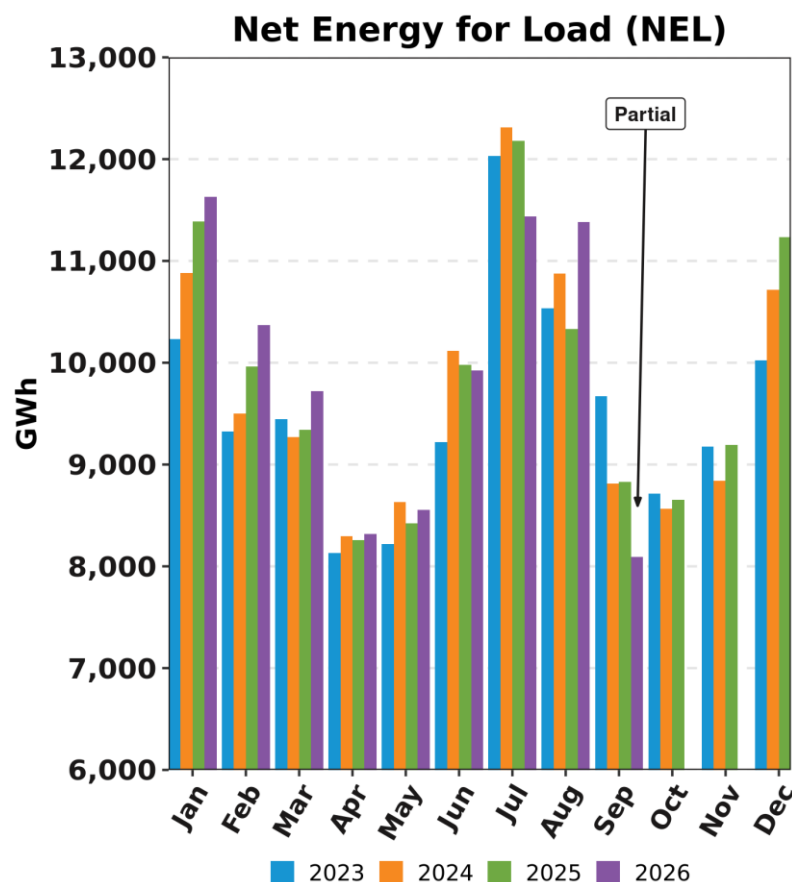


RQM System Peak Load MW by Month



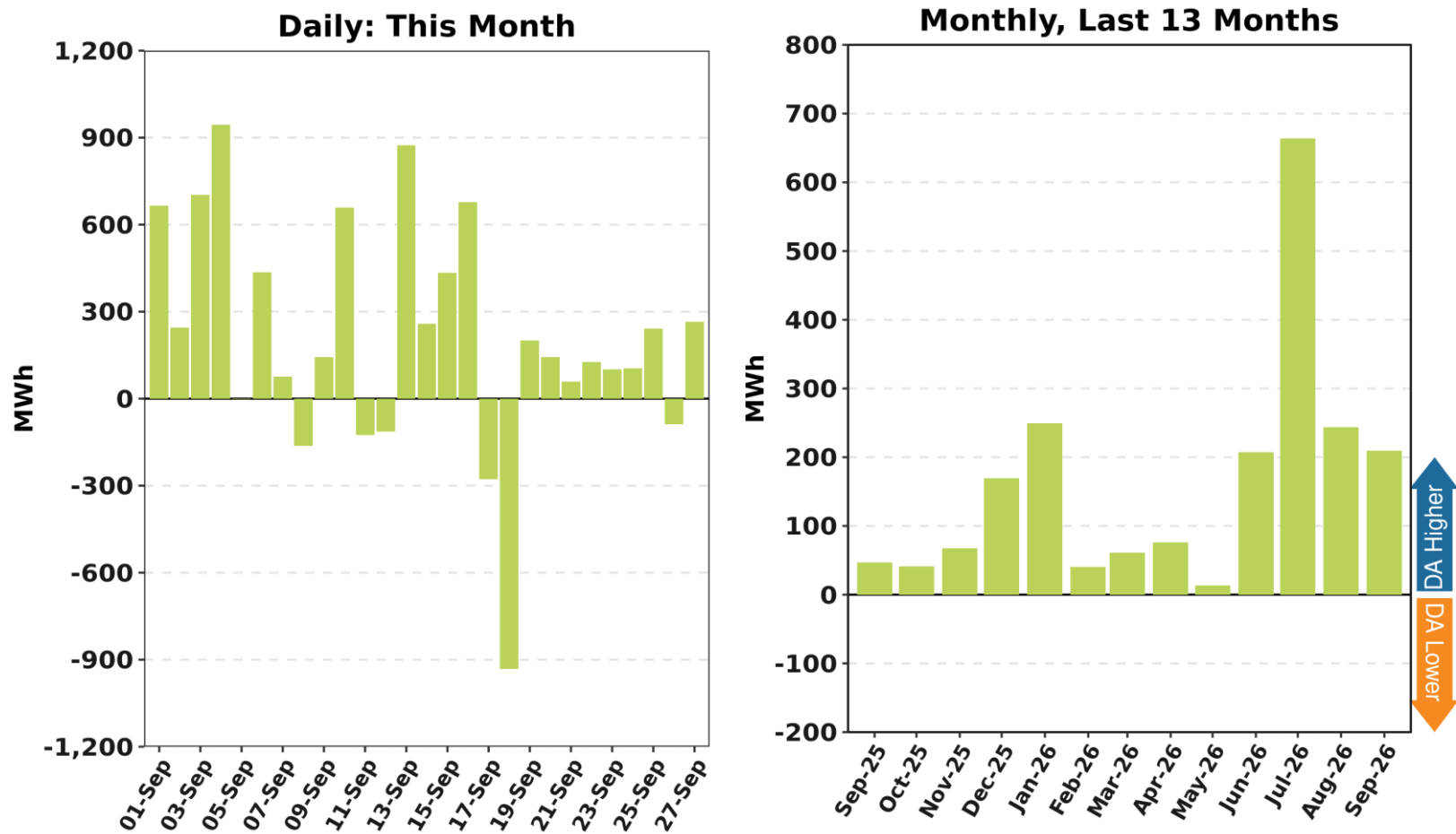
Shaded columns highlight current month and the same month over the prior two years

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



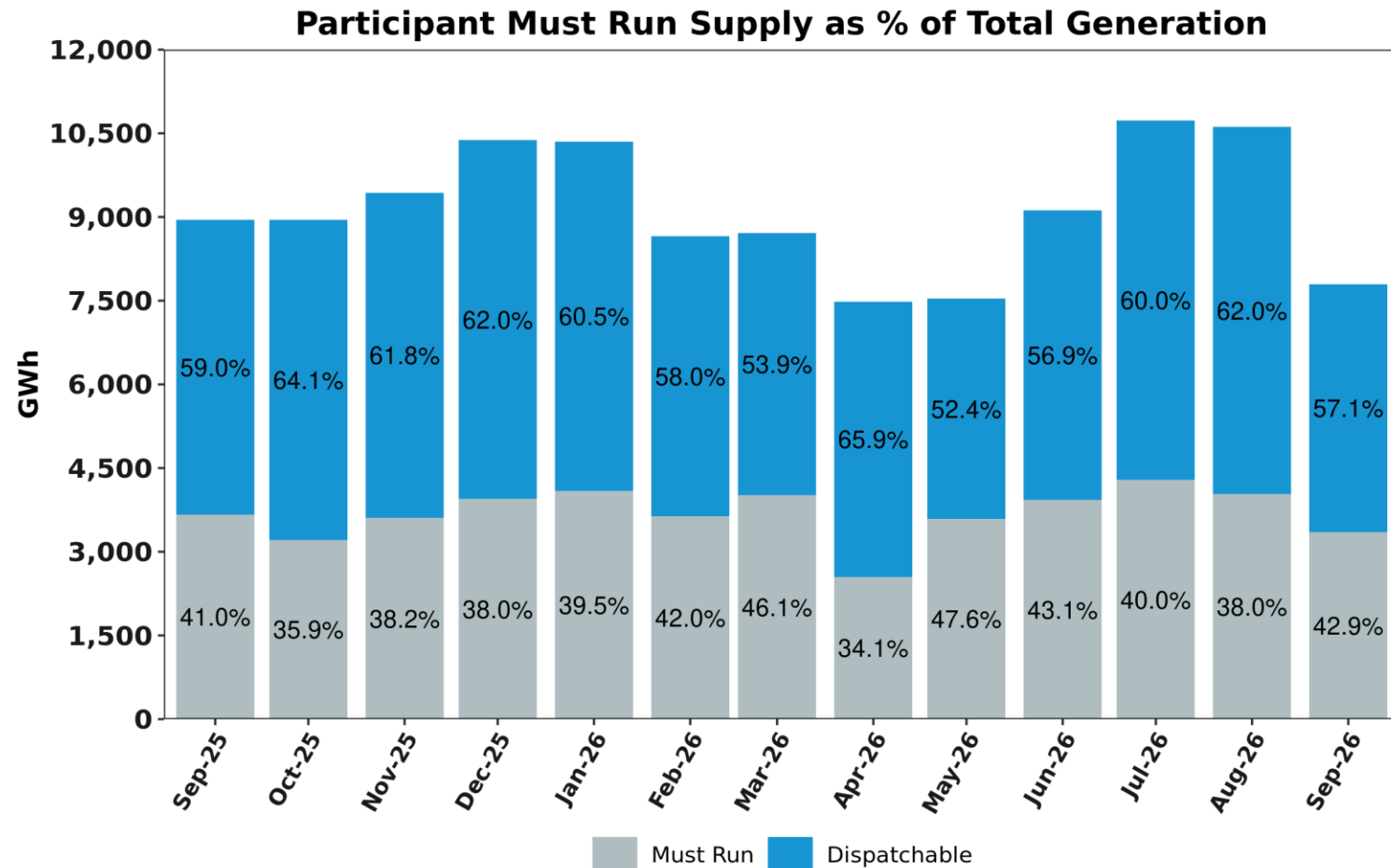
NEPOOL NEL is the total net revenue quality metered energy required to serve load and is analogous to 'RT system load.' NEL is calculated as: Generation + Demand Response Resource output - pumping load + net interchange where imports are positively signed. Current month's data may be preliminary. Weather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

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

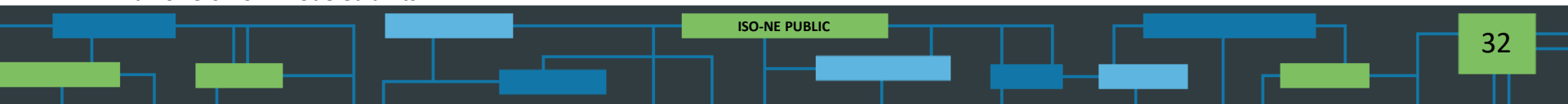


Negative values indicate DA Cleared Physical Energy value below its RT counterpart. EIR MW are not included in DA Physical Energy.

RT Generation Output Offered as Must Run vs Dispatchable

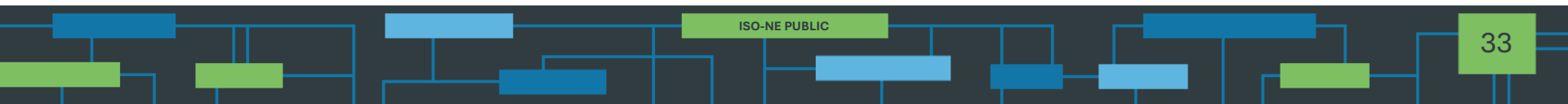


Includes generation and DRR. Must Run (non-dispatchable) category reflects full output of Settlement Only Resources (SOG) as well as must run offers from modeled units



MARKET OPERATIONS

Market Pricing



DA vs. RT LMPs (\$/MWh)

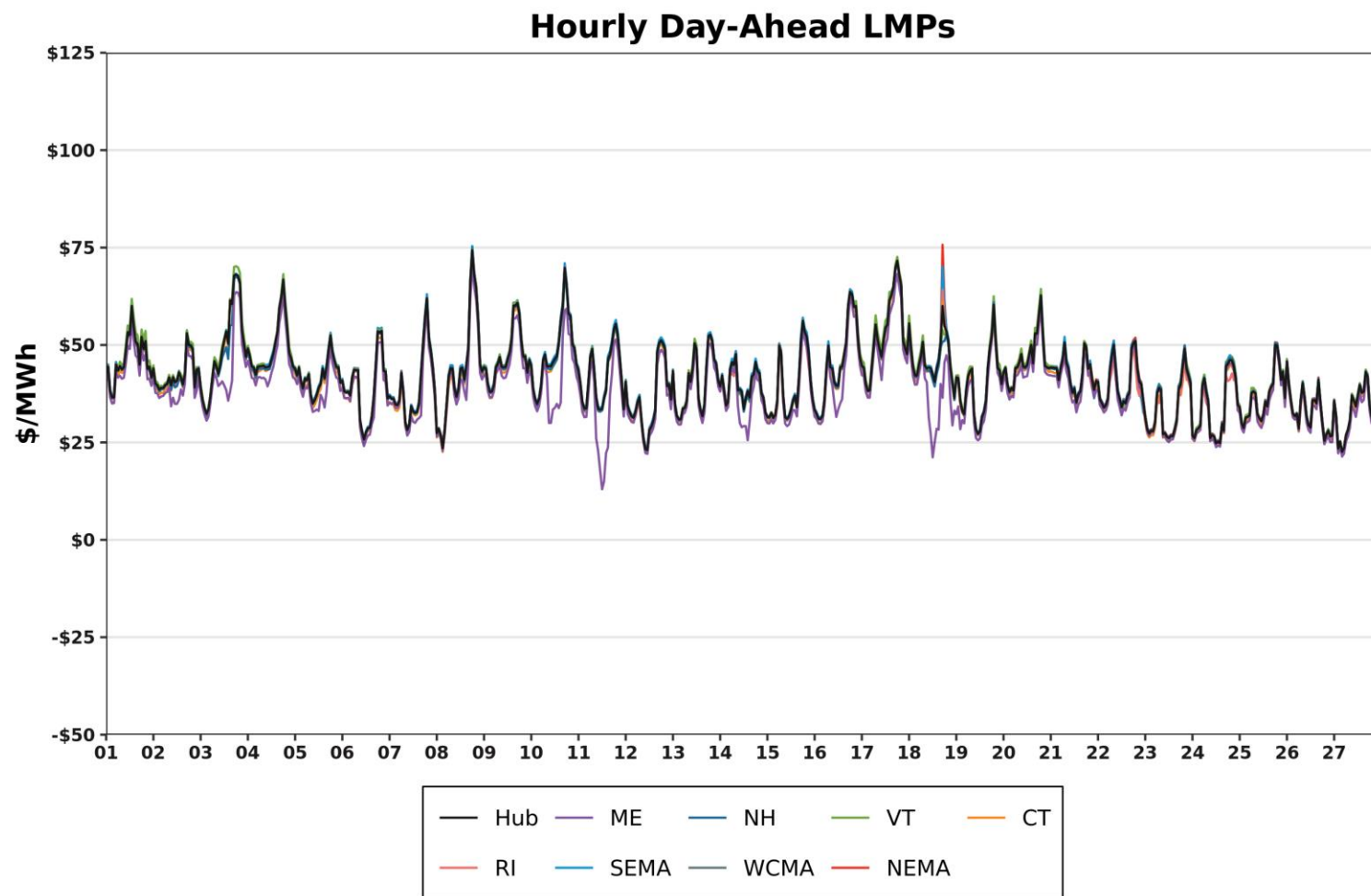
Arithmetic Average

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%

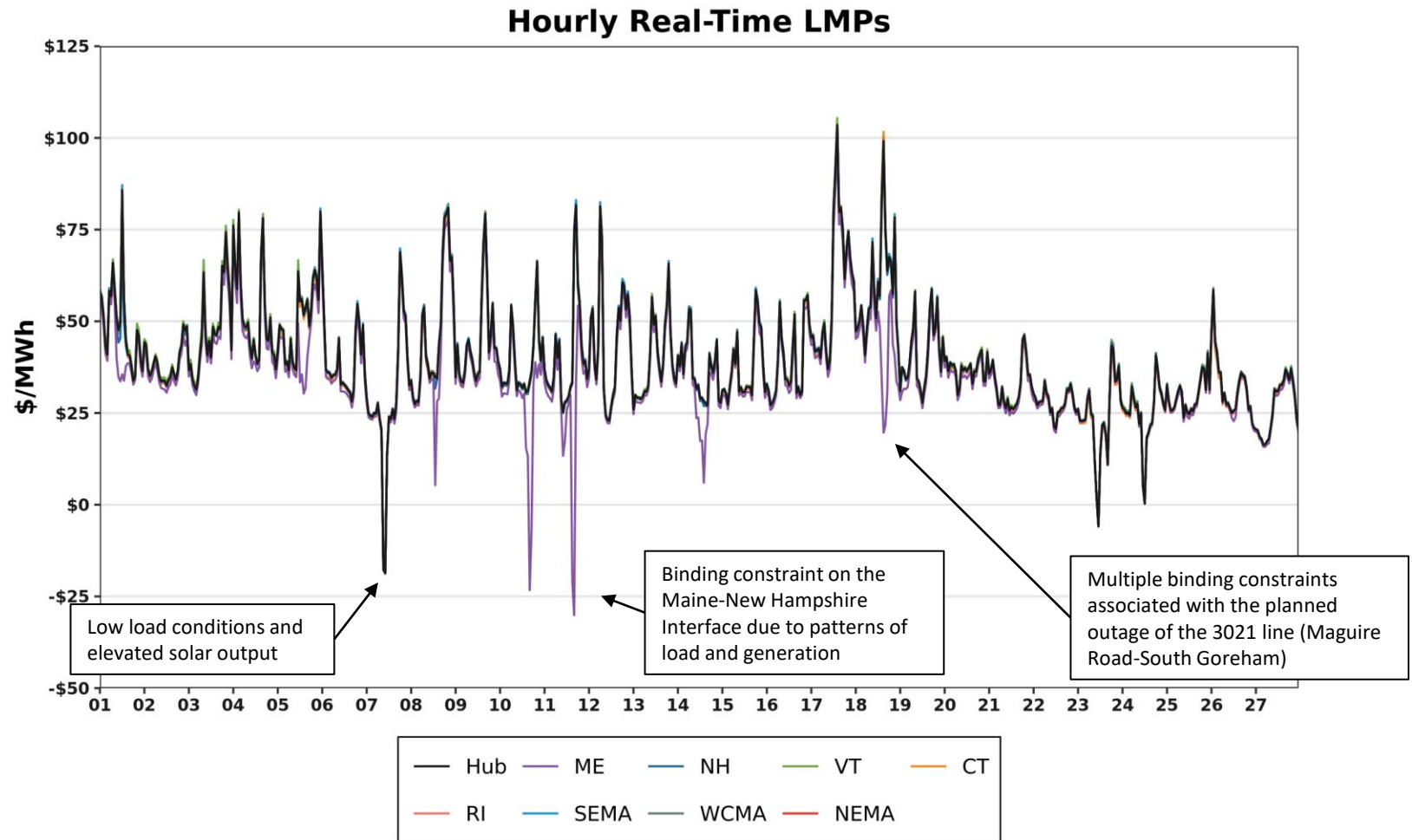
September-25	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$34.21	\$33.98	\$34.66	\$34.81	\$33.61	\$33.85	\$34.38	\$34.30	\$34.67
Real-Time	\$33.90	\$33.64	\$34.30	\$34.55	\$33.37	\$33.51	\$33.97	\$33.96	\$34.27
RT Delta %	-0.91%	-1.00%	-1.04%	-0.75%	-0.71%	-1.00%	-1.19%	-0.99%	-1.15%
September-26	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Day-Ahead	\$41.79	\$38.75	\$41.49	\$42.05	\$40.76	\$41.23	\$42.17	\$41.80	\$42.16
Real-Time	\$39.51	\$36.09	\$39.24	\$39.73	\$38.77	\$39.00	\$39.78	\$39.56	\$39.79
RT Delta %	-5.46%	-6.86%	-5.42%	-5.52%	-4.88%	-5.41%	-5.67%	-5.36%	-5.62%
Annual Diff.	Hub	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Yr over Yr DA	22.16%	14.04%	19.71%	20.80%	21.27%	21.80%	22.66%	21.87%	21.60%
Yr over Yr RT	16.55%	7.28%	14.40%	14.99%	16.18%	16.38%	17.10%	16.49%	16.11%

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.

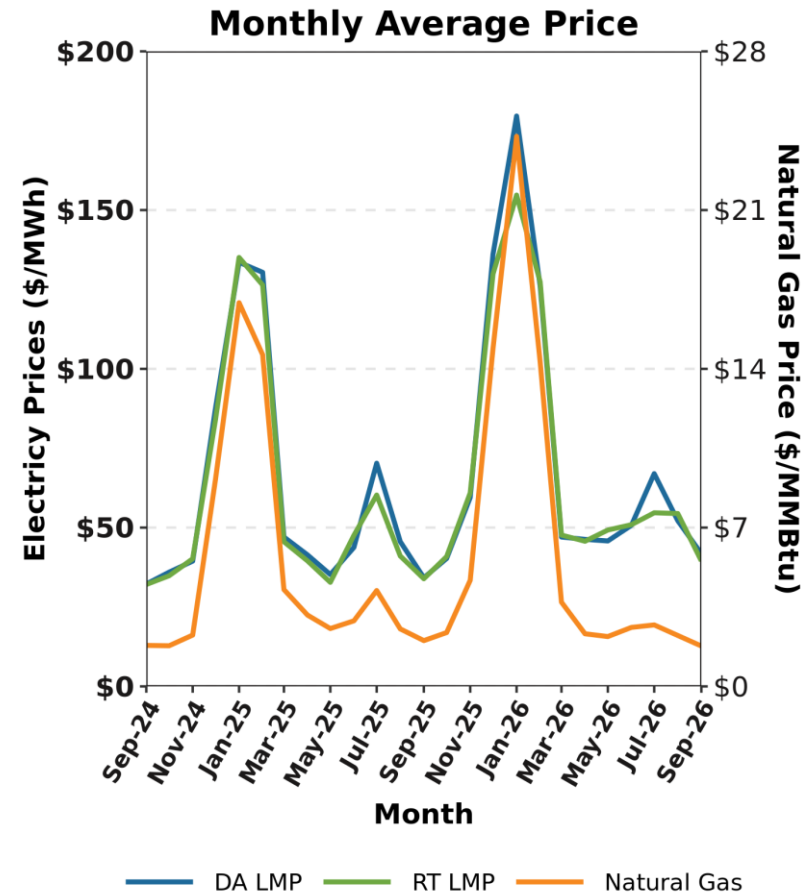
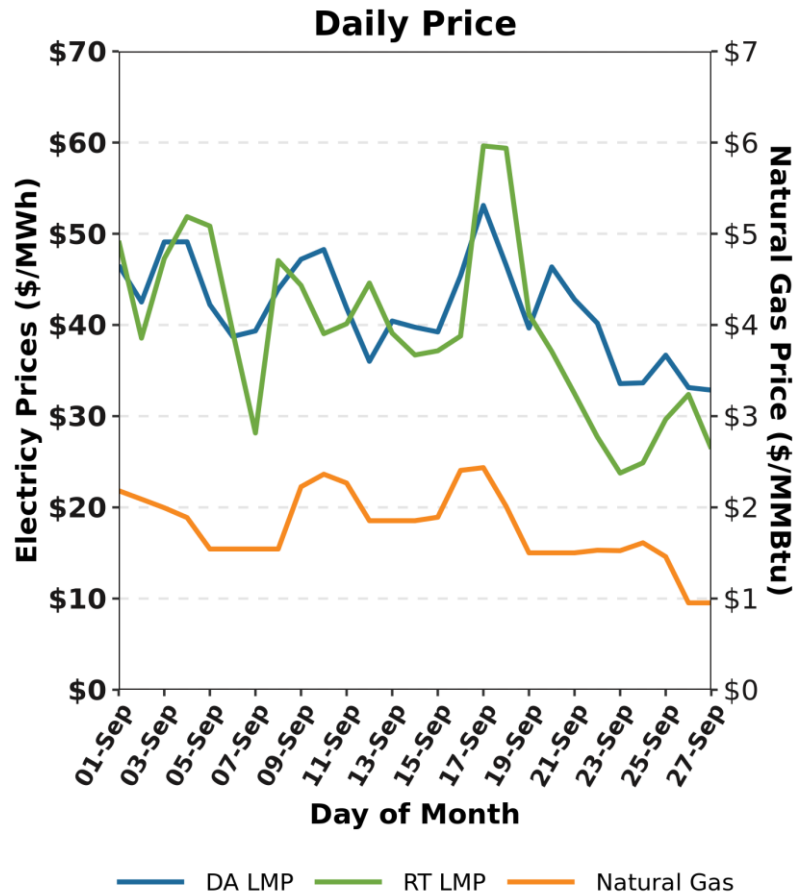
Hourly DA LMPs, September 1-27, 2026



Hourly RT LMPs, September 1-27, 2026



Wholesale Electricity vs Natural Gas Price by Month

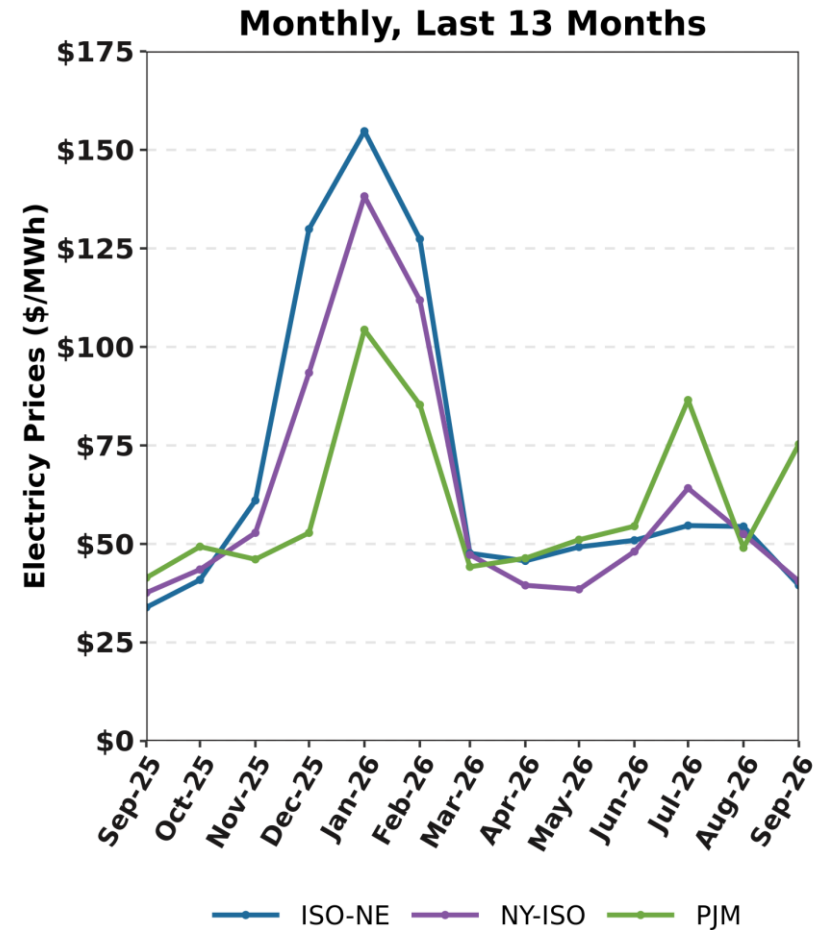
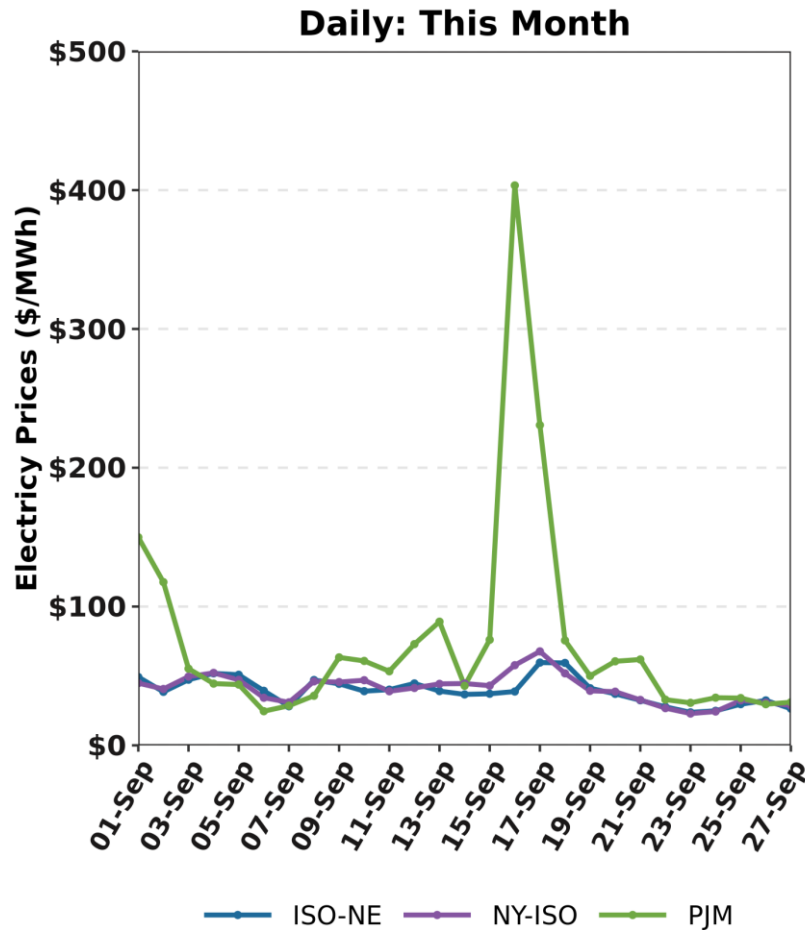


Gas price is average of Massachusetts delivery points

Underlying natural gas data furnished by:

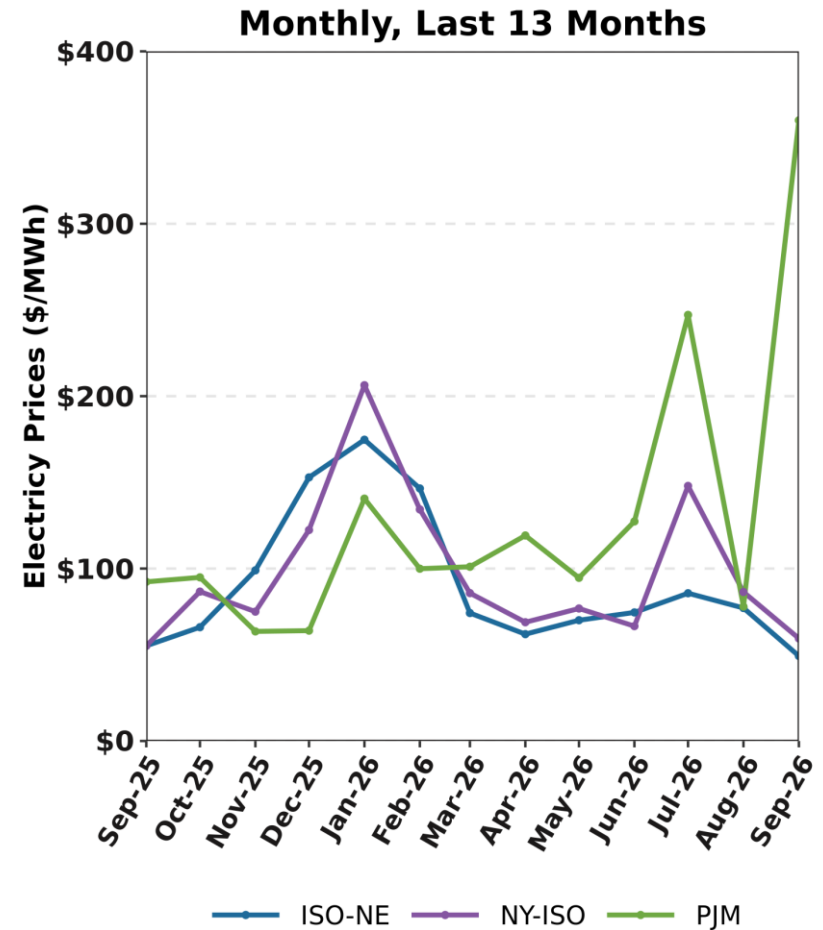
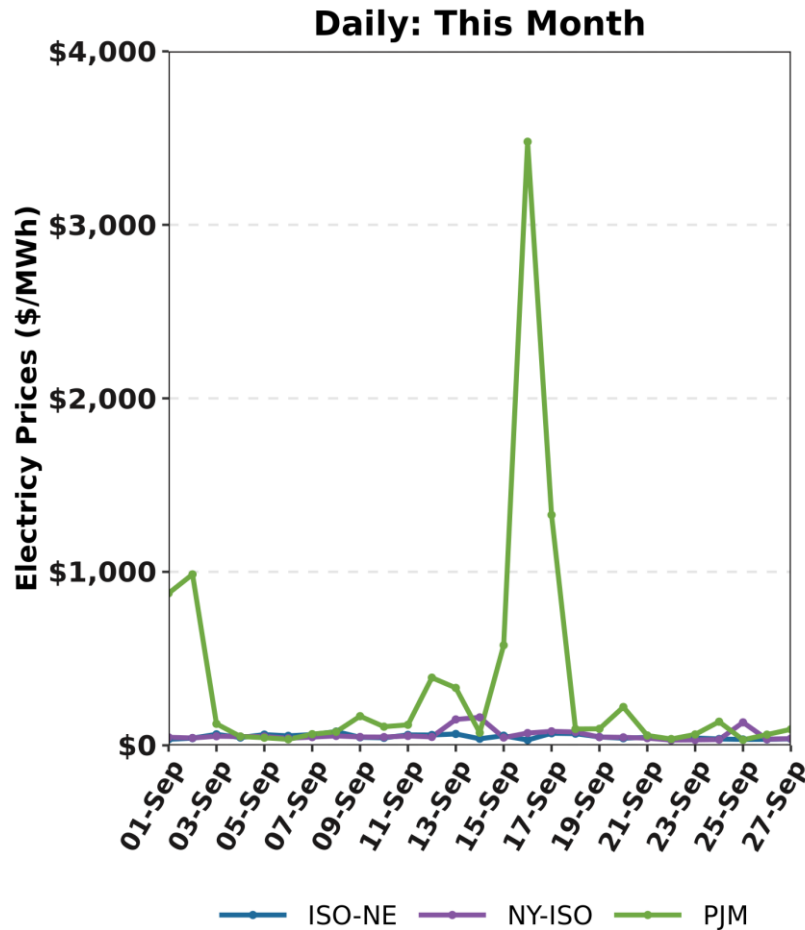


New England, NY, and PJM Hourly Average RT Prices by Month

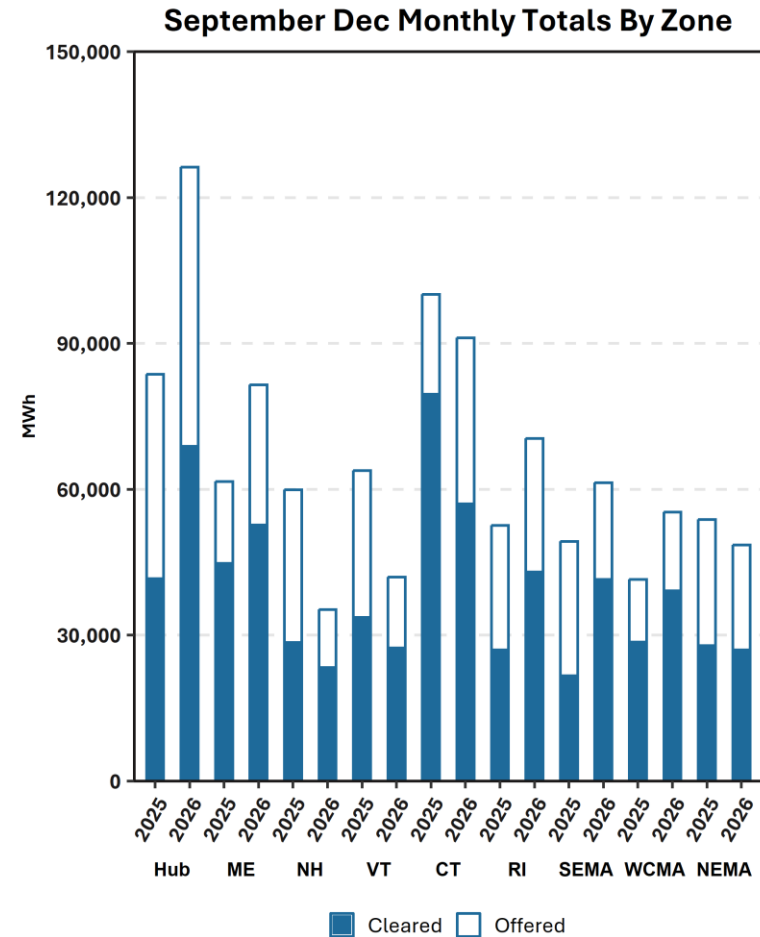
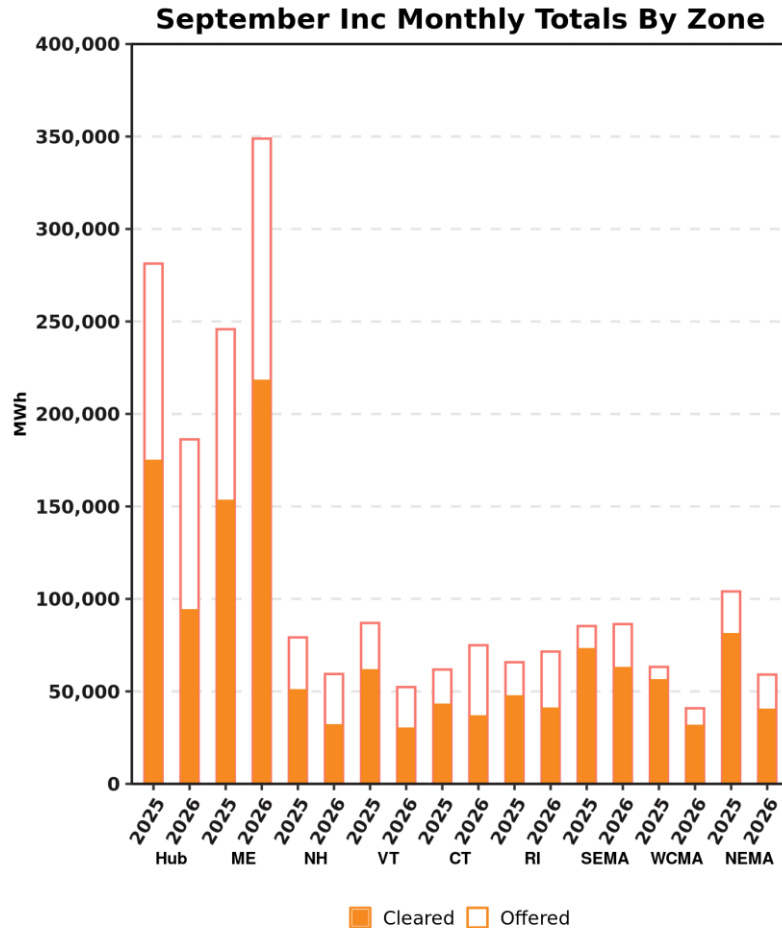


Hourly average prices are shown

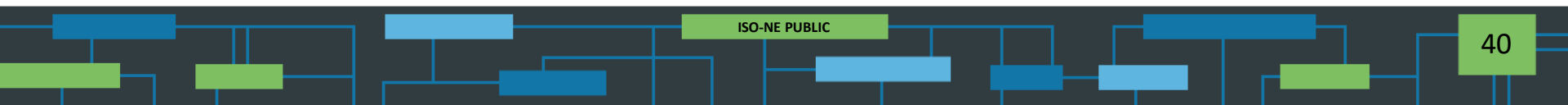
New England, NY, and PJM RT Pricing during New England's Forecasted Daily Peak Hours



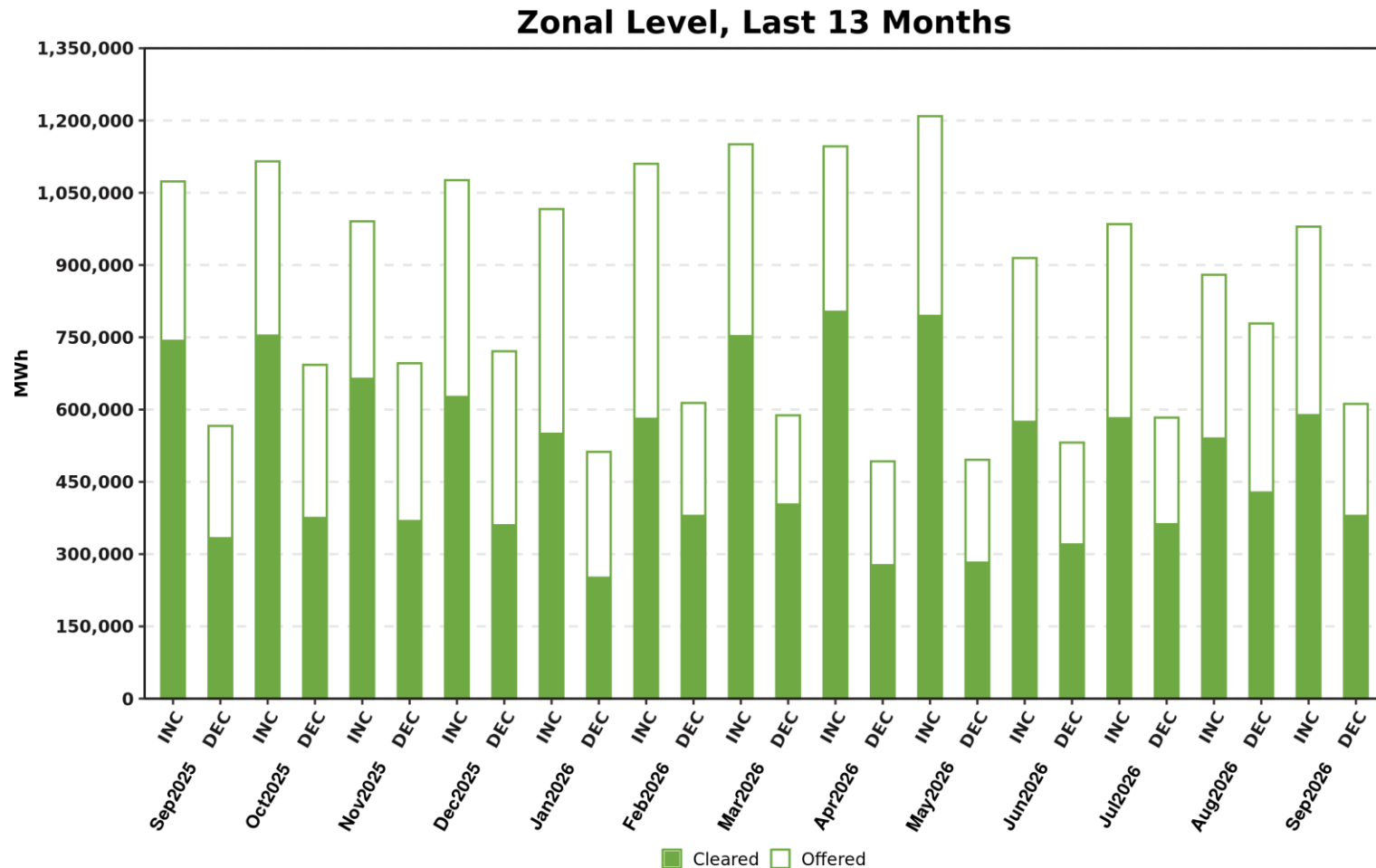
Zonal Increment Offers and Decrement Bid Amounts



Includes nodal activity within the zone; excludes external nodes

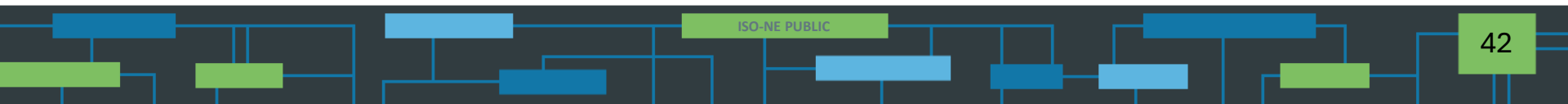


Total Increment Offers and Decrement Bids



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
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	\$22.1M	\$665K	\$418K	\$7.78	1.9%	\$642K	114K	\$1.47	2.9%	31
09/01/2026	\$15.1M	\$412K	\$337K	\$6.23	2.2%	\$456K	121K	\$1.48	3.0%	55

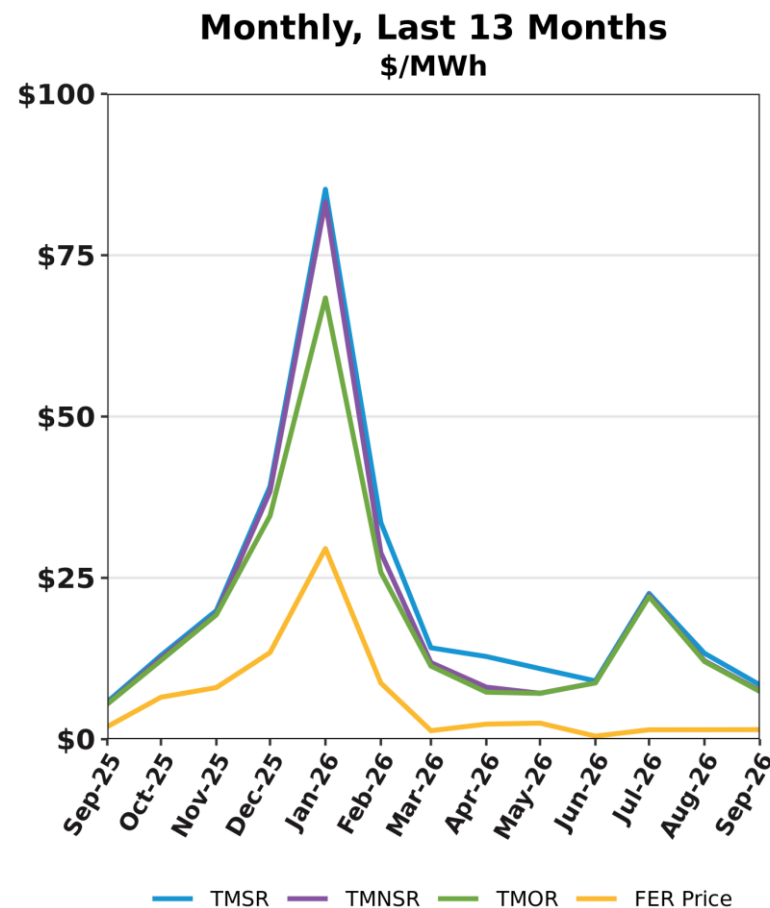
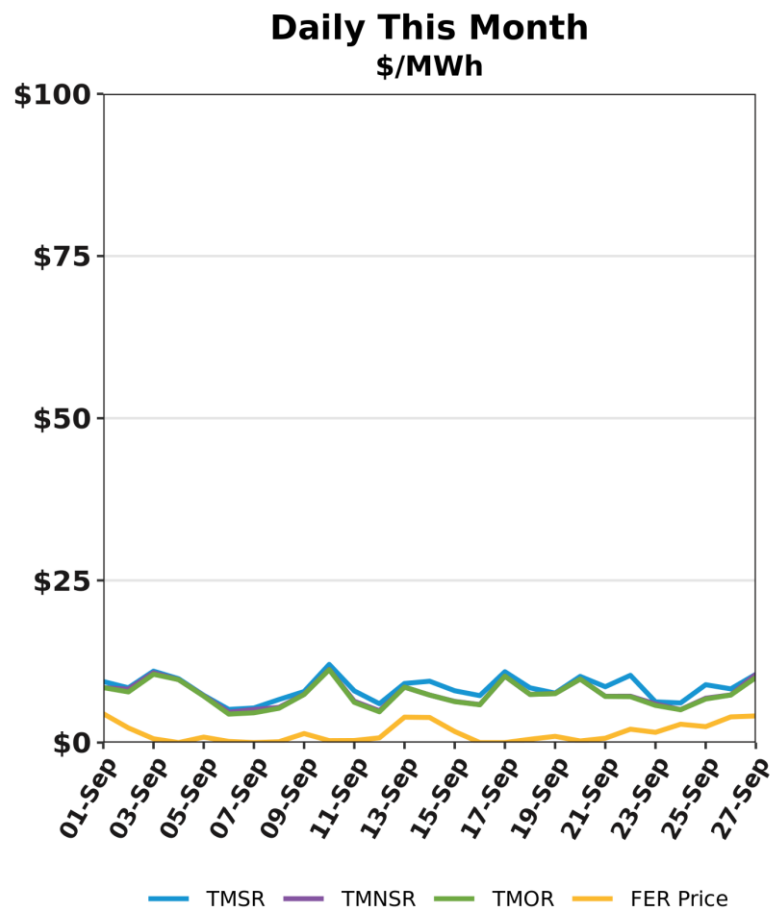
About the Table:

- 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)

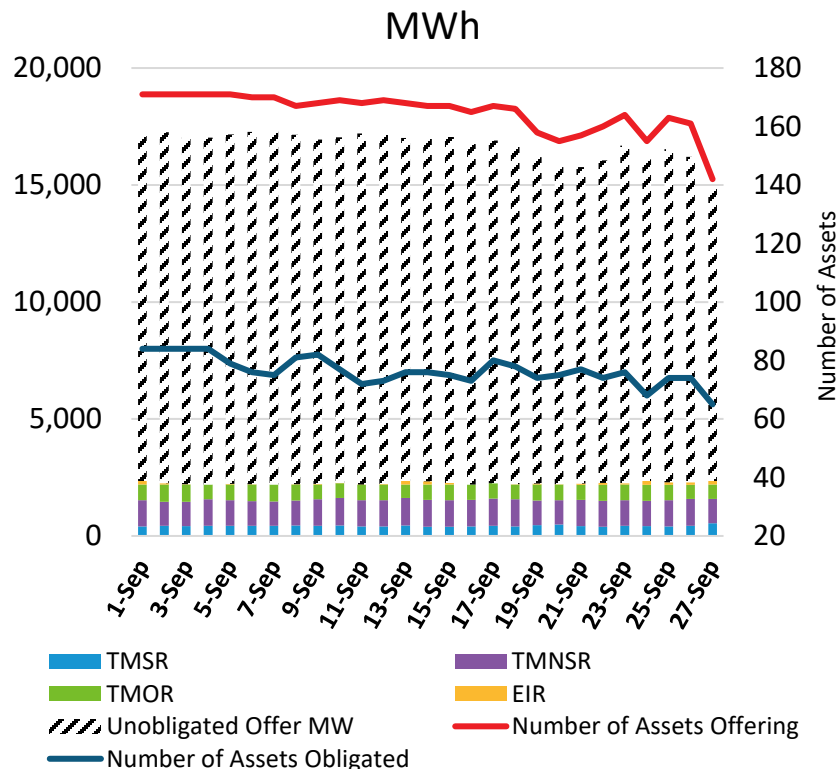
Average Hourly DAAS Prices



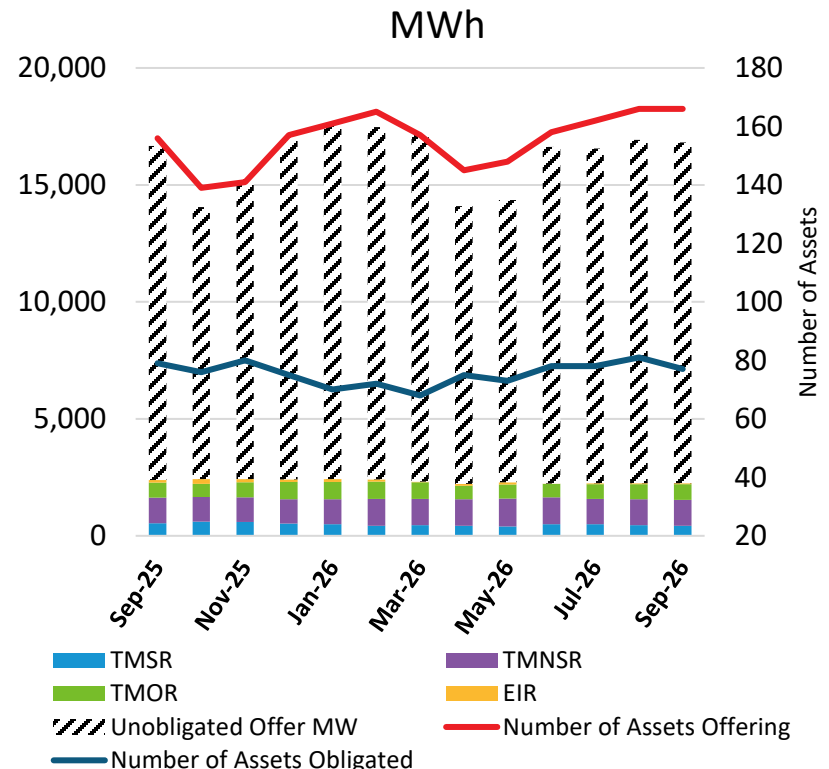
This information is available in the Monthly Market Report found on the ISO [website](#) and is scheduled for removal from this deck at a future date.

Average Hourly DAAS Offered* and Awarded Amounts

Daily This Month

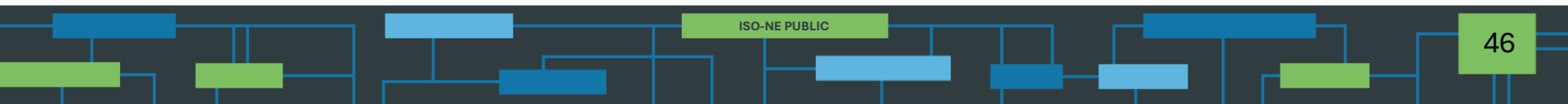


Monthly, Last 13 Months

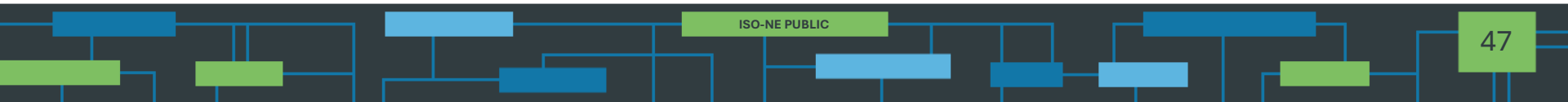


*Unobligated Offer MWh reflect the raw, as-offered DAAS MW amounts that remained unobligated (received no MW reward). This supply does not yet consider additional unit parameter constraints or dispatch constraints and should not be equated with actual capacity available in the dispatch solution. This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

BACK-UP DETAIL



NEW GENERATION

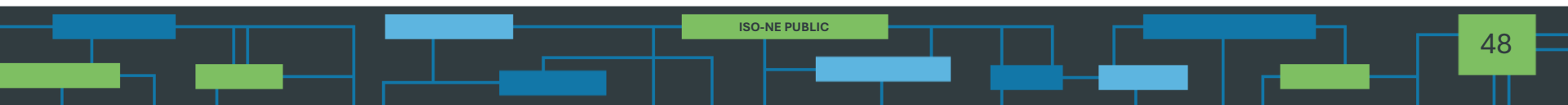


New Generation Update

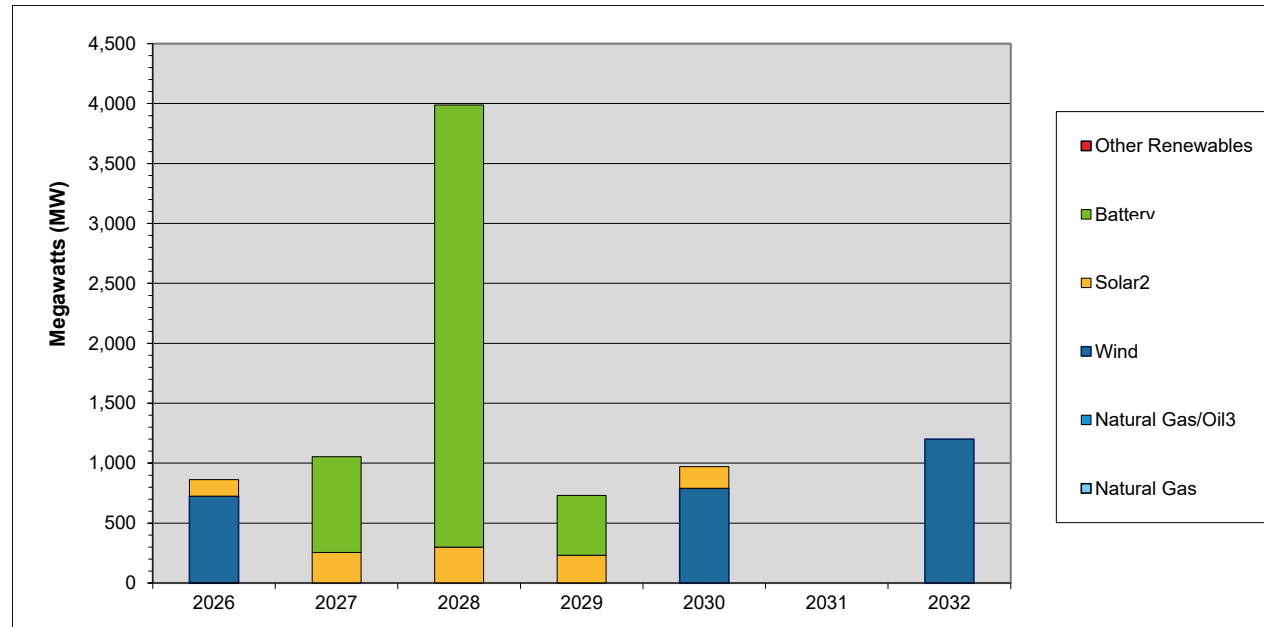
Based on Queue as of 09/28/26

- In total, 46* generation projects are currently being tracked by the ISO, totaling approximately 10,008 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	500	0	0	0	4,989	56.6
Solar ²	140	255	299	232	180	0	0	1,106	12.6
Wind	722	0	0	0	791	0	1,200	2,713	30.8
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	862	1,054	3,989	732	971	0	1,200	8,808	100.0

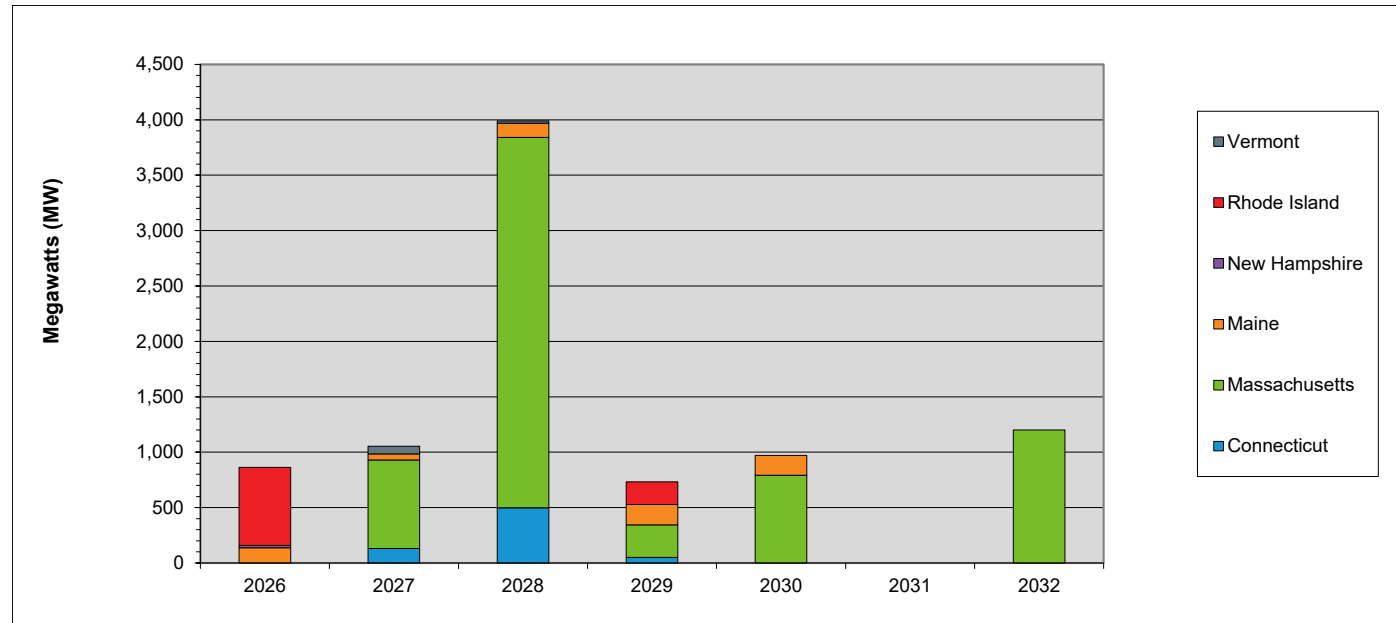
¹ Sum may not equal 100% due to rounding

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	0	0	0	0	90	1.0
Rhode Island	704	0	0	205	0	0	0	909	10.3
New Hampshire	20	0	0	0	0	0	0	20	0.2
Maine	138	54	129	182	180	0	0	683	7.8
Massachusetts	0	799	3,343	295	791	0	1,200	6,428	73.0
Connecticut	0	131	497	50	0	0	0	678	7.7
Totals	862	1,054	3,989	732	971	0	1,200	8,808	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	21	4,989	2	454	19	4,535
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	20	1,106	3	136	17	970
Wind	5	3,913	2	722	3	3,191
Total	46	10,008	7	1,312	39	8,696

- 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	41	6,095	5	590	36	5,505
Wind Turbine	5	3,913	2	722	3	3,191
Total	46	10,008	7	1,312	39	8,696

- 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

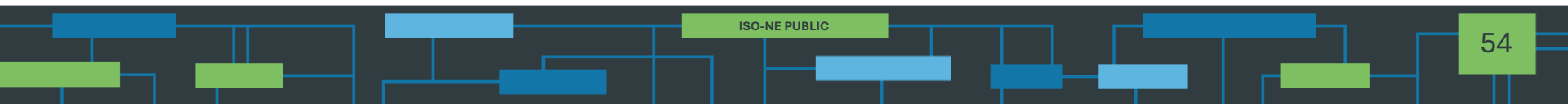
New Generation Projection

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	21	4,989	0	0	0	0	21	4,989	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	20	1,106	0	0	0	0	20	1,106	0	0
Wind	5	3,913	0	0	0	0	0	0	5	3,913
Total	46	10,008	0	0	0	0	41	6,095	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	410.941	7.057		
	Passive Demand	2,070.498	2,851.331	780.833	2,010.568	-840.763		
Demand Total		2,614.078	3,255.215	641.137	2,421.509	-833.706		
Generator	Non-Intermittent	27,026.635	25,822.288	-1,204.347	26,192.205	369.917		
	Intermittent	1,450.872	890.415	-560.457	1,479.423	589.008		
Generator Total		28,477.507	26,712.703	-1,764.804	27,671.628	958.925		
Import Total		464.835	1,234.800	769.965	614.235	-620.565		
Grand Total*		31,556.420	31,202.718	-353.702	30,707.372	-495.346		
Net ICR (NICR)		30,550.000	30,415.000	-135.000	29,855.000	-560.000		

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

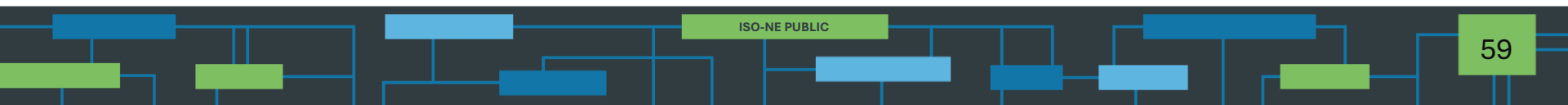
Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond reconfiguration auctions may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes 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

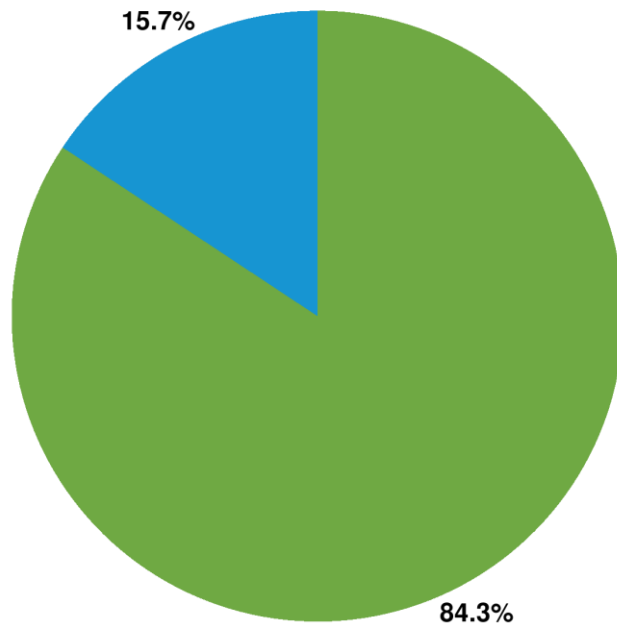


NCPC Highlights

- **Net Commitment Period Compensation (NCPC) total \$1.3M**
 - Represents 0.3% of monthly Energy Market value
 - First Contingency \$1.3M
 - Dispatch Lost Opportunity Cost (DLOC) - \$496K; Rapid Response Pricing (RRP) Opportunity Cost - \$81K; Posturing - \$0; Generator Performance Auditing (GPA) - \$0
 - \$52K paid to resources at external locations, down \$43K from August
 - \$23K charged to Day-Ahead Load Obligation (DALO) at external locations; <\$1K to Day-Ahead Generation Obligation (DAGO) at external locations; \$29K to RT Deviations
 - 2nd Contingency, Distribution and Voltage was zero

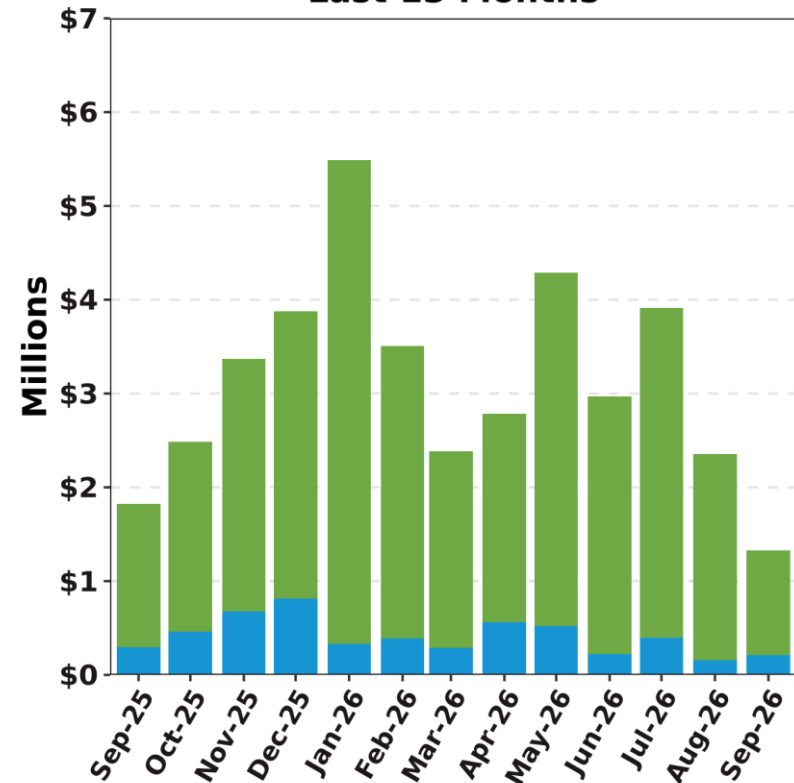
DA and RT NCPC Charges

Sep-26 Total = \$1.3 M



Day-Ahead Real-Time

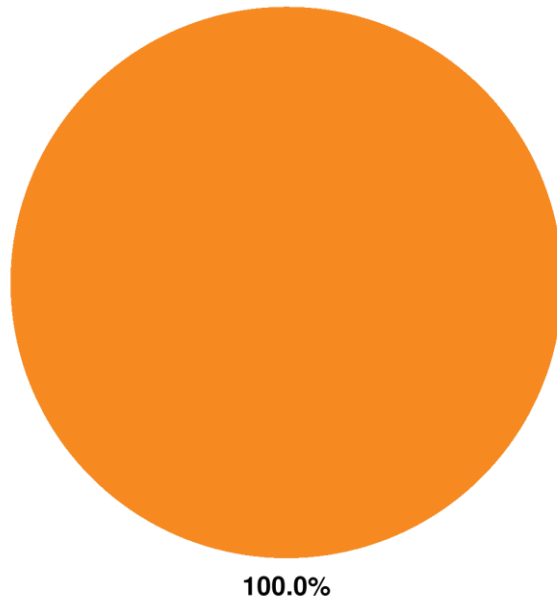
Last 13 Months



Day-Ahead Real-Time

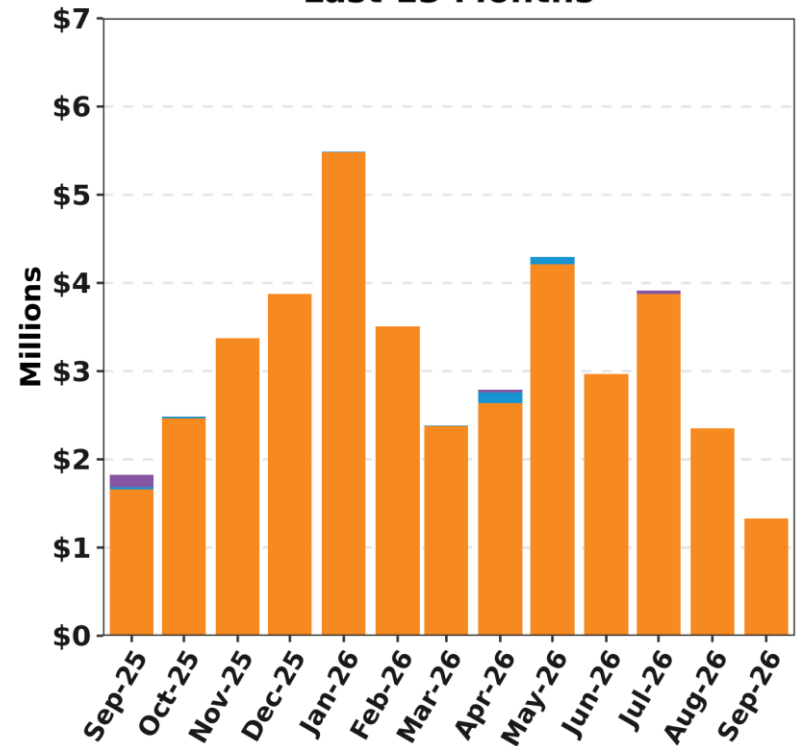
NCPC Charges by Type

Sep-26 Total = \$1.3 M



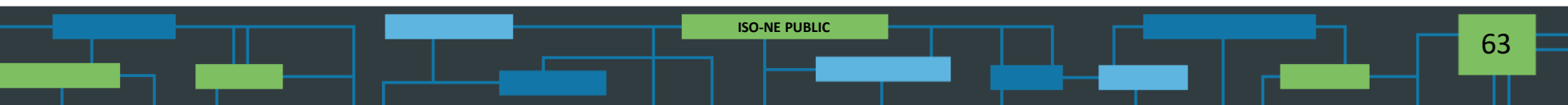
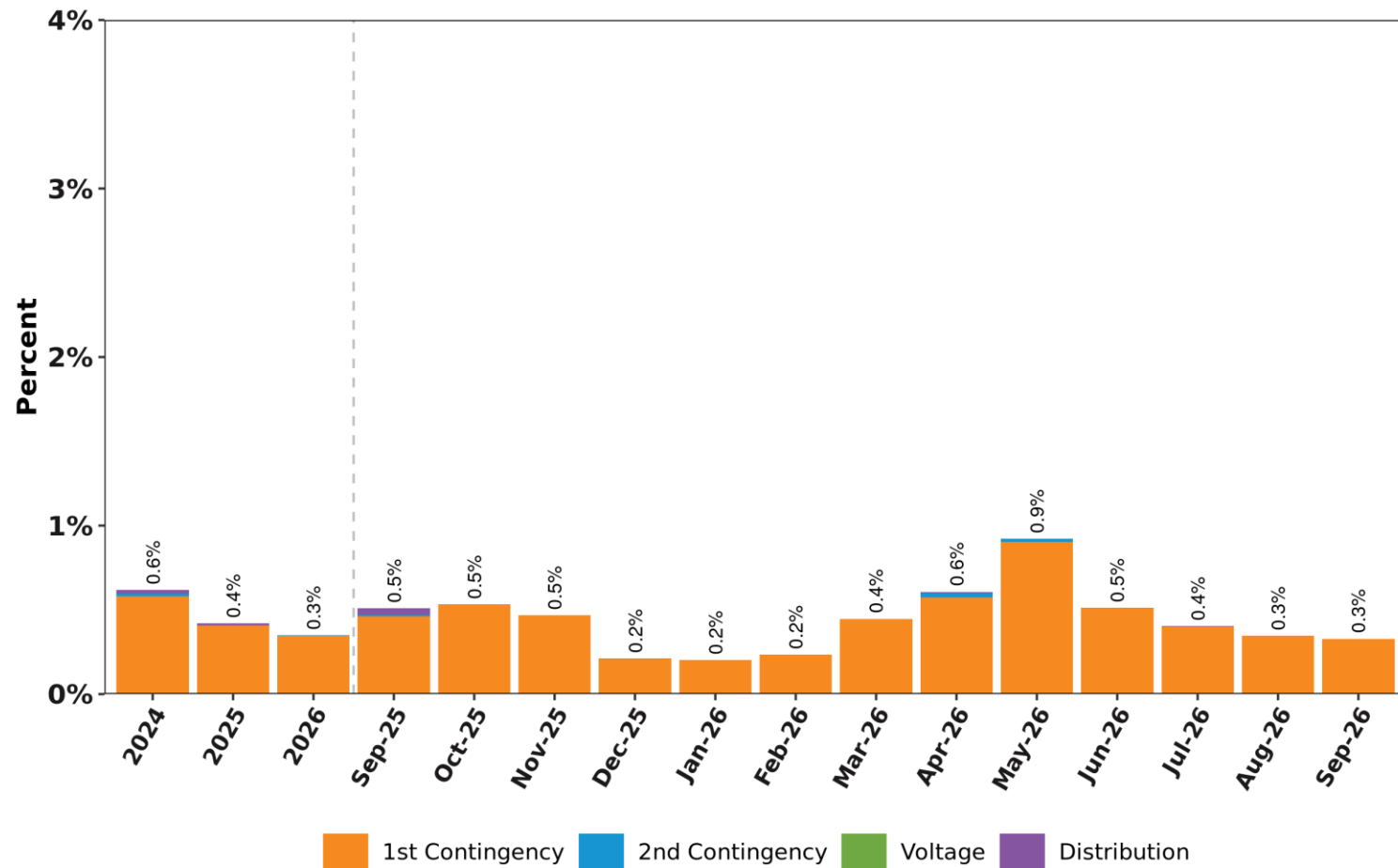
1st Contingency 2nd Contingency
Voltage Distribution

Last 13 Months



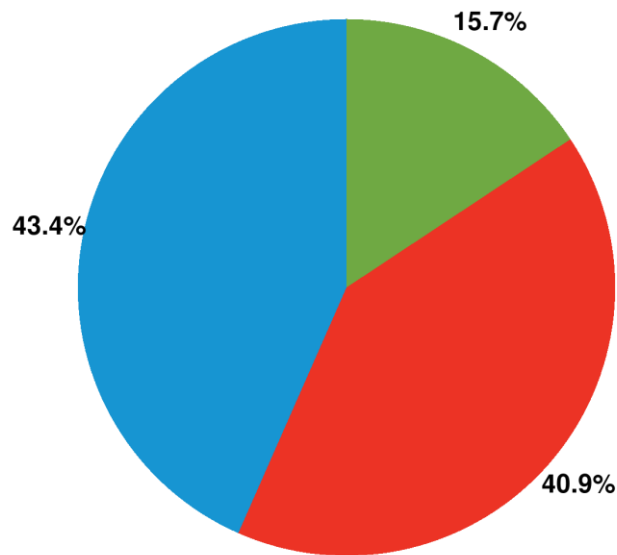
1st Contingency 2nd Contingency
Voltage Distribution

NCPC Charges by Type as Percent of Energy Market Value

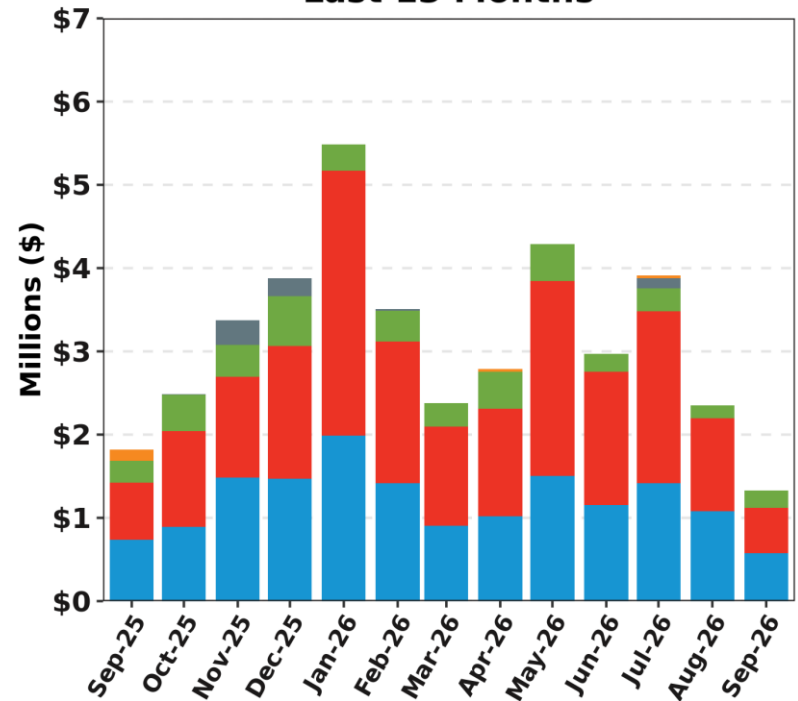


NCPC Charge Allocations

Sep-26 Total = \$1.3 M

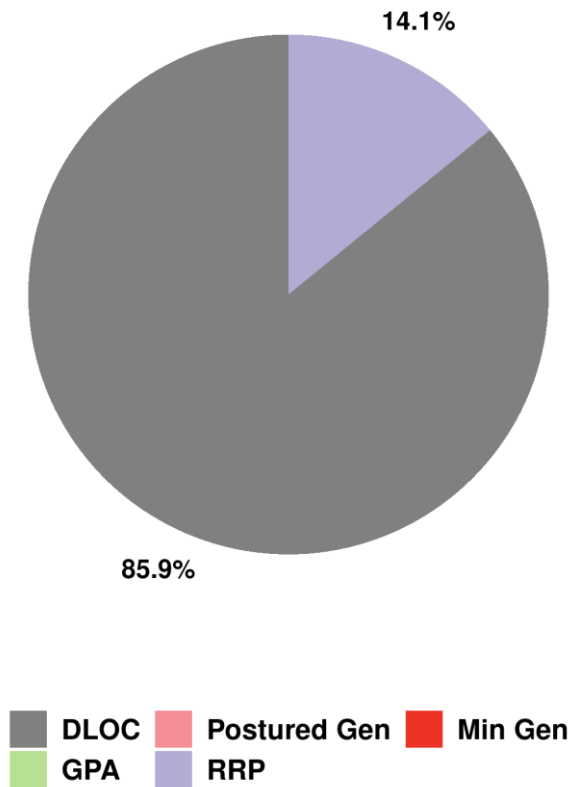


Last 13 Months

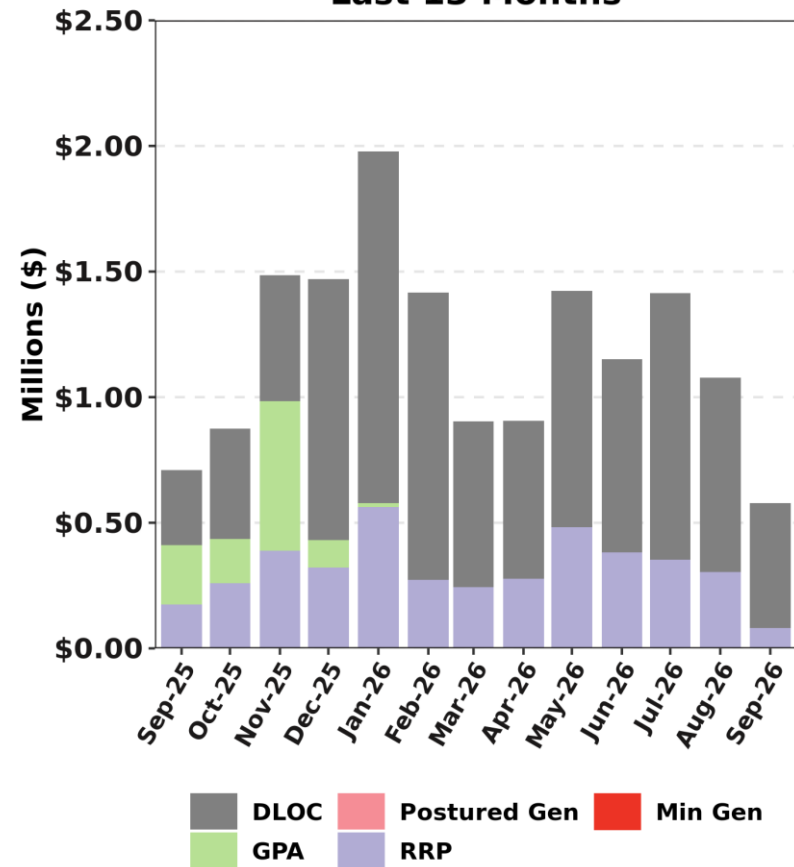


RT First Contingency NCPC Paid to Units and Allocated to RTLO and/or RTGO

Sep-26 Total = \$0.6 M



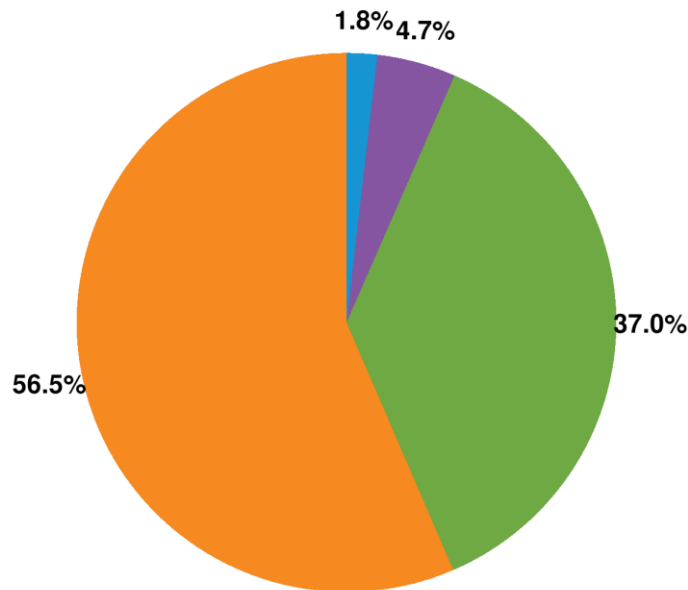
Last 13 Months



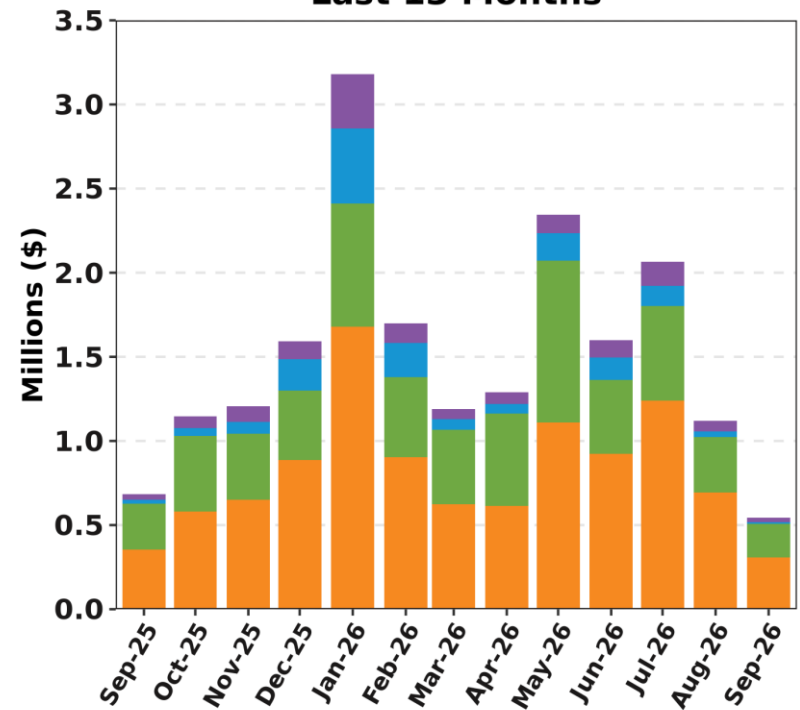
The categories shown above are a subset of those reflected in First Contingency NCPC throughout this report.
The above categories are allocated to RTLO, except for Min Gen Emergency credits, which are allocated to RTGO.

RT First Contingency Charges by Deviation Type

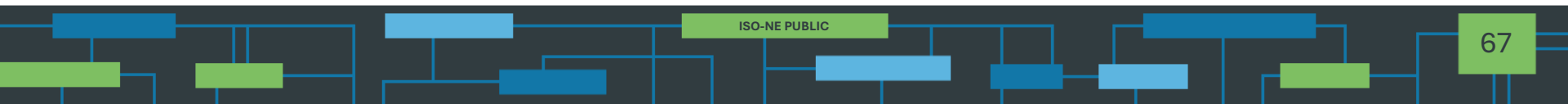
Sep-26 Total = \$0.5 M



Last 13 Months



REGIONAL SYSTEM PLAN (RSP)



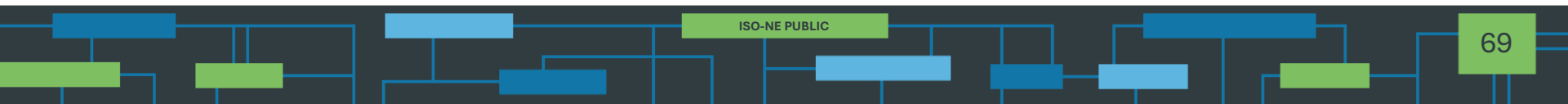
Planning Advisory Committee (PAC)

- October 22 PAC Meeting Tentative Agenda Topics (note that the agenda is still under review)*
 - Asset Condition Projects
 - W-149 115kV Line Asset Condition Refurbishment (NGRID)
 - Otter River #615 Substation Asset Replacement (NGRID)
 - I-135/I-135N/J-136N Asset Condition Refurbishment (NGRID)
 - Line 330 ACR Project (Eversource)
 - RSP Project List and Asset Condition List October 2026 Update
 - Transmission Planning Guide Process update

* 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, one stakeholder submitted a request
 - The Benchmark results were presented at PAC this summer, the Policy and Stakeholder-Requested cases will be discussed this fall and winter



2025 Longer-Term Transmission Planning (LTTP) RFP

- On 12/13/24, NESCOE provided its LTTP 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 had 30 days (until 9/14/26) to notify the ISO to cancel the RFP or request an alternative cost allocation. NESCOE did not pursue either option
 - The ISO notified the Qualified Transmission Project Sponsors (QTPSs) they were selected and need to execute Selected Qualified Transmission Project Sponsor Agreements within 30 days of the notification (until 10/15/26)

* 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 (LTP) 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

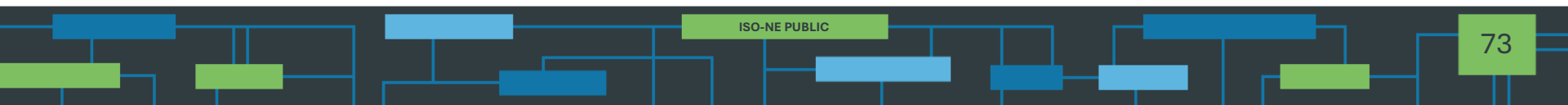
Permanent Asset Condition Reviewer

- 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 9/24/2026

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

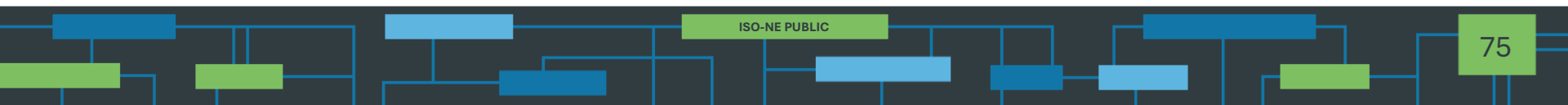
SEMA/RI Reliability Projects, cont.

Status as of 9/24/2026

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

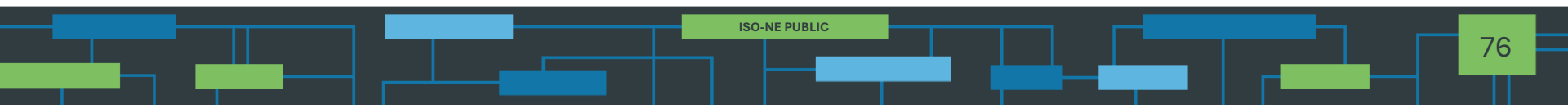


SEMA/RI Reliability Projects, cont.

Status as of 9/24/2026

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.

Status as of 9/24/2026

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

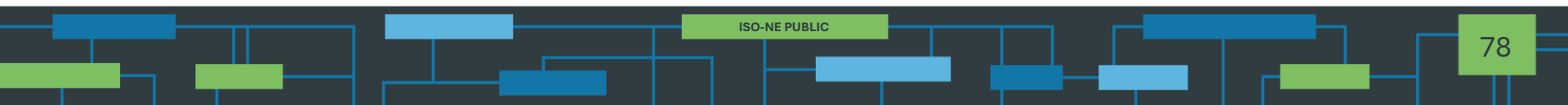
** Cancelled per ISO-NE PAC presentation on August 27, 2020

SEMA/RI Reliability Projects, cont.

Status as of 9/24/2026

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

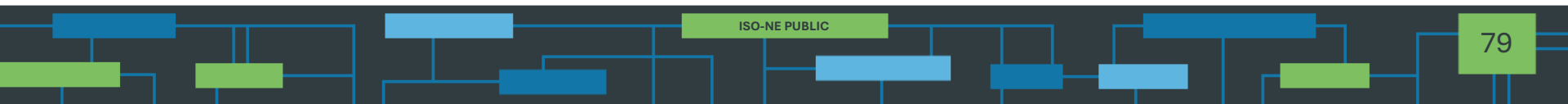


Upper Maine Solution Projects

Status as of 9/24/2026

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	Dec-29	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



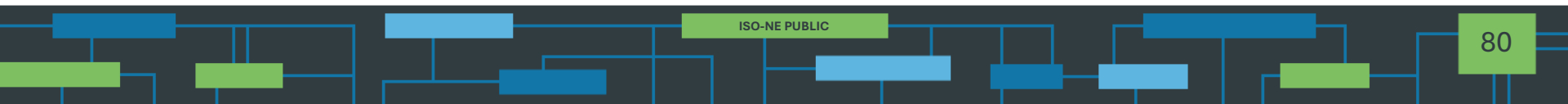
Upper Maine Solution Projects, cont.

Status as of 9/24/2026

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

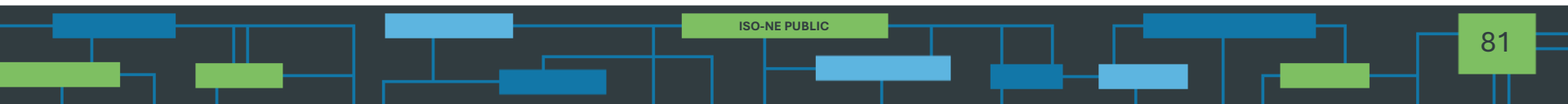


Boston 2033 Solutions Study

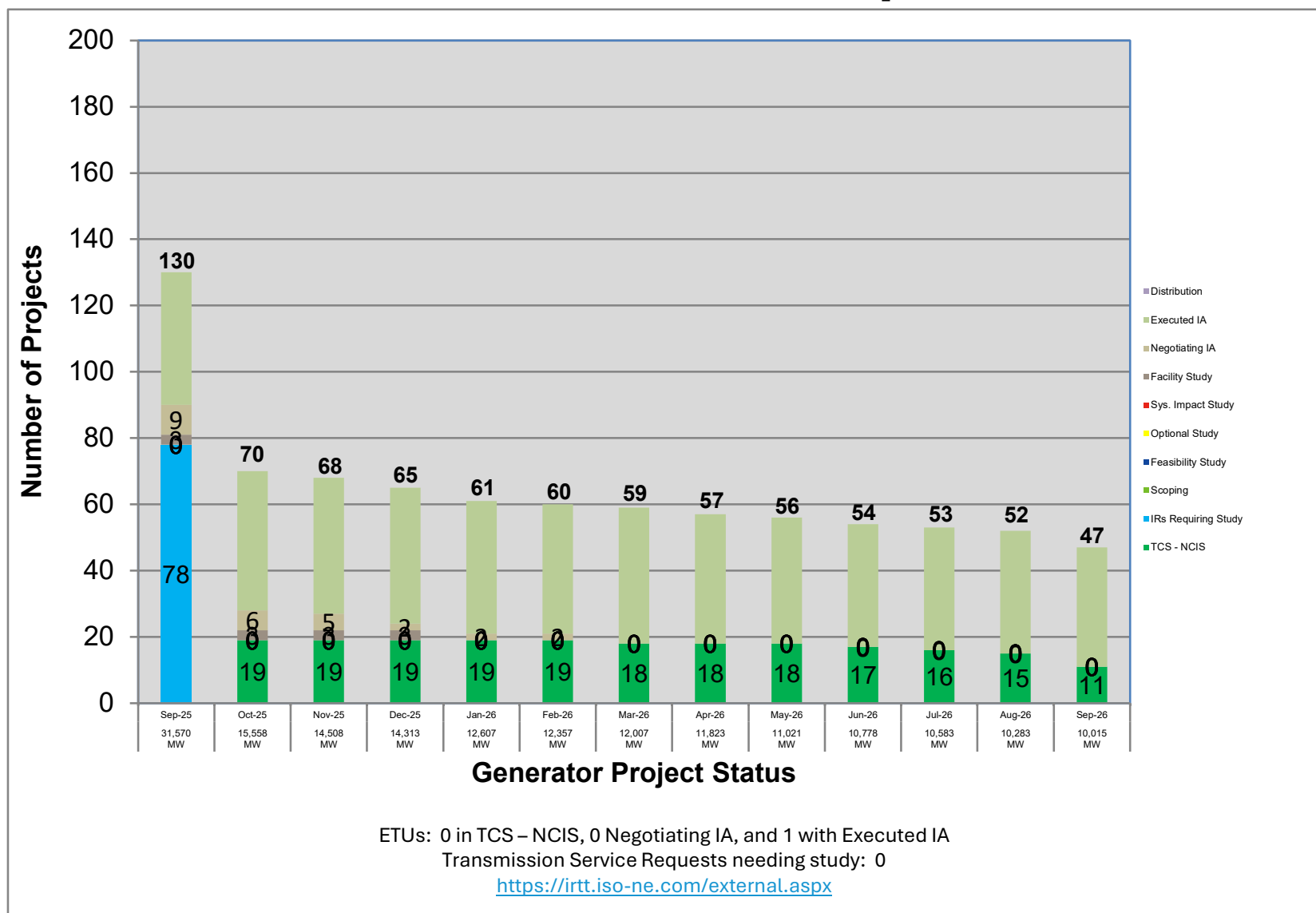
Status as of 9/24/2026

Project Benefit: Addresses system needs in the Boston area

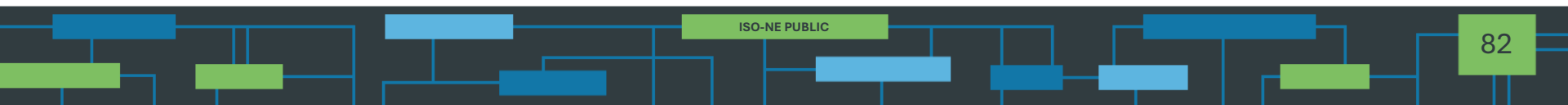
RSP Project List ID	Upgrade	Expected/ Actual In-Service	Present Stage
1933	Install one 80 MVAR shunt reactor at the 115 kV Electric Avenue Substation	Dec-28	1
1934	Protection systems modification associated with the Stoughton RAS at three 345 kV substations (Stoughton, West Walpole and Holbrook) and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



Status of Tariff Studies as of September 24, 2026



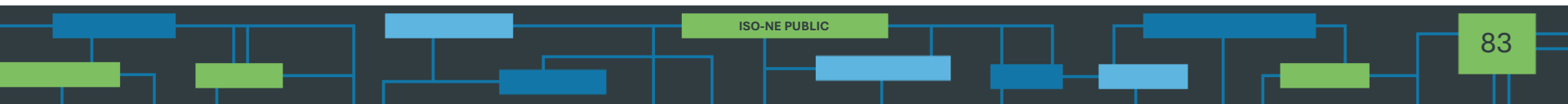
Additional notes provided on next slide



Status of Tariff Studies as of September 24, 2026, cont.

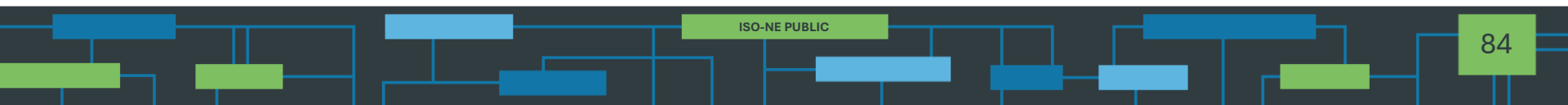
- Additional Notes

- The final Transitional Cluster Study Report was issued on August 6, 2026
- The Cluster Request Window for the first regular Cluster Study opens on October 5, 2026 and will be open for 45 Calendar Days
- The interconnection queue has been closed since June 13, 2024



OPERABLE CAPACITY ANALYSIS

Fall 2026 Analysis



Fall 2026 Operable Capacity Analysis

50/50 Load Forecast (Reference)	Nov - 2026 ² CSO (MW)	Nov - 2026 ² SCC (MW)
Operable Capacity MW ¹	27,213	29,317
Active Demand Capacity Resource (+) ⁵	349	275
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	97	97
Non Gas-fired Planned Outage MW (-)	2,499	2,906
Gas Generator Outages MW (-)	2,593	2,802
Allowance for Unplanned Outages (-) ⁴	3,600	3,600
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	19,376	20,790
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	17,623	17,623
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	19,685	19,685
Operable Capacity Margin	-309	1,105

¹Operable Capacity is based on data as of **September 22, 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 **September 22, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **November 7, 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

90/10 Load Forecast	Nov - 2026 ² CSO (MW)	Nov - 2026 ² SCC (MW)
Operable Capacity MW ¹	27,213	29,317
Active Demand Capacity Resource (+) ⁵	349	275
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	97	97
Non Gas-fired Planned Outage MW (-)	2,499	2,906
Gas Generator Outages MW (-)	2,593	2,802
Allowance for Unplanned Outages (-) ⁴	3,600	3,600
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	19,376	20,790
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	18,461	18,461
Operating Reserve Requirement MW	2,062	2,062
Operable Capacity Required (NET LOAD OBLIGATION MW)	20,523	20,523
Operable Capacity Margin	-1,147	267

¹ Operable Capacity is based on data as of **September 22, 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 **September 22, 2026**.

² Load forecast that is based on the 2026 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **November 7, 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

September 22, 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 October through November.

Report created: 9/22/2026

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
10/10/2026	27068	320	409	16	3921	3150	2800	0	17942	16138	2062	18200	-258	N	Fall 2026
10/17/2026	27068	320	409	16	2978	3282	2800	0	18753	16991	2062	19053	-300	N	Fall 2026
10/24/2026	27068	320	409	16	2940	2991	2800	0	19082	17326	2062	19388	-306	N	Fall 2026
10/31/2026	27213	349	409	97	2518	1906	3600	0	20044	17517	2062	19579	465	N	Fall 2026
11/7/2026	27213	349	409	97	2499	2593	3600	0	19376	17623	2062	19685	-309	Y	Fall 2026
11/14/2026	27213	349	409	97	2085	2319	3600	0	20064	17941	2062	20003	61	N	Fall 2026
11/21/2026	27213	349	409	97	133	1082	3600	288	22965	18621	2062	20683	2282	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.
- 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

September 22, 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 October through November.

Report created: 9/22/2026

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	
10/10/2026	27068	320	409	16	3921	3150	2800	0	17942	16906	2062	18968	-1026	N	Fall 2026
10/17/2026	27068	320	409	16	2978	3282	2800	0	18753	17798	2062	19860	-1107	N	Fall 2026
10/24/2026	27068	320	409	16	2940	2991	2800	0	19082	18150	2062	20212	-1130	N	Fall 2026
10/31/2026	27213	349	409	97	2518	1906	3600	0	20044	18350	2062	20412	-368	N	Fall 2026
11/7/2026	27213	349	409	97	2499	2593	3600	0	19376	18461	2062	20523	-1147	Y	Fall 2026
11/14/2026	27213	349	409	97	2085	2319	3600	0	20064	18794	2062	20856	-792	N	Fall 2026
11/21/2026	27213	349	409	97	133	1082	3600	453	22800	19506	2062	21568	1232	N	Fall 2026

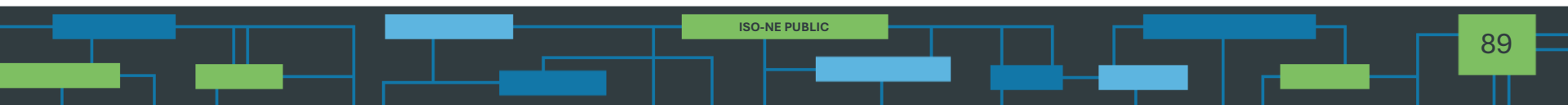
Column Definitions

- 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.
- 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.

*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

50/50 Load Forecast (Reference)	Jan - 2027 ² CSO (MW)	Jan - 2027 ² SCC (MW)
Operable Capacity MW ¹	27,429	29,317
Active Demand Capacity Resource (+) ⁵	348	275
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	98	98
Non Gas-fired Planned Outage MW (-)	21	342
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)	21,735	22,821
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	-810	276

¹Operable Capacity is based on data as of **September 22, 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 **September 22, 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

90/10 Load Forecast	Jan - 2027 ² CSO (MW)	Jan - 2027 ² SCC (MW)
Operable Capacity MW ¹	27,429	29,317
Active Demand Capacity Resource (+) ⁵	348	275
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	409	409
Non Commercial Capacity (+)	98	98
Non Gas-fired Planned Outage MW (-)	21	342
Gas Generator Outages MW (-)	0	0
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)	20,924	21,891
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	-2,595	-1,628

¹Operable Capacity is based on data as of **September 22, 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 **September 22, 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

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

September 22, 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: 9/22/2026

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	
11/28/2026	27213	349	409	97	173	325	3600	1337	22633	19285	2062	21347	1286	N	Winter 2026/2027
12/5/2026	27429	348	409	98	149	822	3200	982	23131	19469	2062	21531	1600	N	Winter 2026/2027
12/12/2026	27429	348	409	98	100	0	3200	2368	22616	19735	2062	21797	819	N	Winter 2026/2027
12/19/2026	27429	348	409	98	21	0	3200	2745	22318	19746	2062	21808	510	N	Winter 2026/2027
12/26/2026	27429	348	409	98	21	0	3200	3134	21929	19803	2062	21865	64	N	Winter 2026/2027
1/2/2027	27429	348	409	98	21	0	2800	3733	21730	20055	2062	22117	-387	N	Winter 2026/2027
1/9/2027	27429	348	409	98	21	0	2800	3728	21735	20483	2062	22545	-810	Y	Winter 2026/2027
1/16/2027	27429	348	409	98	23	0	2800	3583	21878	20483	2062	22545	-667	N	Winter 2026/2027
1/23/2027	27429	348	409	98	23	0	2800	3134	22327	20483	2062	22545	-218	N	Winter 2026/2027
1/30/2027	27429	348	409	98	32	0	3100	2835	22317	20278	2062	22340	-23	N	Winter 2026/2027
2/6/2027	27429	348	409	98	21	0	3100	2536	22627	20032	2062	22094	533	N	Winter 2026/2027
2/13/2027	27429	348	409	98	62	0	3100	2237	22885	20006	2062	22068	817	N	Winter 2026/2027
2/20/2027	27429	348	409	98	52	0	3100	1788	23344	19764	2062	21826	1518	N	Winter 2026/2027
2/27/2027	27429	348	409	98	270	430	2200	1059	24325	18854	2062	20916	3409	N	Winter 2026/2027
3/6/2027	27429	348	409	98	286	1073	2200	0	24725	18533	2062	20595	4130	N	Winter 2026/2027
3/13/2027	27429	348	409	98	780	767	2200	0	24537	18353	2062	20415	4122	N	Winter 2026/2027
3/20/2027	27429	348	409	98	258	1801	2200	0	24025	18017	2062	20079	3946	N	Winter 2026/2027
3/27/2027	27213	349	409	98	100	2595	2700	0	22674	17496	2062	19558	3116	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 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.

Preliminary Winter 2026/27 Operable Capacity Analysis

90/10 Forecast

ISO-NE OPERABLE CAPACITY ANALYSIS

September 22, 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: 9/22/2026

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	27213	349	409	97	173	325	3600	2251	21719	20201	2062	22263	-544	N	Winter 2026/2027
12/5/2026	27429	348	409	98	149	822	3200	1970	22143	20394	2062	22456	-313	N	Winter 2026/2027
12/12/2026	27429	348	409	98	100	0	3200	3355	21629	20673	2062	22735	-1106	N	Winter 2026/2027
12/19/2026	27429	348	409	98	21	0	3200	3864	21199	20684	2062	22746	-1547	N	Winter 2026/2027
12/26/2026	27429	348	409	98	21	0	3200	4280	20783	20744	2062	22806	-2023	N	Winter 2026/2027
1/2/2027	27429	348	409	98	21	0	2800	4408	21055	21008	2062	23070	-2015	N	Winter 2026/2027
1/9/2027	27429	348	409	98	21	0	2800	4539	20924	21457	2062	23519	-2595	Y	Winter 2026/2027
1/16/2027	27429	348	409	98	23	0	2800	4331	21130	21457	2062	23519	-2389	N	Winter 2026/2027
1/23/2027	27429	348	409	98	23	0	2800	4032	21429	21457	2062	23519	-2090	N	Winter 2026/2027
1/30/2027	27429	348	409	98	32	0	3100	4032	21120	21242	2062	23304	-2184	N	Winter 2026/2027
2/6/2027	27429	348	409	98	21	0	3100	3583	21580	20984	2062	23046	-1466	N	Winter 2026/2027
2/13/2027	27429	348	409	98	62	0	3100	3284	21838	20957	2062	23019	-1181	N	Winter 2026/2027
2/20/2027	27429	348	409	98	52	0	3100	2686	22446	20703	2062	22765	-319	N	Winter 2026/2027
2/27/2027	27429	348	409	98	270	430	2200	1807	23577	19751	2062	21813	1764	N	Winter 2026/2027
3/6/2027	27429	348	409	98	286	1073	2200	238	24487	19414	2062	21476	3011	N	Winter 2026/2027
3/13/2027	27429	348	409	98	780	767	2200	439	24098	19225	2062	21287	2811	N	Winter 2026/2027
3/20/2027	27429	348	409	98	258	1801	2200	0	24025	18873	2062	20935	3090	N	Winter 2026/2027
3/27/2027	27213	349	409	98	100	2595	2700	0	22674	18328	2062	20390	2284	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.
- 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.

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

Possible Relief Under OP4: Appendix A

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

NOTES:

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

Possible Relief Under OP4: Appendix A

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

NOTES:

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

5

ISO Draft 2027 Work Plan Report



ISO New England's 2027 Annual Work Plan (AWP)

Allison DiGrande

EXECUTIVE DIRECTOR | PARTICIPANT RELATIONS & SERVICES



Oct 2, 2026
Meeting

NEPOOL
NEW ENGLAND POWER POOL
Participants Committee

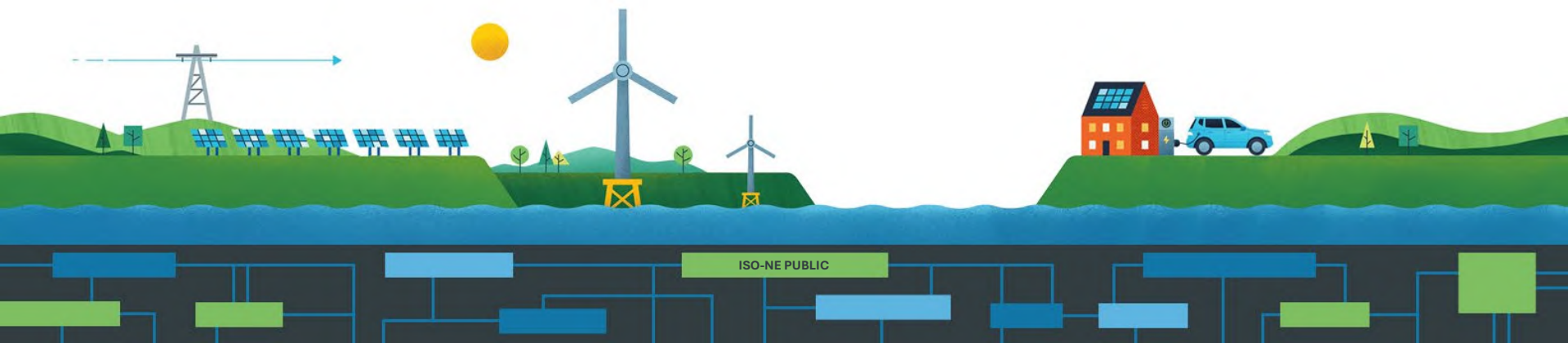
OCTOBER 2, 2026

ISO New England's 2027 Annual Work Plan (AWP)



Allison DiGrande

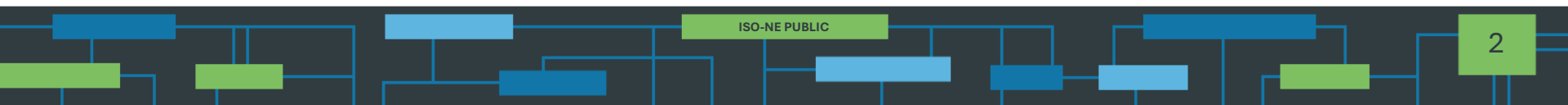
EXECUTIVE DIRECTOR | PARTICIPANT RELATIONS & SERVICES



2026 Leadership Transition and Strategic Planning



- With ISO New England's leadership transition this year, its Board of Directors and senior team are actively updating the organization's Strategic Plan through 2032
 - The ISO will discuss progress on the development of its future strategic priorities at both the Open Board and Participants Committee meetings in November 2026
- While the ISO may take initial steps in 2027 on some identified strategic initiatives, the organization is committed in the year ahead to the work outlined in this AWP, much of which involves completing the development and implementation of large projects already in progress
 - Any items coming out of the ISO's Strategic Plan that may target 2027 stakeholder discussions would be reflected in the 2027 AWP Update and reviewed with stakeholders in the spring
- Other new opportunities identified in the Strategic Plan for the next 5-7 years that are anticipated to become projects in future Annual Work Plans would be discussed with stakeholders through the AWP development process for the applicable year

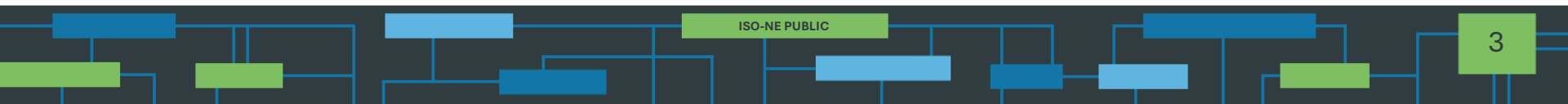


Regional Focus on Plan Is Essential

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



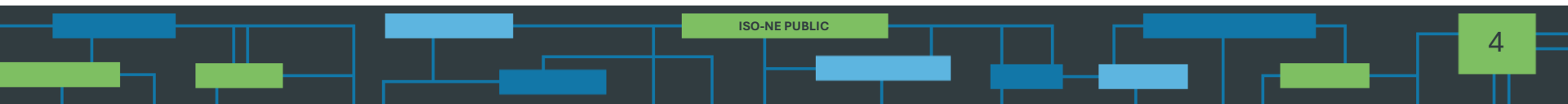
- Anchors and implementations will utilize the majority of ISO resources in 2027 and beyond due to their breadth
 - Upfront agreement on priority work, including NEPOOL and state priorities, is intended to keep listed projects and schedules on track
 - Increased or expanded stakeholder requests, regional policy interests, and new issues can affect project schedules of planned efforts
 - Unknown timing and topics of Federal Energy Regulatory Commission (FERC) actions (orders, notices of proposed rulemaking) and policy directives can shift priorities
- Note that the AWP identifies key initiatives and not the full ISO workload; the ISO's annual budget incorporates the full volume of ISO work and resourcing, including initiatives in the AWP as well as:
 - Work on smaller projects or projects nearing completion
 - Work to implement projects already through design, stakeholder, and regulatory phases
 - Work representing the ISO's extensive day-to-day operations related to running the grid, markets, IT infrastructure, and its organization



2027 Objectives and Highlights

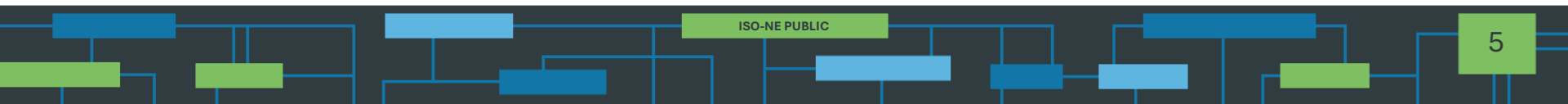


- **Anchor Projects and Related Core Implementations** are the highest priority initiatives across the ISO for innovating, securing, and advancing a reliable, cost-effective electric power system
 - **Capacity Auction Reforms:** Preparing and conducting the activities to run the 2028 auctions; developing conforming changes and assessing refinements
 - **Large Load Integration:** Complying with FERC's Large and Co-Located Loads Show Cause Order and developing related resource adequacy enhancements
 - **Asset Condition Reviewer:** Setup and implementation of the new independent review of Transmission Owners' asset condition project proposals for refurbishing aging transmission facilities; developing refinements and conforming changes
 - **Order No. 1920:** Complying with FERC's regional and interregional directives for transmission planning and cost allocation; includes developing rules for right-sizing
 - **Operating Reserves Demand Curve:** Developing a dynamic ORDC for existing real-time reserves to address operational uncertainties resulting from continued growth in PV, intermittent resources, and variability in real-time net load
 - **IT Implementation of Major Initiatives:** Developing the software and systems needed for implementing CAR and nGEM Single Interval Improvements
- **Notable Initiatives** target modernization, efficiency, and risk management across markets, planning, operations, and software structures



ANCHOR PROJECTS

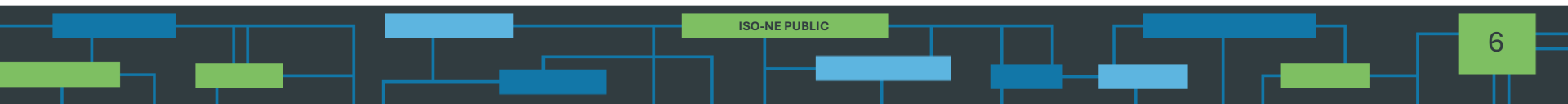
Highest priority initiatives in 2027



Multi-Functional Anchor Project

Restructuring capacity auction timing and accreditation methods

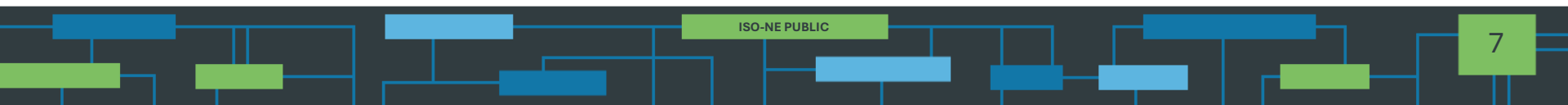
- **Capacity Auction Reforms (CAR)**
 - CAR reforms for seasonal auctions and resource accreditation (CAR-SA) are on track to be filed by end of 2026 for a Q2 2027 effective date (see the most recent stakeholder schedule on slides 18-22 of this September 2026 NEPOOL Markets, Reliability, and Transmission Committees [presentation](#))
 - Throughout 2027, the ISO will be preparing and conducting the activities to run the truncated 2028 summer auction and 2028-2029 winter auction
 - Consistent with the approach taken for major initiatives, preparations are expected to include conforming changes to rules and procedures and continued shaping of processes needed to implement the first auction
 - Any compliance requirements that FERC may issue in its CAR-SA order would also be addressed



Multi-Functional Anchor Project

Restructuring capacity auction timing and accreditation methods

- **Capacity Auction Reforms (CAR), cont'd**
 - As is typical following a foundational filing for a major initiative, the ISO will conduct further assessments to scope potential follow-on adjustments to the foundational design
 - The ISO is currently considering further assessments of areas that have been previously identified with stakeholders through discussion and feedback such as:
 - **Modeling** assessments of resource outage characteristics (e.g., correlated events such as ambient air conditions, EFORd calculations and representations of partial outage states), intermittent resource performance and load correlation, and storage modeling (e.g., continuing to study storage modeling and accreditation in other regions, software modeling capabilities, and how changes in the resource mix may impact accreditation)
 - **Mitigation** assessments, such as pivotal supplier test revisions (see the Internal Market Monitor's [2025 Annual Market Report](#)) and other updates
 - **Gas constraint** assessments, such as potential adjustments (e.g., gas constraint parameters) based on experience and data, and continued assessment of the interactions between firm supply and the gas constraint in the market clearing process
 - **Balancing ratio cap** assessments under the new accreditation structure that evaluate design options and their practical tradeoffs between maintaining strong performance incentives for overperformers and preventing resource performance obligations from exceeding their maximum capability while ensuring resources with equivalent CSO have the same obligations
 - In 2027, the ISO will begin scoping and prioritizing the assessments to develop a fuller plan for scheduling assessments to be undertaken in 2027, which would be discussed with stakeholders as part of the 2027 AWP Update process in Q1/Q2; assessments after 2027 would be discussed in future work plans
- Future assessments and enhancements are expected to evolve as market experience is gained



Multi-Functional Anchor Project

Large load integration compliance and enhancements

- **New England Large Loads Show Cause Order Compliance and Resource Adequacy Enhancements for Large Load Integration**

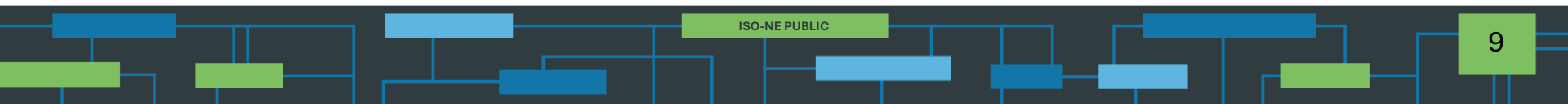
- On June 18, 2026, FERC issued a [show cause order](#) instituting a proceeding under Section 206 of the Federal Power Act (EL26-72-000) related to the integration of large loads and co-located load arrangements
- On Aug. 14, 2026, FERC accepted the ISO's and PTO's joint 90-day abeyance request as allowed in the June order; the ISO will submit by Nov. 16, a Section 205 filing that addresses the order's five categories of reform
- Additionally, the show cause order required submission of an [informational report](#) on resource adequacy; the ISO provided notice in its July 20, 2026, report filed with FERC that it is developing resource adequacy-related provisions to address large load interconnections and adverse reliability risks
 - **Bring Your Own New Generation [Capacity]:** Resolve various potential issues to ensure that each large load's expected usage is aligned with its incremental new capacity
 - **Separate Large Loads from the Installed Capacity Requirement in the Capacity Market:** Complementary to the Bring Your Own New Generation requirement, new large loads would not be included in the regional capacity requirements as these loads would be responsible for their own capacity
- Stakeholder discussions are underway (see [meeting materials](#)), with a Participant Committee vote planned for Nov. 12, 2026, on compliance-related provisions
- Related and conforming changes, such as to Operating Procedures, Planning Procedures, and additional resource adequacy components, will be discussed through Q1/Q2 2027, with implementation timeframes to be determined

Multi-Functional Anchor Project

Addressing operational uncertainty through markets

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

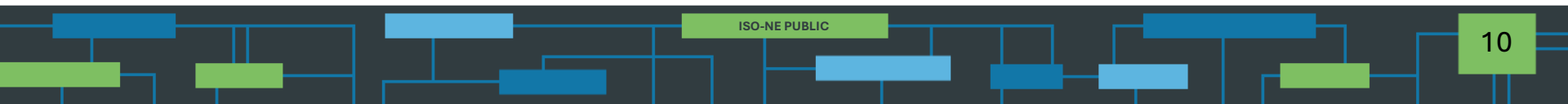
- The ISO has identified the system's continued need for flexible response capabilities to address operational uncertainties resulting from the region's growth in PV and wind intermittent power resources, and the increasing variability in the system's real-time net load (see the March 2026 [ISO memorandum](#) to the NEPOOL Markets Committee)
- The ISO is assessing and developing a dynamic Operating Reserves Demand Curve (ORDC) 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
 - Probabilistic Real-Time Ramp Needs: As part of this effort, the ISO is developing dynamic methods to account for real-time system ramping needs (see *related Probabilistic Forecasting* on slide 20)
- The ISO plans to review a proposed cost impact analysis approach for feedback and input at the start of the stakeholder process
- Discussions are targeted to begin in Q2 2027, changed from previous estimates due to other time-bound initiatives in the early 2027 time period, with a filing anticipated no earlier than Q4 2027 for a potential 2028 effective date



Planning Anchor Project

AC Reviewer setup and implementation

- **Advancing Asset Condition Reviewer Role**
 - The ISO is developing a new function to provide oversight of Participating Transmission Owners' (PTO) Asset Monitoring and Evaluation Practices, Asset Condition Projects (ACPs), and ACP Programs
 - In close coordination with the states and stakeholders, the ISO developed this advisory role and robust process for additional, independent review of PTO asset condition projects
 - Proposed revisions to the Transmission Operating Agreement and the Open Access Transmission Tariff of the ISO Transmission, Markets and Services Tariff revisions were jointly filed by the ISO and Participating Transmission Owners Administrative Committee (PTO AC) on August 17, 2026
 - Subject to FERC acceptance, the proposed effective date is January 1, 2027
 - In 2027, work will focus on running the new process with ongoing setup to further develop processes
 - Drafts of the Asset Condition Review Process Guide will be shared with stakeholders starting in Q4 2026



Planning Anchor Project

Transmission planning compliance

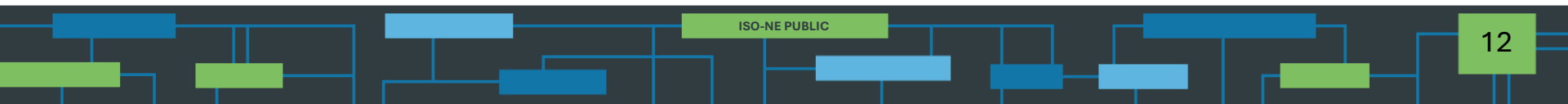
- **FERC Order No. 1920, 1920-A, 1920-B Compliance**
 - Stakeholder discussions began in September 2026 on compliance reforms for this suite of FERC Orders (see the NEPOOL Transmission Committee [presentation](#) for an overview of the requirements and stakeholder schedule)
 - The ISO is proposing to call the Order No.1920 process the Future Scenario Planning process; discussions are expected to include:
 - Proposal for switching from the sponsorship competitive solicitation model to a construction-bid model
 - Note that a separate Section 205 filing would be required to similarly change the competitive model used for reliability, system efficiency, and LTTP RFPs; additional discussions will occur during the LTTP Lessons Learned process starting in Q4 2026 at the Planning Advisory Committee (see *related* LTTP Enhancements on slide 15)
 - Requirements for considering whether selecting transmission facilities that incorporate alternative transmission technologies are more efficient or cost-effective than selecting new regional transmission facilities or upgrades to existing transmission facilities
 - Requirements for transmission right-sizing (see Transmission Right-Sizing on next slide)
 - Regional and interregional compliance filings are due June 2027 for a 2029 effective date

Planning Anchor Project

Transmission planning compliance and enhancements

- **Transmission Right-Sizing**

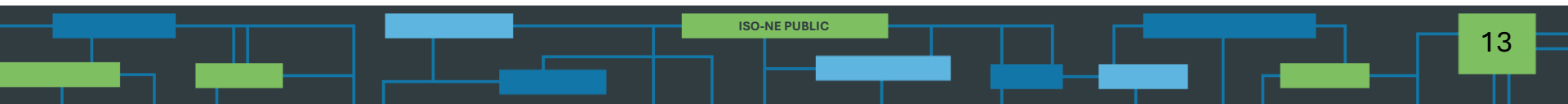
- Stakeholder discussions at the NEPOOL Transmission Committee are expected to begin in Q4 2026 on Tariff changes that would allow consideration of increasing the size of transmission equipment to account for potential future uses
- These rule changes would seek to:
 - Satisfy the Order No. 1920 requirements for the ISO to consider whether selecting transmission facilities that incorporate right-sizing is more efficient or cost-effective than planned asset condition projects in the 10-year forecast
 - Provide a path for consideration of right-sizing asset condition projects
 - Address the desire by regional stakeholders and the ISO to incorporate right-sizing considerations into transmission planning processes
- The ISO anticipates completing this initiative in time to be able to reference these new rules in the Order No. 1920 compliance filing
- After approval of the Tariff rules, the right-sizing process and input considerations would be developed and discussed at the Planning Advisory Committee for incorporation into the [Transmission Planning Guides](#)



Technology Anchor/Implementation Projects

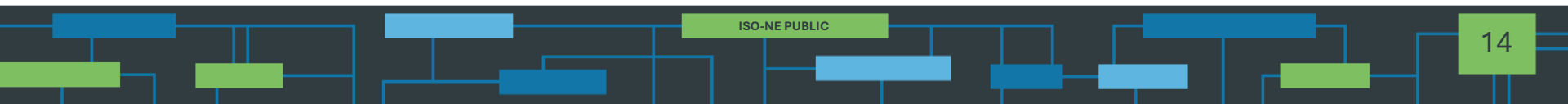
IT development and implementation of market and reliability initiatives to manage an exponentially complex future grid

- **nGEM Real-Time Market Clearing Engine: Single Interval Improvements**
 - The ISO is working in 2027 to move the Unit Dispatch System (UDS) and Location Marginal Pricing Calculator (LMPC) functions to the nGEM MCE, scheduled for completion in 2028
- **CAR Software and Systems Implementation**
 - The ISO is developing the software and systems changes needed to implement the Capacity Auction Reforms, 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; see [participant training and readiness resources](#)



NOTABLE INITIATIVES

Other key initiatives identified for 2027

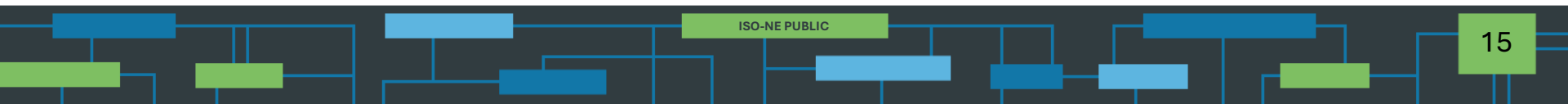


Notable Planning Initiatives

Transmission planning improvements

- **Longer-Term Transmission Planning Enhancements**

- In Q4 2026, the ISO plans to discuss with stakeholders lessons learned from implementing the [Longer-Term Transmission Planning \(LTP\)](#) to conduct the first Competitive Solicitation for LTP Solution ([2025 LTP RFP](#))
 - Discussions are expected to include consideration of switching from the sponsorship competitive solicitation model to a construction-bid model, in alignment with the Order No. 1920 proposal (see *related* Order No, 1920 Compliance on slide 11)
- Following the lessons-learned exercise, and after filing its Order No. 1920 compliance, the ISO expects to develop enhancements to the LTP process; stakeholder discussions are targeted to begin in Q3 2027



Notable Planning Initiatives, cont'd

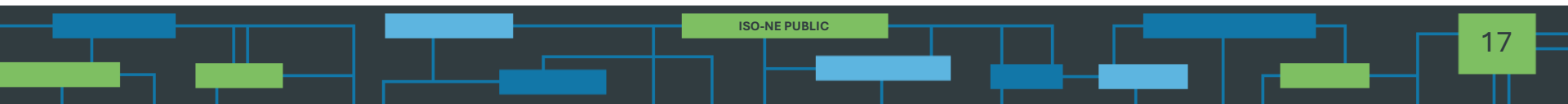
Generator interconnection enhancements

- **Order No. 2023 Interconnection Process Reforms Follow-On Enhancements**
 - In Q4 2026, the ISO plans to discuss with stakeholders lessons learned from implementing the Order No. 2023 Transitional Cluster Study
 - Following, the ISO expects to develop further enhancements to the Cluster Study rules and ensure resources entering and proceeding through Clusters are meeting the expectations for readiness; stakeholder discussions on enhancements are targeted to begin in Q2 or Q3 2027
- **Surplus Interconnection Service (Surplus IS) Part 1: Proposed Changes to Interconnection Rules to Resolve Gaps - 2026 NEPOOL Priority Continued**
 - In July 2026, the ISO published its stakeholder-requested [gap analysis](#) of existing interconnection rules to determine the need for and scope of potential solutions that would improve access and use of Surplus IS; the analysis was structured in two parts: Part 1) interconnection rules and Part 2) market participation
 - The ISO plans to develop changes to the interconnection rules as recommended in Part 1; stakeholder discussions are anticipated to begin in Q4 2026 or Q1 2027
 - Timing depends on progress of time-bound initiatives, including CAR, Large Load Show Cause compliance, and conducting the first Order No. 2023 Cluster Study
 - See next slide for Part 2 market participation

Notable Markets & Operations Initiative

NEPOOL request

- **Surplus IS Part 2: Analysis of Market Rules and Operational Considerations - 2026 NEPOOL Priority Continued**
 - The ISO plans to more thoroughly assess potential market participation gaps for Surplus resources as well as operational considerations that were initially identified in the 2026 stakeholder-requested [gap analysis](#); the assessment will inform the scope and timing of potential solutions
 - Stakeholder discussions of the assessment are targeted to begin in Q2 2027, after the CAR-SA order has been received to ensure the assessment aligns with the new capacity market rules or takes into account potential changes as directed by FERC



Notable Operations Initiative

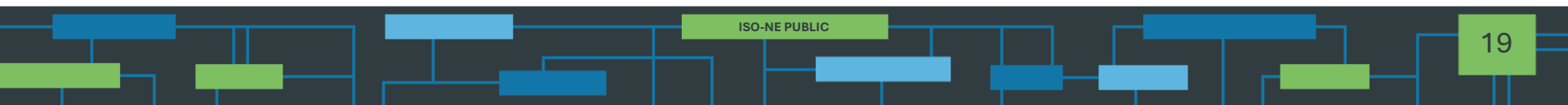
Dispatch adjustments for improved storage-resource compatibility

- **Enhancements for Storage Real-Time Dispatch and BESS Dispatch Compatibility, NEPOOL Priority Request for the 2027 AWP**
 - Stakeholders have requested an assessment of potential dispatch compatibility solutions, including updates to the Unit Dispatch System (UDS), to fully reflect the operating characteristics of fast-ramping storage resources in the ISO's real-time dispatch framework
 - Battery Energy Storage Systems (BESS) can respond nearly instantaneously and are concerned that premature ramping dispatch could result in inefficient use of their limited-energy capability
 - The ISO plans to address this request in two distinct but complementary work streams
 - First, in Q4 2026, the ISO will discuss with stakeholders its assessment of and plans for adjusting the existing UDS look ahead by year's end
 - Second, in 2027, the ISO expects to continue its assessment of the issues and identification of potential solutions related to the timing and ramping of dispatch signals, which it anticipates discussing with stakeholders in Q3

Notable Technology & Security Initiatives

Implementing sophisticated technologies and security applications to support a changing resource mix and mitigate risks

- **Inverter-Based Resource (IBR) Integration & Modeling:** In 2027, the ISO will continue its multi-year effort to design and implement an electromagnetic transient (EMT) model management process and repository. The ISO will also advance EMT simulation capabilities, including cloud-based computing, small-signal analysis, and full New England system modeling, and apply these capabilities to support planning and operational decision-making.
- **Synchrophasor and Advanced Measurements:** In a 2027 joint effort with the TOs, the ISO will develop enhancements to its production-grade synchrophasor system within the CIP environment by expanding external PMU data exchange and establishing operational procedures to support real-time grid awareness and decision-making; additional priorities include defining measurement requirements for large loads, assessing next-generation measurement capabilities such as point-on-wave (POW) data infrastructure, and developing analytical tools to assess resource dynamic performance during grid events and support compliance evaluations.
- **Integrated Market Simulator (IMS):** In 2027, the ISO expects to introduce multiple interval dispatch and pricing function into the IMS, implement and benchmark the energy storage model with production system per FERC Order No. 841, and deploy IMS in a cloud environment for IMM usage and market design evaluation.

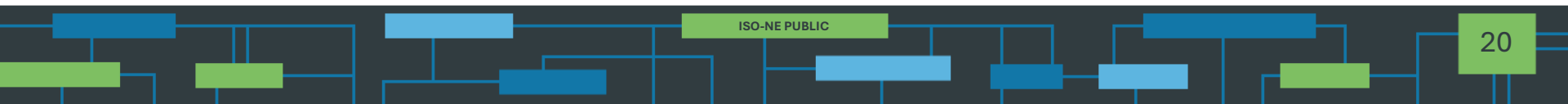


Notable Technology & Security Initiatives, cont'd

Implementing sophisticated technologies and security applications to support a changing resource mix and mitigate risks

- **Probabilistic Forecasting**

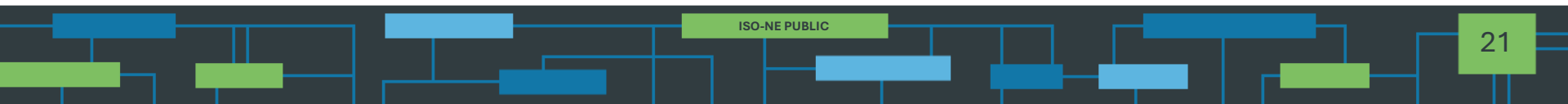
- In 2027, the ISO will continue development of an Uncertainty Quantification model and framework to provide more accurate, probabilistic forecasts of key operational parameters on day-ahead and intra-day timeframes, such as system net load and hourly capacity margin
 - The model considers uncertainty sources such as wind and solar generation, load, forced outages, and interchange schedules
- Near-term objectives are to enhance risk-informed operational planning and reliability assessments over operational-horizon timeframes
- Intra-day probabilistic forecasts of net load and related uncertainties will be incorporated into the Dynamic Operating Reserves proposal to be discussed in 2027 (see *related* ORDC initiative on slide 9)



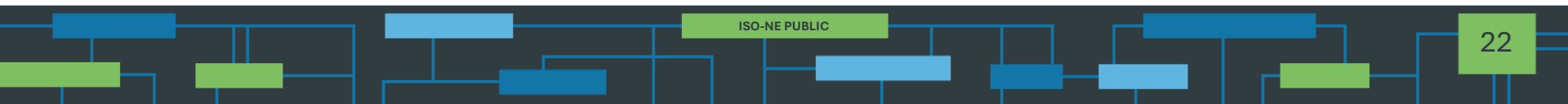
Notable Technology & Security Initiatives, cont'd

Implementing sophisticated technologies and security applications to support a changing resource mix and mitigate risks

- **Artificial Intelligence:** The ISO will be scaling AI usage over the coming years to develop and optimize advanced technologies, maintain and support new and improved tools for planning, system operations, and market operations; strengthen forecasting, modeling, and simulation analytics and capabilities; and bolster cyber defense
- **Cloud Computing:** The ISO's transition to a cloud environment continues to be a major effort over the next several years to minimize technology infrastructure maintenance costs, speed deployment of software, increase scalability and flexibility, and enable faster computing performance needed to reliably operate a modern system as resource data grows
- **Cyber Security:** The ISO has made significant cyber security investments to date and over the next several years will continue to invest in improved monitoring, detection, and recovery tools to keep pace with increasingly sophisticated attack threats

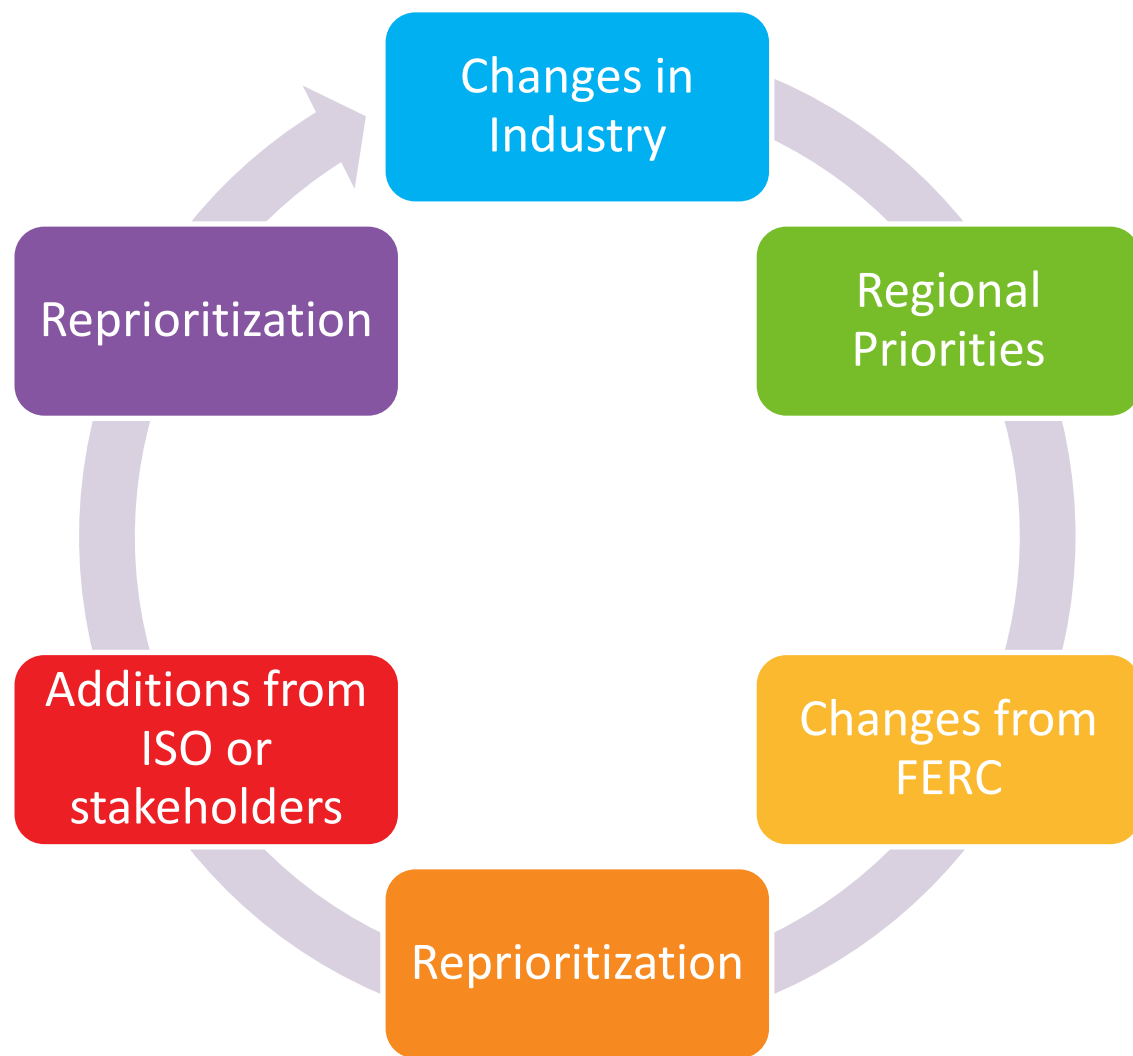


WORK PLAN PRIORITIZATION

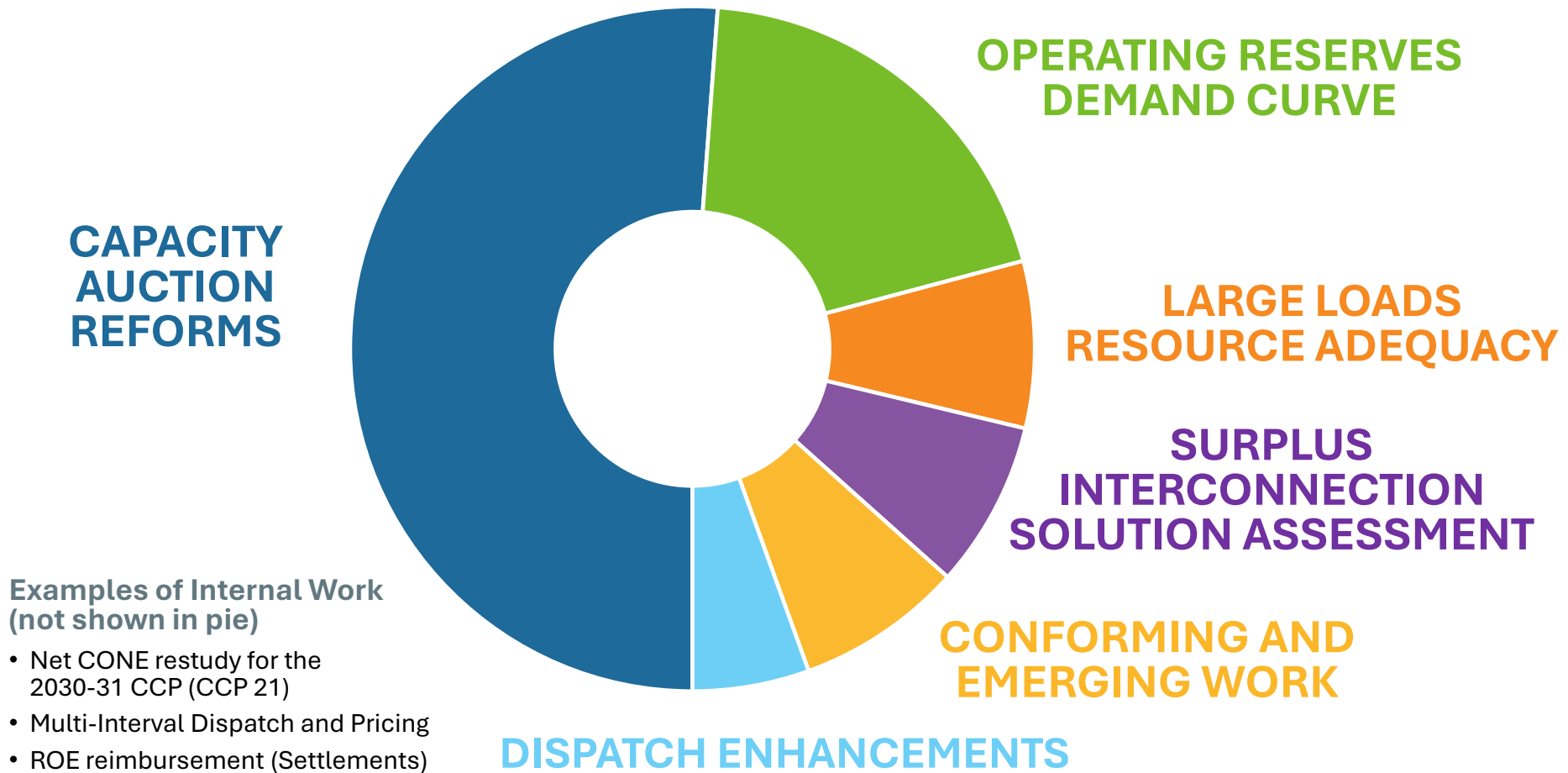


Prioritization Process

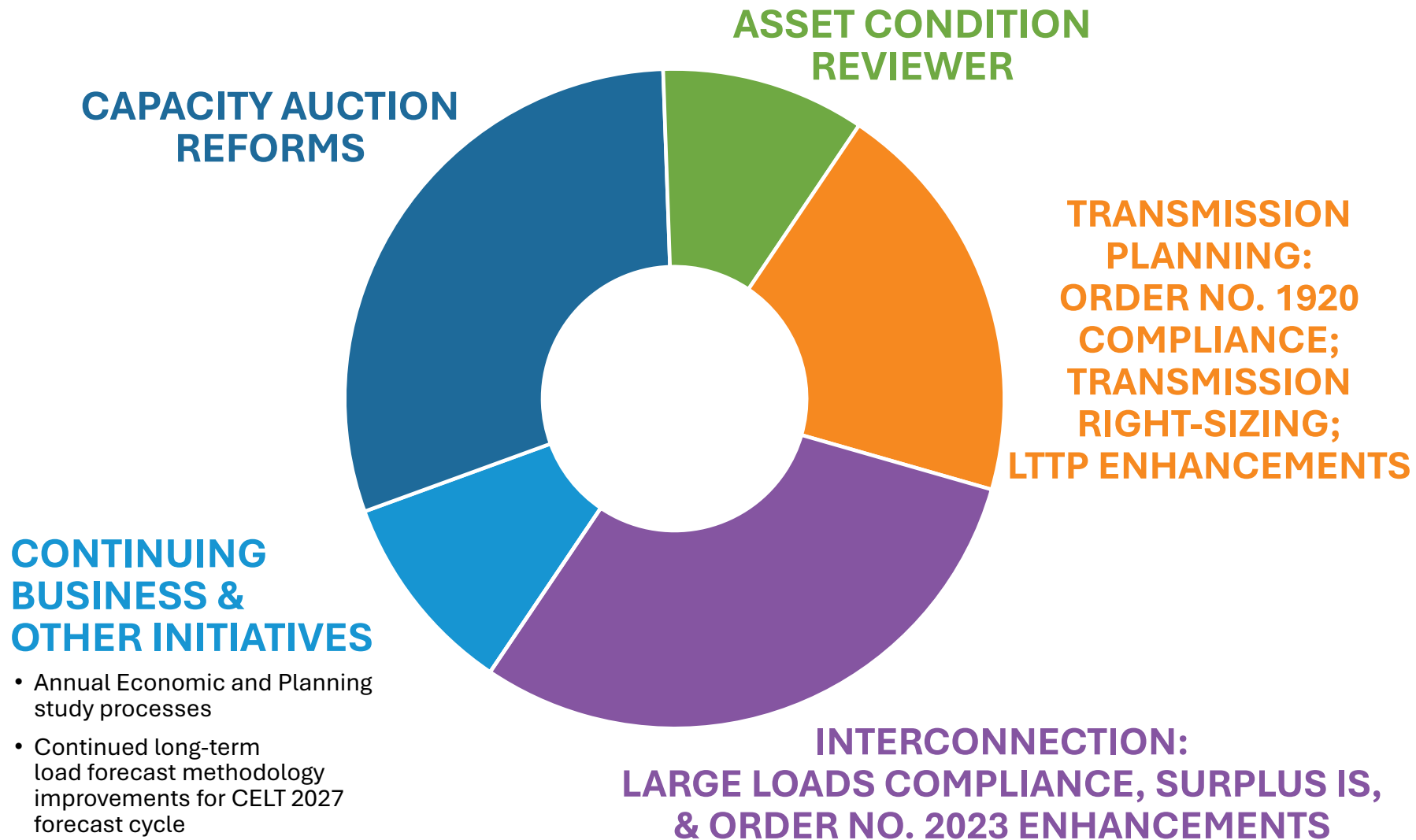
- The ISO adjusts its priorities as needed to best maintain reliable operations, robustly plan for a changing grid, and ensure competitive wholesale markets
- Planned projects are impacted as scopes shift or new projects emerge



Markets/Operations Project Priorities Include:



Planning Project Priorities Include:



Capital Project Priorities Include:

nGEM SINGLE INTERVAL IMPROVEMENTS



SOFTWARE AND SYSTEMS IMPLEMENTATIONS

- Capacity Auction Reforms – Large volume of change and new functionality
- Order No. 2222 Customer and Asset Management (CAMS) enhancements
- MW Dependent Fuel Price Adjustment (Dynergy Compliance) (Q4 2027 implementation)

INFRASTRUCTURE ENHANCEMENTS

- Settlement Market System Technology Upgrade
- Total Transfer Capability Utility (TTCU) Implementation for Resource Outage Coordination
- Market Info System to Cloud
- 2027 Issue Resolution Projects
- GridOS Connect
- Tie Line Telemetry Replacement
- DASI Benchmark Calculation Enhancements

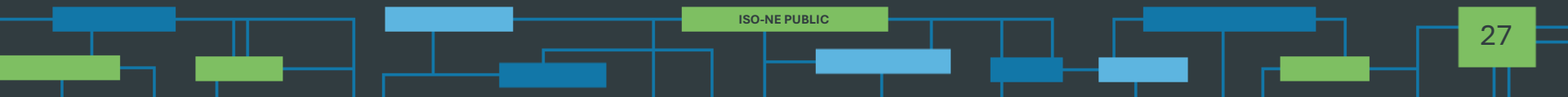
AI, CLOUD COMPUTING, CYBER SECURITY

IBR MODELING/INTEGRATION, SYNCHROPHASOR ENHANCEMENTS, IMS

2027 AWP	Q1	Q2	Q3	Q4
Multi-Functional (Markets, Planning, Operations)	Capacity Auction Reforms: Implementation, Conforming Changes, & Follow-On Work			
	Large Loads: Compliance and RA		Further FERC Compliance TBD	
		Operating Reserves Demand Curve		
	Surplus IS P1 Solutions & P2 Assessment			
Planning	Asset Condition Reviewer Setup and Implementation			
	Order No. 1920 Compliance		Further FERC Compliance TBD	
	Transmission Right-Sizing			
	LTTP Lessons Learned		LTTP Tariff Updates	
		Order No. 2023 Process Enhancements		
Operations			Dispatch Enhancements Part 2	
Technology	nGEM Single Interval Improvements			
	CAR Systems and Software Implementations			
	IBR Modeling, Synchrophasor Enhancements, IMS, Probabilistic Forecasting			
	Artificial Intelligence, Cloud Computing, Cyber Security			

Approximate Stakeholder Discussion Timing

Initiatives in **bold** are Anchor Projects



6.a

2027 ISO-NE Budget

REPORT



ISO New England Proposed 2027 Operating and Capital Budgets

Updated 09/22/2026

*NEPOOL Budget & Finance Subcommittee
Meeting*

Kelly Reyngold

CHIEF FINANCIAL OFFICER



Oct 2, 2026
Meeting

NEPOOL
NEW ENGLAND POWER POOL
Participants Committee

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates

FROM: Rosendo Garza and Pat Gerity, NEPOOL Counsel

DATE: September 25, 2026

RE: 2027 ISO Budgets and 2027 NESCOE Budget

At its October 2, 2026 meeting, the Participants Committee (NPC) will be asked to vote on the ISO's proposed 2027 operating and capital budgets (collectively, the ISO Budgets) and NESCOE's 2027 operating budget (NESCOE Budget). Background materials are included with this memorandum and posted with the meeting's composite materials.

2027 ISO Budgets

The 2027 ISO Budgets were developed in accordance with the processes set forth in the Participants Agreement and Settlement Agreement with state agencies in FERC Dockets Nos. ER13-185 and ER13-192. The ISO presented its preliminary budgets to New England state officials on June 8, 2026, and to the NPC at its June 15 Summer Meeting. On August 7, the ISO presented the budgets to the Budget & Finance Subcommittee (B&F) and, later that same day in a separate meeting, to state officials. At the September 3 NPC meeting, Ms. Kelly Reyngold, Vice President and Chief Financial Officer, provided an overview of the ISO Budgets (Sep NPC Presentation) and offered to answer any questions. Following that meeting, certain New England state regulators and consumer advocates raised questions and comments on the budgets, to which the ISO responded (States Q&As).

Included with this memorandum is the following:

- a memorandum from Ms. Reyngold providing additional information on changes to the ISO Budgets and the Sep NPC Presentation since the September 3 NPC meeting;
- an updated Sept NPC Presentation;
- the ISO's September 22 memorandum regarding its projected costs and allocation among the schedules under the ISO's "Self-Funding Tariff" (Tariff Section IV.A);¹
- a copy of the States' Q&As; and
- a copy of State Officials' comments on the ISO Budgets and the ISO's response thereto.

¹ The September 22 memorandum, circulated directly to NPC members and alternates and B&F members, addresses the projected 2027 revenue requirement. It includes the final true-up for 2025 and a comparison to the 2026 Revenue Requirement, the Draft 2027 Revenue Requirement by activity, and the Draft 2027 Rate Components.

The ISO's 2027 operating budget, before true-ups, reflects a 7.3% increase over the 2026 operating budget. After accounting for the true-up mechanism in the Tariff, the revenue requirement to fund the 2027 operating budget (i.e., the amount collected under the ISO's administrative costs tariff (Section IV of the Tariff)) will increase by 10.2% over the amount projected to be collected in 2026. The ISO's capital budget for 2027 is \$45 million, which represents \$2.5 million over the 2026 capital budget.

The following form of resolution can be used by the NPC for action on the 2027 ISO Budgets:

RESOLVED, that the Participants Committee supports the Year 2027 operating and capital budgets proposed by the ISO, as presented at this meeting.

2027 NESCOE Budget

Ms. Heather Hunt, NESCOE's Executive Director, attended the August 7 B&F meeting and reviewed NESCOE's expected 2027 budget, estimated to be approximately \$3 million. NESCOE's August 7 B&F presentation was included with the materials for the September 3 NPC meeting and is included with this memorandum, with changes only to p. 12 to reflect the final Network Load factor and a resulting updated 2027 Schedule 5 rate of \$0.00942 per kw-mo.

The Participants Committee may use the following form of resolution in its consideration of the proposed 2027 NESCOE Budget:

RESOLVED, that the Participants Committee supports the Year 2027 NESCOE budget, as presented at this meeting.



memo

To: NEPOOL Participants Committee Members and Alternates

From: Kelly Reyngold, VP and Chief Financial Officer

Date: October 2, 2026

Subject: ISO New England's 2027 Proposed Operating and Capital Budgets

This memo is intended to provide the NEPOOL Participants Committee ("NPC") an update on the ISO's 2027 operating and capital budgets (the "Budgets") since the last review of the Budgets at the September 3, 2026 NPC meeting. As explained below, the 2027 Budgets remain unchanged although materials have been updated to incorporate more detailed information developed during our continuous business planning activities.

Summary of 2027 Budgets

The 2027 operating budget has not changed from what was presented at the September NPC meeting. As the ISO seeks to offer increasing value to the region, we have allocated separate line items totaling \$2.4 million covering resources for the Asset Condition (AC) Reviewer function (\$2.2 million) and for a second Longer-Term Transmission Planning (LTP) study (\$0.2 million). Monies not spent on these two initiatives will be returned through the annual true-up process. The proposed baseline operating budget for 2027 is \$21.6M or 6.5% above the 2026 approved budget. Incorporating the AC Reviewer and LTP 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 LTP services and prior year true-ups, the 2027 Revenue Requirement reflects a \$32.0M increase.

The 2027 capital budget remains unchanged at \$45.0 million. However, the capital projects plan has been updated to reflect recently chartered projects, revised projects budgets, revised targeted completion dates, adjustments to spending allocations across years, or projects with name changes. Updates associated with projects that recently progressed from the planning stage to chartered status, include the Next-Generation Electronic Dispatch & Reliability Voice Networks, Electromagnetic Transient Model Repository (EMTR), MW Dependent Fuel Price Adjustment, Integrated Market Simulator Usability, Enterprise Resource Planning (ERP) Enhancements, and Tie Line Telemetry Replacement projects. Revisions were also made to several capital projects in the 2027 capital budget, including Settlement Market System Technology Upgrade, TCU Implementation for Resource Outage Coordination, Migration of the Market Information System (MIS) File Transfer Protocol (FTP) Server to the Cloud, Microsoft 365 Phase III, and Circuit Inventory Management Platform Phase II. These changes reflect updates to overall project budgets and annual spending allocations. In addition, two projects have been renamed. Distributed Energy Resources (DER) – Order 2222 Phase II was previously titled *CAMS – Order 2222 Enhancements*, and DASI Benchmark Calculation Versioning Enhancements – IMM was previously titled *DASI Benchmark Calculation Enhancements*.

Materials

The August 7, 2026 budget presentation (the "Budget Presentation") presented to the NEPOOL Budget and Finance Subcommittee has been updated to reflect the changes described above. The updated Budget Presentation can be found at the following link:

[a07 bfs 2026 08 07 iso proposed budget 2027 updated september.pdf](#)

The 2027 state agencies' written comments and the accompanying responses can be found at the following link: [a07_bfs_2026_08_07_states_2027_budget_response.pdf](#)

Budget Presentation Slide Changes

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

Operating Budget Slide page changes:

- To reflect the Board Compensation and Human Resources Committee approval of 2027 merit and promotion/adjustment amounts: 98

Capital Budget Slide page changes:¹

- Changes due to budget status (Chartered or Planning/Conceptual Design), budget, completion date or name: 63, 64, 65, 120, 121, 122, 123, 125, 127, 142, 145, 146, 149 and 151

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

¹ The *order* of the Capital Budget slides containing project descriptions, on slides 121-148 of the updated budget presentation, has changed from the original presentation because of the insertion of the newly chartered projects and changes to the budgeted amounts as noted above.



memo

To: NEPOOL Budget & Finance Subcommittee and Participants Committee

From: Kelly Reyngold

Date: September 22, 2026

Subject: Projected 2027 Revenue Requirement for ISO New England Administrative Cost Tariff Schedules

To help our Participants prepare their 2027 budgets and consistent with information provided in previous years, this memo includes a preliminary indication of ISO-NE's 2027 costs and related tariff schedules. Specifically, the memo includes (1) the estimated 2027 Revenue Requirement, including the final true-up for 2025 and a comparison to the 2026 Revenue Requirement (see Exhibit 1 below), (2) the Draft 2027 Revenue Requirement by activity (see Exhibit 2), and (3) the Draft 2027 Rate Components (see Exhibit 3). Exhibits 2 and 3 are attached and, in their final form, will be part of the ISO's budget filing with FERC. The cost assignment and allocation mechanisms that were utilized in the Draft 2027 tariff schedules were established in accordance with the 2001 settlement and consistent with the assignment and allocation mechanisms that have been used for the last twenty-five years.

Overall Change in Revenue Requirement

As shown in Exhibit 1 below, the overall Revenue Requirement has increased by \$32.0 million year-over-year, from \$314.4M for 2026 to \$346.4M for 2027.¹ The change includes a \$24.0 million increase in the revenue requirement before taking into account the change in prior year true-ups. Prior year true-ups resulted in an increase of \$8.0M. The 2026 tariff included a \$15.6M revenue requirement decrease for the final 2024 true-up, while the 2027 tariff will include a decrease of \$7.6M as a result of the final 2025 true-up.

Draft Exhibit 1				
ISO New England Revenue Requirement By Tariff Schedule 2027 Estimated Amount vs. 2026 Filed Amount				
	Sch 1	Sch 2	Sch 3	Total
2027 Revenue Requirement Before Prior Year True Ups	\$ 77,031,397	\$ 171,250,473	\$ 105,746,759	\$ 354,028,630
2026 Revenue Requirement Before Prior Year True Ups	68,040,034	161,098,608	100,852,848	329,991,490
\$ Increase/(Decrease) from 2026 to 2027	8,991,363	10,151,866	4,893,911	24,037,140
% Increase/(Decrease) from 2026 to 2027	13.2%	6.3%	4.9%	7.3%
2027 Revenue Requirement Prior Year True Ups-Under/(Over) Collect	\$ 363,514	\$ (4,454,515)	\$ (3,526,463)	\$ (7,617,464)
2026 Revenue Requirement Prior Year True Ups-Under/(Over) Collect	(2,470,230)	(6,336,845)	(6,794,645)	(15,601,720)
\$ Increase/(Decrease) from 2026 to 2027	2,833,744	1,882,330	3,268,182	7,984,256
2027 Revenue Requirement Including Prior Year True-Ups	\$ 77,394,911	\$ 166,795,958	\$ 102,220,296	\$ 346,411,166
2026 Revenue Requirement Including Prior Year True-Ups	65,569,804	154,761,763	94,058,203	314,389,770
\$ Increase/(Decrease) from 2026 to 2027	11,825,108	12,034,195	8,162,094	32,021,396
% Increase/(Decrease) from 2026 to 2027	18.0%	7.8%	8.7%	10.2%

¹ Minor variances may appear due to rounding among the various presentations and schedules for the 2027 Budgets.

Change in Revenue Requirement by Schedule

Before true-ups in 2027 and 2026, the 2027 Revenue Requirement reflects an overall increase of \$24.0M or 7.3% over the 2026 Revenue Requirement. By tariff schedule, the changes are Schedule 1, a \$9.0M or 13.2% *increase*; Schedule 2, a \$10.2M or 6.3% *increase*; and Schedule 3, a \$4.9M or 4.9% *increase*.

The Tariff Schedule 1 increase of \$9.0M is attributable to:

- Increases impacting all three schedules include Compensation costs associated with merit, promotional, and incentive programs aligned with market data; Information Technology and Advanced Technology Solutions expenses for personnel and products driven by investments in cybersecurity, new or enhanced licensing for System Planning and Operations applications, initiatives to formalize and expand the use of Artificial Intelligence and Machine Learning across ISO-NE, support for transitioning internally developed advanced technologies into production environments to enhance situational awareness, and inflationary and vendor-driven price increases across the computer services portfolio; and Consulting and Professional Fees, primarily driven by information technology and cybersecurity requirements, including advisory and research services, system patching, and increased consultant utilization resulting from additional support hours, a greater emphasis on operational support activities versus development efforts, and reduced staffing vacancies.
- Funding to establish the Asset Condition Reviewer function, including FTEs and supporting professional services to develop and manage this function; Depreciation Expense associated with the Managing Transmission Line Ratings project, which is scheduled to enter production in December 2026; and Transmission Planning study costs including a system-wide thermal assessment driven by FERC Order 881 requirements, regional studies related to OATT and Cluster Enabling Transmission Upgrades, and funding for potential Longer-Term Transmission Planning study anticipated to be requested in 2027.

The Tariff Schedule 2 increase of \$10.2M is attributable to:

- Schedule 2 expense increases reflect funding for the items affecting all three schedules, as described above in the Schedule 1 explanation.
- Depreciation Expense is a net reduction for Schedule 2, primarily due to the nGEM Market Clearing Engine (Day-Ahead)² becoming fully depreciated in 2026. This reduction is partially offset by depreciation expense associated with the nGEM Real-Time Market Clearing Engine, which is scheduled to enter production in mid-2026.

The Tariff Schedule 3 increase of \$4.9M is attributable to:

- Schedule 3 expense increases reflect funding for the items affecting all three schedules, as described above in the Schedule 1 explanation.
- Funding for work associated with the Tariff-required Net Cost of New Entry (CONE) recalculation.
- Increases in NPCC and NERC dues.
- Partially offsetting Schedule 3 expense increases is a reduction in Capacity Auction Reforms design consulting and project management costs as the initiative transitions from the design phase to development.

The ISO 2027 Revenue Requirement will be reviewed and voted on at the October 2, 2026 NPC meeting. Should you have any questions regarding the information provided in this memo, do not hesitate to contact me.

² The nGEM Market Clearing Engine (Day-Ahead) Implementation, completed in June 2023, included the following projects that began depreciating: CIMNET Simultaneous Feasibility Test with Data Transfer Enhancements, nGEM Value Added Development, nGEM Market Clearing Engine Implementation, nGEM Software Development Parts I and II, and nGEM Hardware Phase I and II. These projects became fully depreciated in 2026.

Exhibit 2
Page 1 of 6

DRAFT

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Administration-CEO</u>					
2	12651	Indirect Administrative Support	Total Dir Labor	\$ 15,479,469	\$ 3,335,825	\$ 8,010,625	\$ 4,133,018
3	12652	NEPOOL Committee Support	Total Dir Labor	2,510	541	1,299	670
4	12654	National Committee Support	Total Dir Labor	31,242	6,733	16,168	8,342
5	12657	Indirect Administrative Support for BCC	Total Dir Labor	613,727	132,258	317,604	163,865
6	19001	NEPOOL Committee Support	Total OPS Labor	17,841	4,781	8,555	4,505
7	19003	National Committee Support	Total OPS Labor	14,117	3,783	6,769	3,565
8	19005	Indirect Supervision/Clerical Support	Total OPS Labor	783,943	210,097	375,900	197,945
9	19009	Renewable Resource Integration	Alloc-Fixed	936	-	-	936
10		Total		16,943,785	3,694,019	8,736,920	4,512,846
11							
12		<u>Finance</u>					
13	11601	Payroll Administration	Total Dir Labor	567,931	122,389	293,904	151,637
14	11701	Accounts Payable	Total Dir Labor	389,127	83,857	201,373	103,897
15	11702	Procurement	Total Dir Labor	391,043	84,270	202,365	104,409
16	11901	Settle for Power Transactions	Total Dir Labor	48,641	10,482	25,172	12,987
17	12001	Budgeting and Forecasting	Total Dir Labor	1,120,583	241,486	579,902	299,196
18	12017	Forward Capacity Market (FCM) Reforms	Alloc-Fixed	170	-	-	170
19	12030	FinOps Management	Total Dir Labor	98,554	21,238	51,002	26,314
20	12101	Ledger Closing, Financial Statements and Tax Reporting	Total Dir Labor	839,865	180,991	434,630	224,244
21	12201	Treasury and Cash Management	Total Dir Labor	1,898,949	409,223	982,706	507,019
22	92004	Depreciation Expense 2004 Assets	Alloc-Fixed	43,160	8,660	22,765	11,735
23	92005	Depreciation Expense 2005 Assets	Alloc-Fixed	773,169	163,467	402,125	207,577
24	92006	Depreciation Expense 2006 Assets	Total Dir Labor	568,947	122,608	294,430	151,909
25	92007	Depreciation Expense 2007 Assets	Total Dir Labor	156,295	33,682	80,883	41,731
26	92008	Depreciation Expense 2008 Assets	Total Dir Labor	548	118	284	146
27	92009	Depreciation Expense 2009 Assets	Total Dir Labor	1,230	265	637	328
28	92010	Depreciation Expense 2010 Assets	Total Dir Labor	-	-	-	-
29	92012	Depreciation Expense 2012 Assets	Total Dir Labor	80,431	17,333	41,623	21,475
30	92013	Depreciation Expense 2013 Assets	Total Dir Labor	827,131	178,247	428,040	220,844
31	92014	Depreciation Expense 2014 Assets	Total Dir Labor	73,004	15,732	37,780	19,492
32	92015	Depreciation Expense 2015 Assets	Total Dir Labor	-	-	-	-
33	92016	Depreciation Expense 2016 Assets	Alloc-Fixed	3,248	700	1,681	867
34	92017	Depreciation Expense 2017 Assets	Alloc-Fixed	48,633	10,480	25,168	12,985
35	92018	Depreciation Expense 2018 Assets	Alloc-Fixed	2,106	454	1,090	562
36	92019	Depreciation Expense 2019 Assets	Alloc-Fixed	10,597	2,284	5,484	2,829
37	92020	Depreciation Expense 2020 Assets	Alloc-Fixed	51,430	11,083	26,615	13,732
38	92021	Depreciation Expense 2021 Assets	Alloc-Fixed	100,894	21,743	52,213	26,939
39	92022	Depreciation Expense 2022 Assets	Alloc-Fixed	839,891	59,307	541,113	239,472
40	92023	Depreciation Expense 2023 Assets	Alloc-Fixed	5,065,102	1,057,217	2,501,823	1,506,063
41	92024	Depreciation Expense 2024 Assets	Alloc-Fixed	9,467,510	2,077,077	4,870,137	2,520,295
42	92025	Depreciation Expense 2025 Assets	Alloc-Fixed	11,638,198	2,365,776	6,405,882	2,866,540
43	92026	Depreciation Expense 2026 Assets	Alloc-Fixed	9,123,983	1,770,250	5,052,999	2,300,734
44	92027	Depreciation Expense 2027 Assets	Alloc-Fixed	1,724,737	230,035	622,074	872,628
45	99707	Amortization of Land Recovery	Alloc-Fixed	39,300	2,460	24,170	12,670
46	99995	NPCC/NERC Dues	Alloc-Fixed	11,066,730	-	-	11,066,730
47	99996	Operating Contingency	Total Dir Labor	700,000	150,850	362,250	186,900
48	99996	Operating Contingency	Total Dir Labor	3,000,000	646,500	1,552,500	801,000
49	99998	Payroll & Other Accruals	Total Dir Labor	21,141,054	4,555,897	10,940,496	5,644,661
50		Total		81,902,191	14,656,161	37,065,312	30,180,719
51							
52		<u>Facilities & Security</u>					
53	12664	Building Maintenance	Total Dir Labor	3,529,336	760,572	1,826,432	942,333
54		Total		3,529,336	760,572	1,826,432	942,333
55							
56		<u>Market & Credit Risk</u>					
57	12005	Credit Administration	Total Dir Labor	2,637,894	568,466	1,365,110	704,318
58		Total		2,637,894	568,466	1,365,110	704,318
59							
60		<u>Human Resources</u>					
61	12661	Employee Affairs (Recreation Committee)	Total Dir Labor	205,709	44,330	106,455	54,924
62	12701	Recruiting/Interviewing	Total Dir Labor	1,567,430	337,781	811,145	418,504
63	12702	Intern Expense	Total Dir Labor	802,184	172,871	415,130	214,183
64	12901	Benefit Administration	Total Dir Labor	1,584,845	341,534	820,157	423,154
65	12951	Compensation	Total Dir Labor	1,635,913	352,539	846,585	436,789
66	12961	HR - General	Total Dir Labor	2,288,769	493,230	1,184,438	611,101
67	12962	HR - Training	Total Dir Labor	2,834,168	610,763	1,466,682	756,723
68	13410	Power Training & Development	Total Dir Labor	766,687	165,221	396,761	204,705
69	13411	Markets Training & Development	Total Dir Labor	71,256	15,356	36,875	19,025
70	13412	People Training & Development	Total Dir Labor	920,882	198,450	476,557	245,876
71	13413	Business Skills Training & Development	Total Dir Labor	337,427	72,716	174,619	90,093
72	13414	Technology Training & Development	Total Dir Labor	1,029,978	221,960	533,014	275,004
73	13603	Controls-related Compliance Training	Total Dir Labor	23,014	4,960	11,910	6,145
74	13901	Performance Eval/Salary Review	Total Dir Labor	67,511	14,549	34,937	18,025
75	22311	Employee Development	Total Dir Labor	1,475	318	763	394
76		Total		14,137,248	3,046,577	7,316,026	3,774,645

Exhibit 2
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DRAFT

Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Legal & Compliance</u>					
2	12422	Interconnection Queue	Alloc-Fixed	192,194	-	-	192,194
3	12426	GC - Interconnection Agreements	Alloc-Fixed	128,129	-	64,065	64,065
3	12502	Board of Directors	Total Dir Labor	326,510	70,363	168,969	87,178
4	12508	Energy Markets / Complaints / Rule Changes	Alloc-Fixed	2,120,941	-	2,120,941	-
5	12513	Miscellaneous Labor Matters	Total Dir Labor	120,000	25,860	62,100	32,040
6	12514	NEPOOL Participants Committee	Total Dir Labor	198,631	42,805	102,792	53,035
7	12517	Administrative and Clerical Support	Total Dir Labor	525,936	113,339	272,172	140,425
8	12543	Independent Market Advisor	Alloc-Fixed	1,500,120	-	1,050,084	450,036
9	12559	General Corporate	Total Dir Labor	2,528,569	544,907	1,308,534	675,128
10	12587	Capacity Market Development	Alloc-Fixed	64,065	-	-	64,065
11	12618	GC - Employment Matters	Total Dir Labor	240,001	51,720	124,200	64,080
12	12619	Compliance	Alloc-Fixed	578,974	231,590	231,590	115,795
13	12622	Open Access Transmission Tariff	Alloc-Fixed	192,194	192,194	-	-
14	12631	GC - FERC Order 1000 (Legal Only)	Alloc-Fixed	448,452	-	-	448,452
15	12632	GC - FERC Order No. 2222	Alloc-Fixed	42,132	-	21,066	21,066
16	14806	Employee Development	Alloc-Fixed	94,286	52,376	18,225	23,685
17	14807	NERC RSAW Update and Audit Prep	Alloc-Fixed	834,519	417,259	-	417,259
18	14809	ROC - Tariff Compliance	Alloc-Fixed	405,413	121,624	243,248	40,541
19	14812	ROC - NPCC MP Referral	Alloc-Fixed	89,228	35,691	35,691	17,846
20	14816	Support NE Compliance Groups	Total Dir Labor	98,826	21,297	51,143	26,387
21	22704	Record Retention Services	Alloc-Fixed	127,611	42,495	42,495	42,622
22	22705	Corporate Scorecard	Alloc-Fixed	64,463	21,466	21,466	21,531
23	22706	Document Management Services	Alloc-Fixed	89,228	35,691	26,768	26,768
24	22709	ERM Management	Total Dir Labor	35,965	7,750	18,612	9,603
25	22710	Employee Development	Total Dir Labor	6,263	1,350	3,241	1,672
26	22721	Corp Strategic Risk	Total Dir Labor	1,104,083	237,930	571,363	294,790
27	25011	Corrective Action/Preventive Action	Alloc-Fixed	31,213	10,394	10,394	10,425
28		Total		12,187,945	2,278,100	6,569,159	3,340,686
29							
30		<u>External Affairs & Communications</u>					
31	12588	GC- Web Content Management	Total Dir Labor	752,194	162,098	389,261	200,836
32	12663	Public Information	Total Dir Labor	2,639,358	568,782	1,365,868	704,709
33	12669	Government Affairs	Total Dir Labor	3,022,392	651,325	1,564,088	806,979
		Total		6,413,944	1,382,205	3,319,216	1,712,523
34							
35		<u>Internal Audit</u>					
36	15001	Indirect Management Duties	Total Dir Labor	200,261	43,156	103,635	53,470
37	15002	Personnel Management	Total Dir Labor	52,698	11,357	27,271	14,070
38	15003	Budget & Forecasting	Total Dir Labor	35,132	7,571	18,181	9,380
39	15005	Audit & Finance Committee	Total Dir Labor	70,265	15,142	36,362	18,761
40	15006	Internal Audit Business Process Update	Total Dir Labor	17,566	3,786	9,090	4,690
41	15007	Annual Audit Work Plan	Total Dir Labor	579,054	124,786	299,661	154,608
42	15014	GRC Tool Admin and Development	Total Dir Labor	80,763	17,404	41,795	21,564
43	15021	Performance Measurements	Total Dir Labor	52,698	11,357	27,271	14,070
44	15022	Vendor Contracts	Total Dir Labor	17,566	3,786	9,090	4,690
45	15029	Audit - Payroll	Total Dir Labor	35,132	7,571	18,181	9,380
46	15033	Audit - Ethics Point Complaint	Total Dir Labor	17,566	3,786	9,090	4,690
47	15085	Audit - Information Technology	Total Dir Labor	952,073	205,172	492,698	254,203
48	15117	Audit - PMO Process and Procedures	Total Dir Labor	52,698	11,357	27,271	14,070
49	15161	External Audit- Pension Audit	Total Dir Labor	105,978	22,838	54,844	28,296
50	15162	External Audit- Financial Audit	Total Dir Labor	210,160	45,289	108,758	56,113
51	15166	External Audit -Pricing Module Certification	Alloc-Fixed	32,366	-	32,366	-
52	15176	External Audit - ISO Internet Vulnerability Assessment	Total Dir Labor	17,760	3,827	9,191	4,742
53	25702	External Audit - SSAE 18 Direct Management	Alloc-Fixed	785,006	-	785,006	-
54	28005	Fraud, Waste & Abuse Program	Total Dir Labor	84,738	18,261	43,852	22,625
55	28007	Contractor/Consultant Review	Total Dir Labor	25,576	5,512	13,236	6,829
56	28097	Audit - Power System Reliability	Alloc-Fixed	511,523	409,218	25,576	76,728
57		Total		3,936,580	971,174	2,192,425	772,981
58							
59		<u>System Operations & Market Administration</u>					
60	14405	Indirect Supervision/Clerical Support	SOA Labor	609,223	210,426	282,802	115,996
61	14408	National Committee Support	SOA Labor	389,873	134,662	180,979	74,232
62	19101	NEPOOL Committee Support	MOA Labor	266,895	-	186,827	80,069
63		Total		1,265,992	345,088	650,607	270,297

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Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Operations</u>					
2	14001	Generation Dispatch	Alloc-Fixed	4,432,479	-	3,723,282	709,197
3	14002	Transmission Operations	Alloc-Fixed	2,532,845	2,026,276	126,642	379,927
3	14301	TSO - Contract Administration and Scheduling	Alloc-Fixed	637,065	63,707	445,946	127,413
4	14304	Advanced Scheduling and Forecasting	Alloc-Fixed	2,563,675	128,184	2,025,303	410,188
5	14562	Ops - Regional Committee Support	OPS Labor	30,962	8,657	17,141	5,164
6	14563	National Committee Support	OPS Labor	40,808	11,410	22,591	6,807
7	14565	Employee Development	OPS Labor	1,812	506	1,003	302
8	14578	Ops - OPTI External Training Meetings	Total Dir Labor	7,960	1,715	4,119	2,125
9	14585	Ops - Operations Procedure Support	Total Dir Labor	160,161	34,515	82,884	42,763
10		Total		10,407,766	2,274,970	6,448,910	1,683,886
11							
12		<u>Operational Performance Trng and Integration</u>					
13	14402	Operations Training	Alloc-Fixed	1,939,235	775,694	775,694	387,847
14	14462	OSS - General Systems Operations Support	TSO Labor	658,081	213,021	314,628	130,432
15	14564	Indirect Supervision/Clerical Support	OPS Labor	2,633,775	736,403	1,458,058	439,314
16	14574	OPTI Continuing Training	Alloc-Fixed	1,452,553	581,021	581,021	290,511
17	14575	Ops - OPTI System Operator Initial Training	Alloc-Fixed	7,708	3,083	3,083	1,542
18	14581	Ops - Application Testing and Development	Total Dir Labor	1,561,512	336,506	808,083	416,924
19	14587	Ops - Other Internal Support Meetings	Total Dir Labor	969,240	208,871	501,582	258,787
20	14591	Ops - OAI Pre-Project Activities	Total Dir Labor	855,505	184,361	442,724	228,420
21		Total		10,077,607	3,038,961	4,884,872	2,153,775
22							
23		<u>Operations Support Services</u>					
24	14451	TSO - NEPOOL Committee Support	TSO Labor	4,360	1,411	2,085	864
25	14453	National Committee Support	TSO Labor	9,144	2,960	4,372	1,812
26	14454	Indirect Supervision/Clerical Support	TSO Labor	1,397,363	452,326	668,079	276,957
27	14468	OSS - Root Cause/Event Analysis	TSO Labor	2,580	-	-	2,580
28	14474	OSS-Restoration Work	TSO Labor	13,715	12,344	-	1,372
29	14756	OSS - Human Performance Improvement Program	Alloc-Fixed	6,834	-	-	6,834
30	18361	Transmission Studies, Operations, OASIS Support	Alloc-Fixed	3,404,722	2,723,778	170,236	510,708
31	18381	Transmission Outage Application - Short Term	Alloc-Fixed	2,050,406	1,640,324	102,520	307,561
32	18382	Transmission Outage Application - Long Term	Alloc-Fixed	1,459,012	-	-	1,459,012
33	18383	OS - TARA Studies and Analysis	Alloc-Fixed	1,150	575	288	288
34		Total		8,349,285	4,833,718	947,579	2,567,987
35							
36		<u>Market Monitoring</u>					
37	16101	Market Power Monitoring and Mitigation	Alloc-Fixed	6,805,218	-	4,763,652	2,041,565
38	16102	Regulatory Activities	Alloc-Fixed	7,169	-	5,018	2,151
39		Total		6,812,386	-	4,768,670	2,043,716
40							
41		<u>Market Administration & Auctions</u>					
42	21901	Day Ahead Price Monitoring	Alloc-Fixed	462,457	-	462,457	-
43	21902	Real Time Price Verification	Alloc-Fixed	462,457	-	462,457	-
44	21907	Indirect Supervision/Clerical Support	MA Labor	1,063,800	-	1,030,184	33,616
45	21908	Employee Development	MA Labor	247,435	-	239,616	7,819
46	21917	Real Time Price Finalization	Alloc-Fixed	247,435	-	247,435	-
47	21915	FTR/Auction Administration	Alloc-Fixed	494,870	247,435	247,435	-
48	21951	FCM Annual Reconfiguration Auction Administration	Alloc-Fixed	64,826	-	-	64,826
49		Total		3,043,280	247,435	2,689,584	106,261
50							
51		<u>Market Analysis & Settlements</u>					
52	1701	Billing Statements - Energy	Alloc-Fixed	241,453	-	241,453	-
53	1702	Billing Statements - Transmission	Alloc-Fixed	272,004	272,004	-	-
54	1713	Billing Statements - ISO Tariff	Total Dir Labor	32,851	7,079	17,000	8,771
55	1723	Day-Ahead Anc Serv Sett	Alloc-Fixed	32,851	-	-	32,851
56	2048	FCM	Alloc-Fixed	351,502	-	-	351,502
57	2049	Product Testing	Alloc-Fixed	12,483	-	9,987	2,497
58	2051	Legal Support	Alloc-Fixed	16,425	-	8,213	8,213
59	2054	MAS -Markets Developmnt Sup	Alloc-Fixed	41,063	-	20,532	20,532
60	2005	Customer Service	STLM Labor	32,851	4,859	16,002	11,991
61	2007	Admin support - NEPOOL Committees	STLM Labor	4,271	632	2,080	1,559
62	2009	Indirect Supervision/Clerical Support	STLM Labor	1,072,247	158,585	522,291	391,370
63	2010	Employee Development	STLM Labor	275,584	40,759	134,237	100,588
64	2013	FTR Administration	Alloc-Fixed	48,948	-	48,948	-
65	2014	Billing Statements - NCPC	Alloc-Fixed	431,658	-	215,829	215,829
66	2020	Billing Disputes	Total Dir Labor	16,425	3,540	8,500	4,386
67	2021	Analysis & Reporting	Total Dir Labor	746,479	160,866	386,303	199,310
68	2024	ASM Regulation	Alloc-Fixed	46,319	-	-	46,319
69	2025	ASM Locational Forward Reserve	Alloc-Fixed	90,011	-	-	90,011
70	2026	Batch Processing	Total Dir Labor	51,697	11,141	26,753	13,803
71	2032	Billing	STLM Labor	71,615	10,592	34,883	26,139
72	2033	Market Analysis	Alloc-Fixed	96,777	-	96,777	-
73	2000037	Special Projects	STLM Labor	65,701	9,717	32,003	23,981
74	2000096	Training Development	Total Dir Labor	30,049	6,476	15,551	8,023
75		Total		4,081,263	686,249	1,837,340	1,557,674

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Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Market Operations Support Services</u>					
2	3000	Hourly Settlements Support	Alloc-Fixed	255,809	-	127,905	127,905
3	3002	Monthly Settlements Support	Alloc-Fixed	300,253	150,126	-	150,126
4	3006	Customer Service	Alloc-Fixed	224,534	-	224,534	-
5	3008	Admin Support	Alloc-Fixed	598,363	-	598,363	-
6	3010	Employee Development	Alloc-Fixed	76,975	-	76,975	-
7	3017	Project MAS (Market Analysis & Settlements)	Alloc-Fixed	197,389	49,347	49,347	98,695
8		Total		1,653,323	199,474	1,077,124	376,726
9							
10		<u>Participant Support & Solutions</u>					
11	16001	Participant/membership support	Alloc-Fixed	2,660	-	1,330	1,330
12	16006	Call Support (Ask ISO)	Alloc-Fixed	1,721,800	447,668	1,136,388	137,744
13	16419	Asset Registration Implemented	Alloc-Fixed	494,870	-	494,870	-
14	16422	Claimed Capability Audits	Alloc-Fixed	677,479	-	677,479	-
15	16432	New Generation Coordination and Registration	Alloc-Fixed	494,870	-	494,870	-
16	16434	QMS/CAPA Process and Procedure Updates	Total Dir Labor	494,870	106,644	256,095	132,130
17		Total		3,886,549	554,313	3,061,032	271,204
18							
19		<u>Participant Training Services</u>					
20	16021	Training Development	Alloc-Fixed	1,631,122	-	815,561	815,561
21	16436	Mkt Trng/Cus Serv Indirect Supervision	Alloc-Fixed	356,178	-	356,178	-
22		Total		1,987,300	-	1,171,739	815,561
23							
24		<u>Planning Services</u>					
25	17101	Analysis	Alloc-Fixed	660,290	-	462,203	198,087
26	17131	Calculate Objective Capability	Alloc-Fixed	851,953	-	-	851,953
27	17331	NEPOOL Committee Support	Alloc-Fixed	5,985	651	302	5,033
28	17403	TCA Application Review	Alloc-Fixed	166,177	-	-	166,177
29	17409	Environmental/Emissions Supp	Alloc-Fixed	114,936	-	-	114,936
30	17410	EMS STLF Forecasting Support	Alloc-Fixed	38,312	28,734	9,578	-
31	17503	FCA - New Resource Qualification Support	Alloc-Fixed	389,376	-	-	389,376
32	17504	FCA - Perform Transmission / Topology Assessments	Alloc-Fixed	56,713	-	-	56,713
33	17508	FCA - Annual Reconfiguration Auction Support/Reliability Reviews	Alloc-Fixed	741,797	-	-	741,797
34	18101	Develop Load Forecast	Alloc-Fixed	984,735	196,947	196,947	590,841
35	18121	Operations Forecast Support	Alloc-Fixed	344,809	68,962	68,962	206,885
36	18131	Other Load Forecasting Activities	Alloc-Fixed	90,393	18,079	18,079	54,236
37	18132	NEPOOL Administrative Support	Alloc-Fixed	5,622	1,396	997	3,230
38	18133	Solar Load Forecast Development	Alloc-Fixed	306,497	61,299	61,299	183,898
39	18134	Electrification Forecasts	Alloc-Fixed	229,872	45,974	45,974	137,923
40	18135	CELT Rep-Res Outage Analysis	Alloc-Fixed	229,872	-	-	229,872
41		Total		5,217,340	422,042	864,340	3,930,958
42							
43		<u>System Planning</u>					
44	11101	Voltage Task Force	Alloc-Fixed	1,150	1,150	-	-
45	18150	SP - Regional System Plan	Alloc-Fixed	191,560	143,670	47,890	-
46	18402	Transmission Planning/Economic Studies Initiative	Alloc-Fixed	1,712,723	-	856,361	856,361
47	18531	SP - Indirect Supervision/Clerical Support	Alloc-Fixed	149,969	37,237	26,589	86,142
48		Total		2,055,402	182,057	930,841	942,503
49							
50		<u>Transmission Planning</u>					
51	21660	Stability Case Building	Alloc-Fixed	85,069	-	-	85,069
52	14703	TR - New England Committee Support	Alloc-Fixed	15,642	8,689	3,024	3,929
53	14715	Non DOE Funded/Unallowable	Alloc-Fixed	181,755	-	-	181,755
54	18201	Transmission System Assessment	Alloc-Fixed	7,751,202	7,751,202	-	-
55	18301	NEPOOL Administrative Support - Schedule 1 Tariff	Alloc-Fixed	106,332	106,332	-	-
56	18333	General SIS/FS	Alloc-Fixed	1,556,265	1,556,265	-	-
57	18334	Indirect Supervision/Clerical Support	Alloc-Fixed	892,822	892,822	-	-
58	18335	Regulatory Activities - NPCC	Alloc-Fixed	404,981	404,981	-	-
59	18336	National Activities	Alloc-Fixed	328,033	328,033	-	-
60	18337	TR - Regulatory Activities	Alloc-Fixed	484,083	484,083	-	-
61	18346	OATT and Oper. Agreement Dev., Adm. and Support	Alloc-Fixed	255,207	255,207	-	-
62	18349	TR - Process CEII Requests	Alloc-Fixed	28,356	28,356	-	-
63	18351	Resource Integration	Alloc-Fixed	1,101,541	1,101,541	-	-
64	18352	Asset Condition Reviewer	Alloc-Fixed	2,484,002	2,484,002	-	-
65		Total		15,675,291	15,401,514	3,024	270,753
66							
67		<u>Program Management</u>					
68	801	Program Management - Administration	Total Dir Labor	1,183,017	254,940	612,211	315,865
69	1665	Product and Test Mgmt.	Total Dir Labor	1,044,174	225,019	540,360	278,794
70	25002	PMO Support	Total Dir Labor	195,783	58,735	68,524	68,524
71	25003	Emerging Work Initiatives	Total Dir Labor	182,730	39,378	94,563	48,789
72	26125	Real-time Market Clearing Engine Phase I	Alloc-Fixed	48,295	-	48,295	-
73	26133	Day Ahead Ancillary Services	Alloc-Fixed	40,717	-	12,215	28,502
74	26153	CAMS Tech Upgrade	Alloc-Fixed	54,289	-	43,431	10,858
75	26155	Enterprise Resource Planning System Replacement	Total Dir Labor	6,638	1,430	3,435	1,772
76	26161	Managing Transmission Line Ratings	Alloc-Fixed	19,841	19,841	-	-
77	26163	FERC Order 841	Alloc-Fixed	21,206	-	21,206	-
78	26172	New England Clean Energy Connect	Alloc-Fixed	6,614	6,614	-	-
79	26175	SMS App Upgrade Phase I	Alloc-Fixed	30,390	-	24,312	6,078
80	26176	Oracle Platform Replacement	Total Dir Labor	6,614	1,425	3,423	1,766
81	26187	Distributed Energy Resources (DER)	Total Dir Labor	47,234	10,179	24,444	12,612
82	26195	CAMS High Priority AMR Project	Total Dir Labor	19,473	4,197	10,077	5,199
83	26205	SMS App Upgrade Phase II	Alloc-Fixed	34,816	-	27,853	6,963
84		Total		2,941,832	621,759	1,534,350	785,723

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Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>Advanced Technology Solutions</u>					
2	21201	Advanced Technology Solutions	Total Dir Labor	7,408,226	1,596,473	3,833,757	1,977,996
3	21207	ATS - Capacity Auction Reforms	Alloc-Fixed	1,003,333	-	-	1,003,333
4		Total		8,411,559	1,596,473	3,833,757	2,981,329
5							
6		<u>Market Development & Settlements Admin.</u>					
7	16607	National Committee Support	Total Dir Labor	7,182	1,548	3,717	1,918
8	19104	Indirect Supervision/Clerical Support	MOA Labor	423,919	-	296,744	127,176
9	21001	Market Development	Alloc-Fixed	1,403,562	-	701,781	701,781
10	21002	Administration	Total Dir Labor	1,150,969	248,034	595,626	307,309
11	21003	Employee Development	Total Dir Labor	122,970	26,500	63,637	32,833
12	21007	Budget/Forecast Support	Total Dir Labor	222,638	47,978	115,215	59,444
13	21010	MD - Day-Ahead Reserve Market	Alloc-Fixed	1,071,712	-	1,018,127	53,586
14	22656	Energy, Reserve, and Regulation Markets	Alloc-Fixed	2,700,018	-	2,025,013	675,004
15	22657	Project: ORTP/CONE Updates	Alloc-Fixed	2,560,687	-	-	2,560,687
16	22662	Flexible Response Services	Alloc-Fixed	1,584,397	-	792,198	792,198
17	22664	Capacity Auction Reforms	Alloc-Fixed	4,083,636	-	-	4,083,636
18		Total		15,331,690	324,060	5,612,058	9,395,572
19							
20		<u>Participant Relations & Services</u>					
21	22602	NEPOOL Committee Meetings & Support	Alloc-Fixed	403,938	-	201,969	201,969
22	22607	NEPOOL Committee Administration	Total Dir Labor	1,484,751	319,964	768,359	396,429
23	22613	PR&S Indirect Supervision	Total Dir Labor	552,193	118,998	285,760	147,436
24	22614	PR&S Project Development	Total Dir Labor	863,701	186,128	446,966	230,608
25		Total		3,304,584	625,089	1,703,053	976,441
26							
27		<u>IT Management</u>					
28	6517	Employee Development - Hardware/Software	Total Dir Labor	12,893	2,778	6,672	3,442
29	6519	Indirect Supervision and Clerical Support	Total Dir Labor	6,918,942	1,491,032	3,580,552	1,847,357
30	6552	IT - Security	Total Dir Labor	395,565	85,244	204,705	105,616
31	6556	Budget Preparation, Tracking & Forecast	Total Dir Labor	244,157	52,616	126,351	65,190
32	6557	Information Technology Committee	Total Dir Labor	31,982	6,892	16,551	8,539
33	22505	Administrative	Alloc-Fixed	1,335,298	454,001	440,648	440,648
34	23006	Business Continuity Planning	Total Dir Labor	616,148	132,780	318,856	164,511
35		Total		9,554,984	2,225,344	4,694,336	2,635,305
36							
37		<u>IT Infrastructure Services</u>					
38	6511	Desktop Support - Software	Total Dir Labor	421,648	90,865	218,203	112,580
39	6512	Host Computer - Hardware	Alloc-Fixed	842,954	-	632,216	210,739
40	6513	Host Computer - Software	Alloc-Fixed	5,307,204	-	3,980,403	1,326,801
41	6514	Networking - Hardware	Total Dir Labor	1,145,518	246,859	592,805	305,853
42	6516	Communications	Total Dir Labor	372,669	80,310	192,856	99,502
43	6622	CIP & Systems Compliance	Total Dir Labor	2,797,104	602,776	1,447,501	746,827
44	6623	Asset Management	Total Dir Labor	1,289,769	277,945	667,456	344,368
45	6626	IT - Infrastructure Break-fix & Troubleshooting	Total Dir Labor	773,796	166,753	400,439	206,604
46	6627	IT - Infrastructure Support Request	Total Dir Labor	635,096	136,863	328,662	169,571
47	6629	IT - Infrastructure Refresh/Upgrade	Total Dir Labor	960,773	207,046	497,200	256,526
48	2000026	Hardware	Alloc-Fixed	674,623	67,462	404,774	202,387
49	2000027	Software	Alloc-Fixed	12,917,144	1,291,714	7,750,286	3,875,143
50	2000028	INFR & SVC DEL	Alloc-Fixed	11,381,731	1,138,173	6,829,039	3,414,519
51		Total		39,520,028	4,306,768	23,941,840	11,271,420
52							
53		<u>IT Cyber Security</u>					
54	6540	Security Compliance and Reporting	Total Dir Labor	4,202,343	905,605	2,174,713	1,122,026
55	6540D	Intrusion Monitoring and Response	Total Dir Labor	1,296,463	279,388	670,920	346,156
56	6541	Security SW Tools Program	Total Dir Labor	724,102	156,044	374,723	193,335
57	6547	Cyber Security Training	Total Dir Labor	1,221,605	263,256	632,180	326,168
58		Total		7,444,513	1,604,293	3,852,536	1,987,685

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Line No.	Activity Code		Allocation Factor (1)	Self-Funding Tariff			
	No.	Description		Total (2)	Schedule 1	Schedule 2	Schedule 3
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		<u>IT Architecture & Analytics</u>					
2	6571	DBA Support - MOPS	Total Dir Labor	3,629,226	782,098	1,878,124	969,003
3	6591	Data Architect - MOPS	Total Dir Labor	479,796	103,396	248,294	128,105
4	6594	IT Data Analyst	Total Dir Labor	850,024	183,180	439,888	226,957
5	6595	IT WEB Application Support	Total Dir Labor	1,513,117	326,077	783,038	404,002
6	6596	IT Data Governance	Total Dir Labor	650,691	140,224	336,732	173,734
7	6597	IT - BI IT Commitments	Total Dir Labor	558,066	120,263	288,799	149,004
8	6598	IT - Data Analytics Cloud App	Total Dir Labor	109,122	23,516	56,471	29,136
9	6599	IT - EOAA Analyst	Total Dir Labor	340,010	73,272	175,955	90,783
10	21706	Enterprise Software Support	Total Dir Labor	3,364,679	725,088	1,741,222	898,369
11	21801	Software Support - Settlements	Alloc-Fixed	1,061,576	-	849,261	212,315
12	21802	Software Support - Publishing	Alloc-Fixed	168,055	-	134,444	33,611
13	21803	Software Support - Finance	Alloc-Fixed	1,611,496	-	1,289,196	322,299
14	21804	Software Support - Mitigation	Alloc-Fixed	1,113,821	-	891,057	222,764
15	21805	Software Support - TSO	Total Dir Labor	520,739	112,219	269,483	139,037
16	21806	Software Support - Enterprise	Total Dir Labor	1,555,432	335,196	804,936	415,300
17	21807	Software Support - Planning	Alloc-Fixed	1,203,293	-	962,634	240,659
18	21808	Training Delivery to NON-IT	Alloc-Fixed	318,492	-	254,794	63,698
19	21811	Single Sign On Support	Alloc-Fixed	55,186	-	44,149	11,037
20	21812	GADS Support	Alloc-Fixed	209,597	-	167,677	41,919
21	21818	Discoverer Support	Total Dir Labor	116,562	25,119	60,321	31,122
22	21824	FCTS Support	Alloc-Fixed	601,289	-	-	601,289
23	21825	eTariff Support	Alloc-Fixed	108,496	-	86,797	21,699
24	21826	FERC Electronic Data Delivery Support	Alloc-Fixed	3,174	-	2,539	635
25	21830	Annual Software Maintenance for Enterprise Wide Software	Total Dir Labor	2,083,647	449,026	1,078,287	556,334
26		Total		22,225,584	3,398,674	12,844,097	5,982,812
27							
28		<u>IT Energy Management Systems</u>					
29	21600	Indirect Supervision and Administration	Total Dir Labor	169,555	36,539	87,745	45,271
30	21602	Applications Support	Total Dir Labor	458,502	98,807	237,275	122,420
31	21603	EMS Power System Applications Support	Total Dir Labor	867,933	187,040	449,155	231,738
32	21604	Dispatcher Training Simulatory Support	Alloc-Fixed	2,534,216	2,027,373	506,843	-
33	21605	DAM FTR/ARR Support	Alloc-Fixed	3,457,377	691,475	2,074,426	691,475
34	21606	Real-time Market Support	Alloc-Fixed	6,645,718	1,329,144	3,987,431	1,329,144
35	21607	Forecast Support	Alloc-Fixed	1,096,133	219,227	657,680	219,227
36		Total		15,229,435	4,589,605	8,000,555	2,639,275
37							
38		<u>IT Enterprise Applications Development</u>					
39	6518	Employee Development - Software	Total Dir Labor	49,339	10,632	25,533	13,173
40	21702	IT Corporate Application Support	Alloc-Fixed	1,084,894	-	867,915	216,979
41	21707	Application Analysis and Conceptual Design	Alloc-Fixed	745,844	-	596,676	149,169
42	21708	Application Design Evaluation and Selection	Alloc-Fixed	931,839	-	745,471	186,368
43	21709	Technology Evaluation and Selection	Alloc-Fixed	1,863,368	-	1,490,695	372,674
44	21710	Indirect Supervision and Administration	Alloc-Fixed	1,494,942	-	1,195,953	298,988
45	21711	EWR and CAPA Analysis	Alloc-Fixed	255,891	-	204,713	51,178
46	21712	Automated Testing	Total Dir Labor	450,967	97,183	233,375	120,408
47		Total		6,877,084	107,816	5,360,331	1,408,937
48							
49		<u>IT Power System Modeling Management</u>					
50	21650	Indirect Supervision and Administration	Total Dir Labor	441,322	95,105	228,384	117,833
51	21651	Power System Modeling	Alloc-Fixed	2,953,024	1,181,210	1,181,210	590,605
52	21652	System Application Support	Alloc-Fixed	67,979	27,192	27,192	13,596
53	21653	PSMM-TTSE Support	Alloc-Fixed	97,555	78,044	19,511	-
54	21654	NX9 Administration	Alloc-Fixed	172,115	68,846	68,846	34,423
55	21655	ICCP Support	Alloc-Fixed	1,483,233	593,293	593,293	296,647
56	21656	Transmission Project Management	Alloc-Fixed	26,455	21,164	5,291	-
57	21657	Model On Demand Admin	Alloc-Fixed	1,345,254	-	-	1,345,254
58	21658	PSMM- Model on Demand Case Requests	Alloc-Fixed	113,425	-	-	113,425
59	21659	Synchrophasor Applications	Alloc-Fixed	157,142	23,571	23,571	109,999
60	21661	MAS Software Dev and Support	Alloc-Fixed	128,127	-	-	128,127
61		Total		6,985,631	2,088,425	2,147,298	2,749,908
62							
63							
64		Total ISO		\$ 354,028,630	\$ 77,031,397	\$ 171,250,473	\$ 105,746,759

Exhibit 3

Draft 2027 Rate Components (1)

Tariff Schedule	Jan. 1, 2027
Schedule 1	
Network Load (per kW-hour)	\$0.00046
Schedule 2	
TU Bids (Virtual Inc/Dec)	
Submitted	\$0.00500
Cleared	\$0.06000
FTR Bids	
Submitted	\$4.21494
Cleared	\$6.73806
TU's	
Block 1 - 1st 12,500	\$0.93032
Block 2 - Next 27,000	\$0.84574
Block 3 - Over 39,500	\$0.76117
Volumetric	
Block 1 - 1st 250,000	\$0.61142
Block 2 - Next 1,250,000	\$0.55584
Block 3 - Over 1,500,000	\$0.50025
Schedule 3	
R-T NCP Load Obligation	\$0.37047
Export Rate	\$0.87000

(1) From Exh 3, KCR-7, Sch. 3

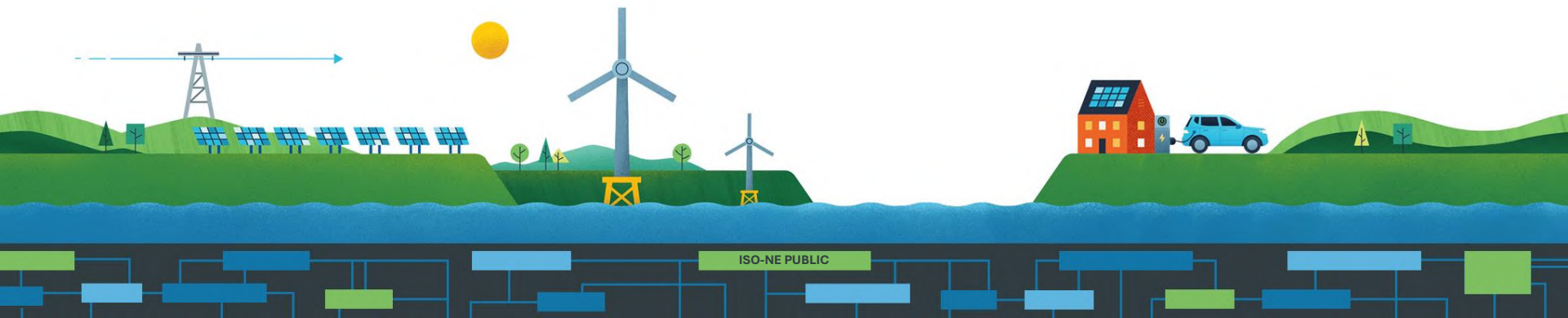
Updated 09/22/2026

ISO New England Proposed 2027 Operating and Capital Budgets

*NEPOOL Budget & Finance Subcommittee
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)
- 2027 Operating Budget Risks (Slides 47 – 48)
- Depreciation (Slides 49 – 52)
- Forward Looking Capital Budget Spending (Slides 54 – 60)
- Capital Budget Summary (Slides 61 – 65)
- Capital Structure and Cash Flow (Slides 66 – 68)



Contents of Presentation *(cont.)*

The following appendices are also included for reference:

- Appendix 1: Other Operating Budget Details
- Appendix 2: Compensation
- Appendix 3: 2026 Deliverables and Select Metrics
- Appendix 4: Examples of Innovation and Use of Artificial Intelligence
- Appendix 5: Interest Rate Risk
- Appendix 6: Capital Expenditures Budget Detail
- Appendix 7: Holyoke Campus Expansion
- Appendix 8: Emerging Work Allowance & Purchasing Policies and Controls
- Appendix 9: 2027-2030 Pro-Forma Statements
- Appendix 10: New England Wholesale Electricity Costs and Retail Electricity Rates
- Appendix 11: ISO/RTO Financial Comparison
- Appendix 12: 2024 and 2025 Actual to Budget Variance Analysis



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



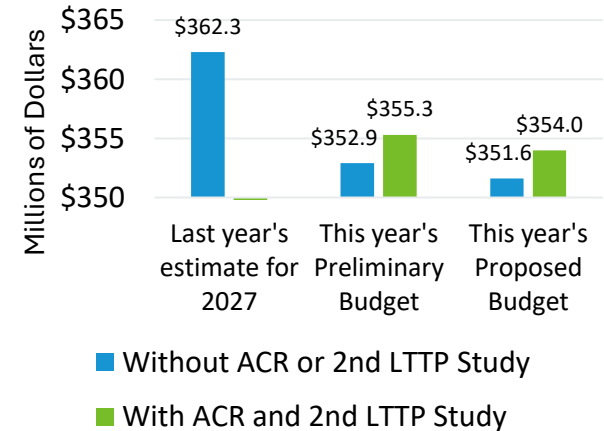
Executive Summary

- 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

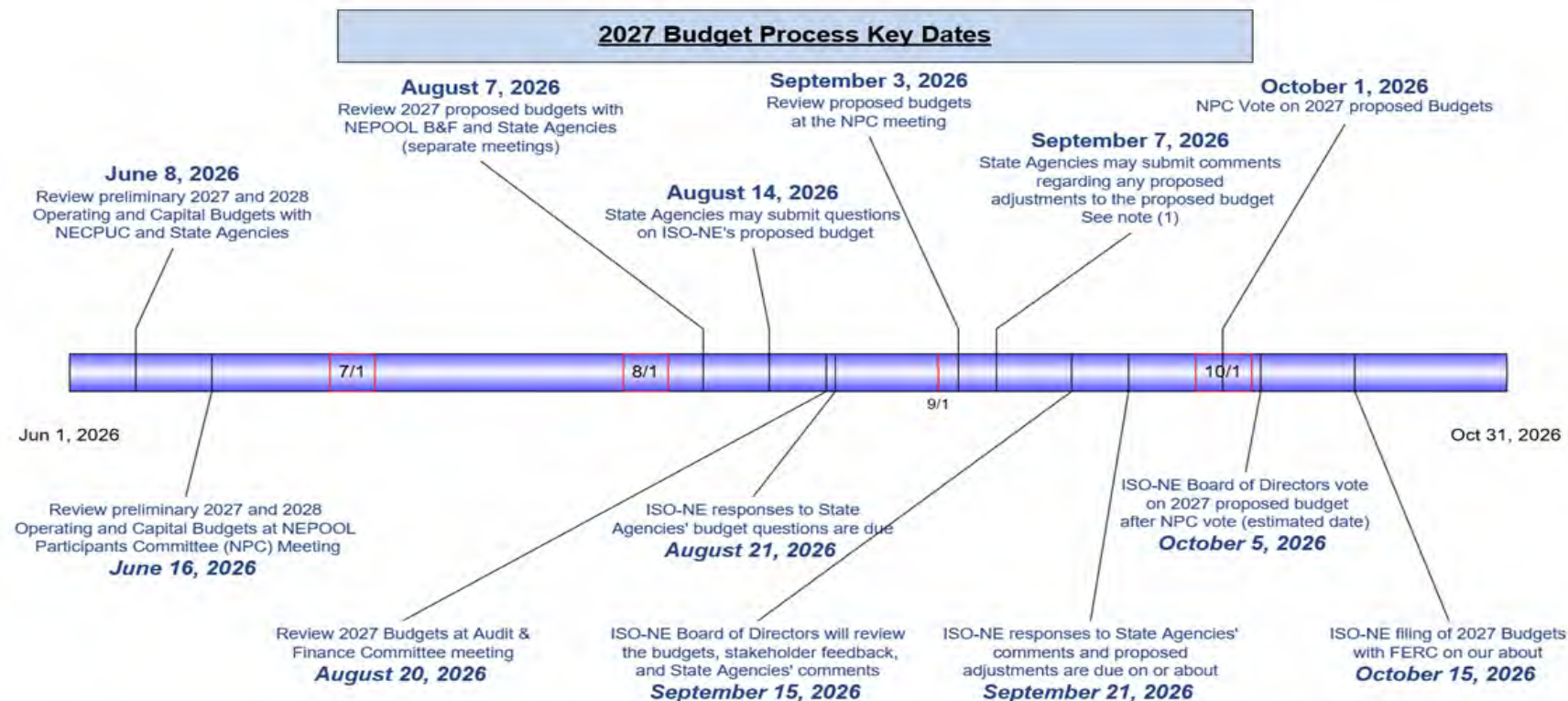


Executive Summary

- 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



(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.

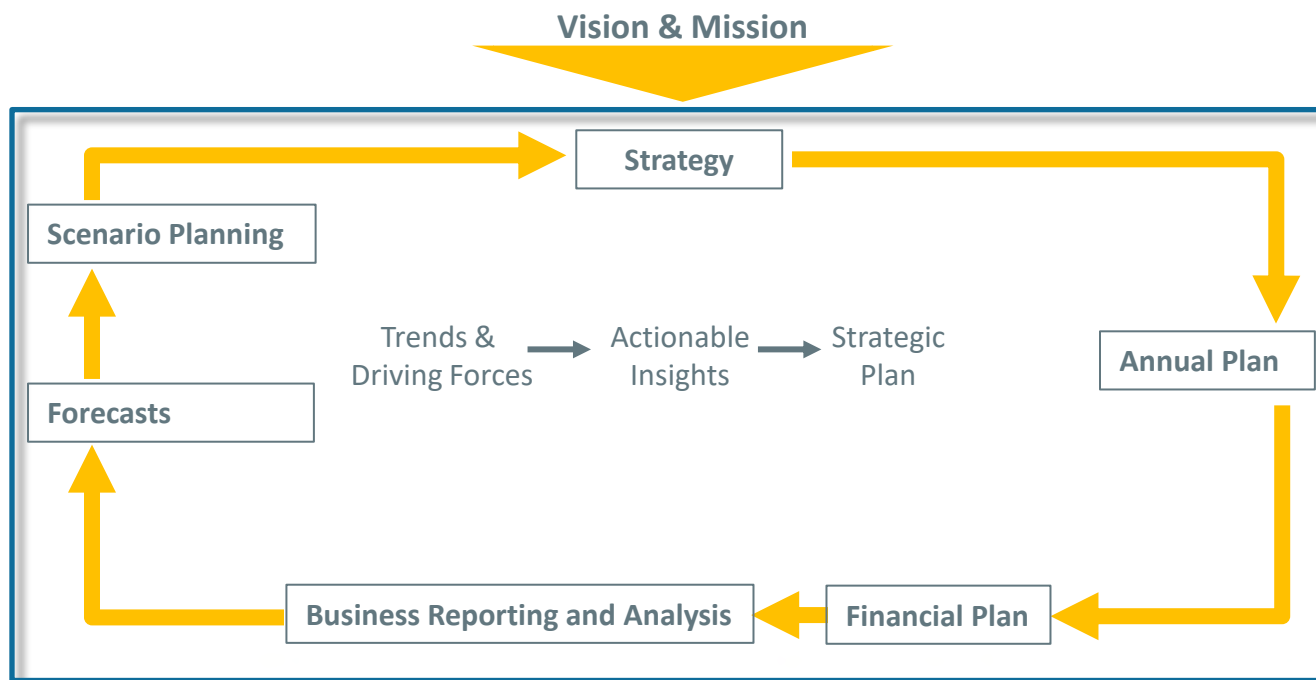
THE STRATEGIC PLANNING PROCESS

ISO-NE's integrated business and strategic planning framework



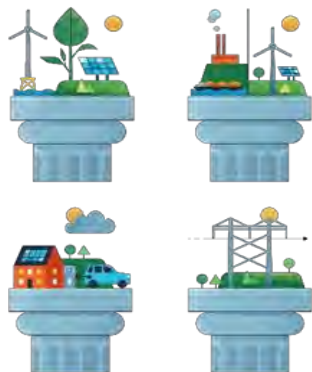
Annual Process – Business and Strategic Planning

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



Our Guidepost: The ISO New England Vision Statement

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



Vision Statement:

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

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

Our Responsibility to the Region: ISO's Mission

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



Mission Statement:

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

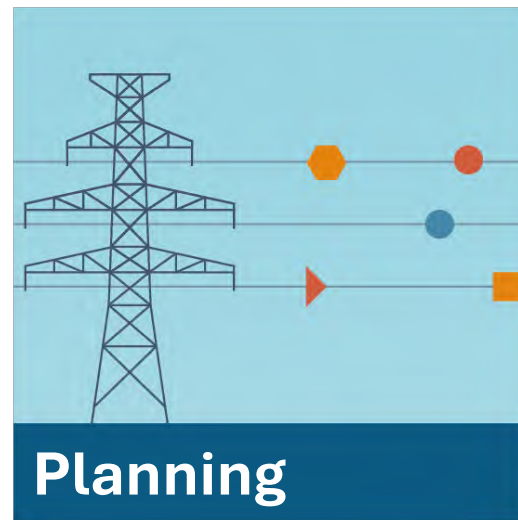
ISO New England Performs **Three Critical Roles** to Ensure Reliable Electricity at Competitive Prices



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



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



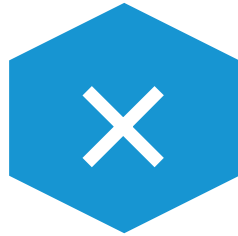
Study, analyze, and plan to make sure New England's electricity needs will be met over the next 10 years

Functions Outside of ISO Jurisdiction

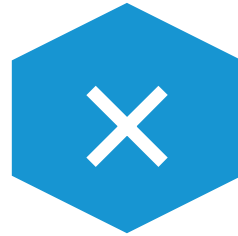
The ISO does not...



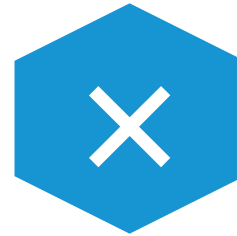
Handle
retail electricity



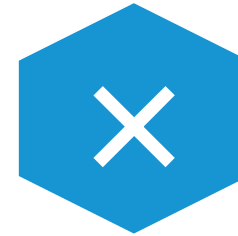
Own power grid
infrastructure



Have a stake in
companies
that own grid
infrastructure



Have
jurisdiction
over fuel
infrastructure



Have control
over siting
decisions



Plan the
resource mix



2027 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

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

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:

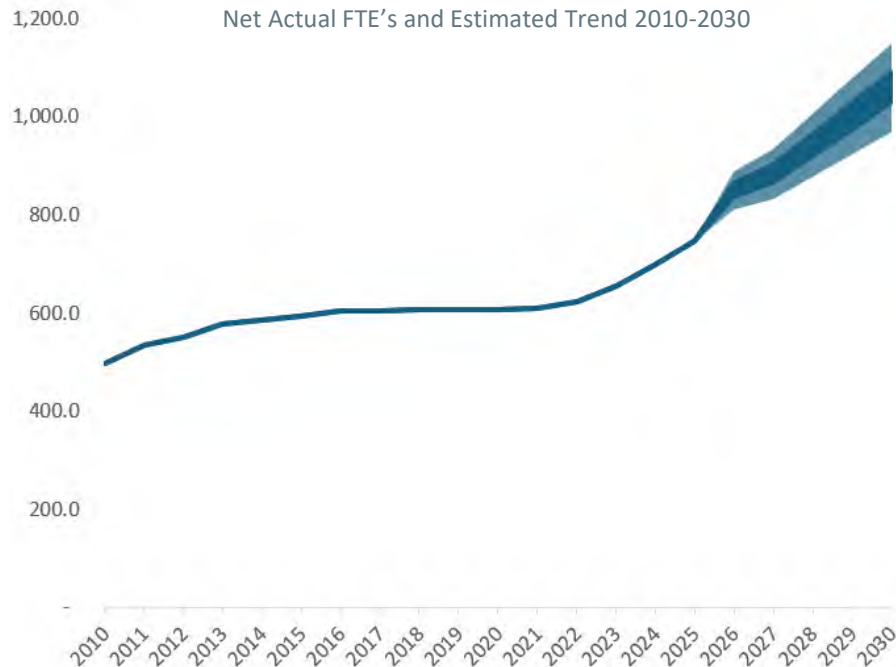
- AI and ML for software development and innovation
 - Utilization of AI and ML for items noted on the previous slide
 - Other examples include uses such as On-Line Weather Look-Ahead Study to estimate transmission outages under severe weather and pump storage forecast in 21-day Energy Assessment
- Ongoing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

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

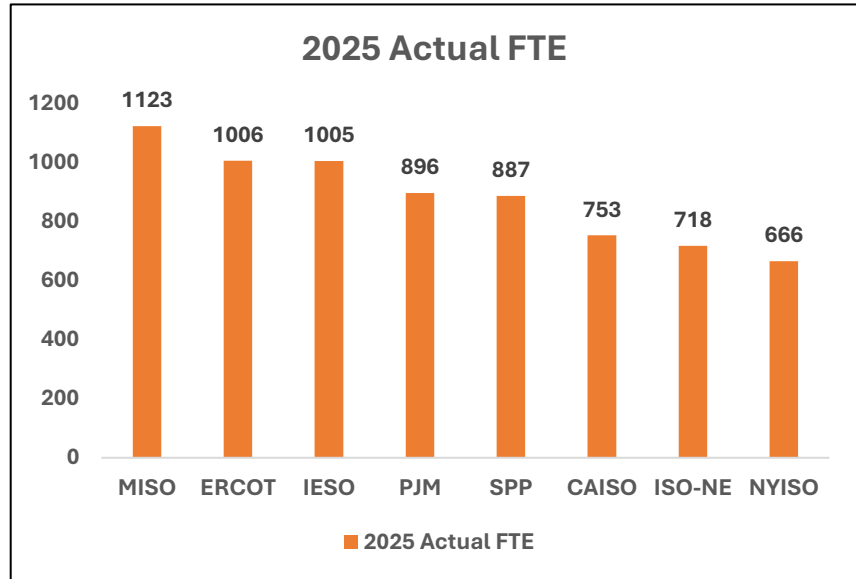


The above chart includes actual FTE's through 2025 with an estimated range of FTE's through 2030.

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

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 55 to 60
 - 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 63 to 65)
- Detailed project descriptions are presented in Appendix 6

2027 Budget – 5 Year Comparison

	%		%		%		%		
(Budget Amounts are in Millions)	<u>2027</u>	<u>Change</u>	<u>2026</u>	<u>Change</u>	<u>2025</u>	<u>Change</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>
Operating Budget Before Depr and Regulatory Fees	\$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

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:

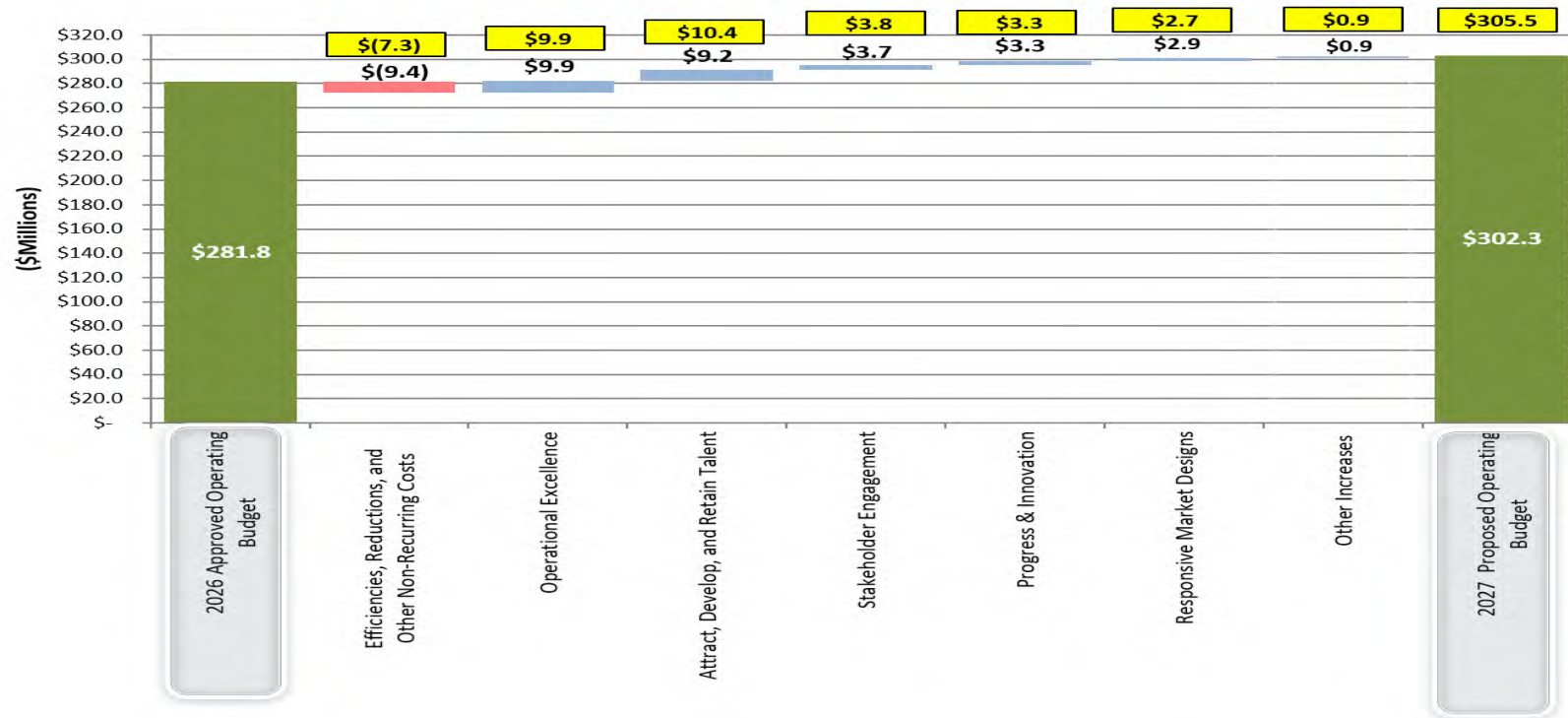
Collaboratively understand and anticipate needs, demonstrate thought leadership through high-quality analysis and communication, and nurture productive relationships with regulators and stakeholders in supporting the four pillars of the clean energy transition

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

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

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.)*

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

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



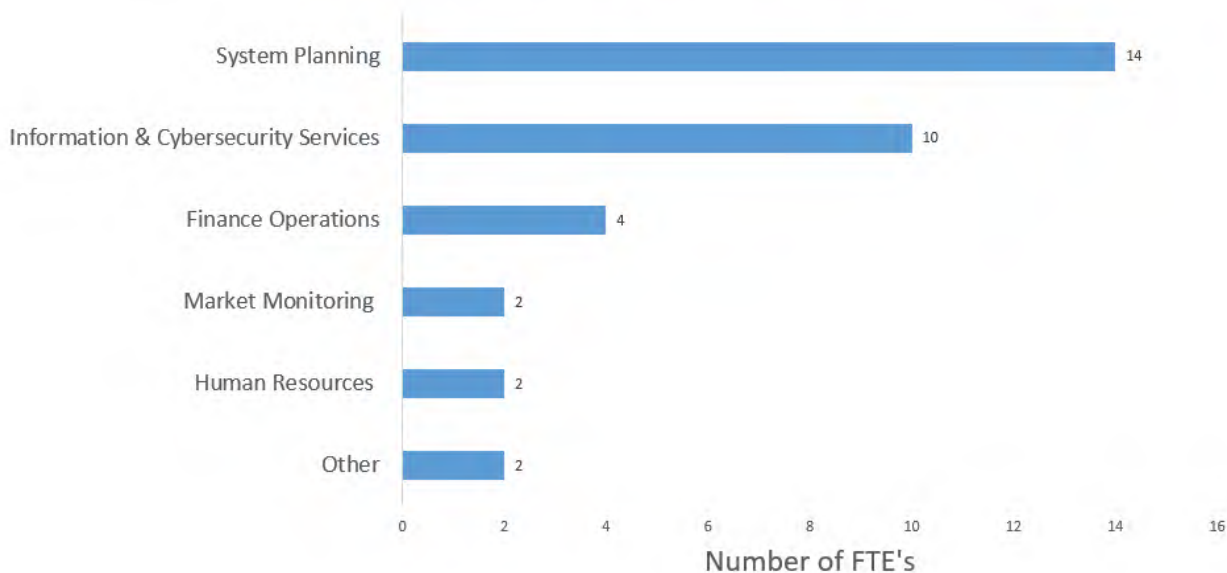
2027 Budget Resourcing Needs

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:

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.)

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



2027 OPERATING BUDGET RISKS



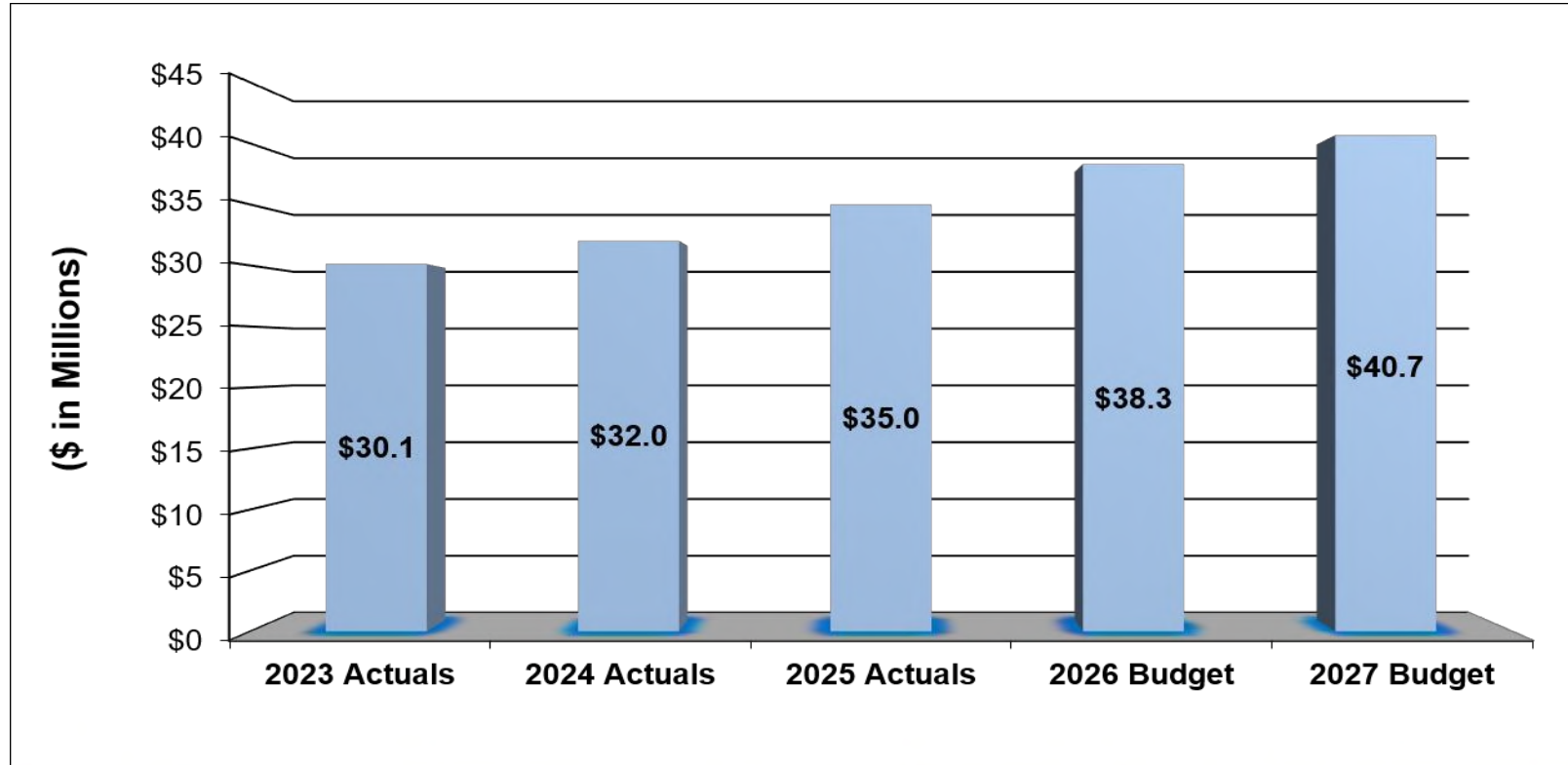
2027 Operating Budget Risks

- 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

DEPRECIATION



ISO New England Depreciation



ISO New England Depreciation *(cont.)*

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

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

ISO New England Depreciation *(cont.)*

• The Capitalization Policy – Highlights

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

Questions



Forward Looking Capital Budget Spending



Forward Looking Capital Budget Spending

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

- 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

- 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 59) 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.)

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.)

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.)

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

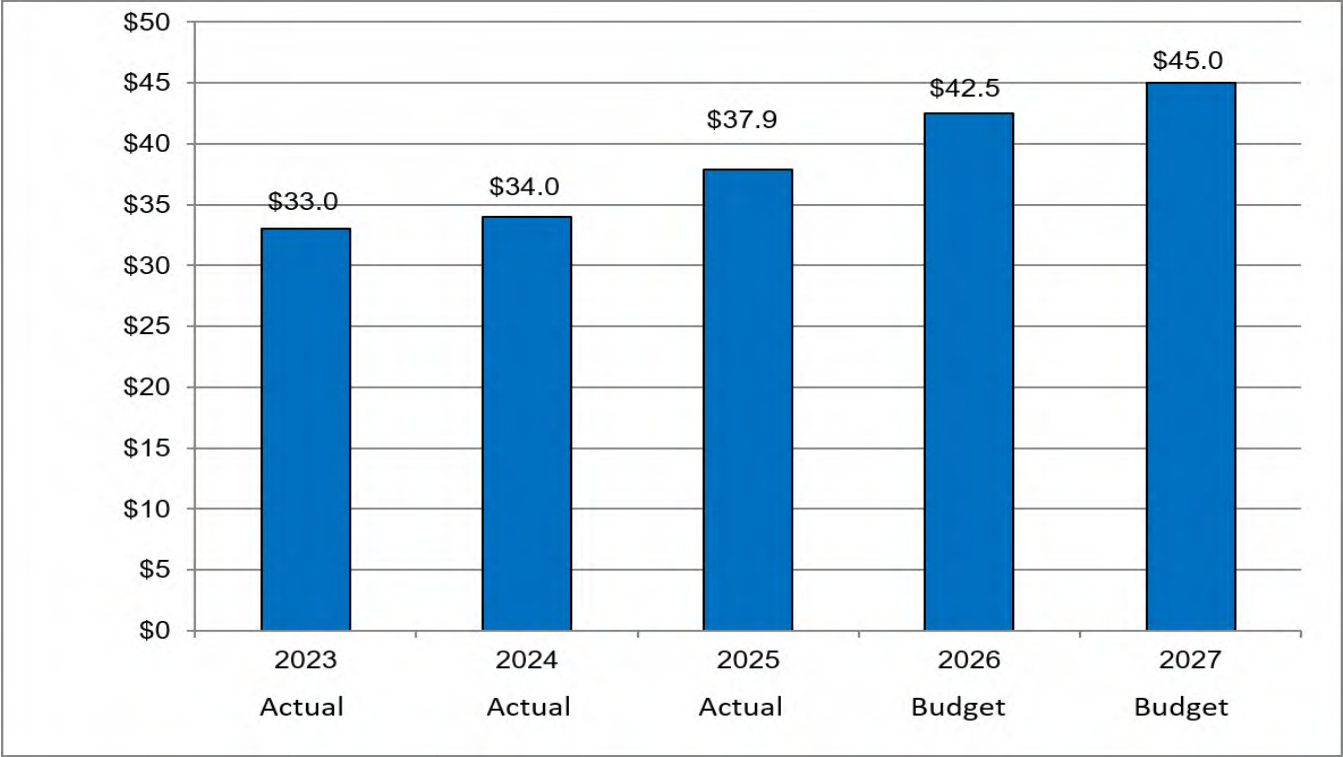
CAPITAL BUDGET SUMMARY



Capital Budget

Historical Comparison Capital Expenditures

Average +/- \$38.5M



Capital Budget

2027 Expenditures

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	\$0.4 M	\$0.7 M	06/2027	In Development
. DASI Benchmark Calculation Versioning Enhancements - IMM	\$0.5 M	\$0.7 M	12/2027	Conceptual Design
. Distributed Energy Resources - Order 2222 Phase II	\$0.5 M	\$0.5 M	06/2027	Conceptual Design
Total:	\$13.1 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.)

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	\$1.0 M	\$2.2 M	09/2027	In Development
. Next-Generation Electronic Dispatch & Reliability Voice Networks	\$1.4 M	\$2.1 M	03/2028	In Development
. Electromagnetic Transient Model Repository (EMTR)	\$1.1 M	\$1.6 M	06/2028	In Development
. 2027 Issue Resolution Projects	\$1.5 M	\$1.5 M	12/2027	Conceptual Design
. Enterprise Resource Planning (ERP) Enhancements	\$0.1 M	\$1.1 M	06/2027	In Development
. Settlement Market System (SMS) Technology Upgrade	\$0.6 M	\$1.1 M	07/2027	In Development
. Total Transfer Capability Utility (TTCU) Implementation for Resource Outage Coordination	\$0.2 M	\$1.1 M	03/2027	In Development
. Microsoft 365 Phase III	\$0.1 M	\$0.9 M	03/2027	In Development
. Circuit Inventory Management Platform Phase II	\$0.6 M	\$0.7 M	12/2027	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
. CIP Electronic Security Perimeter Network Services	\$0.3 M	\$0.3 M	09/2027	Conceptual Design
Total: \$18.8 M				



Capital Budget

2027 Expenditures Summary

2027 Capital Budget Expenditure Summary

Allocation Category	2027 Budget
Goal: Responsive Market Designs	\$13.1 M
Goal: Operational Excellence	\$18.8 M
Goal: Progress and Innovation	\$8.1 M
Other Emerging Work	\$3.8 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

(\$ 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: OTHER OPERATING BUDGET DETAILS



Operating Budget Details - Budget Categories

(see next slides for detail on certain categories)

(\$ in thousands)	2023 Actual	2024 Actual	2025 Actuals	2026 Budget	2027 Budget
Salaries	\$104,324	\$118,815	\$138,445	\$146,441	\$156,519
Burden	32,993	35,303	40,191	43,009	44,841
Professional fees and consultants	22,200	24,873	27,828	28,468	29,515
Building services	3,339	3,421	3,594	3,869	4,256
Rents/leases	719	1,145	1,911	2,372	2,457
Network Operations	3,138	3,856	3,770	4,287	5,268
Computer services	20,469	24,115	28,447	36,024	40,977
Insurance expense	2,927	3,262	3,423	3,831	4,316
Board of Directors Expense	1,543	1,528	1,738	1,727	1,747
Meetings & Related Expenses	990	1,606	1,922	1,786	2,267
Education & Training	1,032	1,148	1,463	1,410	1,532
Interest Expense	2,834	3,576	3,899	3,768	3,766
Contingency Funds	-	-	-	3,700	3,700
Other Expense	1,863	2,050	2,531	2,784	2,984
Interest Income & Other Revenue	(2,055)	(2,363)	(2,949)	(1,691)	(1,864)
Net Expense before Depreciation and Regulatory Fees (1)	196,318	222,335	256,213	281,785	302,279
Depreciation	30,056	31,955	34,988	38,252	40,700
NPCC and NERC Dues	7,277	8,048	9,215	9,955	11,050
Total ISO Tariff Recovery	\$ 233,651	\$ 262,338	\$ 300,416	\$ 329,991	\$ 354,029
Revenue True-up	(14,589)	(3,006)	4,844	(15,602)	(7,618)
Revenue Requirement	219,062	259,331	305,260	314,390	346,411
Network Load (GWh)	121,521	121,489	123,578	124,691	124,645
Grid Market Charge \$/KWh	\$0.00180	\$0.00213	\$0.00247	\$0.00252	\$0.00278
Headcount (FTE's) (2) (3)	614.5	670.5	717.5	733.5	765.5

- (1) Net Expense Before Depreciation and Regulatory Fees of \$302.3 million for 2027 agrees to slide 29 of the presentation.
- (2) 2023, 2024 and 2025 reflect December 31 actual headcount for those years. 2026 and 2027 reflect planned headcounts of 777.5 and 811.5, respectively, less vacancy (of 5.0% for both 2026 and 2027) and the impact of layering in new positions to account for recruiting and onboarding.
- (3) Funding of \$7.9 million of Salaries and \$2.5 million of Burden exists for 2027 internal capital development and reimbursable study time of ISO-NE Employees. Total Salaries and Burden including these and operating costs equal \$211.7 million.

Operating Budget Details - Budget Categories (cont.)

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

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

The following are line items that contain budget increases in 2027 which are greater than 5% or \$500,000 and a brief explanation of what is driving the change:

- *Salaries (\$10.1M or 6.9%)* – Increases include salary related to annual merit and promotional increases, funding for the addition of 33.5 full-time equivalent positions including funding for 27 in 2027 and carryover of 6.5 FTE's from 2026, higher employee incentive compensation aligned with market data and survey benchmarks, and an increase, in this line item, for converting a consulting position to employee position (with a corresponding offset in Professional Fees & Consulting); partially offsetting these increases were reductions as a result of lower salary rates and related incentive compensation due to employee turnover and retirements, and higher allocation of staff time planned towards capital budget and reimbursable study efforts
- *Burden (\$1.8M or 4.3%)* – Increases for payroll taxes related to noted salary increases including for the additional 33.5 full-time equivalent positions funded in 2027; also contributing to increased expenses is higher employee benefits including those for medical trend (budgeted at 13.3% increase), and defined contribution and 401K (match) plans due to both higher salaries and increased participants; partially offsetting the noted increases is lower required contributions that reflect favorable investment performance and the impact of a recent pension lift-out, supporting ongoing plan de-risking



Operating Budget Details - Budget Categories (cont.)

- Professional Fees & Consulting (\$1.0M or 3.7%) – Professional Fees & Consulting increases for 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 funding to enhance machine learning capabilities and for energy market risk premium analysis; and Transmission Planning support to incorporate and validate distribution data in system models; increased funding to support Tariff-required Net CONE (Cost of New Entry) recalculation activities; Transmission study costs, including a system-wide thermal assessment driven by FERC Order 881 requirements and OATT/Cluster Enabling Transmission Upgrade regional planning studies and inclusion of funding for potential LTTP study anticipated to be requested in 2027; and an increase in external recruiting fees to support hiring needs; noted increases were partially offset by reduced costs for Capacity Auction Reforms design consultant and project management as work moves from the design to development
- Building Services (\$0.4M or 10.0%) – For utility expenses due to higher expected rates at both the Windsor and Holyoke facilities and inflationary increases for various Building Services including physical security, janitorial, and HVAC and generator maintenance
- Network Operations (\$1.0M or 22.9%) – Increases for investments to modernize communications with local control centers, enhance tie-line telemetry, and improve ISO workforce communications as well as inflationary increases on existing carrier and connectivity services

Operating Budget Details - Budget Categories (cont.)

- Computer Services (\$5.0M or 13.7%) – increases for: investments in cybersecurity (including security log monitoring and management, email threat detection, threat and risk analytics tools, performance monitoring, and AI-powered platforms); 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); Investment in GridUnity, a SaaS, cloud-based platform designed to accelerate energy project interconnections by automating, standardizing, and streamlining the process; maintenance costs associated with GE Vernova's Grid Orchestration Software; optimization software supporting the PEAT to strengthen analytical and planning capabilities; Synchrophasor data management software; and inflationary and vendor-driven price increases across the computer services portfolio; partially reducing the increases was reductions driven by retired products and savings achieved through contract renewals
- Insurance Expense (\$0.5M or 12.7%) – Insurance policy rate increase
- Meetings & Related Expenses (\$0.5M or 26.9%) – Meetings & related expense increase due to higher travel costs, travel for offsite training of additional staff and for new platforms and tools, to attend participant and industry meetings and conferences, and increased investment in employee recognition programs
- Education & Training (\$0.1M or 8.6%) – driven by expanded employee development and training activities, increased organizational learning needs, contractual cost increases, and inflationary adjustments
- Other Expense (\$0.2M or 7.2%) – this line includes Data Services & Office Expense increases including inflationary increases for Information Technology training subscriptions and funding for CAR related fuel indexing data

Operating Budget Details - Budget Categories (cont.)

- Depreciation Expense (\$2.4M or 6.4%) – Depreciation expense increases primarily driven by 2026 and 2027 project implementations including Managing Transmission Line Ratings, nGEM Real-Time Market Clearing Engine Implementation, and Distributed Energy Resources – Order 2222
- NPCC and NERC Dues (\$1.1M or 11.0%) – Increases for both Northeast Power Coordinating Council and North American Electric Reliability Corporation dues assessed to the ISO



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

ISO True-Up Mechanism

Description of True-Up Mechanism:

As set forth in Section IV.A.2.2 of the ISO's Tariff, the 2027 revenue requirement will include an adjustment for deviations between actual collections and expenses for calendar year 2025. In general, the amount of the true-up is added to (in the case of a revenue shortfall) or subtracted from (in the case of a revenue over-recovery) the ISO's total estimated budgeted amounts for the upcoming budget year.

The \$7.6 million true-up amount, that is decreasing the 2027 revenue requirement, is based on the following:

The final 2025 revenue requirement was an over-collection of \$7.6 million, which will decrease the 2027 requirement. The over-collection resulted from higher collections in addition to lower expenses. Specifically, 2025 collections under Section IV.A of the ISO-NE tariff were \$1.6M above what was included in the 2025 budget/tariff filing, while expenses were \$6.0M lower than budgeted. Please see the next slide for further detail and a reconciliation making up the \$7.6 million over-collection.

Operating Budget Details - Budget Categories (cont.)

The following is a reconciliation of the \$15.6 million true-up amount, that is decreasing the 2027 revenue requirement (\$ in thousands):

2025 Revenue Requirement True-Up Reconciliation - ISO New England Inc.

(Dollars in thousands)

Spending Variances (Dollars in thousands):

Contingencies:

Board Contingency

CEO Emerging Work Allowance

Net Savings in Contingencies

\$ Amounts (credits are savings)	Totals (credits are savings)
\$ (700.0)	
\$ (3,000.0)	
	\$ (3,700.0)

Computer Services - Computer Services costs had a net decrease, compared to budget, as a result of multiple change in needs including: the removal of costs in 2025 for a firewall maintenance contract which was renewed near the end of 2024, with coverage extending through January 2026; removal of 2025 costs for application programming interfaces security which will instead be addressed later as part of a capital project; and the elimination of 2025 costs for a cloud-based platform which was capitalized as part of the Enterprise Resource Planning Replacement Project. Further savings were realized through the consolidation of multiple products into a new development agreement with a major systems vendor; savings for a communications and collaboration platform due to transition to a new platform; and removal of contingency for a cyber product cloud upgrade that was ultimately not required. Cost reduction also resulted from lower licensing needs; non-renewal for end-of-life products no longer in use and/or being replaced; and savings across a range of product renewals. The reduced costs were partially offset by expanded energy data integration engine support with a major systems vendor; increased technical support service costs for licensed operating system software; new storage infrastructure that was introduced to consolidate multiple legacy platforms into a higher-performing unified system; Enterprise Application Platform extended support for current version while upgrading to newer version; implementation of an assessment tool that delivers insights and resources across the Human Resources function; and transitioning high performance computing workloads from on-premise infrastructure to the cloud-based environments

\$ (2,888.9)

Depreciation Expense - reductions due to changes in project go-live dates including the Managing Transmission Line Ratings project that was expected to go live in March 2025, but currently has a projected in-service date in Q4 2026, and various projects coming in lower than budget

\$ (1,986.9)

Revenues, Other Income - these were higher than budgeted related to interest income. The total interest income variance is largely driven by fluctuations in average daily balances, which were significantly higher than projected as a result of energy market activity/prices, and higher operating account funds on hand

\$ (1,165.7)

Interest Expense - came in under budget primarily due to a lower-than-expected need to borrow against the line of credit, which had initially been projected to support anticipated withdrawals related to system impact studies resulting from Order 2023, for which a FERC order was issued in 2025, later than plan. Additional savings were realized with higher than budgeted capital interest, driven by the nGem Real-Time Market Clearing Engine Implementation project, and new projects funded through a higher-rate private placement.

\$ (672.0)

Salaries and Overheads - Salaries and Overheads exceeded the original budget with several factors impacting the overall variance. The primary drivers of this increase were related to separation policies and employment agreements and associated IRS excise taxes; lower vacancy as a result of an uptick in hiring and lower than anticipated turnover during 2025. Partially offsetting the increases are decreases resulting from lower employee pay rates than previous incumbents; higher internal capital across various Information Technology cost centers and capital projects; lower merit and other budget salary adjustment amounts due to a combination of part of the budgeted increase being deferred until later in the year and less than forecasted eligible employees

\$ 4,676.0

Net Change across all other Expense Lines: Includes line items with variances below \$500 (thousand)

\$ (251.1)

Net Savings in Expenses:

\$ (5,988.6)

Tariff Collections (over collection): Tariff collections came in 0.5% above plan, due to variances across load related factors and energy transaction units

\$ (1,628.9)

Total 2025 True-Up

\$ (7,617.5)



Operating Budget Details

Professional Fees

(See next slides for details)

		(\$ in Millions)	
		<u>2027</u>	<u>2026</u>
Corporate & External Relations	\$	7.6	\$ 7.6
Legal & Compliance		4.4	4.4
Markets, Planning & Operations		5.0	5.1
Technology & Innovation		12.5	11.4
Total Professional Fees	\$	29.5	\$ 28.5



Operating Budget Details

Professional Fees – Corporate & External Relations

	(\$ in Millions)	
	<u>2027</u>	<u>2026</u>
Benefits and Hiring		
Recruiter Fees and Background Checks	\$ 0.7	\$ 0.6
Relocation	0.4	0.4
Temp Help	0.3	0.3
Compensation Surveys	0.5	0.5
Other Consulting for Pension & Benefits	1.5	1.6
Total Benefits and Hiring	3.4	3.4
Financial Support (Payroll processing, Temp Help, etc.)	0.5	0.5
Security Services	0.2	0.5
Audits (i.e., SOC 1, financial statement, IT systems, CIP, Archer)	1.6	1.5
Corporate Communications (see following slide)	0.1	0.2
External Relations (see following slide)	0.6	0.6
Market and Credit Risk Support (Financial Assurance)	0.4	0.4
Market Monitoring and Mitigation - Capacity Auction Consultation, Risk Premium Support, Application Support, and Energy Market Consultation	0.8	0.6
Total Included in Budget	\$ 7.6	\$ 7.6

	2027	2026
Corporate & External Relations	\$ 7.6	\$ 7.6
Legal & Compliance	4.4	4.4
Markets, Planning & Operations	5.0	5.1
Technology & Innovation	12.5	11.4
Total Professional Fees	\$ 29.5	\$ 28.5

Operating Budget Details

Professional Fees – External Relations

NEPOOL PARTICIPANTS COMMITTEE		
OCT 2, 2026 MEETING, AGENDA ITEM #6a		
	2027	2026
Corporate & External Relations	\$ 7.6	\$ 7.6
Legal & Compliance	4.4	4.4
Markets, Planning & Operations	5.0	5.1
Technology & Innovation	12.5	11.4
Total Professional Fees	\$ 29.5	\$ 28.5

	(\$ in Millions)	
	<u>2027</u>	<u>2026</u>
State Educational Outreach / Legislative Monitoring	\$ 0.3	\$ 0.3
Media Relations / General Support	0.1	0.2
Federal Educational Outreach / Legislative Monitoring	0.1	0.1
Participant Support & Training	0.1	0.1
Total Included in Budget	\$ 0.7	\$ 0.8

Operating Budget Details

Professional Fees – Legal & Compliance

	2027	2026
Corporate & External Relations	\$ 7.6	\$ 7.6
Legal & Compliance	4.4	4.4
Markets, Planning & Operations	5.0	5.1
Technology & Innovation	12.5	11.4
Total Professional Fees	\$ 29.5	\$ 28.5

	(\$ in Millions)	
	<u>2027</u>	<u>2026</u>
Independent Market Advisor	\$ 1.5	\$ 1.4
Market Rule and Tariff/OATT Proceedings	1.7	1.9
Employment/Labor Matters	0.4	0.1
Other Legal & Compliance	0.7	0.8
Compliance (Professional Consulting Support for the Governance/Risk/Compliance tool, Record Storage and Destruction, and Procedure Writing)	0.2	0.2
Total Included in Budget	\$ 4.4	\$ 4.4

Operating Budget Details

Professional Fees – Markets, Planning & Operations

NEPOOL PARTICIPANTS COMMITTEE
OCT 2, 2026 MEETING, AGENDA ITEM #6.a

	2027	2026
Corporate & External Relations	\$ 7.6	\$ 7.6
Legal & Compliance	4.4	4.4
Markets, Planning & Operations	5.0	5.1
Technology & Innovation	12.5	11.4
Total Professional Fees	\$ 29.5	\$ 28.5

	(\$ in Millions)	
	<u>2027</u>	<u>2026</u>
FCA and FCM Analysis Support	\$ -	0.2
Asset Condition Reviewer, Transmission Planning / Non-Transmission Alternatives, Interconnection Studies, Short Circuit Analysis, Integrating Emerging Technologies and Distributed Generation into Load Forecasting, and Model Administration Support	2.9	2.5
Market Development for Net CONE (Cost of New Entry) recalculation and Project Management	1.5	0.5
Capacity Auction Reforms	0.5	2.0
Total Included in Budget	\$ 5.0	\$ 5.1

Operating Budget Details

Professional Fees – Technology & Innovation

	2027	2026
Corporate & External Relations	\$ 7.6	\$ 7.6
Legal & Compliance	4.4	4.4
Markets, Planning & Operations	5.0	5.1
Technology & Innovation	12.5	11.4
Total Professional Fees	\$ 29.5	\$ 28.5

	(\$ in Millions)	
	<u>2027</u>	<u>2026</u>
Information Technology (SMS/SAS/EMS/CAMS Support, Network Model and Model-On-Demand, Energy Management System Support, Software License Management & Reporting Support, Website Support, Cyber Security and Vulnerability Testing, Desktop and Database Services Support, RTU and NX9/NX12 Network Model Support, and other Temp Help)	\$ 11.6	\$ 10.5
Integrated Market Simulator (IMS) Project Support, Capacity Auction Reform Engine Support, Resource Capacity Accreditation (RCA) Project Consulting and R&D work	0.9	0.9
Total Included in Budget	\$ 12.5	\$ 11.4

Operating Budget Detail

2027 Budget for Board Compensation

2027 Original Budget (1)

• Annual retainers for Board Committee membership (2)	\$1.2M
• Annual retainers for Chair positions (2) (\$40K Chairman and \$10K Committee Chair)	\$0.4M
Total Board Compensation (3)	<u>\$1.6M</u>
• Meetings and Travel Expenses	\$0.2M
Total Board of Directors Expenses	<u>\$1.8M</u>

(1) The budget contemplates 9 members for 2027 not including the CEO who is the 10th member of the Board

(2) Effective Feb 15, 2024, the Board of Directors compensation structure has transitioned from a meeting fee structure to a retainer only structure. The revised policy eliminates all references to meeting fees and now specifies the annual retainers for Board Committee membership and Chair positions

(3) Board Compensations are evaluated using independent surveys, similar to process used for determining executive compensation



APPENDIX 2: COMPENSATION



Process for Establishing Salary Budget Increases

- ISO-NE contracts with Mercer, an independent compensation consulting firm to provide job specific benchmark data to inform our market competitiveness. This data provides insight into median pay and relative pay ranges for similar jobs in the national market, 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 89 and 90, 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.)

- 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

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

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

Date	Defined Benefit Plan (Pension)	Defined Contribution Plan (401(k) Core Contributions)
12/31/2023	287	339
12/31/2024	275	394
12/31/2025	264	461

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

Postretirement Medical Benefit Plan in 2027

- 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

Operating Budget Details

Staffing - Salary and Benefits Costs

The \$11.9M increase in salary and burden costs is driven by the following factors:

2027 Merit & Promotion - (budgeted 4.5% increase (3.5% merit and 1.0% promotion/adjustments), which was approved by the Board Compensation and Human Resources Committee)	\$	6.4
Salary Impact of Funding for 33.5 Additional FTEs ⁽¹⁾		7.4
Increase in employee incentive compensation based on benchmark/survey data		1.1
Salary Rate Changes		(1.2)
Other Salary Changes including higher allocation of employee time to capital project and reimbursable study work		(1.5)
Total Salary Impact	\$	12.2
Change in Employee Benefit Costs	\$	(0.3)
Total Salary and Burden Increase	\$	11.9

(1) The 2027 budget includes the recruitment of 34 additional positions with funding for 27.0 full-time equivalents, in addition to the carryover of deferred funding of 6.5 positions from the 2026 budget.

Operating Budget Details

Staffing – Authorized, Budgeted, and Actual Headcount

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

<u>Year</u>	<u>Authorized total FTE's</u>	<u>Budgeted FTEs</u>	<u>Actual FTEs (1)</u>	<u>Budgeted Vacancy %</u>	<u>Actual Average Vacancy</u>
2017	603.5	585.5	583.5	3.0%	4.1%
2018	608.0	587.5	584.5	3.4%	3.9%
2019	608.0	583.5	587.0	4.0%	3.5%
2020	608.0	583.5	577.5	4.0%	3.8%
2021	608.0	583.5	573.5	4.0%	4.1%
2022	622.5	593.0	581.5	4.0%	5.8%
2023	654.5	614.5	625.5	5.0%	4.9%
2024	698.5	644.5	670.5	5.0%	3.6%
2025	746.5	688.5	717.5	6.0%	3.3%
2026	777.5	733.5	743.3	5.0%	5.1%
2027 ^{(2) (3)}	811.5	765.5	N/A	5.0%	N/A

(1) Actual FTEs is the number as of December 31st for each year with the exception of 2026 which represents the number as of June 30th

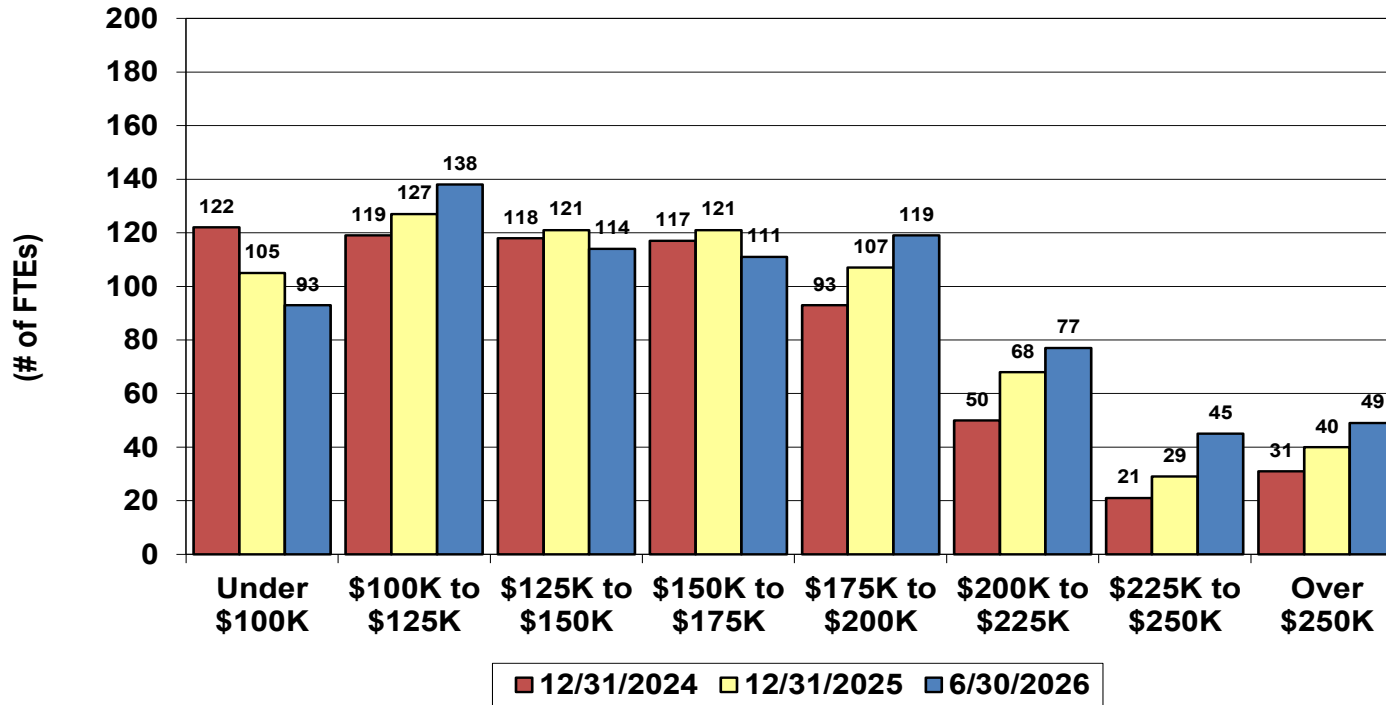
(2) The 2027 budget includes the recruitment of 34 additional positions, with funding for 27 full-time equivalents with onboarding expected to occur throughout the year. All other existing positions have been budgeted with an estimated 5.0% vacancy.

(3) The 2027 budget includes the conversion of 1 FTE consultant positions to ISO-NE employees (FTE's) with no overall \$ impact on the 2027 budget (compared to 2026)



Operating Budget Details

Staffing – Number of Employees by Salary Band



Operating Budget Details

Staffing - Salary and Benefits Cost Comparison

The following provides actual Salary and Benefit related costs compared to budget for the two most recent completed years, 2025 and 2024, by component (\$ in Thousands):

<u>Description</u>	2025			2024		
	Actual Expense	Approved Budget	Incr/(Dec)	Actual Expense	Approved Budget	Incr/(Dec)
Salaries and Wages - Base	\$ 112,517.2	\$ 109,743.1	\$ 2,774.1	\$ 96,767.0	\$ 100,893.7	\$ (4,126.7)
Salaries and Wages - Overtime	3,431.5	2,823.8	607.8	3,367.9	2,763.5	604.4
Salaries and Wages - Incentive/Bonus	22,493.5	22,255.7	237.8	18,680.2	18,482.8	197.4
Employee Benefits - Pension ⁽¹⁾	13,650.9	12,748.2	902.7	12,943.5	12,117.3	826.2
Employee Benefits - Post-Ret Benefits	810.0	960.8	(150.8)	614.0	961.4	(347.4)
Employee Benefits - Health Insurance	10,516.1	10,050.7	465.5	8,787.9	8,931.3	(143.4)
Employee Benefits - Dental Insurance	617.9	583.5	34.4	540.5	537.1	3.4
Employee Benefits - 401(K) Match	4,605.2	4,605.5	(0.3)	3,977.5	4,079.3	(101.8)
Salary Burden - Payroll Taxes	8,902.1	9,017.3	(115.2)	7,847.1	8,714.7	(867.6)
Other Benefit/Burden <\$200K	1,092.1	1,171.5	(79.4)	592.4	727.8	(135.4)
Total Salaries & Burden Expense	\$ 178,636.6	\$ 173,960.0	\$ 4,676.5	\$ 154,118.0	\$ 158,208.9	\$ (4,090.9)

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

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

- *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: INTEREST RATE RISK



Interest Rate Risk

- Fluctuating interest rates can have an impact on the costs of the ISO in several ways. Specifically, the ISO earns interest on the settlement funds it collects from market participants, pays a floating interest rate on its tax-exempt bonds, and uses assumptions on interest rates to establish liabilities and costs for its pension and post-retirement benefit plans
 - ISO-NE earns interest on the settlement account float
 - Interest income rates are also dependent on market conditions with rate fluctuations impacting the effectiveness of the settlement float hedge; during the majority of 2020-2021, the interest income rates have exceeded floating debt rates; since 2022 we have seen multiple rate increases with the rise in tax exempt debt outpacing interest income rates. As of June 30, 2026, the tax-exempt debt rate is 2.62% and settlement float rate is 1.85%.
 - These costs could exceed what's predicted on Slide 71
 - Unlike the interest rate that is currently lower than the tax-exempt debt rate, the average float in the settlement account is higher than the outstanding principal of the tax-exempt debt therefore has been an effective hedge against interest expense rates
 - ISO-NE pays a floating interest rate on its tax-exempt bonds
 - ISO-NE utilizes interest rate assumptions in establishing liabilities and related costs for its postretirement benefit plans (See Slide 97)

APPENDIX 6: CAPITAL EXPENDITURES BUDGET DETAIL



Capital Budget – 2027 Capital Projects Schedule

(\$000's)

Capital Projects - Approved Charters

Next-Generation Electronic Dispatch & Reliability Voice Networks

Electromagnetic Transient Model Repository (EMTR)

MW Dependent Fuel Price Adjustment

Settlement Market System (SMS) Technology Upgrade

Integrated Market Simulator Usability

Total Transfer Capability Utility (TTCU) Implementation for Resource Outage Coordination

Enterprise Resource Planning (ERP) Enhancements

Migration of Market Information System (MIS) File Transfer Protocol (FTP) Server to Cloud

Microsoft 365 Phase III

Sub Total Projects with Approved Charters

Planning/Conceptual Design [2]

Single Interval MCE Improvements (SIMI)

EMP 3.5 Upgrade - GridOS

Space Utilization Phase II

Advanced Technology Initiatives

Capacity Management Tracking System for CAR Phase I

2027 Issue Resolution Projects

GridOS Connect

Settlement & Financial Assurance for Capacity Auction Reform

Capacity Management Tracking System for CAR Phase II

Performance Audit Changes for CAR

Resource Adequacy Assessment & Accreditation for CAR

Auctions Clearing Engine for CAR

Circuit Inventory Management Platform Phase II

Replace Employee & Pager Application

Atlassian to Cloud Phase II

Distributed Energy Resources - Order 2222 Phase II

DASI Benchmark Calculation Versioning Enhancements - IMM

PowerGADS Update for Capacity Auction Reforms

CIP Electronic Security Perimeter Network Services

Long-term FTRs [3]

Other Emerging Work Projects [4]

Sub Total Planning/Conceptual Design

Non-Project Capital Expenditures

- Capitalized Interest & Loan Fees

Total Capital Expenditures

Project-To-Date	Current Year (2026) Cost to Complete [1]	2027 Cost to Complete	Future Year Cost to Complete	Total Project Costs	Estimated Complete Date
12.3	402.2	1,375.2	281.4	2,071.0	03/28
60.5	84.7	1,067.6	419.1	1,631.9	06/28
541.5	694.9	994.5	-	2,230.9	09/27
133.7	299.7	643.7	-	1,077.1	07/27
57.1	314.3	377.0	-	748.4	06/27
456.6	496.1	161.6	-	1,114.4	03/27
751.0	230.2	152.0	-	1,133.2	06/27
192.4	181.6	151.0	-	525.0	04/27
465.9	339.9	104.2	-	910.0	03/27
2,671.1	3,043.5	5,026.7	700.5	11,441.9	
1,076.9	235.1	5,000.0	7,000.0	13,312.0	12/28
154.5	2,345.5	4,000.0	400.0	6,900.0	09/28
926.2	2,094.0	3,000.0	3,000.0	9,020.1	03/28
-	-	3,000.0	-	3,000.0	12/27
147.1	42.9	1,500.0	-	1,690.0	06/27
-	-	1,500.0	-	1,500.0	12/27
372.9	125.8	1,358.1	-	1,856.8	12/27
-	-	1,200.0	650.0	1,850.0	03/28
-	-	1,000.0	600.0	1,600.0	03/28
3.8	71.2	1,000.0	425.0	1,500.0	03/28
239.7	35.3	900.0	-	1,175.0	06/27
46.9	78.1	750.0	250.0	1,125.0	06/28
16.5	33.5	650.0	-	700.0	12/27
49.0	1.0	500.0	-	550.0	12/27
-	-	500.0	-	500.0	12/27
-	-	500.0	-	500.0	06/27
29.5	170.5	450.0	-	650.0	12/27
1.3	98.7	400.0	-	500.0	06/27
40.4	-	284.6	-	325.0	09/27
907.5	-	-	-	907.5	TBD
-	-	3,780.6	-	3,780.6	
4,012.0	5,331.7	31,273.3	12,325.0	52,942.0	
-	-	7,500.0	-	7,500.0	
-	-	1,200.0	-	1,200.0	
6.683.2	8.375.3	45,000.0	13,025.5	73,083.9	

[1] The amounts under the "Current Year (2026) Cost to Complete" list only includes those projects with budgeted costs in 2027 and beyond.

[2] The 2027 Budget for Projects in Planning and Conceptual Design is not final. Once the project scope and timeline have been determined the budget will be finalized.

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

[4] Other Emerging Work Projects for 2027 currently include five chartered projects that are individually immaterial (estimated cost of less than \$50,000 each): Operations

Document Management System MS 365 Conversion, EMS CFE Refresh, Enterprise Core Network Refresh, Interconnection Request Tracking Upgrade, and Tie Line Telemetry

Replacement

Capital Budget

2027 Expenditures/Major Projects in Development

Next-Generation Electronic Dispatch & Reliability Voice Networks

\$1.4M

The Next-Generation Electronic Dispatch and Reliability Voice Networks project will upgrade two critical communication networks used by ISO to communicate with its Designated Entities (DEs). These networks are essential to Control Room operations, enabling reliable communication with DEs to support the safe and reliable operation of the bulk power system.

In addition to deploying new hardware at DE sites, the project will transition support to a new Managed Service Provider (MSP) responsible for maintaining the hardware and network infrastructure. The existing network environment is costly to operate and contains inconsistent hardware configurations, making maintenance and support more challenging. The upgraded network will standardize hardware deployments based on defined DE requirements, improving reliability, supportability, and cost efficiency.

The targeted completion date for this project is March 2028.



Capital Budget

2027 Expenditures/Major Projects in Development

Electromagnetic Transient Model Repository (EMTR)

\$1.1M

The current process for collecting and managing Electromagnetic Transient (EMT) model data, which is used for power system dynamic studies relies on disparate sources, including email, file shares, and ticketing systems. As the penetration of renewable and inverter-based resources (IBRs), such as wind, solar, and battery storage, continues to grow across the ISO New England power system, this approach is no longer scalable. The increasing volume of interconnection requests, coupled with the need for effective collaboration among Generation Owners, Transmission Owners, and internal stakeholders, requires a more efficient and controlled method for managing EMT model data.

This project will establish a centralized, software-managed repository for EMT models with robust version control and governance capabilities. The repository will provide a single source of truth for model data, enabling users to easily access and download effective-dated model versions for interconnection, planning, and reliability studies. By improving data accessibility, traceability, and consistency, the solution will streamline model management processes, support more timely study execution, and enhance collaboration across stakeholders. Ultimately, the project will improve operational efficiency and help support the reliable integration of increasing levels of renewable and IBRs onto the ISO grid.

The targeted completion date for this project is June 2028.



Capital Budget

2027 Expenditures/Major Projects in Development

MW Dependent Fuel Price Adjustment

\$1.0M

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

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

The targeted completion date for this project is September 2027.



Capital Budget

2027 Expenditures/Major Projects in Development

Settlement Market System (SMS) Technology Upgrade

\$0.6M

The Settlement Market System (SMS) Technology Upgrade project is a multi-phase modernization initiative designed to replace legacy market settlement technologies with modern, web-based applications and updated backend services. Following the successful completion of upgrades to the internal-facing components of SMS, this project focuses on modernizing the external-facing user interfaces while continuing the transformation of the underlying application architecture. The upgrade includes the implementation of web-based interfaces for key market applications, including Internal Bilateral Transactions (IBT), Meter Reading, Peak Contribution, Monthly Regional Network Load, and Financial Assurance Management (FAM).

In addition, the project will modernize the SMS Batch Job Scheduler, SMS Adapters, and Settlement Calculation Engine. These enhancements will remove end-of-support technologies; improve system reliability, maintainability, and security; and align SMS with modern software development best practices. The external-facing release will also include market participant communications, updated user documentation, and sandbox access to support user testing and adoption.

The targeted completion date for this project is July 2027.

Capital Budget

2027 Expenditures/Major Projects in Development

Integrated Market Simulator Usability

\$0.4M

The Internal Market Monitor (IMM) is responsible for conducting assessments of wholesale energy market effectiveness, including scenario-based (what-if) analyses to evaluate potential market outcomes and participant behavior related to market monitoring and mitigation activities. The results of these studies support internal decision-making and, when appropriate, are shared with external stakeholders, ISO senior management, and the ISO Board of Directors.

To improve the efficiency and timeliness of these analyses, the IMM requires a robust simulation capability. The Integrated Market Simulator, developed by the ISO's Advanced Technology Solutions department, provides the functionality needed to perform these studies effectively. However, the tool currently relies on script-based execution, requiring significant technical expertise and in-depth knowledge of its operation.

This project will develop user-friendly interfaces that enable users to configure and run simulations without specialized scripting expertise. It will also enhance the presentation of simulation results, providing intuitive and effective visualizations that facilitate the interpretation and comparison of market outcomes. By streamlining the simulation process and improving accessibility, the project will reduce manual effort, save staff time, and increase the overall efficiency and effectiveness of market analysis activities.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/Major Projects in Development

Total Transfer Capability Utility (TTCU) Implementation for Resource Outage Coord. \$0.2M

The Total Transfer Capability Utility (TTCU) for Resource Outage Coordination (ROC) project will modernize and enhance the generation outage approval process by replacing the existing prototype with a secure, scalable, and supportable enterprise solution. The project will establish dedicated computing infrastructure to support on-demand study execution by multiple users and deliver a web-based application for study execution, results review, and visualization. Core functionality will be migrated to secure service-based architecture, supported by a relational database to store study inputs, outputs, and execution history. The solution will centralize configuration management to ensure studies are auditable, repeatable, and capable of reproducing results within a defined accuracy threshold.

Developed and deployed through an incremental agile approach, TTCU ROC will improve operational responsiveness, increase process efficiency and consistency, and provide secure, reliable software with continuous operational support. The project will also leverage approved AI-enabled development tools to improve software delivery efficiency, implement a forward-looking two-year capacity analysis and interface limit visualization capabilities, and reduce dependency on individual subject-matter expertise through a standardized user interface and workflow.

The targeted completion date for this project is March 2027.

Capital Budget

2027 Expenditures/Major Projects in Development

Enterprise Resource Planning (ERP) Enhancements

\$0.1M

The ERP Enhancements Project will implement new procurement and vendor management workflows within ISO-NE's Infor financial management system. These enhancements will strengthen integration between purchasing and cybersecurity procurement processes while modernizing the vendor management portal. By consolidating key procurement activities into a single platform, automating manual processes, and improving system interoperability, the project will streamline procurement operations and reduce administrative burden. In addition, the enhanced vendor portal will provide a consistent, user-friendly interface for vendor interactions, improving transparency, operational efficiency, and the overall experience for both internal stakeholders and external partners.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/Major Projects in Development

Migration of Market Information System (MIS) File Transfer Protocol (FTP) Server to Cloud \$0.1M

The Migration of Market Information System (MIS) File Transfer Protocol (FTP) Server to Cloud project will modernize the existing MIS FTP infrastructure, which supports critical data exchanges between the ISO and Market Participants. As a legacy platform, the current environment faces increasing challenges related to scalability, monitoring, automation, and security compliance. Migrating the MIS platform to Amazon Web Services (AWS) supports the organization's security first technology strategy by providing a more secure, dependable, and scalable solution. The project will create a new external MIS user interface with certificate-based authentication and OpenSearch capabilities, develop a new MIS Publisher process to automatically publish reports to AWS immediately upon generation, and convert the existing internal MIS user interface to the new application.

The targeted completion date for this project is April 2027.



Capital Budget

2027 Expenditures/Major Projects in Development

Microsoft 365 Phase III

\$0.1M

The capabilities and resiliency of ISO’s on-premise enterprise software (e.g., directories, file shares, and mail servers) has been improved and consolidated using the cloud-based Microsoft 365 Services. Adoption of Microsoft 365 Services for certain enterprise software has significantly increased ISO’s business continuity posture and allowed employees to work more productively with natively built-in tools and features.

The successful migration to Microsoft 365 has improved employee collaboration, streamlined information technology operations with new management tools and automation, improved protection of end users and information with platform-wide security solutions, and reduced overhead associated with maintaining physical information technology infrastructure.

The initial project phase delivered basic functionality and services to end users. The second phase of the project realigned the on-premise email system to make use of the cloud environment and allowed for the retirement of legacy servers; implemented new Microsoft tools to improve data protection, visibility, and control; and tested and deployed additional software in the Microsoft suite to improve collaboration and efficiency. The third and final phase of the Microsoft 365 implementation project will finalize access roles and permissions; update email routing and security; and consolidate SharePoint sites to streamline operations, enhance security, and reduce licensing costs. This phase will also deploy the necessary cloud connectivity and foundational architecture to support scalable virtual desktop delivery through a unified user interface. Additionally, core messaging systems will be upgraded, and enhanced cybersecurity information protections will be implemented to improve overall security and performance while supporting the retirement of legacy on-premises systems.

The targeted completion date for this project is March 2027.

Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Single Interval MCE Improvements (SIMI)

\$5.0M

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

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

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

The targeted completion date for this project is December 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

EMP 3.5 Upgrade - GridOS

\$4.0M

ISO New England’s (ISO-NE) Energy Management System (EMS) relies on GE’s Energy Management Platform (EMP) suite of applications to support critical system and market operations. Upgrading and customizing the platform to GE’s latest EMP release is necessary to meet the evolving business and operational requirements of ISO-NE’s System Operations and Market Operations organizations. In addition, ISO-NE must migrate to the current GE-supported platform version to maintain vendor support and access to future software updates, security enhancements, and defect resolutions. The upgrade will require significant effort to port, validate, and integrate ISO-NE’s existing custom-developed functionality onto the new EMP platform while ensuring continued operational reliability and performance.

The targeted completion date for this project is September 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Space Utilization Phase II

\$3.0M

The Space Utilization Program supports the ISO's long-term workplace strategy by optimizing the use of office space across the Holyoke campus while ensuring facilities effectively support current and future business needs. Through strategic planning and workplace modernization initiatives, the program will enhance employee collaboration, improve space efficiency, and align facility investments with evolving workforce requirements.

Phase I of the Space Utilization Program established the foundational workplace strategy, including space planning assessments, occupancy analysis, and the development of plans to support the organization's evolving hybrid work environment and future growth. Completion of this phase provided a roadmap for optimizing existing facilities and integrating future workspace requirements.

The second phase of the Space Utilization Program will implement targeted improvements across the Holyoke campus in coordination with the ongoing construction project at Whiting Farms Road. This phase will include renovations and modernization of employee common areas, including updates to the campus café; the restacking and reconfiguration of workspaces within the to improve space utilization, collaboration, and operational efficiency; and the procurement and installation of furniture, fixtures, and technology required to support the new Whiting Farms Road facility.

These improvements will enhance employee engagement, maximize the effectiveness of existing and new facilities, and ensure the organization is well-positioned to support business operations for years to come.

The targeted completion date for this project is March 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Advanced Technology Initiatives

\$3.0M

The Advanced Technology Initiative (ATI) project is a supplement to the Q1 2025 completed nGEM development program with GE, the ISO’s Markets Management System (MMS) vendor. ISO plans to continue partnering with GE on an extended basis to improve and enhance functionality within the MMS. The initial focus of this partnership is anticipated to be the implementation of time-coupled functionality within the nGEM Market Clearing Engine. Time-coupled functionality offers more advanced mathematical formulations for market clearing which will give the ISO another tool to handle market clearing complexities (e.g., proliferation of storage resources). The time-coupled functionality will first be implemented in a standalone version of the MCE for a limited-bus model and Day-Ahead Market (DAM) study modes. Eventually, the time-coupled functionality will be implemented in the integrated MCE application and be available for DAM and Real-Time Market clearing, though this product work will require phased approach and take 1-2 years to complete.

The targeted completion date for this project is December 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Capacity Management Tracking System for CAR Phase I

\$1.5M

The Capacity Auction Reforms (CAR) market design introduces significant changes to the Forward Capacity Market beginning with the Capacity Commitment Period that starts in June 2028. Key reforms include: (1) transitioning from a capacity auction conducted more than three years in advance to a prompt market construct; (2) replacing a single annual auction that procures capacity for a 12-month period with two seasonal auctions; and (3) implementing accreditation reforms that more closely align the amount of capacity a resource may sell with its demonstrated contribution to resource adequacy.

The existing Forward Capacity Tracking System was designed to support the current market framework and would require extensive modifications to accommodate the new CAR market design while continuing to preserve functionality needed for prior capacity commitment periods. As a result, this project will develop a new external-facing Capacity Management Tracking System (CMTS) to support the administration of the CAR market structure.

This initial phase of the CMTS program will deliver a subset of functionality required to support the earliest market activities leading up to the Summer 2028 seasonal auction. The application will provide a modern, scalable platform for managing capacity market activities, improving transparency, efficiency, and user experience for both internal users and market participants. Additional project phases will be undertaken to implement the remaining functionality necessary to fully support the CAR market design and ongoing market operations.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/ Major Projects in Conceptual Design

2027 Issue Resolution Projects

\$1.5M

The 2027 Issue Resolution Projects will address a portfolio of Application Modification Requests (AMRs) designed to enhance existing systems, improve business processes, and increase operational efficiency across the ISO. AMRs serve as the primary mechanism for identifying, prioritizing, and tracking corrective enhancements to applications and processes, including opportunities to automate manual activities and improve system functionality.

This initiative will focus on implementing as many approved AMRs as possible during 2027, delivering targeted improvements across a variety of software platforms and business areas. The resulting enhancements are expected to improve system reliability, streamline workflows, reduce manual effort, strengthen compliance with market rules and procedures, and enhance the user experience for internal and external stakeholders. By addressing a broad range of operational and technical issues, the project will help maintain the effectiveness, stability, and efficiency of ISO New England's critical business and market systems.

The targeted completion date for this project is December 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

GridOS Connect

\$1.3M

In 2026, ISO-NE started upgrading the Energy Management System (EMS) to GE Vernova's EMP 3.5 Platform. EMP3.5 introduces advanced network and generation features, including voltage ride-through contingency analysis, constrained power group monitoring, and Distributed Energy Resource (DER) forecasting integration. These capabilities are essential for ensuring grid stability as ISO-NE transitions to an evolving energy future.

ISO-NE's implementation schedule for GridOS Connect has been adjusted to align with the revised deployment timeline for EMP3.5 and related integration activities. GridOS Connect, GE Vernova's comprehensive software suite for managing electric grids, will provide the integration layer needed to access and manage distributed data across ISO-NE's existing architecture. The platform integrates data analytics, artificial intelligence, and advanced grid management tools to optimize grid operations, enhance reliability, and support the transition to renewable energy resources. The revised schedule reflects the complexity of integrating these capabilities with the broader EMS modernization effort while ensuring a stable and reliable implementation.

The targeted completion date for this project is December 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Settlement & Financial Assurance for Capacity Auction Reform

\$1.2M

The Capacity Auction Reforms (CAR) market design introduces significant changes to the capacity market beginning with the Capacity Commitment Period that starts in June 2028. Key reforms include: (1) transitioning from a capacity auction conducted more than three years in advance to a prompt market construct; (2) replacing a single annual auction that procures capacity for a 12-month period with two seasonal auctions; and (3) implementing accreditation reforms that more closely align the amount of capacity a resource may sell with its contribution to resource adequacy.

The CAR program will require changes to downstream settlement and Financial Assurance (FA) processes. This project will implement the system enhancements required to support revised settlement calculations, billing processes, and Financial Assurance requirements resulting from CAR-related changes across the capacity market application landscape.

The project will ensure that settlement and Financial Assurance processes remain accurate, efficient, and compliant with the updated market rules and business requirements associated with the CAR market design. In addition, it will support the integration of data and calculations from related CAR systems, helping to maintain consistency and transparency across market operations.

Successful delivery of this project is dependent upon the completion of key design components and requirements from other CAR initiatives. As such, the project's scope and implementation timeline will be closely coordinated with related CAR projects to ensure alignment across the broader market transformation program.

The targeted completion date for this project is March 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Capacity Management Tracking System for CAR Phase II

\$1.0M

The Capacity Management Tracking System (CMTS) for Capacity Auction Reforms (CAR) – Phase II project will build upon the foundation established by the Phase I initiative, which delivers a new external-facing CMTS application and a subset of functionality required to support the earliest market activities associated with the CAR market design. As the CAR implementation timeline progresses toward the 2028 Summer Seasonal Auction, Phase II will expand the application by introducing additional capabilities needed to support subsequent market processes and participant interactions.

This project will develop and deploy functionality aligned with key market milestones, enabling market participants and ISO staff to effectively manage and administer evolving capacity market requirements. By extending the CMTS platform, Phase II will enhance system usability, improve operational efficiency, support regulatory and market design objectives, and ensure readiness for future CAR-related activities. The project represents a critical step in the phased delivery strategy, with a subsequent phase planned to implement the remaining functionality necessary to fully support the CAR framework.

The targeted completion date for this project is March 2028.

Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Performance Audit Changes for CAR

\$1.0M

The Performance Audit Changes for CAR project will implement a calculation engine that generates the performance metrics required by the Resource Adequacy Assessment (RAA) process. These metrics will serve as direct replacements for Seasonal Claimed Capability values and will eliminate the need for non-demand audit requests by providing a standardized, automated methodology for assessing resource performance.

The calculation engine will improve the accuracy, consistency, and efficiency of resource adequacy evaluations by centralizing metric calculations and reducing reliance on manual processes. In addition, it will support evolving market and reliability requirements by providing a scalable and auditable framework for performance assessment.

Timely implementation of this capability is critical, as the solution must be operational no later than June 2027 to support Resource Adequacy Assessment processes and related Capacity Auction Reform (CAR) market requirements. The initial release is required by June 2027 to meet these regulatory and market-driven deadlines, with additional functionality planned for a subsequent release.

The targeted completion date for this project is March 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Resource Adequacy Assessment & Accreditation for CAR

\$0.9M

The Capacity Auction Reform (CAR) market design changes introduce seasonal capacity auctions and revised accreditation methodologies, significantly increasing the complexity and volume of data required to support Resource Adequacy Assessment (RAA) studies. Currently, RAA studies rely on data dispersed across multiple systems and manual data sources, resulting in a process that is both time-consuming and prone to errors. In addition, study outputs are stored in file systems and manually transferred to downstream processes, creating challenges related to data consistency, traceability, and governance.

This project will develop a new application to centralize, structure, and manage the inputs and market-specific outputs used in RAA study models. The application will provide a controlled and auditable environment for data management, improving data quality, operational efficiency, and transparency throughout the study process.

The solution will also include external-facing capabilities that provide market participants with greater visibility of the resource data used in RAA studies. In addition, it will establish a structured process for participants to review and submit limited requests for revisions to their data inputs, improving accuracy while enhancing transparency and stakeholder engagement.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Auctions Clearing Engine for CAR

\$0.8M

The Auctions Clearing Engine for Capacity Auction Reforms (ACECAR) project will deliver an integrated auction-clearing solution to support the administration of the Capacity Market under the Capacity Auction Reforms (CAR) market design. The platform will manage the end-to-end auction-clearing process, including the ingestion and validation of market inputs, seamless integration with the auction-clearing engine, and execution of both Primary Auction Capability Events (PACE) and Reconfiguration Auction Capability Events (RACE).

Designed with flexibility and scalability in mind, the solution will support deployment either on-premises or in the AWS cloud environment, enabling the ISO to align deployment with evolving operational and technology requirements. The platform will also provide secure, standards-based integration with the Capacity Management Tracking System (CMTS) through structured JSON and XML interfaces, ensuring efficient and reliable data exchange between market systems.

In addition to supporting production auction clearing, the solution will provide advanced analytical capabilities to support Portfolio Benefits Tests, Independent Market Monitor (IMM) mitigation studies, and other market analysis activities. By consolidating auction execution and study functions into a single platform, the project will improve operational efficiency, enhance transparency and auditability, and provide a scalable foundation for implementing and supporting the CAR market design.

The targeted completion date for this project is June 2028.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Circuit Inventory Management Platform Phase II

\$0.6M

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

Phase I of the Circuit Inventory Management Platform project acquired and implemented a centralized platform, ensuring that it was tailored for optimal use by the ITComms team and capable of effectively integrating and distributing telecom data across the organization. Completion of Phase I allowed for enhanced collaboration, streamlined processes, and improved overall efficiency in managing communications and information.

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

The targeted completion date for this project is December 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Replace Employee & Pager Application

\$0.5M

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

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

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

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

The targeted completion date for this project is December 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Atlassian to Cloud Phase II

\$0.5M

The Atlassian to Cloud Phase II project will complete the ISO’s transition from on-premises Atlassian applications to Atlassian Cloud by migrating the remaining business workflows that were excluded from Phase 1 due to complexity, dependencies, resource constraints, and business priorities. Building upon the foundational work completed during the initial phase, this project will ensure that all remaining business processes are fully transitioned and aligned with the organization’s target-state cloud operating model.

Phase II will include the analysis, redesign, configuration, testing, and deployment of outstanding workflows, with a focus on leveraging native Atlassian Cloud capabilities to improve automation, maintainability, scalability, and user experience. By consolidating all workflows within a fully cloud-based environment, the project will eliminate reliance on legacy workflow configurations, reduce operational overhead, simplify support and administration, and provide users with a more consistent and efficient platform. These enhancements will strengthen business process effectiveness, improve system reliability, and maximize the value of the ISO’s investment in the Atlassian Cloud ecosystem.

The targeted completion date for this project is December 2027.

Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Distributed Energy Resources – Order 2222 Phase II

\$0.5M

FERC’s Order 2222 requires that independent system operators and regional transmission organizations remove barriers to the participation of distributed energy resource aggregations (DERAs) in wholesale electricity markets. Compliance with Order 2222 spanned two prior capital projects: Forward Capacity Market Order 2222 and Distributed Energy Resources – Order 2222.

The Distributed Energy Resources – Order 2222 Phase II Project will deliver the remaining user interface (UI) capabilities needed to fully support Order 2222 within the CAMS application. Building on previously implemented functionality, this project will complete deferred enhancements, streamline user workflows, and improve the overall user experience while ensuring compliance with business and regulatory requirements. The enhancements will increase system usability, improve operational efficiency, reduce manual effort, and enhance stakeholder satisfaction by providing a more intuitive and effective platform for managing Order 2222 processes.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

DASI Benchmark Calculation Versioning Enhancements - IMM

\$0.5M

The DASI Benchmark Calculation Versioning Enhancements - IMM Project will enhance the accuracy, consistency, and transparency of market mitigation processes by addressing discrepancies between benchmark values published to market participants and those subsequently used in mitigation evaluations. Currently, external market participants rely on ISO-calculated Benchmark Levels available at 5:00 AM to develop and submit Day-Ahead Ancillary Services offers. However, Benchmark Levels may be recalculated by the ISO prior to market clearing, resulting in conduct test thresholds that differ materially from those used by participants when preparing their offers. This can lead to generators being mitigated based on benchmark values that were not available at the time offers were submitted.

To resolve this issue, the project will implement version-controlled Benchmark Levels and associated threshold values, ensuring that mitigation assessments are performed using the most appropriate and market-consistent benchmark data. The enhancements will improve alignment between participant decision-making and market mitigation outcomes, including the use of the higher applicable threshold where appropriate. In addition, the project will introduce a configurable heat-rate calculation framework that incorporates startup fuel costs, improving the accuracy of generator cost estimates, enhancing market transparency, and supporting more efficient and equitable market outcomes.

The targeted completion date for this project is December 2027.

Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

PowerGADS Update for Capacity Auction Reforms

\$0.4M

This project is part of the Capacity Auction Reforms (CAR) program and will implement enhancements to the PowerGADS software used by ISO New England to support revised resource accreditation and performance assessment requirements. The project will update existing calculations to reflect seasonal variability in resource performance, aligning the software with the CAR market design's transition to seasonal capacity assessments and auctions.

A key component of this effort is the revision of the Equivalent Forced Outage Rate on Demand (EFORd) methodology. Under the current approach, EFORd is calculated and applied as a fleet-wide average. The enhanced solution will calculate EFORd at the individual resource level, providing a more accurate representation of each asset's historical performance and contribution to resource adequacy.

By incorporating seasonal performance characteristics and asset-specific reliability metrics, the project will improve the accuracy, transparency, and consistency of resource accreditation calculations. These enhancements will support the broader CAR objectives of aligning capacity obligations more closely with resource performance and reliability contributions.

The targeted completion date for this project is June 2027.



Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

CIP Electronic Security Perimeter Network Services

\$0.3M

This project is a continuation of the Electronic Security Perimeter (ESP) Network Upgrade Program, a multi-phase initiative designed to strengthen the ISO’s compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) requirements while enhancing the overall security, resiliency, and maintainability of the ISO’s network infrastructure. Building on the modernization efforts completed in CIP ESP Phases I, II, and III, which established the hardware, network, and virtual infrastructure foundation for the new production ESP network, this phase will complete the transition from the legacy production ESP network to the modernized architecture. During this project, all systems currently operating within the legacy production ESP network will be logically migrated to the new ESP network environment deployed under CIP ESP Phase III.

In addition, the project will integrate enhanced network security and monitoring tools into the production environment to improve visibility, threat detection, and overall security posture. The project also includes the deployment of an enhanced interactive remote access solution that will strengthen access controls while improving the user experience for personnel who regularly interact with the ESP network. Collectively, these upgrades will improve security, operational efficiency, system maintainability, and compliance with applicable CIP requirements while completing a key phase of the ISO’s broader network modernization strategy.

The targeted completion date for this project is September 2027.

Capital Budget

2027 Expenditures/Major Projects in Conceptual Design

Non-Project Capital Expenditures

\$7.5M

Non-Project capital expenditures fund external and internal capitalized labor necessary to program Change Requests (\$3.0M); non-project related hardware purchases (\$3.5M); and Building Improvements, Machinery & Equipment, and Furniture & Fixtures (\$1.0M).

Other Emerging Work

\$3.8M

This category is primarily intended to address emerging work requests during 2027 that result from operational needs, compliance obligations, or stakeholder feedback.

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



Capital Budget

2027 Non-Project Capital

The budget forecast for each of the non-project capital categories is informed by historical level expenditures and an assessment of planned investments for the upcoming year. The budgeted expenses for Non-Project Capital Expenditures, like the ISO-NE operating budget categories, are zero-based each year. The 2027 amounts and description of funding included for each category is provided as follows:

- \$3.5 million – Non-Project Hardware:** ISO-NE has a critical investment in servers, storage, networking, and monitoring systems in our data center environment that support ISO-NE’s critical roles of Grid Operation, Market Administration, and Power System Planning; as well as general corporate needs. ISO-NE is required to ensure that existing deployed infrastructure is current with vendor established end-of-support and end-of-life timelines. These continual refresh activities are essential to ensure ISO-NE data center services remain supported with security and maintenance contracts, as well as meet IT reliability service levels. In 2027, ISO-NE will continue to replace and upgrade IT Infrastructure as required. Projects include: (1) to continue refreshing ISO-NE’s virtualization server infrastructure to replace servers reaching end-of-life; (2) replace aging storage infrastructure supporting database and virtualization workloads; and (3) upgrades to the network security infrastructure that support remote access, including firewall replacements and security controls integration.
- \$3.0 million – Change Requests:** Annually, ISO-NE’s Information Services (“IS”) department addresses several hundred small requests to improve existing software infrastructure. The IS department deploys a combination of ISO-NE internal employees, consultants, and vendors to address the list of open change requests. Each year, the forecasted budget is reviewed to ensure the resources dedicated to this effort are not in conflict with slated major projects.
- \$1.0 million - Building Improvements, Machinery & Equipment, and Furniture & Fixtures:** Annually, ISO-NE’s Building Services department invests in the upkeep and upgrading of ISO-NE’s Holyoke and Windsor facilities. The 2027 budget funding includes replacement of two elevators in the South Building at the Holyoke campus.

Capital Budget

Resource Allocation for 2027 Projects with Approved Charters

The following projects included in the 2027 budget have approved charters with specific funding requirements established. For each project the breakdown of costs and full-time equivalent (FTE) positions is provided by year and between internal labor and outside consultants. Amounts include actual and future forecast/budget.

Capital Projects - Approved Charters	Total Project				2027 Budget				2026 Actual & Remaining Forecast (1)			
	Int Labor \$	FTE Equiv	Consult \$'s	FTE Equiv	Int Labor \$	FTE Equiv	Consult \$	FTE Equiv	Int Labor \$	FTE Equiv	Consult \$	FTE Equiv
. Next-Generation Electronic Dispatch & Reliability Voice Networks	\$ 9,460	0.0	\$1,017,209	3.3	\$ 5,676	0.0	\$ 795,989	2.6	\$ 3,784	0.0	\$ 221,220	0.7
. Electromagnetic Transient Model Repository (EMTR)	478,619	1.9	610,280	2.0	355,680	1.4	610,280	2.0	122,939	0.5	-	-
. MW Dependent Fuel Price Adjustment	326,120	1.3	1,684,034	5.4	225,000	0.9	649,520	2.1	101,120	0.4	1,034,514	3.3
. Settlement Market System Technology Upgrades	798,086	3.2	195,060	0.6	465,687	1.9	94,080	0.3	332,399	1.3	100,980	0.3
. Integrated Market Simulator Usability	595,734	2.4	4,920	0.0	342,720	1.4	-	-	253,014	1.0	4,920	0.0
. TTCU Implementation for Resource Outage Coordination	501,510	2.0	372,577	1.2	90,480	0.4	44,216	0.1	411,030	1.6	328,361	1.1
. Enterprise Resource Planning (ERP) Enhancements	318,078	1.3	668,927	2.1	90,000	0.4	37,000	0.1	228,078	0.9	631,927	2.0
. Migration of Market Information System (MIS) File Transfer Protocol (FTP) Server to Cloud	381,847	1.5	69,386	0.2	103,000	0.4	-	-	278,847	1.1	69,386	0.2
. Microsoft 365 Phase III	80,521	0.3	706,836	2.3	19,152	0.1	20,000	0.1	61,369	0.2	686,836	2.2

Assumptions for FTE Equiv = Int Labor Fully Burdened = \$120/hr.; Consultants = \$150/hr.

APPENDIX 7: HOLYOKE CAMPUS EXPANSION



Recap of changes made since 2024

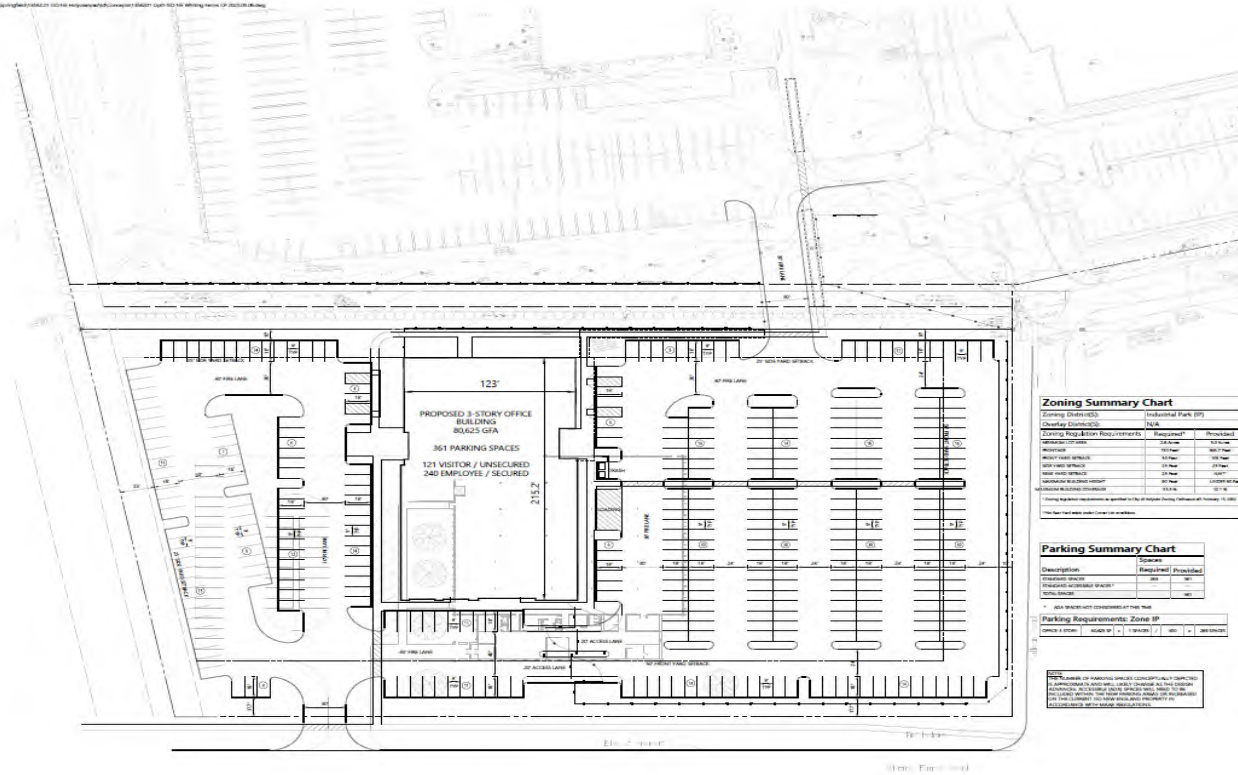
ISO believes that the integrated nature of the work promotes the need for one campus and collaboration is one of our five core values

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

Key Project Milestones Achieved

- Second Stage
 - January 2026: Engaged architects/engineering firm to develop pricing and plans for the adjacent property to the Holyoke campus (if the lease purchase option was executed) which was completed in
- Third Stage
 - March 2026: Received FERC approval authorizing the ISO to enter into debt
 - March 2026: Obtained approval from the City of Holyoke Planning Board
 - April 30, 2026: Closed on \$60 million of tax-exempt bond financing
 - June 2026: Completed the land acquisition transaction
- Fourth Stage - ongoing
 - July 2026: Demo permit is complete and demolition has started
 - Early 2028: Expected completion

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PERSPECTIVE VIEW VISITOR SIDE



PERSPECTIVE VIEW EMPLOYEE SIDE



APPENDIX 8: EMERGING WORK ALLOWANCE & PURCHASING POLICIES AND CONTROLS



Emerging Work Allowance

- ISO New England does not have “equity” or reserves to utilize but must fund unforeseen and newly defined work that arises after the budget is established
- The CEO Emerging Work Allowance provides funding for activities that require resources beyond what was anticipated in the annual budget; Additional needs may arise from refined cost estimates for planned work, new initiatives introduced during the year, or changes in accounting estimates; Conversely, when project costs are reduced or activities conclude under budget, the resulting savings increase the Allowance balance



Purchasing Policies and Controls

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

APPENDIX 9: 2027-2030 PRO-FORMA STATEMENTS



2027 - 2030 Pro-Forma Budgets

(Dollars in Millions)	2027	2028	2029	2030
Operating Budget ⁽¹⁾	\$302.3	\$324.6	\$334.3	\$344.4
Capital Project Budget	\$45.0	\$47.0	\$48.5	\$50.0
Total	\$347.3	\$371.6	\$382.8	\$394.4
Operating ⁽¹⁾	\$302.3	\$324.6	\$334.3	\$344.4
Depreciation and Reg Fees ⁽¹⁾	\$51.7	\$60.4	\$63.1	\$64.4
True-Up	\$(7.6)	\$(1.0)	\$(1.0)	\$(1.0)
Revenue Requirement	\$346.4	\$384.0	\$396.4	\$407.8
TWh Forecast ⁽²⁾	124.6	126.1	127.6	128.9
\$/KWh Rate	\$0.00278	\$0.00304	\$0.00311	\$0.00316

(1) 2028 – 2030 assumes an inflationary increase in Operating costs, however, there is no inflationary increase for interest expense and interest income, and the budgets do not contemplate new mandated activities, or the potential for uncertainties in implementation complexity for existing initiatives.

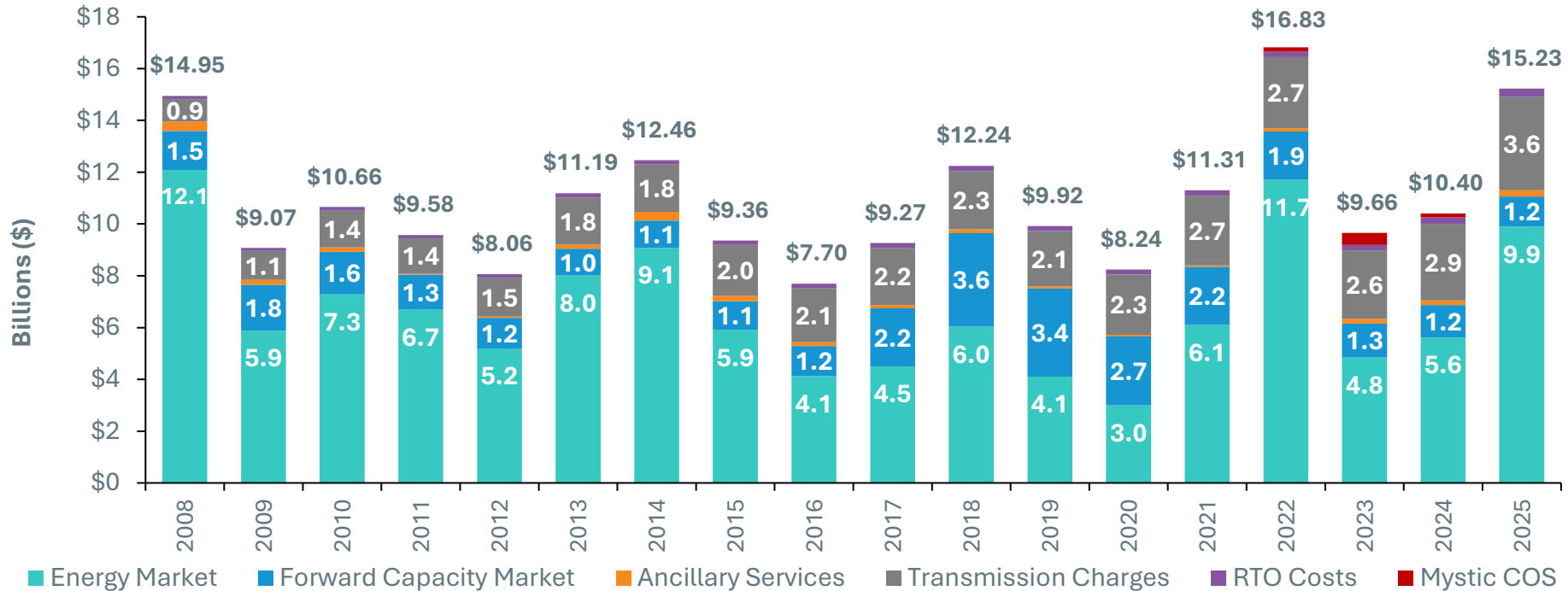
(2) For 2027 – 2030, the May 2026 CELT Report was used.

APPENDIX 10: NEW ENGLAND WHOLESALE ELECTRICITY COSTS AND RETAIL ELECTRICITY RATES



New England Wholesale Electricity Costs*

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



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

Source: ISO New England; *2025 data is preliminary and subject to resettlement

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

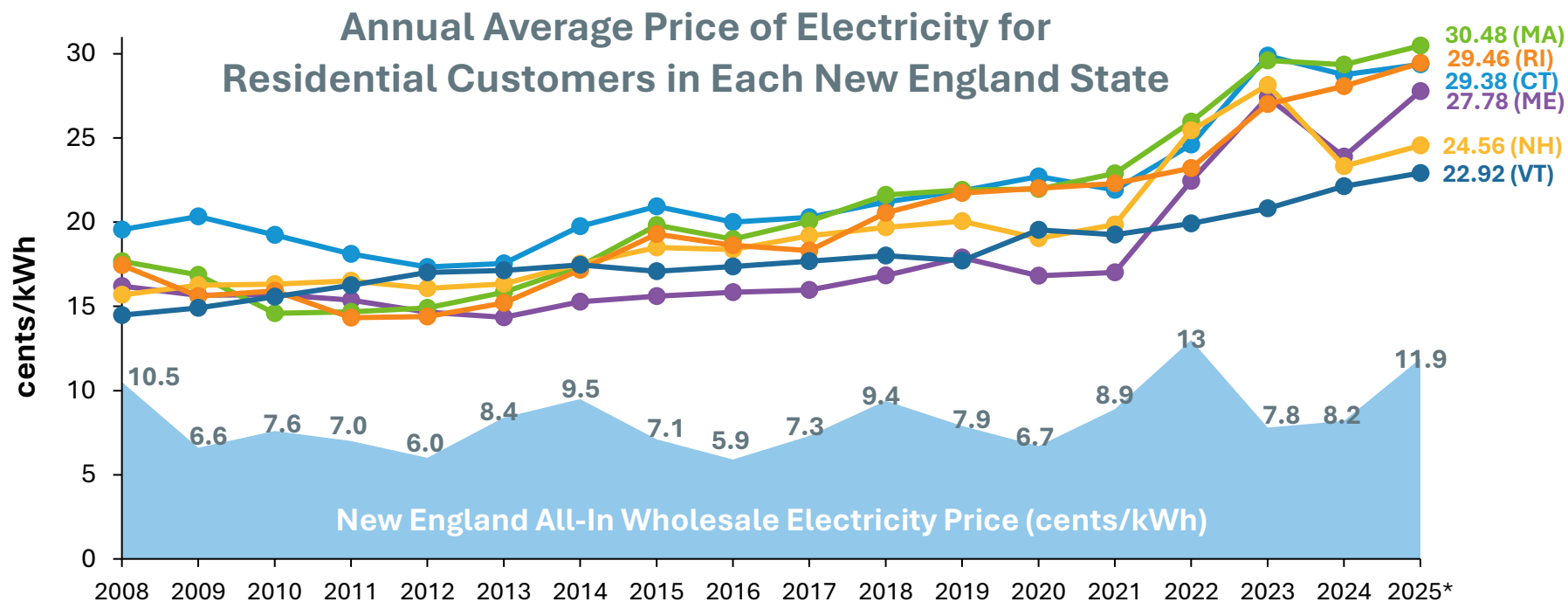


New England Wholesale Electricity Costs^(a)

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

- (a) Average annual costs are based on the 12 months beginning January 1 and ending December 31. Costs in millions = the dollar value of the costs to New England wholesale market load servers for ISO-administered services. Cents/kWh = the value derived by dividing the dollar value (indicated above) by the real-time load obligation. These values are presented for illustrative purposes only and do not reflect actual charge methodologies. ***The wholesale values for 2025 are preliminary and subject to resettlement.**
- (b) Energy values are derived from wholesale market pricing and represent the results of the Day-Ahead (DA) Market plus deviations from the DA in Real-Time. Post March 1, 2025 the DA Market total includes costs associated with the Forecast Energy Requirement.
- (c) Ancillaries include first- and second-contingency Net Commitment-Period Compensation (NCPC), Forward Reserves, Real-Time Reserves, Regulation service, and a reduction due to the Marginal Loss Revenue Fund. Post Dec. 2023, this total also includes the Inventoried Energy Program (IEP). The IEP ran through Feb. 2025. Post March 1, 2025, the Forward Reserve total reflects costs associated with the Day-Ahead Ancillary Services Market.
- (d) Capacity charges are those associated with the Forward Capacity Market (FCM).
- (e) Transmission charges reflect the collection of transmission owners' revenue requirements and tariff-based reliability services, including black start capability, voltage support, IROL CIP, and FCM reliability. In 2025, the cost of payments made to these generators for reliability services under ISO's Open Access Transmission Tariff (OATT) was \$65.4 million. Transmission charge totals for years 2010 forward reflect the refund of Schedule 1 TOUT charges to regional network load.
- (g) RTO costs are the costs to operate ISO New England and are based on actual collections, as determined under Section IV of the ISO New England Inc. Transmission, Markets, and Services Tariff.
- (h) Mystic Cost of Service payments were made through May 2024.

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



Sources: U.S. Energy Information Administration, *Electric Power Annual*, Table 2.10 Average Price of Electricity to Ultimate Customers by End-Use Sector, by State; and U.S. Energy Information Administration, *Electric Power Monthly*, Table 5.6.B Average Price of Electricity to Ultimate Customers by End-Use Sector, by State (Through Dec. 2025); the New England all-in wholesale electricity price is derived by dividing total wholesale electricity costs by real-time load obligation (presented for illustrative purposes; does not reflect actual charge methodologies) *2025 values are preliminary

APPENDIX 11: 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

APPENDIX 12: 2024 AND 2025 ACTUAL TO BUDGET VARIANCE ANALYSIS



ISO New England Actual-to-Budget Variance Analysis for 2024 and 2025

The following pages provide actual-to-budget variance analysis for 2024 and 2025. The information provided includes overall results, a table that breaks down salary into base salaries and wages, overtime wages, incentive or bonus payments, and each employee benefit program with an annual cost greater than \$200,000. Professional fees and consultant costs are stated separately by department, and an explanation is provided for each variance in excess of \$1,000,000.

Amounts in the tables below are in thousands.

2024 (Overall Results)

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

2024 (Salaries & Burden)

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

2024 (Professional Fees)

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

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

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

the spending authorization. No actual amounts are charged to this line item as it is only used for budget/forecast purposes.

2025 (Overall Results)

<u>Description</u>			
	2025 Actuals	2025 Original Budget	Variance Inc/(Dec)
Operating Expense			
Salaries and Overheads	\$ 178,636.6	\$ 173,960.6	4,676.0
Professional Fees & Consulting	25,187.4	24,539.9	647.6
Professional Fees & Consulting - Legal	2,640.1	3,237.0	(596.9)
Building Services	3,593.8	3,492.5	101.3
Rents & Leases	1,911.1	2,123.3	(212.3)
Network Operations	3,769.8	3,935.8	(166.0)
Computer Services	28,447.5	31,336.4	(2,888.9)
Data Services & Office Expenses	2,287.9	2,191.6	96.3
Insurance Expense	3,422.6	3,887.2	(464.6)
Board of Directors Expense	1,738.1	1,636.5	101.6
Meeting & Related Expenses	1,921.5	1,637.2	284.3
Education & Training	1,462.8	1,433.1	29.6
Taxes, Permits, Licenses & Fees	243.5	277.1	(33.6)
Total Operating Expense	255,262.6	253,688.1	1,574.5
Revenues, Other Income	(2,948.7)	(1,783.0)	(1,165.7)
Operating Expenses net of Revenue	252,313.9	251,905.1	408.8
CEO Emerging Work Allowance	-	3,000.0	(3,000.0)
Board Contingency	-	700.0	(700.0)
NPCC/NERC Dues & Expense	9,215.0	9,253.5	(38.5)
Interest Expense	3,899.0	4,571.0	(672.0)
Net Expense Before Depreciation	265,428.0	269,429.6	(4,001.6)
Depreciation Expense	35,000.4	36,915.3	(1,914.9)
Gain/Loss on Fixed Asset Disposal	(12.0)	60.0	(72.0)
Total Depreciation and Debt Services	34,988.4	36,975.3	(1,986.9)
Total Expense for ACT Recovery	\$ 300,416.4	\$ 306,404.9	(5,988.5)

2025 (Salaries & Burden)

<u>Description</u>	<u>Actual 2025 Expense</u>	<u>Approved Budget 2025</u>	<u>Incr/(Dec)</u>
Salaries and Wages - Base	\$ 112,517.2	\$ 109,743.1	\$ 2,774.1
Salaries and Wages - Overtime	3,431.5	2,823.8	607.8
Salaries and Wages - Incentive/Bonus	22,493.5	22,255.7	237.8
Employee Benefits - Pension	13,650.9	12,748.2	902.7
Employee Benefits - Post-Ret Benefits	810.0	960.8	(150.8)
Employee Benefits - Health Insurance	10,516.1	10,050.7	465.5
Employee Benefits - Dental Insurance	617.9	583.5	34.4
Employee Benefits - 401(K) Match	4,605.2	4,605.5	(0.3)
Salary Burden - Payroll Taxes	8,902.1	9,017.3	(115.2)
Other Benefit/Burden <\$200K	1,092.1	1,171.5	(79.4)
Total Salaries & Burden Expense	\$ 178,636.6	\$ 173,960.0	\$ 4,676.5

2025 (Professional Fees)

<u>Department</u>	<u>2025 Actuals</u>	<u>2025 Original Budget</u>	<u>Variance Inc/(Dec)</u>
System Operations & Market Admin.	\$ 250.9	\$ 273.0	\$ (22.1)
System Planning	2,969.4	3,563.4	(594.0)
Market Monitoring	668.8	446.0	222.8
Information Technology	10,722.1	9,769.4	952.7
Market Development & Settlements	1,272.7	1,881.5	(608.8)
Human Resources	2,857.7	3,156.4	(298.7)
Finance Operations	1,680.7	1,016.0	664.7
Internal Audits	1,316.7	1,315.3	1.4
Corp Comm and Public Affairs	602.8	669.9	(67.1)
Advance Technology Solutions	1,227.6	1,330.0	(102.4)
All Other	1,618.1	1,119.0	499.1
Total	25,187.4	24,539.8	647.6
 Legal Professional Fees	 2,640.1	 3,237.0	 (596.9)
 Total Professional Fees	 \$ 27,827.5	 \$ 27,776.8	 \$ 50.7

2025 Actual vs. Budget variance explanations for items > \$1,000,000

- Salaries and Overheads were \$4,676,000 higher than the original budget. Significant increases are driven by the impacts of separation policies and employment agreements, and lower than forecasted vacancy. These increases were partially offset by lower salary rates for new hires compared to previous incumbents, lower merit and promotional funds, and higher internal capital development.
- Computer Services were \$2,888,900 lower than the original budget. Decreased expenses include the removal of costs in 2025 for a firewall maintenance contract which was renewed near the end of 2024, with coverage now extending through January 2026; removal of 2025 costs for application programming interfaces security which will instead be addressed later as part of a capital project; and the elimination of 2025 costs for a cloud-based platform which was capitalized as part of the Enterprise Resource Planning Replacement Project. Further savings were realized through the consolidation of multiple products into a new development agreement with a major systems vendor; savings for a communications and collaboration platform due to transition to a new platform; and removal of contingency for a cyber product cloud upgrade that was ultimately not required. Cost reduction also resulted from lower licensing needs; non-renewal for end-of-life products no longer in use and/or being replaced; and savings across a range of product renewals. The reduced costs were partially offset by expanded energy data integration engine support with a major systems vendor; increased technical support service costs for licensed operating system software; new storage infrastructure that was introduced to consolidate multiple legacy platforms into a higher-performing unified system; Enterprise Application Platform extended support for current version while upgrading to newer version; post-go live Day-Ahead Ancillary Services Energy Management/Market System support, which launched in February 2025; implementation of an assessment tool that delivers insights and resources across the Human Resources function; and transitioning high performance computing workloads from on-premise infrastructure to the cloud-based environments.
- Because ISO-NE is a non-profit organization with no equity available there is \$3,000,000 of funds (the “CEO Emerging Work Allowance”) built into the budget to cover unknown or unforeseen costs that emerge during the year. Additional funding needs can be created as a result of refined estimates for work, new activities, or changes in accounting estimates. Similarly, to the extent that these changes result in an “under” expenditure, the CEO Emerging Work Allowance is increased. Requests for funds from the Emerging Work Allowance are reviewed by senior management, and require CFO and CEO approval prior to the spending authorization. No actual amounts are charged to this line item as it is only used for budget/forecast purposes.

Questions



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.

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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

September 8, 2026

Cheryl LaFleur
Chair
Board of Directors
ISO New England
One Sullivan Road
Holyoke, MA 01040

RE: Comments on Proposed 2027 ISO New England Operating & Capital Budgets

Dear Chair LaFleur,

On behalf of the undersigned New England state agencies, we submit our comments regarding the ISO New England (ISO-NE) proposed 2027 Operating and Capital Budgets.

We reiterate our appreciation for ISO-NE's commitment to the budget review process that has been in place since 2013, and which offers the New England state agencies an opportunity to ask questions and provide input on the proposed budgets for ISO-NE. We strongly believe that budgetary review from the state agencies provides an important perspective and balance to the budgeting process, including by helping ensure that cost concerns are factored into the process. We stress, as we did in last year's comments, that ISO-NE's budgetary growth needs to be accompanied by heightened diligence by ISO-NE and those who oversee it to ensure that budgeted amounts are appropriate for the responsibilities involved and the work required, and that the amounts are efficiently and effectively spent.

In our comments on the 2025 proposed budget, we noted the lack of a proactive and ongoing assessment of transmission system costs and procedures, including the processes through which asset condition projects are identified, vetted, and priced. We therefore appreciate ISO-NE's extensive effort developing the Asset Condition Reviewer role and eagerly await its approval by FERC in the pending docket.

Regarding this year's proposal, we have five areas of feedback:

First, we recommend that in future budget cycles, ISO-NE make available the Excel workbooks used to produce the tables included in presentation slides. The current practice of sharing tabular data only via slides is not conducive to substantial financial analysis nor

Cheryl LaFleur
Chair
Board of Directors
ISO New England
September 8, 2026
Page 2

comparing budget versus actual expenditures year-over-year. If ISO-NE has concerns about confidential information in the budget workpapers, the undersigned state agencies would welcome completing non-disclosure agreements prior to receiving information, or other reasonable accommodations to address such concerns. When electric utilities submit rate case applications, PDF files are accompanied with Excel workbooks with formulae intact so PUC staff and other parties and intervenors can ask meaningful discovery questions. Given that ISO-NE's costs are also ultimately borne by New England electric ratepayers, ISO-NE should strive to provide a similar level of transparency during the budgeting process.

Second, we see value in ISO-NE articulating a vision or more specific need for incremental AI-related expenditures, particularly incremental FTEs. While we share in the belief that AI will be an important component in achieving ISO-NE's core mission, the Board should conduct a needs and capabilities assessment to determine how the use of AI can help achieve beneficial outcomes, weighing the costs of implementation with future productivity gains, expanded capacities, or the reduction of future incremental FTEs.

Third, we urge the Board to review the metrics used to calculate Annual Performance Incentive (API) compensation to ensure alignment with stakeholder interests, particularly those of end-use customers.

Fourth, we recommend a careful review of ISO-NE's budgeted Computer Services expenses. According to information provided by ISO-NE staff, the 2027 budgeted amount is 44% higher than 2025 actuals. Among the largest two expense items, maintenance contracts grow from \$19.9M to \$25.6M and SaaS costs grow from \$4.1M to \$8.2M. We would expect the steep increase in SaaS costs to be partially offset by an accompanying decrease in on-premise hosting costs, yet this does not appear to be included in the budget.

Fifth, we appreciate ISO-NE's ongoing efforts to engage with state agencies, community-based organizations, and other stakeholders on environmental justice and equity matters. We encourage ISO-NE to continue building on this work and, where appropriate, to strengthen consideration of environmental justice populations and burdened areas in relevant planning, analysis, and stakeholder engagement activities. We welcome continued dialogue with ISO-NE regarding how these efforts may be reflected in future work plans and budgets.

Cheryl LaFleur
Chair
Board of Directors
ISO New England
September 8, 2026
Page 3

Conclusion

While we view the proposed 2027 budget proposal to be appropriate given the increased amount and complexity of the tasks required of ISO-NE as the New England power system transitions to clean energy, we ask that the Board consider the above recommendations as it evaluates the proposed budget, and that it encourage ISO-NE staff to provide workpapers during future annual budget reviews so that stakeholders can conduct meaningful analyses of budget trends.

Respectfully submitted,

Connecticut Public Utilities Regulatory Authority	Massachusetts Department of Public Utilities
Thomas H. Wiehl, Chairman	Jeremy C. McDiarmid, Chair
David Arconti, Jr., Vice Chairman	Staci Rubin, Commissioner
Janice A. Beecher, Commissioner	Elizabeth A. Anderson, Commissioner
Holly H. Cheeseman, Commissioner	1 South Station, 3 rd Floor
Everett Smith, III, Commissioner	Boston, MA 02110
Ten Franklin Square	
New Britain, CT 06051	Vermont Public Utilities Commission
	Edward McNamara, Chair
Connecticut Office of Consumer Counsel	Margaret Cheney, Commissioner
Claire E. Coleman, Consumer Counsel	J. Riley Allen, Commissioner
Ten Franklin Square	112 State Street
New Britain, CT 06051	Montpelier, VT 05620



September 21, 2026

Via Electronic Mail

Thomas H. Wiehl, Chairman, Connecticut Public Utilities Regulatory Authority
David Arconti, Jr., Vice Chairman, Connecticut Public Utilities Regulatory Authority
Janice A. Beecher, Commissioner, Connecticut Public Utilities Regulatory Authority
Holly H. Cheeseman, Commissioner, Connecticut Public Utilities Regulatory Authority
Everett Smith, III, Commissioner, Connecticut Public Utilities Regulatory Authority
Claire E. Coleman, Consumer Counsel, Connecticut Office of Consumer Counsel
Jeremy C. McDiarmid, Chair, Massachusetts Department of Public Utilities
Staci Rubin, Commissioner, Massachusetts Department of Public Utilities
Elizabeth A. Anderson, Commissioner, Massachusetts Department of Public Utilities
Edward McNamara, Chair, Vermont Public Utilities Commission
Margaret Cheney, Commissioner, Vermont Public Utilities Commission
J. Riley Allen, Commissioner, Vermont Public Utilities Commission

Dear State Officials:

Thank you for your comments dated September 8, 2026, regarding the proposed 2027 ISO New England Operating and Capital Budgets. We are grateful for the continued engagement of the New England state agencies in the annual budget review process and value the perspectives provided through your review and feedback. We are also appreciative that you recognize the 2027 budget as appropriate given the increased amount and complexity of the tasks required of ISO New England.

The Board shares your view that rigorous scrutiny of ISO-NE's budget is essential, particularly as the region's power system undergoes significant transformation. We are committed to ensuring that expenditures remain aligned with ISO-NE's responsibilities, strategic priorities, and the interests of New England consumers and we recognize that heightened diligence by the Board is imperative during this time of growth.

We appreciate your acknowledgment of the efforts undertaken to establish the Asset Condition Reviewer role and we look forward to the outcome of the pending FERC proceeding and the benefits this initiative is expected to provide.

With respect to your specific recommendations:

Access to Budget Data

We recognize the value of providing budget information in a format that facilitates meaningful analysis. Although there are key differences between our budget process and the state utility rate cases to which you refer, in future budget cycles, we will supplement much of the information provided in the budget presentation with Excel workbooks.

Artificial Intelligence Investments

The Board agrees that investments in artificial intelligence and related technologies must be guided by clearly defined business objectives and demonstrated value. As ISO-NE continues to evaluate AI-related opportunities, we will require management to articulate the anticipated operational benefits, productivity improvements, and strategic objectives associated with such investments. Additionally, to strengthen oversight of AI-related spending, ISO-NE management has recently expanded the responsibilities of the analyst (the Cloud FinOps Analyst) who is responsible for maximizing the business value of cloud investments by partnering with finance, technology, and business teams to improve budgeting and forecasting. The role now also includes monitoring AI-related costs, identifying significant spending increases early, and pursuing opportunities to optimize or reduce expenditures. The Board is also in the process of establishing its governance of the Company's AI use.

Annual Performance Incentive Metrics

The Board of Directors and the Compensation and Human Resources Committee of the Board share oversight of the Company's Annual Performance Incentive program. Subject to eligibility criteria, employees may receive an annual award based on a formula that includes company performance, individual performance, annual base salary, and a grade-related salary percentage. Company performance is determined using goals that are set in advance by the Board. With reference to your comment, please be assured that the Board chooses goals that reflect the Company's mission and its responsibilities to states and stakeholders, including end users. These goals are measurable, and include various operational and performance metrics that the Board regularly reviews.

Computer Services Expenditures

The Board recognizes your observations regarding the increases in Computer Services, and this area has received significant attention during the Board's review process from the full Board and the Board's Audit and Finance Committee and Information Technology and Cyber Security Committee. As noted above, ISO-NE has recently hired a Cloud FinOps Analyst to provide greater financial oversight regarding cloud and AI related spending.

The increase in the Computer Services budget is driven by several factors, including, but not limited to, larger than typical inflationary increases. A number of new software as a service (SaaS) solutions are additive rather than replacements for existing services, including grid interconnection software, probabilistic analysis tools, and cybersecurity enhancements. In addition, as many systems are being reimplemented in the cloud there is little or no change to underlying software licensing costs. Instead, the transition shifts spending from capital-funded hardware investments to ongoing operating expenses. Finally, during ISO-NE's multi-year transition to cloud-based environments, costs are temporarily elevated because cloud and on-premises infrastructure must often operate in parallel until entire computing environments can be fully retired.

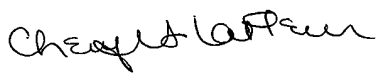
We appreciate your observations regarding Computer Services spending and agree that this is an area that warrants careful review and oversight. The Board will continue to scrutinize these investments to ensure they are justified by operational needs, cybersecurity requirements, system modernization efforts, and expected benefits.

Environmental Justice and Equity Engagement

We appreciate your recognition of ISO-NE's ongoing outreach and community engagement efforts as outlined in our 2027 Budget Question & Answer responses.¹ As we continue this work, we welcome ongoing dialogue with states, community-based organizations, and other stakeholders to understand if there are additional areas for growth and evolution.

The Board values the constructive partnership that has developed with the New England states through the budget review process. Your feedback contributes meaningfully to our evaluation of the proposed 2027 budget and to our broader oversight responsibilities. We will carefully consider the recommendations outlined in your letter as we complete our review of the proposed and future budgets. Thank you again for your engagement.

Sincerely,



Cheryl A. LaFleur
Chair, ISO New England Board of Directors

¹ https://www.iso-ne.com/static-assets/documents/100038/a07_bfs_2026_08_07_states_2027_budget_questions.pdf

6.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

Oct 2, 2026
Meeting

New England States Committee on Electricity

2027 Budget Presentation

NEPOOL Budget & Finance Subcommittee

August 7, 2026

The logo for NESCOE (New England States Committee on Electricity) is displayed within a white circle. The text "NESCOE" is in a bold, orange, sans-serif font. The letter "O" is replaced by a stylized orange lightning bolt icon.

NESCOE

REVISED October 2026 PC

Change only to p. 12 to reflect final Network Load factor

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~~ 229,787,931

(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~~

Updated 2027 Schedule 5 *Actual* Rate: \$0.00942 per kW-month
based on now finalized 2027 Network Load factor

Thank you.

Questions?

The Nescoe logo is centered within a white circle that has a thin blue border. The circle is positioned on the right side of the slide, overlapping a large blue rectangular area. 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

7

ELM Membership Application



66.67%

To consider, and take action, as appropriate, on the membership application of the Environmental League of Massachusetts, Inc.

RESOLVED, that the Participants Committee approves the application of the Environmental League of Massachusetts, Inc. to be a Governance Only Small End User subject to the following conditions: (1) that NEPOOL Counsel and the ISO find ELM's Application complete; (2) that the ELM sign and return the Standard Membership Conditions, Waivers and Reminders letter; (3) that ELM execute an Indemnification Agreement to permit an expedited membership effective date [and (4) {specify any additional conditions or understandings}].

MEMORANDUM

TO: Participants Committee Members and Alternates

FROM: Pat Gerity, NEPOOL Counsel

DATE: September 25, 2026

RE: Environmental League of Massachusetts Governance Only End User Membership Application

You will be asked at the October 2, 2026 meeting to take action on the Governance Only End User membership application (Application) by the Environmental League of Massachusetts, Inc. (ELM), a Massachusetts non-profit corporation that has applied to be a Small End User. We have summarized below why the Application requires Participants Committee (NPC) action and the facts underlying the Application. Additional background materials and a form of resolution are also included with this memorandum.

A. Participants Committee Action Required

The Membership Subcommittee (Subcommittee) has prior NPC-delegated authority to approve membership applications that are subject to the Standard Membership Conditions, Waivers and Reminders (SCWRs). The Subcommittee, a self-selected group of Participant representatives which meets monthly, acts by unanimous consensus (i.e., no member objecting). The Subcommittee was unable to approve the Application by consensus because one End User Sector representative (Opposing Member) opposed Subcommittee approval of the Application as an End User Participant. After questions and discussion during the Subcommittee's September meeting addressing ELM's governance, the nature of its relationships with the three Participants that participate in ELM's Corporate Council,¹ and ELM's demonstration of its eligibility to join as an Small End User Participant, the Opposing Member stated his position that ELM should join as an Associate Non-Voting Participant, rather than as a voting End User Participant, and that the Participants Committee itself consider the ELM application. No other Participant representative objected to approving ELM's application to become a Small Governance Only End User.

B. Relevant NEPOOL Agreement End User Definitions and Eligibility

1. **End User Definition.** The Second Restated NEPOOL Agreement (RNA) defines End User Participant (§1.22) as:

a Participant which is (a) a consumer of electricity in the New England Control Area that generates or purchases electricity primarily for its own consumption, (b) a non-profit group representing such consumers, ...

¹ ELM's Corporate Council has approximately 35 members. It operates as an advisory and advocacy bridge between the private sector and environmental advocates. Its advisory nature is fundamentally collaborative, designed to align corporate strategy with ambitious state environmental policies. ELM representatives advised that the Corporate Council does not otherwise have a role in ELM's governance.

2. **End User Organization** (§ 1.21)as:

an End User Participant which is (a) a registered tax-exempt non-profit organization with (i) an organized board of directors and (ii) a membership of at least 100 Entities that buy electricity at wholesale or retail in the New England states or ²

3. **Small End User** (§1.82) as:

an End User Participant which does not otherwise meet the definition of Large End User or End User Organization.

Supporting its Small End User election, ELM provided a copy of its Eversource electric bill. ELM did not provide a list of its donors/members. The practical distinction between a Governance Only Member that is a Small End User and an End User Organization is the more flexible ability of an End User Organization to have its vote cast by proxy or designation of *any* other Entity (rather than limited, as in the case of a Small End User, to a person that is not a Participant or Related Person of a Participant in a Sector other than the End User Sector). ELM's Small End User election is consistent prior End User Sector elections, including by Acadia Center (f/k/a Environment Northeast) and most recently by the Fiscal Alliance Foundation, which became a member earlier this year.

C. Associate Non-Voting Member Definition and Background

Associate Non-Voting Participant (§1.9A) is:

a Participant that is determined by the Participants Committee or its designee³ to be an Associate Non-Voting Participant. Notwithstanding any other provision of this Agreement, an Associate Non-Voting Participant shall not have the right to join, or be or vote as a member of, a Sector.

The current definition of Associate Non-Voting Participant, which evolved from previous definitions of Gas Industry Participant and Fuels Industry Participant, was established pursuant to the 134th Agreement Amending the RNA. The definition was renamed and changed primarily to distinguish and better characterize the group of gas industry participants and energy sector trade associations that had become Participants under these arrangements.⁴ At the time of that definition change, the NPC delegated to the Membership Subcommittee the authority to approve an applicant to be an Associate Non-Voting Participant, subject to acceptance of the Standard Conditions, Waivers and Reminders, if the Subcommittee determines that the applicant is either:

² The tax exempt organizations that are currently End User Organizations are: Associated Industries of Massachusetts, Conservation Law Foundation, Earthjustice, Environmental Defense Fund, Green Oceans, Industrial Energy Consumer Group, Industrial Wind Action Corp, Maine Skiing, Massachusetts Climate Action Network, Natural Resources Defense Council, PowerOptions, Sierra Club, The Energy Consortium, and the Union of Concerned Scientists.

³ For these purposes, the Membership Subcommittee is the Participants Committee's designee.

⁴ There are currently 6 Associate Non-Voting Members – 3 gas industry participants (American Petroleum Institute, Repsol Energy North America, and Algonquin Gas Transmission) and 3 energy sector trade associations (AEU, NEPGA, and RENEW).

(i) a **gas industry participant** (i.e. an Entity that meets all four of the following criteria: (a) the Participant is engaged in the production, gathering, processing, marketing, or transmission of natural gas for sale at wholesale or retail in one or more of the New England states; and (b) the Participant does not participate directly in the New England Markets; and (c) the Participant is not eligible to join or designate a voting member of a Sector (other than the End User Sector); and (d) the Participant elects to be treated as an Associate Non-Voting Participant before its membership application is approved by NEPOOL); or

(ii) an **energy sector trade association** (i.e. an organization of Entities engaging in the storage, production, supply, transportation, or distribution of energy, organized to promote and improve business conditions in the energy sector and not to engage in a regular business of a kind ordinarily carried on for profit, and no part of the net earnings of which inures to the benefit of any of its members).

ELM does not meet either the definition of gas industry participant or energy sector trade association.

D. Membership Subcommittee Discussion

At the September 14, 2026 Subcommittee meeting, some concerns were raised with the participation of Participants on ELM's Corporate Council and the potential impact that might have on ELM's participation and positions in the Participant Processes. The ELM representative provided reassurance of the advisory nature of ELM's Corporate Council and provided other distinguishing features of ELM's application. Members were also reminded how such concerns had been addressed previously in the context of prior membership applications. At the conclusion of the discussion, there were no objections to ELM's application as a Governance Only Small End User, but for the objection of Opposing Member. That objection was sufficient to advance the matter for Participation Committee consideration.

E. Form of Resolution for Participants Committee Action

The following form of resolution could be used for Participants Committee action on this matter:

RESOLVED, that the Participants Committee approves the application of the Environmental League of Massachusetts, Inc. to be a Governance Only Small End User subject to the following conditions: (1) that NEPOOL Counsel and the ISO find ELM's Application complete; (2) that the ELM sign and return the Standard Membership Conditions, Waivers and Reminders letter; (3) that ELM execute an Indemnification Agreement to permit an expedited membership effective date [and (4) {specify any additional conditions or understandings}].

If there are questions on any of the above, please feel free to contact me.

MEMORANDUM

TO: NEPOOL Participants Committee

FROM: William P. Short III for Freedom Companies
Lisa Linowes for Industrial Wind Action Group

DATE: September 30, 2026

RE: Environmental League of Massachusetts Application for Governance-Only Small End User Membership

EXECUTIVE SUMMARY & REQUESTED ACTION

We respectfully request that the NEPOOL Participants Committee (“NPC”) defer action for 60 to 90 days on the Environmental League of Massachusetts’ (“ELM”) application for Governance-Only Small End User membership while NEPOOL conducts a targeted review of the purpose, eligibility standards, and representational integrity of the End User Sector.

ELM’s application exposes a fundamental question in current governance practice: Is the End User Sector intended to represent entities participating because of their primary stakeholder interest as electricity consumers, or any entity that happens to pay a utility bill? Under the current interpretation, any trade association, law firm, consultant, or advocacy group can obtain an End User vote simply by maintaining a New England electric account, regardless of whether its actual interest in NEPOOL relates to its own electricity consumption.

Resolving this policy question before approving ELM’s application ensures the long-term integrity of NEPOOL’s stakeholder sectors. NEPOOL already possesses the procedural mechanisms to allow policy advocates to participate without diluting voting sectors, and NPC precedent explicitly supports revisiting eligibility rules when these ambiguities arise.

A. The Utility Bill Standard and the Non-Profit Representation Gap

NEPOOL Counsel’s September 25 memorandum confirms that ELM established Small End User eligibility solely by submitting an Eversource electric bill, without providing donor or membership lists. Membership Subcommittee discussions regarding RENEW Northeast confirmed the same rule: maintaining a New England utility account is currently treated as sufficient for Small End User voting status.

That reading creates a gap when applied to nonprofits.

The Participant Agreement expressly provides an End User Organization category for nonprofits representing New England electricity consumers, with defined organizational and consumer-representation thresholds. ELM, however, is not seeking membership under that category. It is an energy and environmental policy advocacy organization with a Corporate Council of approximately 35 companies, three of which are already NEPOOL Participants in other Sectors, and it seeks Small End User status based on its routine office electricity consumption rather than on representation of an End User constituency.

We do not assert that those companies are “Related Persons” or that they formally govern ELM. The issue is the standard. A nonprofit can obtain the same End User Sector vote without meeting the consumer-representation requirements written for End User Organizations. If an electric bill alone confers that vote,

any trade association, law firm, consultant, or advocacy group with a New England account can occupy an End User seat even though its interest in NEPOOL is not its own electricity consumption.

Current practice decides how an applicant technically qualifies. It does not decide what stakeholder interest the vote is supposed to represent.

B. Proxy Restrictions Do Not Resolve the Eligibility Question

Counsel notes that a Small End User may not designate a Participant or Related Person in another Sector as its voting representative. However, that rule only governs who may cast the vote. It does not address the threshold governance issue of who should receive an End User voting seat in the first place.

Preventing an outside Participant from directly casting ELM's vote does not resolve whether ELM itself represents the consumer stakeholder interest the End User Sector was created to serve.

C. NPC Retains Full Authority to Grant Associate Non-Voting Status

Deferring this application does not mean excluding policy advocates from NEPOOL. The NPC has existing mechanisms to permit meaningful participation without assigning a voting seat in a stakeholder Sector.

Section 1.9A broadly defines an Associate Non-Voting Participant as a Participant determined by the NPC or its designee to hold that status. Counsel's memorandum notes that the Membership Subcommittee's *delegated* authority to grant Associate Non-Voting status is limited to gas industry participants and energy trade associations. However, this describes the limits of the Subcommittee's delegated authority and not the authority retained by the NPC itself.

The 2021 framework establishing Associate Non-Voting status explicitly affirmed that entities falling outside delegated subcommittee categories may still be designated as Associate Non-Voting Participants by the NPC. We are not asking the NPC to mandate Associate status for ELM today, but rather to recognize that this alternative exists and should be evaluated during the requested review period.

D. NPC Precedent Supports a Targeted Eligibility Review

This Committee has previously recognized that End User eligibility is not a purely mechanical exercise. During the NPC's review of Alan Sliski's End User application in September 2024, members deliberated whether End User status was appropriate "either definitionally or as a policy matter" and explicitly noted in the minutes that "Sector eligibility requirements could reasonably be revisited in the future."¹

ELM's application demonstrates why the existing precedent should now be revisited. The issue is no longer whether the current interpretation has been applied before, but whether it remains consistent with the purpose and representational integrity of the End User Sector.

¹ NEPOOL Participants Committee Minutes, September 5, 2024, discussion of Alan Sliski End User membership application, available at: https://nepool.com/wp-content/uploads/2024/08/Minutes_NPC_2024_0905.pdf

E. Requested Action & Scope of Review

We respectfully request that the NPC defer action on ELM's application for 60 to 90 days and establish a temporary working group to report back on the following five questions:

1. **Sector Purpose:** What primary stakeholder interest is the End User Sector intended to represent?
2. **Sufficiency Threshold:** Is routine electricity consumption alone sufficient to establish End User Sector voting eligibility?
3. **Institutional Distinction:** How should NEPOOL distinguish between entities participating because of their direct interests as electricity consumers versus entities participating primarily for policy, legal, or industry advocacy?
4. **Cross-Sector Integrity:** How should formal relationships with Participants in other Sectors (such as advisory or corporate councils) be evaluated to protect against overlapping representation and sector dilution?
5. **Non-Voting Alternatives:** When an applicant has a legitimate interest in NEPOOL proceedings but does not principally represent an End User consumer interest, should Associate Non-Voting Participant status serve as the appropriate vehicle for participation?

This review should be neutral, forward-looking, and applied consistently across all future applicants.

MEMBERSHIP APPLICANT QUESTIONNAIRE
New England Market / New England Power Pool

Please note: All Applicants are required to provide detailed information to the New England Membership Coordinator regarding any changes to the information supplied herein after the application has been submitted. Capitalized terms used but not defined in this Questionnaire are intended to have the same meaning given to such terms in the Second Restated New England Power Pool Agreement (the "2d RNA"), the Participants Agreement ("PA"), or the ISO New England Inc. ("ISO") Transmission, Markets and Services Tariff ("ISO Tariff"). Applications expire 12 months from the date the application is reviewed by the Membership Subcommittee. All materials may be subject to update if 6 months or older. **Application fees paid are non-refundable.**

I. Applicant Name (full corporate name or full name if Applicant is an individual):

_____Environmental League of Massachusetts, Inc. _____

A. Corporate Form. Applicant is (please check appropriate category):

- ☒ Corporation created under the laws of _____ Non-profit corporation under MA law _____
- ☐ LLC (limited liability company) created under the laws of _____
- ☐ Political subdivision (US or US State, Canada or Canadian Province, or an agency thereof)
- ☐ Partnership ☐ Natural Person ☐ Electric cooperative
- ☐ Other (please describe): _____

B. Date of incorporation/formation/organization (MM-DD-YYYY): 03/06/1997

C. Registered & Principal Place of Business: 15 Court Square, Suite 1000, Boston, MA 02108

D. Description of Applicant's business operations: Nonprofit policy advocacy (C3)

E. Prior New England Registration. Has Applicant previously registered with the ISO or NEPOOL?

- ☒ No. Proceed to Section II.
- ☐ Yes. Provide Participant Name and ID number: _____

II. Web Page Address: https://www.environmentalleague.org

III. Applicant Dun & Bradstreet Number: 780868576

All Applicants must have a D&B number assigned to the Applicant named in Section I.

If applied for but not yet received, please so indicate.

IV. Related Persons that are Participants. Does Applicant have a Related Person/Affiliate that is currently a NEPOOL Member or Market Participant?

- ☒ No. Proceed to Section V.
- ☐ Yes. Please provide the name of the Related Person(s): _____

V. Requested Effective Date of Membership: November 1, 2026

(Please note: Requested Effective Date should reflect the first day of a month and allow for the 60-day notice period required by the FERC following the approval of the application. Applicants which wish to be treated as if they were Participants during the interim period before the FERC has acted in a favorable manner on their application may request an earlier Effective Date with the understanding that requests for such treatment will generally be granted subject to execution of an Indemnification Agreement with the ISO and NEPOOL.)

Environmental League of Massachusetts, Inc.

VI. Activities. Please identify all activities that Applicant will or plans to conduct in New England (*pending appropriate approvals*) as a New England Market and/or NEPOOL Participant (*select all that apply*):

- ☐ **Alternative Resource Provider** ("substantial business interest" in Alternative Resources located within the New England Control Area)
- ☐ **Broker** (arranges power transactions without taking title)
- ☐ **Cooperative**
- ☒ **End User:** ☒ **Governance Only Member** ☐ **Market Participant End User** ("MPEU")
 - ☐ **Large End User** (a single end user with a peak monthly demand for load in New England, including load served by End User Behind-the-Meter Generation, of at least one 1 MW, or a group of 2 or more corporate entities each with a peak monthly demand (non-coincident) for load in New England, including load served by End User Behind-the-Meter Generation, of at least 0.35 MWs that together totals at least 1 MW). *Please indicate peak monthly demand (non-coincident) for load in New England, including load served by End User Behind-the-Meter Generation: _____ MW.*
 - ☐ **End User Organization**
 - ☐ Non-profit organization (_____ 501(c)(3); _____ (other)) with an organized board of directors and a membership of:
 - ☐ at least 100 Entities that buy electricity at wholesale or retail in the New England states; or
 - ☐ Entities with an aggregate peak monthly demand (non-coincident) for load in New England, including load served by End User Behind-the-Meter Generation, of at least 10 MW.
 - ☐ **Municipality** or other **governmental agency** located in New England which does not meet the definition of Publicly Owned Entity
 - ☒ **Small End User** (an End User which is not a Large End User or End User Organization.)
- ☐ **Exempt Wholesale Generator ("EWG")**
- ☐ **Financial Marketer/Trader** (submits Increment Offers and/or Decrement Bids in the Day-Ahead Market)
- ☐ **FTR-Only Customer**
- ☐ **Fuels Industry Participant** (as defined in the 2d RNA)
- ☐ **GIS-Only Participant** (as defined in the 2d RNA)
- ☐ **Independent Power Producer** (exclusive business is owning or owning and operating all or a part of one or more generating facilities and selling electric energy at wholesale or retail, but not an EWG or QF)
- ☐ **Load Aggregator** (purchases at wholesale to sell at retail)
- ☐ **Publicly Owned Entity** (as defined in the 2d RNA)
- ☐ **Power Marketer** (purchases and sells at wholesale)
- ☐ **Provisional Member** (see 2d RNA for qualifications)
- ☐ **Qualifying Facility ("QF")**. *Please provide the FERC docket number in which:*
- ☐ **Related Person Supplier** (see 2d RNA for qualifications)
- ☐ **Transmission and/or Distribution Company**
- ☐ **Other** (please describe) _____

EVERSOURCE

Account Number: [REDACTED]
Statement Date: 08/07/26

Service Provided To:
ENVIRONMENTAL LEAGUE OF

Payment will be sent to bank
for processing on 08/28/26

\$579.89

Amount Due On 08/01/26	\$1,560.53
Last Payment Received On 07/28/26	-\$1,560.53
Balance Forward	\$0.00
Total Current Charges	\$579.89

Total Cost of Electricity

Supply

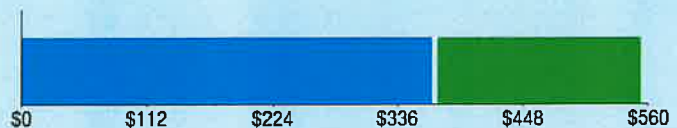
\$366.59

Cost of electricity from
Eversource

Delivery

\$183.53

Cost to deliver electricity
from Eversource



Your electric supplier is

Eversource
247 Station Drive
Westwood, MA 02090

News For You

For customers who obtain Basic Service from Eversource, an updated supply rate took effect Aug 1. The average customer using 600 kWh per month will see an increase of approximately 5% or \$10. We do not profit from the energy supply we provide you. What we pay is what you pay. Visit eversource.com/billhelp for info on payment plans and other assistance programs available to you.

Remit Payment To: Eversource, PO Box 56007, Boston, MA 02205-6007

GB20260807.txt

EVERSOURCE

Account Number: [REDACTED]

You may be subject to a 1.08% late payment charge if the "Total Amount Due" is not received by 09/01/26

ENVIRONMENTAL LEAGUE OF
15 COURT SQ
BOSTON MA 02108-2503

Please make your check payable to Eversource and consider adding \$1 for Good Neighbor.

Visit [Eversource.com](https://eversource.com) to make your payment today. If mailing payment, please allow up to 5 business days to post.

Payment will be sent to bank
for processing on 08/28/26

\$579.89

Amount Enclosed

Eversource
PO Box 56007
Boston, MA 02205-6007

7402027513233 0000579898 0000579898

EVERSOURCE

Account Number: [REDACTED]
Customer name key: ENVI
Statement Date: 08/07/26
Service Provided To:
ENVIRONMENTAL LEAGUE OF

**Svc Addr: 141 TREMONT ST 3FL
BOSTON MA 02111**
Rate G1-Small General Service DMD Cycle 21
Service from 06/26/26 - 07/25/26 30 Days
Next read date on or about: Aug 31, 2026

Meter Number	Current Read	Previous Read	Current Usage	Reading Type
25 37340	47360	46776	584	Actual
Current Demand = 4.5				

Service Reference: 91837732

Monthly kWh Use

May	Jun	Jul
610	606	584

**Svc Addr: 141 TREMONT ST 3FL
BOSTON MA 02111**
Rate G1-Small General Service DMD Cycle 21
Service from 06/26/26 - 07/25/26 30 Days
Next read date on or about: Aug 31, 2026

Meter Number	Current Read	Previous Read	Current Usage	Reading Type
53274	43671	41816	1855	Actual

Service Reference: 91837731

Monthly kWh Use

May	Jun	Jul
3099	4586	1855

Payment will be sent to bank
for processing on 08/28/26

\$579.89

Electric Account Summary

Amount Due On 08/01/26	\$1,560.53
Last Payment Received On 07/28/26	-\$1,560.53
Balance Forward	\$0.00
Current Charges/Credits	
Electric Supply Services	\$366.59
Delivery Services	\$183.53
Other Charges or Credits	\$29.77
Total Current Charges	\$579.89
Total Amount Due	\$579.89

Total Charges for Electricity

Supplier (Eversource)

Meter [REDACTED]		
Generation Service Charge	584 kWh X .15030	\$87.78
Meter [REDACTED]		
Generation Service Charge	1855 kWh X .15030	\$278.81
Subtotal Supplier Services		\$366.59

Delivery

G1-Small General Service DMD

Meter [REDACTED]		
Customer Charge		\$20.00
Distribution Charge	584 kWh X .03496	\$20.42
Transition Charge	584 kWh X -0.00077	-\$0.45
Net Meter Recovery Surcharge	584 kWh X .00483	\$2.82
Revenue Decoupling Charge	584 kWh X -0.00034	-\$0.20
Distributed Solar Charge	584 kWh X .00450	\$2.63
Renewable Energy Charge	584 kWh X .00050	\$0.29
Energy Efficiency Charge	97 kWh X .01072	\$1.04
Energy Efficiency Charge	487 kWh X .01389	\$6.76
Electric Vehicle Program	584 kWh X .00180	\$1.05

GB20260807.txt

Eversource is required to comply with Department of Public Utilities' billing and termination regulations. If you have a dispute please see the bill insert for more information.

For an electronic version of this insert, residential customers go to [Eversource.com/about-residential-bill](https://eversource.com/about-residential-bill) and business customers go to [Eversource.com/about-business-bill](https://eversource.com/about-business-bill). Then select "Monthly Bill Inserts" from the page. Budget Billing is also available to pay a more consistent bill each month. Please see the Customer Rights Supplement for more information.

EVERSOURCE

Account Number: [REDACTED]
Customer name key: EMI
Statement Date: 08/07/26
Service Provided To:
ENVIRONMENTAL LEAGUE OF

Continued from previous page...

Contact Information

Emergency: 800-592-2000
www.eversource.com
Pay by Phone: 888-783-6618
Customer Service: 800-340-9822

Important Messages About Your Account

Because the billing period spans a change in the rates, your usage has been calculated partly on the old rate and partly on the new rate.

Please note: Payment processes differ for each bank. Therefore, it may take longer than the date that appears on your bill for the funds to be deducted from your bank account.

Thank you for going paperless.

We have been informed that you have chosen BILLING FOR CITY OF BOSTON CCE as your energy supplier. Effective with your next bill, Eversource will be billing on behalf of your supplier.

Payment will be sent to bank
for processing on 08/28/26

\$579.89

Continued from previous page...

Meter	[REDACTED]	
Customer Charge		\$20.00
Distribution Charge	1855 kWh X .03496	\$64.85
Transition Charge	1855 kWh X -0.00077	-\$1.43
Net Meter Recovery Surcharge	1855 kWh X .00483	\$8.96
Electric Sect Mod Plan Charge	1546 kWh X .00001	\$0.02
Revenue Decoupling Charge	1855 kWh X -0.00034	-\$0.63
Distributed Solar Charge	1855 kWh X .00450	\$8.35
Renewable Energy Charge	1855 kWh X .00050	\$0.93
Energy Efficiency Charge	309 kWh X .01072	\$3.31
Energy Efficiency Charge	1546 kWh X .01389	\$21.47
Electric Vehicle Program	1855 kWh X .00180	\$3.34
Subtotal Delivery Services		\$183.53
Total Cost of Electricity		\$550.12
Other Charges or Credits		
Sales Tax		\$29.77
Subtotal Other Charges or Credits		\$29.77
Total Current Charges		\$579.89

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VII. Regulatory Authorization. Markets Participants must either (i) have on file with the FERC market-based rate authority or other FERC-approved basis for setting prices for services offered by means of the New England Transmission System or (ii) be exempt from the requirement to have, or otherwise not be required to have, rates for services on file with the FERC. Please provide the FERC docket number in which:

- ☐ FERC granted market-based rate authorization ER
- ☐ EWG status was obtained EG
- ☐ QF status was obtained QF
- ☐ Describe other FERC-approved basis _____
- ☒ Exempt from, or not subject to, FERC requirements to have rates on file with the FERC

VIII. Generation (All Applicants):

A. Applicant's Generation

- ☒ No Generation. (proceed to 0.B)
- ☐ Developing Generation.*
- ☐ (i) Owns, or (ii) leases with rights equivalent to ownership, facilities for the generation of electric energy that are located in the New England Control Area.*
** Please indicate on a separate sheet of paper attached to this Questionnaire the following information for each such facility: (1) CELT Asset ID (if known); (2) Total Generation (Name-Plate Capacity); (3) Net Generation; and (4) Ancillary services to be provided.*

B. Affiliate's Generation

- ☒ No Generation.
- ☐ Affiliate(s) (i) Own, or (ii) lease with rights equivalent to ownership, facilities for the generation of electric energy that are located in the New England Control Area. *Please indicate on a separate sheet of paper attached to this Questionnaire a list of Generation assets in the New England Control Area owned by your Affiliates identified pursuant to Section XIII.*

IX. OATT Information (All Applicants):

A. Business Across the External Interfaces. Does the Applicant anticipate conducting business across the external interfaces under the ISO's Open Access Transmission Tariff ("OATT")?

- ☒ **No.** Proceed to IX.B below.
- ☐ **Yes.**
 1. **NERC Purchasing Selling Entity (PSE) code:** _____
 2. Applicant must (i) complete the OASIS registration process for external transactions, which is described in detail on the ISO's website: <https://www.iso-ne.com/participate/applications-status-changes/access-software-systems>.
PLEASE NOTE: OASIS access will only be approved for a Market Participant as defined by its associated DUNs number. OASIS certificates will not be approved for member company branches with a different number than the member.

B. Regional Network Load. Does the Applicant anticipate that it will be responsible for Regional Network Load under Section II.B. of the OATT?

- ☒ **No.** Proceed to Section X or XI if applicable; Section XII if not.
- ☐ **Yes.** Applicant may need to complete and submit an Application for Regional Network Service ("RNS Application"). Prior to submitting a completed RNS Application, it is recommended that the Applicant contact ISO-NE Participant Support (askiso@iso-ne.com) and request guidance from the ISO-NE Operations Tariff & Agreement Manager with regard to the need to submit an application at this time. The RNS Application can be found at: http://www.iso-ne.com/static-assets/documents/trans/services/types_apps/rns_tout_srvc_agrmt_app.docx.

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X. Market Participant End User Information (if applicable): Not applicable

- A. Current LDC** (Local Distribution Company): _____
- B. MPEU Accounts to be Served.** List ALL account number(s) and/or meter number(s) for loads to be served by Applicant as an MPEU (attach separate sheet if necessary):
- | <i>Account Number(s) and/or</i> | <i>Meter Number(s)</i> |
|---------------------------------|------------------------|
|---------------------------------|------------------------|
- C. Peak Load.** Highest aggregated hourly load in any month in the preceding year ("Peak Load") for all accounts listed in Section IX.B above: _____
- D. Authorization:** By submission of this questionnaire, Applicant expressly authorizes the LDC identified in IX.A above to release to ISO and NEPOOL representatives the information necessary to determine and/or verify Applicant's coincident Peak Load, subject to the terms and conditions of the ISO New England Information Policy.

XI. Alternative Resources Provider Data (if applicable): Not applicable

- A. Aggregate Governance Rating.**¹ For all Alternative Resources ("AR") owned or controlled by Applicant or its Related Persons in the New England Control Area:
- Renewable Generation: _____ MW Distributed Generation: _____ MW Load Response: _____ MW

B. Substantial Business Interest in Alternative Resources (*check and complete all that apply*):

- ☐ at least 75% of the Energy resources owned or controlled by the Undersigned within the New England Control Area are Alternative Resources. Alternative Resources are _____% of the Energy resources owned or controlled by the Undersigned within the New England Control Area.
- ☐ Applicant owns or controls at least 50 MW of AR within the New England Control Area.
- ☐ has an independently verifiable capital investment in its Alternative Resources in the New England Control Area of at least \$30 million.
- AND**
- ☐ the quantity of Alternative Resources (in megawatts) and other generation resources in the New England Control Area owned or controlled by it (_____ MW) exceeds the highest quantity of hourly Governance Load responsibility held by the Participant in the prior twelve (12) months (_____ MW).
- ☐ the quantity of generation (in megawatt hours) in the past twelve months from Alternative Resources and other generation resources in the New England Control Area that the Participant owns or controls (_____ MWh) exceeds the total quantity of Governance Load responsibility held by the Participant in the prior twelve (12) months (_____ MWh).
- ☐ the Participant has not held any Governance Load responsibility in the prior twelve (12) months.
- OR**
- ☐ Applicant is unable to check a box in each part of Section X.B. above and requests a determination by the AR Sector and Participants Committee that it has "a Substantial Business Interest" in AR.

¹ Governance Rating is (a) for electric generating units or combination of units (other than a Distributed Generation Resource), (i) the Winter Capability of such unit or combination of units determined by the ISO, or (ii) the aggregate name plate rating of such unit or combination of units; (b) for Demand Response Resources, the highest adjusted capability value (determined in accordance with the Load Response Program) for those Demand Response Resources in the prior twelve (12) months; (c) for Distributed Generation Resources not participating in the New England Markets or the Load Response Program, the name plate rating of the Distributed Generation Resource; or (d) for Energy Efficiency Resources, the highest verified co-incident peak savings provided during the hours of the Load Response Program during the prior twelve (12) months.

Environmental League of Massachusetts, Inc.

XII. Sector or Provisional Member Selection. Please indicate the Sector you will join as a Participant of the New England Power Pool (*check only one*):

- ☐ **Generation Sector.** Aggregate Winter Capability (in megawatts) for your generation facilities in the New England Control Area: _____. (2d RNA Section 6.2(a))
 - ☐ **Individual Voting Member.** (if > 15 MW and not electing the Group Seat immediately below)
 - ☐ **Group Seat.** ** (mandatory under 15 MW; optional 15 MW and above)
- ☐ **Transmission Sector.** Amount of original capital investment in PTF owned or leased with rights equivalent to ownership in PTF: _____. (2d RNA Section 6.2(b))
- ☐ **Supplier Sector.** (2d RNA Section 6.2(c))
- ☐ **Alternative Resources Sector.** (Check one Sub-Sector and one certification). *Note: a Participant eligible to join the End User Sector shall not join the AR Sector. (2d RNA Section 6.2(d))*
 - ☐ **Renewable Generation** Sub-Sector (2d RNA Section 6.2(d)(i)(1))
 - ☐ **Distributed Generation** Sub-Sector (2d RNA Section 6.2(d)(i)(2))
 - ☐ **Load Response** Sub-Sector (2d RNA Section 6.2(d)(i)(3))

Applicant certifies that it, together with all of its Related Persons (*check only one*):

- ☐ meets the minimum requirements necessary to designate an individual voting member, and an alternate to the member, of each Principal Committee in the AR Sub-Sector selected above. The names of each Principal Committee member and alternate to that member are listed in Section XIII.
- ☐ elects together with the AR Providers identified herein (together, the "Self-Defined Group") to be represented by a "self-defined" group voting member and an alternate to that member for each Principal Committee. The Self-Defined Group meets the minimum requirements of the AR Sub-Sector selected above for the designation of a "self-defined" group voting member. The names of each Principal Committee voting member and alternate to that member for the Self-Defined Group are listed in Section XIII.

The Self-Defined Group will be composed of the following AR Providers:

- ☐ is entitled and elects to join the Large Renewable Generation Group Seat.
- ☐ will join the Small Group Seat of the Sub-Sector identified above.
- ☐ **Publicly Owned Entity Sector.** (2d RNA Section 6.2(e))
- ☒ **End User Sector.** (2d RNA Section 6.2(f))
 - ☒ **Governance Only Member**
 - ☐ **Market Participant End User (MPEU)**

OR

- ☐ **Provisional Member Group Seat.** (Provisional Members that do not have a Participant Related Person in a Sector will be assigned to this group seat). Applicant intends to join the following Sector when eligible:

Environmental League of Massachusetts, Inc.

XIII. Affiliate Information:

*The governance provisions of the 2d RNA require that Related Persons² vote together on NEPOOL matters. The Related Person definition is one that was required by the FERC and agreed to among the Participants. In addition, the ISO has an obligation to ensure that members of its board of directors and staff are not affiliated with any of the NEPOOL Participants and their Affiliates.³ The Participants and the FERC required that policies related to affiliation be implemented to enhance the perceived and actual independence of the ISO. There are additional Tariff provisions that require Affiliate evaluation. To ensure compliance with these obligations, each Governance Participant is required to identify its Affiliates. Accordingly, please provide a **flow chart** illustrating the corporate structure of which applicant is a part, including **all parent and subsidiary relationships**; and **every** other Affiliate that is a:*

- **Market Participant Affiliate** (any Affiliate that is an ISO customer and/or NEPOOL member, or a market participant in another wholesale electricity market);
- **Code of Conduct Affiliate** (any Affiliate whose securities⁴ trade or are available publicly); or
- **LOC Affiliate** (any Affiliate that is included on the ISO's list of "Acceptable Letter of Credit Banks" posted at: http://www.iso-ne.com/static-assets/documents/stlmnts/assur_crdt/approved_letter_of_credit_banks.pdf).

² Section 1 of the 2d RNA provides that, "A Related Person of a Participant is (a) for all Participants, either (i) a corporation, partnership, business trust or other business organization 10% or more of the stock or equity interest in which is owned directly or indirectly by, or is under common control with, the Participant, or (ii) a corporation, partnership, business trust or other business organization which owns directly or indirectly 10% or more of the stock or other equity interest in the Participant, or (iii) a corporation, partnership, business trust or other business organization 10% or more of the stock or other equity interest in which is owned directly or indirectly by a corporation, partnership, business trust or other business organization which also owns 10% or more of the stock or other equity interest in the Participant, or (iv) a natural person, or a member of such natural person's immediate family, who is, or within the last 6 months has been, an officer, director, partner, employee, or representative in NEPOOL activities of, or natural person having a material ongoing business or professional relationship directly related to NEPOOL activities with, the Participant or any corporation, partnership, business trust or other business organization related to the Participant pursuant to clauses (i), (ii) or (iii) of this Section (a); and (b) for all End User Participants which are also natural persons, a Related Person is (i) a member of such End User's immediate family, or (ii) a Participant and any corporation, partnership, business trust, or other business organization related to the Participant pursuant to clauses (i), (ii) or (iii) of Section (a), of which such End User Participant, or a member of such End User Participant's immediate family, is, or within the last six (6) months has been, an officer, director, partner, or employee of, or with which an individual End User Participant has, or within the last twelve (12) months had, a material ongoing business or professional relationship directly related to NEPOOL activities, or (iii) another Participant which, within the last twelve (12) months, has paid a portion of the End User Participant's expenses under Section 14 of [the NEPOOL] Agreement, or (iv) a corporation, partnership, business trust or other business organization in which the End User Participant owns stock and/or equity with a fair market value in excess of \$50,000. (c) Notwithstanding the foregoing, for the purposes of this definition, an individual shall not be deemed to have or had a material on-going business relationship directly related to NEPOOL activities with any corporation, partnership, business trust, other business organization or Publicly Owned Entity solely as a result of being served, as a customer, with electricity or gas."

³ Pursuant to the ISO's Code of Conduct, Affiliate "with respect to an entity, means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, or other form of entity, directly or indirectly Controlling, Controlled by, or under common Control with, such entity. The term "Control" means the possession, directly or indirectly, of the power to direct the management or policies of an entity. A voting interest of ten percent or more creates a rebuttable presumption of control."

⁴ "Securities" means stocks, stock options, bonds and any other instruments of debt or equity, and includes all interests in debt or equity instruments, including, without limitation, secured and unsecured bonds, debentures, notes, securitized assets, commercial paper, preferred and common stock, any beneficial or legal interest derived from a trust, and any right to acquire any long or short position in such securities, including, without limitation, interests convertible into the aforementioned securities, options, rights, warrants, puts, calls and straddles with respect to such securities.

Environmental League of Massachusetts, Inc.

XIV. Application Contact Information *(leave no box empty)*:

A. Application Contacts (for further information regarding this application):

Application Primary Contact	Application Alternate Contact
Name: Erin Smith	Name: Amy Boyd Rabin
Title: Energy and Grid Policy Director	Title: Vice President of Policy and Regulatory Affairs
Address: 141 Tremont St, Floor 3, Boston MA 02111	Address: 141 Tremont St, Floor 3, Boston MA 02111
Phone: 617-963-0074	Phone: 617-221-8258
Fax:	Fax:
E-mail: esmith@environmentalleague.org	E-mail: aboydrabin@environmentalleague.org

B. Financial Assurance ("FA") Contacts *(2 contacts required)*:

Primary FA Contact	Alternate FA Contact
Name: Kelly Lynch	Name: Harry Meltzer
Title: Finance Director	Title: Accounting Coordinator
Address: 141 Tremont St, Floor 3, Boston MA 02111	Address: 141 Tremont St, Floor 3, Boston MA 02111
Phone: 781-691-4154	Phone: 617-963-0076
Fax:	Fax:
E-mail: klynch@environmentalleague.org	E-mail: hmeltzer@environmentalleague.org

Environmental League of Massachusetts, Inc.

C. Affiliate Information and Asset Registration Contacts: Not Applicable

Affiliate Information Contact:	Asset Registration Contact:
Name:	Name:
Title:	Title:
Address:	Address:
Phone:	Phone:
Fax:	Fax:
E-mail:	E-mail:

D. Participant Contact *(only if Applicant (i) is a Related Person to a current NEPOOL Participant or (ii) will be represented by a group voting member)*: Not Applicable

Participant Contact	Participant Contact
Name:	Name:
Title:	Title:
Address:	Address:
Phone:	Phone:
Fax:	Fax:
E-mail:	E-mail:

Environmental League of Massachusetts, Inc.

XV. Principal NEPOOL Committee Designations *(only if Applicant (i) is not a Related Person to a current NEPOOL Participant or (ii) will not be represented by a group voting member):*

A. PARTICIPANTS COMMITTEE

NPC Member	NPC Alternate
Name: Erin Smith	Name: Amy Boyd Rabin
Title: Energy and Grid Policy Director	Title: Vice President of Policy and Regulatory Affairs
Address: 141 Tremont St, Floor 3, Boston MA 02111	Address: 141 Tremont St, Floor 3, Boston MA 02111
Phone: 617-963-0074	Phone: 617-221-8258
Fax:	Fax:
E-mail: esmith@environmentalleague.org	E-mail: aboydrabin@environmentalleague.org

B. MARKETS COMMITTEE

Markets Committee Member	Markets Committee Alternate
Name: Erin Smith	Name: Amy Boyd Rabin
Title: Energy and Grid Policy Director	Title: Vice President of Policy and Regulatory Affairs
Address: 141 Tremont St, Floor 3, Boston MA 02111	Address: 141 Tremont St, Floor 3, Boston MA 02111
Phone: 617-963-0074	Phone: 617-221-8258
Fax:	Fax:
E-mail: esmith@environmentalleague.org	E-mail: aboydrabin@environmentalleague.org

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C. RELIABILITY COMMITTEE

Reliability Committee Member	Reliability Committee Alternate
Name:	Name:
Title:	Title:
Address:	Address:
Phone:	Phone:
Fax:	Fax:
E-mail:	E-mail:

D. TRANSMISSION COMMITTEE

Transmission Committee Member	Transmission Committee Alternate
Name: Erin Smith	Name: Amy Boyd Rabin
Title: Energy and Grid Policy Director	Title: Vice President of Policy and Regulatory Affairs
Address: 141 Tremont St, Floor 3, Boston MA 02111	Address: 141 Tremont St, Floor 3, Boston MA 02111
Phone: 617-963-0074	Phone: 617-221-8258
Fax:	Fax:
E-mail: esmith@environmentalleague.org	E-mail: aboydrabin@environmentalleague.org

Environmental League of Massachusetts, Inc.

XVI. Registration For Eligible FTR Bidder and/or FTR Holder Status: Not applicable

Complete only if registering for Eligible FTR Bidder and/or FTR Holder Status

A. First Auction Period for which Market Participant requests it be deemed an Eligible FTR Bidder and/or FTR Holder (MM/YYYY):

(Please note: The First Auction Period requested should allow for satisfaction of the applicable financial assurance criteria, which is Exhibit IA to the ISO Tariff, and any other standards and procedures that may be set forth in the ISO New England Manuals and ISO New England Administrative Procedures)

B. Eligible FTR Bidder or FTR Holder Contact Information:

Correspondence in connection with the administration of FTR Auction should be addressed to:		
Contact(s) and Titles(s):		
Primary:		Alternate:
Address – Street	City, State	Zip
Phone(s):	Fax #:	E-mail address(es):

C. Authorization

The undersigned Participant hereby registers as shown above to become an Eligible FTR Bidder and/or FTR Holder in accordance with the ISO New England Filed Documents and System Rules, including the ISO Tariff and the Market Rules.

Participant FTR Customer

By its Duly Authorized Officer

Name: _____

Title: _____

Date: _____

COUNTERPART SIGNATURE PAGE
NEW ENGLAND POWER POOL AGREEMENT

IN WITNESS WHEREOF, the undersigned has caused this counterpart signature page to
the New England Power Pool Agreement, being dated as of September 1, 1971, as amended, to
be executed by its duly authorized representative as of September 11, 2026
(please insert date)

Environmental League of Massachusetts, Inc.
(Applicant Company Name)

By: Elizabeth Henry
Name: Elizabeth Henry

Title: President

Company: Environmental League of
Massachusetts, Inc.

Address: 141 Tremont St, Floor 3,
Boston MA 02111

RESOLUTION FOR ADOPTION BY NEPOOL APPLICANTS

**CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ENVIRONMENTAL LEAGUE OF MASSACHUSETTS, INC.**

The undersigned, being the Chair of the Environmental League of Massachusetts Inc. (ELM) (the "Company"), a Massachusetts corporation, certifies that on a meeting of the Board of Directors of the Company held on 9/10/2026 in accordance with the provisions of the duly-adopted by-laws of the Company, the following resolution was adopted and the same remains in full force and effect as of the date hereof.

RESOLVED, that the Environmental League of Massachusetts, Inc. shall apply to become a Participant in the New England Power Pool under the New England Power Pool Agreement dated as of September 1, 1971, as amended, (the "Agreement") and the President, Elizabeth Henry, is authorized to execute a counterpart of the Agreement on behalf of the Environmental League of Massachusetts, Inc. and to cause the Environmental League of Massachusetts, Inc. to perform its obligations under the Agreement upon the effectiveness of its membership.

Dated: 9/10/26



By Gordon Burnes
Its Chair

8

Litigation Report



Oct 2, 2026
Meeting

EXECUTIVE SUMMARY

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

The following activity, as more fully described in the attached Litigation Report, has occurred since the report dated September 2, 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)	Sep 9	DOE issues RFI; comment deadline Oct 9, 2026
5	Executive Orders: Nuclear Energy Deployment and Reforms (EOs 14302, 14301, 14300, 14299)	Sep 24	NRC issues proposed rule; comment deadline Nov 9, 2026
3	Executive Memo: Presidential Determinations for Energy Infrastructure	Sep 8	President issues EO 14427 expanding DPA priority

I. Complaints/Section 206 Proceedings

* 7	Transition Cluster Study Upgrade Cost Allocation Complaint (EL26-112)	Sep 30	TCS Project Companies file (i) a Complaint alleging ISO-NE's assignment of upgrade costs to interconnection customers in the first Transitional Clusty Study violates the FERC's cost causation principles and the Tariff and (ii) a request for limited waiver of identified Schedule 22 provisions so as to preserve TCS Project Companies' interconnection queue position while the Complaint is addressed by the FERC
		Oct 1	ISO-NE opposes shortened comment period requested
8	ME Agencies RTO ROE Adder Complaint (EL26-103)	Sep 3-22	CT OCC, MA AG, NESCOE, NH OCA, PSEG, RI DPUC, CT DEEP, Public Citizen, RI Energy (out-of-time) intervene
		Sep 18	Versant responds to Complaint; ISO-NE moves for dismissal as Party
		Sep 21	CMP and MEPCO answer the Complaint; comments supporting the Complaint filed by: NESCOE , Consumer Advocates ; comments opposing the Complaint filed by EEI
8	CT Agencies RTO ROE Adder Complaint (EL26-79)	Sep 30	CT TOs oppose CT Agencies' Aug 5 response
9	New England Large and Co-Located Loads Show Cause Order (EL26-72)	Sep 21	FERC dismisses Eolian request for clarification and/or rehearing
12	ISO-NE Tariff Correction Mechanism Show Cause Order (EL26-45)	Sep 10	FERC finds the Tariff unjust and unreasonable; directs compliance filing on or before Jan 8, 2027

- | | | | |
|----|--|--------|---|
| 16 | Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64) | Sep 24 | FERC issues <i>Opinion 594-A</i> , modifying the discussion in <i>Opinion 594</i> but continuing to reach the same result; the FERC also denied the request for rehearing and/or consideration seeking status reports |
|----|--|--------|---|

II. Rate, ICR, FCA, Cost Recovery Filings

- | | | | |
|------|---|-----------------------------|---|
| * 19 | CIP-IROL Cost Recovery Filing: Cross-Sound Cable (ER26-517) | Sep 8 | CSC requests recovery of \$791,687 in CIP-IROL Costs incurred between Jan 1, 2024 and Dec 31, 2025 |
| 20 | New Base ROE - Attachment F Revisions (ER26-2389) | Sep 4-8
Sep 16
Sep 28 | Acadia , Consumer Advocates , MMWEC/NHEC , NESCOE , NECOS/ENE , MA DPU oppose extension of time
FERC denies extension of time
Reply briefs submitted by: NETOs, Acadia, Consumer Advocates, FERC Trial Staff, NECOS, Public Systems, State Entities |

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

- | | | | |
|----|---|--|--|
| 22 | System-Backed Export Charge Proposal (ER26-3379) | Sep 3
Sep 8
Sep 10
Sep 16
Sep 30 | ISO-NE IMM answers Financial Marketers Coalition's protest
NEPOOL answers Financial Marketers Coalition's protest
ISO-NE answers Financial Marketers Coalition's protest
Financial Marketers Coalition responds to answers
FERC accepts changes, eff. <i>Oct 1, 2026</i> |
| 22 | Balancing Ratio Cap Compliance Changes (ER26-3213) | Sep 28 | FERC accepts changes, eff. <i>Oct 1, 2026</i> |
| 22 | DAAS Adjustments (ER26-3176) | Sep 14 | FERC accepts changes, eff. <i>Oct 22, 2026</i> |
| 23 | MW-Dependent Fuel Price Adjustments: Notice of <i>Sep 23, 2027</i> Effective Date (ER24-2584) | Sep 30 | ISO-NE files notice of <i>Sep 23, 2027</i> effective date |

IV. OATT Amendments / TOAs / Coordination Agreements

- | | | | |
|----|--|--------------------------------|---|
| 23 | Asset Condition Reviewer Role (ER26-3533; ER26-3534) | Sep 4-8
Sep 8

Sep 28 | Eversource, RI Energy, Versant, EEI intervene
Comments supporting ACR Role revisions submitted by: AEU ; Consumer Advocates ; EDF/CLF ; Maine OPA ; NESCOE , Public Systems
ISO-NE answers AEU comments |
|----|--|--------------------------------|---|

V. Financial Assurance/Billing Policy Amendments

No Activity to Report

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

No Activity to Report

IX. Membership Filings

- | | | | |
|------|---|--------|--|
| * 25 | Oct 2026 Membership Filing
(ER26-3897) | Sep 30 | New Members: Atlantic Grid LLC; Energetick LLC; Nabla Technologies Europe, LLC; and ZPD-PT Solar Project 2017-040 LLC; comment date Oct 21, 2026 |
| 25 | Aug 2026 Membership Filing
(ER26-3331) | Sep 25 | FERC accepts (i) the membership of Electrade Analytics; and (ii) the termination of the Participant status of Celtic Power Analytics |

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

- | | | | |
|----|--|--------|-------------------------|
| 25 | Reliability Standard: PRC-029-2
(RD26-10) | Sep 30 | FERC approves PRC-029-2 |
| 26 | Reliability Standard: EOP-004-5
(RD26-9) | Sep 10 | FERC approves CIP-014-4 |

XI. Misc. - of Regional Interest

- | | | | |
|----|--|----------|--|
| 27 | 203 Application: NextEra/Dominion
(EC26-131) | Sep 3-23 | ISO-NE, CLF, CMEEC, Appalachian Voices, Orangeburg (SC), Tri-County Electric Coop, Carolina Industrial Group, Corp. Energy Buyers Assoc. intervene |
| | | Sep 9 | C. Abboud files protest |
| | | Sep 23 | FERC OEMR issues Deficiency Letter; response due Oct 23, 2026 |
| | | Sep 24 | MA AG, CT AG and CT DEEP file Comment Deadline Motion; Applicants protest Comment Deadline Motion |
| | | Sep 29 | Protests filed by: Eversource, MPUC, NESCOE, PIOs, State Parties, PJM IMM, NC Elec. Membership Corp., Carolina Industrial Group for Fair Utility Rates, Old Dominion Elec. Coop., MD OPC, VA OAG, Central Electric Power Coop. |
| 29 | Wholesale Distribution Tariff
Amendment – CMP/MRRA
(ER26-3419) | Sep 25 | FERC accepts WDT amendments, eff. <i>Sep 1, 2026</i> |
| 30 | Revised CL&P and NSTAR IAs
(ER26-3127) | Sep 3 | FERC accepts non-conforming revised IAs, eff. <i>Sep 8, 2026</i> |

XII. Misc. – Administrative & Rulemaking Proceedings

- | | | | |
|----|---|-------|--|
| 32 | Joint Federal- State Current Issues
Collaborative (AD24-7) | Sep 8 | FERC notices NARUC's 2026-27 appointments of state commission representatives to the Collaborative |
|----|---|-------|--|

XIII. FERC Enforcement Proceedings*No Activity to Report***XIV. Natural Gas Proceedings**

- | | | | |
|------|---|--------|---|
| * 36 | PNGTS Facilities Increase
(CP26-553) | Sep 22 | MPUC submits comments supporting Increase |
|------|---|--------|---|

- | | | | |
|----|--------------------------------|--------|--|
| 37 | Iroquois ExC Project (CP20-48) | Sep 23 | Iroquois granted permission, as requested, to proceed with construction of compression and gas cooling facilities at 3 existing compressor stations on Iroquois' system (the Athens, Dover, and Milford Compressor Stations in Greene and Dutchess Counties, NY, and New Haven County, CT) |
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XV. State Proceedings & Federal Legislative Proceedings	
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No Activity to Report

XVI. Federal Courts	
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- | | | | |
|----|--|----------------------------|---|
| 38 | Offshore Wind Orders Challenge (26-1910) | Sep 29 | Court grants joint request for revised schedule and issues a scheduling order |
| 39 | <i>Order 904</i> : Compensation for Reactive Power Within the Standard Power Factor Range (5th Cir. – 25-60055 et al.) | Sep 25 | Oral argument calendared for Nov 4, 2026 |
| 39 | <i>Order 1920</i> : Transmission Planning Reforms (4th Circuit – 24-1650) | Sep 15 | Court hears oral argument |
| 40 | Opinion 531-A Compliance Filing Undo / <i>Opinion 594</i> Review (20-1329, 26-1123, 26-1150, 26-1173) | Sep 28 | Petitioners file proposed briefing format |
| 42 | Allco PURPA Enforcement Petition (D.CT) (Case No. 3:25CV01321) | Sep 29 | Court grants Private Defendant's motion to dismiss |
| 42 | RENEW Northeast, et. al. APA Challenge (D. Mass. – Case No. 1:25CV13961) | Sep 14
Sep 21
Sep 22 | Parties submit joint statement with proposed schedule
Court holds scheduling conference
Court sets admin record and summary judgment briefing |

M E M O R A N D U M

TO: NEPOOL Participants Committee Members and Alternates

FROM: Pat Gerity and Joan Bosma, NEPOOL Counsel

DATE: October 1, 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 October 1, 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. On September 9, 2026, the DOE issued a [Request for Information](#) seeking comments on covered equipment and transactions; country-of-origin and supply-chain tracing; software and remote access; existing equipment; mitigation, licensing, and vendor prequalification; domestic manufacturing; and potential cost and reliability effects. Comments are due on or before **October 9, 2026**.

- **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

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”).

determine whether the proposed transfer would affect the licensees' qualifications or otherwise be inconsistent with applicable law and NRC requirements.

- **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 were 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 In line with this memo, on September 8, 2026, President Trump issued Executive Order 14427,⁴ which amends EO 13603 to allow both the Secretaries of Energy and the Interior to exercise certain DPA priority and allocation authorities independently for forms of energy under their respective authority.

- **Proclamation: Ratepayer Protection Pledge**

On March 4, 2026, President Trump issued a proclamation announcing the "Ratepayer Protection Pledge," under which seven major technology companies⁵ 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.

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 Exec. Order No. 14427, 91 FR 58,007 (Sep 11, 2026).

⁵ Amazon, Google, Meta, Microsoft, OpenAI, Oracle, and xAI signed the Ratepayer Protection Pledge.

- **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 objective is to ensure uninterrupted, on-demand baseload power for national defense facilities, and is issued in the context of two prior EOs⁶ and the national emergency declared pursuant to an EO.⁷

- **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.⁸

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”).⁹ The national security risks, BOEM states, were identified by the Defense Department (Department of War) in recently completed classified reports.¹⁰ 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.¹¹ 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.

⁶ 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*”).

⁷ Exec. Order 14156, 90 FR 8433 (Jan. 20, 2025) (“*Declaring a National Emergency*”).

⁸ *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>.

⁹ See <https://www.doi.gov/pressreleases/trump-administration-protects-us-national-security-pausing-offshore-wind-leases>.

¹⁰ 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.”

¹¹ *Vineyard Wind 1 LLC v. U.S. Dept of the Interior*, 1:26-cv-10156, (D. Mass.).

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,¹² 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.¹³ Separately, on April 17, 2026, Massachusetts 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.¹⁴ 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,¹⁵ 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.¹⁶ 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.¹⁷ 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

¹² See <https://revolution-wind.com/news/2026/03/revolution-wind-begins-delivering-power-to-new-england> (Mar. 13, 2026).

¹³ 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).

¹⁴ *Vineyard Wind 1, LLC v. GE Renewables US LLC*, No. 26-1041-BLS1 (Mass. Super. Ct. Apr. 17, 2026).

¹⁵ The Dept. of Energy Genesis Mission Science and Technology Challenges, are available here: <https://www.energy.gov/documents/genesis-mission-science-and-technology-challenges>.

¹⁶ 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).

¹⁷ Updates are available on the DOE website: <https://genesis.energy.gov/>.

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 Brownfield sites for data centers.¹⁸ 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 (“OBBA”), President Trump issued an EO directing the Secretary of the Treasury to implement provisions of the OBBA 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 OBBA’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 OBBA’s enhanced Foreign Entity of Concern restrictions.¹⁹

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

On May 23, 2025, President Trump issued four Executive Orders²⁰ 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. On September 30, 2026, the NRC confirmed that the rule will take

¹⁸ 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.

¹⁹ Notice 2026-15 is available at <https://www.irs.gov/pub/irs-drop/n-26-15.pdf>.

²⁰ 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).

effect on **October 26, 2026**. Also, on September 24, 2026, the NRC issued a proposed rule implementing EO 14300, which revises requirements related to reactor licensing, decommissioning, and operational oversight. Comments on the proposed rule are due on or before **November 9, 2026**.²¹

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

On April 9, 2025, President Trump issued an EO directing the FERC, along with DOE, EPA, and the NRC, to incorporate conditional sunset provisions into specified “Covered Regulations” that requires these regulations expire after one year unless extended at the agency’s discretion for a period of up to five years. The agencies must provide the public with an opportunity to comment on the costs and benefits of each such regulation prior to its expiration. For the FERC, the EO applies to regulations promulgated under the 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.²² 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.²³ 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.

²¹ *Regulatory Enhancements for Reactor Licensing, Decommissioning, and Operational Oversight*, Proposed Rule, 91 Fed. Reg. 60,702 (Sep. 24, 2026).

²² See *infra* Section XII.

²³ The DOE RA Report employs three different 2030 cases: a Plant Closures Case (which assumes all announced retirements occur), a No Plant Closures Case (which assumes no announced retirements proceed and mature additions), and a Required Build Case (which compares impacts of retirements on perfect capacity additions necessary to return 2030 to current level of reliability). In the Plant Closures Case, only New England and NYISO met the reliability thresholds, while all other regions failed. ISO-NE’s peak demand is projected to grow from 28 GW in 2024 to 31 GW by 2030, with capacity rising from 40 GW to 45.5 GW in the No Plant Closures case and to 42.8 GW in the Plant Closures case.

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

Request for Rehearing – DOE RA Report. On August 6, 2025, Clean Energy Organizations,²⁴ 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 puzzle.”²⁵ 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.²⁶ 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

- **Transition Cluster Study Upgrade Cost Allocation Complaint (EL26-112)**

On September 30, 2026, TCS Project Companies²⁷ filed a complaint against ISO-NE alleging that implementation of the first Transition Cluster Study was “unjust and unreasonable, and its results must be corrected.” Specifically, the TCS Project Companies allege that ISO-NE's assignment of \$3.2 billion in Upgrade

²⁴ “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”).

²⁵ 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.

²⁶ See announcement, available at <https://www.energy.gov/articles/energy-department-invest-350-million-build-modernize-and-restart-coal-plants>.

²⁷ “TCS Project Companies” are: Moraga Storage, LLC (“Moraga Storage”) and River Mill Storage, LLC (“River Mill Storage”) (together, the “Segue Companies”), Hecate Energy Medway Energy Center LLC (“Medway Energy Center”) (the “Hecate Company” or “Hecate Energy”), Brough Storage, LLC (“Brough Storage”) and Partridge Storage, LLC (“Partridge Storage”) (together, the “CleanCapital Companies”).

costs to the Interconnecting Customers (“ICs”) remaining in the TCS violates the FERC’s cost causation principles (by assigning \$3.2 billion in upgrade costs that did not result from interconnection of the projects) and ISO-NE’s Tariff (by requiring ICs to bear the full cost of upgrades that they assert otherwise should be allocated to load). TCS Project Companies urged the FERC to act “before Interconnection Customers are forced to execute LGIAs and post deposits based on a flawed and unlawful study.” In order to give the FERC sufficient time to address the Complaint, if the FERC doesn’t act as requested by **October 16, 2026**,²⁸ the Project Companies concurrently filed a limited request for waiver of certain Schedule 22 provisions.²⁹ On October 1, 2026, ISO-NE opposed Project Companies’ request for a shortened comment period. The Complaint has not yet been noticed for public comment. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

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

Maine (“ME”) Agencies³⁰ 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 were due on or before September 21, 2026. [CMP and MEPCO](#) answered the Complaint. Comments supporting the Complaint were filed by: [NESCOE](#), and [Consumer Advocates](#). Comments opposing the Complaint were filed by [EEI](#). Doc-less interventions only were filed by PSEG, RI Energy (out-of-time), and Public Citizen. 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 Agencies³¹ 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 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, CT 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 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 Agencies answered CT TOs’ Motion to Dismiss/Answer (“CT Agencies’ Answer”) arguing that CT’s new RTO participation requirement lawfully makes the CT TOs’ continued participation in ISO-NE mandatory, is not preempted by federal law, and renders

²⁸ The First Cluster Study process will not commence until Jan. 19, 2027, when ISO-NE is required to “lock in” its base reference case.

²⁹ Schedule 22 §§ 11.2 (LGIA Negotiation and Execution); 11.3.1.1 (20% deposit); and § 5.1.1.2 (application of withdrawal penalties).

³⁰ “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”).

³¹ “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”).

their continued receipt of the RTO ROE Adder unjust and unreasonable. On September 30, 2026, CT TOs answered CT Agencies' August 5 Answer and other comments, maintaining that the Complaint should be dismissed, arguing that the RTO ROE Adder is not controlled by subsequent section 219 precedent, that Connecticut's RTO participation requirement does not necessarily make their participation involuntary, and that the requested relief is barred by federal preemption and the filed rate doctrine.

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).

- **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.³² 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 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; none were filed.

³² *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).

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 proceeding in abeyance for 90 days, or until **November 16, 2026**. ISO-NE and the PTOs said that the abeyance would 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.³³ 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 filing³⁴ 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 (“PTOs”) will implement tariff revisions as expeditiously as possible, the FERC encouraged ISO-NE and/or PTOs 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 and their projected growth in the region (“Eolian Request”). On August 20, 2026, the FERC issued an *Allegheny Notice*,³⁵ noting that the Eolian Request may be deemed denied by operation of law, but noting that the Eolian Request would be addressed in a future order.³⁶ The FERC issued that order on September 21, 2026, dismissing Eolian’s request for rehearing and clarification,³⁷ because if concerned FERC actions “not final and that will be succeeded by further [FERC] action.”³⁸ Although the FERC said that it does not “intend to provide clarification or guidance with respect to the [*New England Large and Co-Located Loads Show Cause Order*] while the show cause proceeding is held in abeyance ... [it encouraged] ISO-NE, the PTOs, and stakeholders to continue with the

³³ *ISO New England Inc. et al.*, 196 FERC ¶ 61,132 (Aug. 14, 2026) (“*Order Granting Compliance Abeyance Request*”).

³⁴ 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.)

³⁵ 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.

³⁶ *ISO New England Inc. et al.*, 196 FERC ¶ 62,093 (Aug. 20, 2026) (“*Eolian Request Allegheny Notice*”).

³⁷ *ISO New England Inc. et al.*, 196 FERC ¶ 62,215 (Sep. 21, 2026) (“*Eolian Request Allegheny Order*”).

³⁸ *Id.* at P 8.

development of one or more FPA section 205 proposals.”³⁹ Proposed changes in response to the *New England Large and Co-Located Loads Show Cause Order* are under consideration by the Technical Committees and will be considered at the November 12, 2026 Participants Committee meeting.

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 Advocates⁴⁰ 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**⁴¹ 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,⁴² 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, **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

³⁹ *Id.* at P 9.

⁴⁰ “State Consumer Advocates” are: the ME OPA, CT OCC, RI Division, NH OCA and VT DPS.

⁴¹ “Indicated NETOs” are: CMP, MEPCO, National Grid, RI Energy, UI, and Versant Power.

⁴² 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](#)).

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)**

As previously reported, the FERC issued a show cause order, on March 10, 2026, 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").⁴³ The *Correction Mechanism Show Cause Order* directed ISO-NE 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,⁴⁴ 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 ("Proposed Compliance Changes"), (ii) explaining why it is not appropriate to modify certain, discrete, market settlement provisions related to Capacity Performance Payment errors ("Capacity Performance Payment Errors"), 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 ("Settlement Deadline Extension").⁴⁵ 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 Systems⁴⁶ 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).

Order Directing Compliance Filing. On September 10, 2026, the FERC found that the Tariff is unjust and unreasonable due to its lack of a Correction Mechanism.⁴⁷ Accordingly, it directed ISO-NE to submit, on or before **January 8, 2027**, a compliance filing with the Proposed Compliance Changes. Agreeing with ISO-NE's response regarding the complexities and drawbacks related to correcting Capacity Performance Payment Errors, the FERC found the current Tariff "just and reasonable as it relates to the settlement of Capacity Performance Payments,"⁴⁸ so no further action is required on this issue. Finally, the FERC declined to provide the requested guidance with

⁴³ *ISO New England Inc.*, 194 FERC ¶ 61,187 (Mar. 10, 2026) ("*Correction Mechanism Show Cause Order*").

⁴⁴ "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").

⁴⁵ 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.

⁴⁶ For purposes of this proceeding, "Public Systems" are: MMWEC, CMEEC and VPPSA.

⁴⁷ *ISO New England Inc.*, 196 FERC ¶ 61,185 (Sep. 10, 2026) ("*Correction Mechanism Compliance Order*").

⁴⁸ *Id.* at P 35.

respect to a possible Settlement Deadline Extension, instead encouraging ISO-NE to “submit whatever section 205 filing it believes is appropriate” for future FERC evaluation.⁴⁹

Tariff language implementing the Proposed Compliance Changes will be reviewed with the B&F Subcommittee and Participants Committee. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **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.”⁵⁰ 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).

⁴⁹ *Id.* at P 40.

⁵⁰ 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).

- **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,”⁵¹ 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 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”),⁵² [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), [EEI](#), [NARUC](#), [Public Interest Organizations](#),⁵³ 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”⁵⁴ 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

⁵¹ “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 Intervenors (NY), Arkansas Elec. Energy Consumers, Inc., Public Power Assoc. of NJ, OK Industrial Energy Consumers, Large Energy Group of Iowa, Industrial Energy Consumers of PA, MD Office of People’s Counsel, Pennsylvania Office of Consumer Advocate, Consumer Advocate Div. of the Public Service Commission of WV, and Missouri Industrial Energy Consumers.

⁵² 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.

⁵³ “Public Interest Organizations” or “PIOs” are Earthjustice, Natural Resources Defense Council (“NRDC”), Sustainable FERC Project, and the Southern Environmental Law Center.

⁵⁴ 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.

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 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).⁵⁵ 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.⁵⁶ 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.⁵⁷ 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.⁵⁸ The refund effective date for this proceeding is June 24, 2024.⁵⁹ 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:⁶⁰ 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

⁵⁵ *ISO New England Inc. et al.*, 187 FERC ¶ 61,170 (June 13, 2024) (“*TO Initial Funding Show Cause Order*”).

⁵⁶ *Id.* at P 1.

⁵⁷ *Id.*

⁵⁸ *Id.* at P 2.

⁵⁹ Notice of this 206 proceeding was published in the *Fed. Reg.* on June 24, 2024 (Vol. 89, No. 121) pp. 52,454-52,455.

⁶⁰ 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).

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*⁶¹ 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 response of Indicated New England Transmission Owners (“NETOs”)⁶² 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 parties⁶³ filed a petition for review of the FERC’s orders in this proceeding in the 8th Circuit, since challenged by the FERC. Developments on the federal court appeals will be reported in Section XVI below. In the meantime, if you have questions on this proceeding, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mczepiel@daypitney.com).

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

As previously reported, the FERC issued on March 19, 2026, *Opinion 594*,⁶⁴ 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,⁶⁵ 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*

⁶¹ 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.

⁶² The NETOs, for purposes of this proceeding, are: Eversource; CMP; UI; National Grid; RI Energy; Fitchburg Gas and Electric Light Co. (“Unitil”); and Versant.

⁶³ 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”).

⁶⁴ *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.

⁶⁵ 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*”).

531-A).⁶⁶ However, the FERC's orders were challenged, and in *Emera Maine*,⁶⁷ the U.S. Court of Appeals for the D.C. Circuit ("DC Circuit") vacated the FERC's prior orders, and remanded the case for further proceedings consistent with its order. The FERC's determinations in *Opinion 531* are thus no longer precedential, though the FERC remains free to re-adopt those determinations on remand as long as it provides a reasoned basis for doing so.

- **Base ROE Complaints II & III (EL13-33 and EL14-86) (consolidated).** The second (EL13-33)⁶⁸ and third (EL14-86)⁶⁹ 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.⁷⁰ The *Initial Decision* also lowered the ROE ceilings.
- **Base ROE Complaint IV (EL16-64).** The fourth and final ROE proceeding⁷¹ also went to hearing before an Administrative Law Judge ("ALJ"), Judge Glazer, who issued his initial decision on March 27, 2017.⁷² 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.⁷³

Opinion 594. *Opinion 594*,⁷⁴ 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

⁶⁶ *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*").

⁶⁷ *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).

⁶⁸ 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%.

⁶⁹ 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.

⁷⁰ *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*").

⁷¹ 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.

⁷² *Belmont Mun. Light Dept. v. Central Maine Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) ("*Base ROE Complaint IV Initial Decision*").

⁷³ *Id.* at P 2.; Finding of Fact (B).

⁷⁴ *Coakley v. Bangor Hydro-Elec. Co.*, Opinion No. 594, 194 FERC ¶ 61,208 (2026).

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](#).

Opinion 594-A (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 Advocates⁷⁵ and the VT DPS. On May 21, 2026, the FERC issued an *Allegheny Notice*,⁷⁶ 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.⁷⁷ That order, *Opinion 594-A*,⁷⁸ was issued on September 24, 2026. *Opinion 594-A* sustains *Opinion 594* in full: the NETOs’ prior 11.14% base ROE remains unjust and unreasonable, the 9.57% replacement base ROE stands, and the NETOs must pay refunds, with interest, for both the 15-month refund period (October 1, 2011, through December 31, 2012) and the period from October 16, 2014, through March 19, 2026. A more detailed summary of *Opinion 594-A* was provided to the Transmission Committee.

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. 20-1329⁷⁹ and will be reported on in Section XVI.

Request for Stay of Refund Obligation Denied. On May 13, 2026, the FERC denied Indicated NETOs⁸⁰ request for a stay of the **\$1.5 billion** refund obligation and associated reporting requirements pending judicial review of these proceedings (“Request for Stay”).⁸¹ 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

⁷⁵ “Consumer Advocates” are CT OCC, IECG, MA AG, MMWEC, MOPA, NHEC, NH OCA, PowerOptions, RI Div, TEC, CT AG, CT PURA, and MA DPU.

⁷⁶ 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.

⁷⁷ *Martha Coakley, Att’y Gen. of the Commonwealth of Mass.*, 195 FERC ¶ 62,112 (May 21, 2026) (“*Opinion 594 Allegheny Notice*”).

⁷⁸ *Martha Coakley, Att’y Gen. of the Commonwealth of Mass.*, 196 FERC ¶ 61,232 (May 21, 2026) (“*Opinion 594-A*”).

⁷⁹ See *infra* Section XVI.

⁸⁰ “Indicated NETOs” are CMP, Eversource (on behalf of CL&P, NSTAR, and PSCNH), and UI.

⁸¹ *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).

of Opinion No. 531-A until the date of Opinion No. 594 meets the standard of irreparable harm required to justify a stay.”⁸² 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.”⁸³ Because the FERC denied the Request for Stay, the refund deadline remains **May 20, 2027** (see immediately below).

Refund Extension (May 20, 2027). Request for Status Reports Denied. On April 14, 2026, the FERC partially granted a request by ISO-NE and NETOs⁸⁴ for an extension of *Opinion 594*’s deadline⁸⁵ for completing 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”).⁸⁶ On May 8, 2026, Extension Respondents⁸⁷ 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. In *Opinion 594-A*, the FERC denied Extension Respondents request, finding that that the requested status reports are “not justified when the April Extension is sufficient to ensure timely and orderly completion of refunds”.⁸⁸

Versant Refund Procedural Modification/Extension. On September 15, 2026, Versant moved to extend its refund deadline and modify the refund procedure associated with its ROE refund obligation. Specifically, Versant proposed to reduce all retail transmission charges beginning January 1, 2027 (from what they otherwise would be under Schedule 21-VP) in a manner that, based on current best estimates of Versant’s retail refund liability and 2027 transmission use, will pay to retail transmission customers over calendar year 2027 the full amount of monies that would otherwise be payable as refunds to retail transmission customers (with interest). The charges would then be adjusted as of July 1, 2027, up or down, based on the final refund calculations issued by ISO-NE in May 2027. Versant’s request is 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

- **CIP-IROL Cost Recovery Filing: Cross-Sound Cable (ER26-3737)**

On September 8, 2026, Cross Sound Cable Company (“CSC”) requested FERC acceptance of its revised rate schedule to allow recovery of eligible CIP-IROL Costs under Schedule 17 of the ISO-NE Tariff, effective November 9, 2026. CSC seeks to recover **\$791,687** of CIP-IROL Costs incurred between January 1, 2024 and December 31, 2025. CSC stated that its proposed CIP-IROL Costs were made available to potential interested parties in the Pre-Filing Review Process, with a non-confidential summary description of the CIP-IROL Costs posted on the ISO-NE website

⁸² *Id.* at P 37.

⁸³ *Id.* at P 42.

⁸⁴ 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; Unil Energy Systems, Inc.; Fitchburg Gas and Electric Light Co.; VELCO; Vermont Transco, LLC (“VTransco”); and RI Energy.

⁸⁵ 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.

⁸⁶ Notice of Extension of Time, *Coakley v. Bangor Hydro-Electric Co.*, Docket Nos. EL11-66-001 *et al.* (issued Apr. 14, 2026).

⁸⁷ “Extension Respondents” are: MA AGO, MA DPU, CT AG, CT PURA, MOPA, NH OCA, RI Div, MMWEC, AIM, TEC, Power Options, IECG, and NHEC.

⁸⁸ *Opinion 594-A* at P 169.

and open for discussion at an August 21, 2026 interactive briefing. Comments on CSC's request were due on or before September 29, 2026; none were filed. 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).

- **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.⁸⁹ 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](#),⁹⁰ [FERC Trial Staff](#), [NECOS](#), [Public Systems](#),⁹¹ and [State Entities](#).⁹² Responses to the initial briefs were filed on September 28, 2026⁹³ by: [NETOs](#), [Acadia](#), [Consumer Advocates](#), [FERC Trial Staff](#), [NECOS](#), [Public Systems](#), and [State Entities](#). No additional answers or briefs will be permitted.⁹⁴ This matter is pending before the FERC. This matter is now pending before the FERC. 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 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,

⁸⁹ *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.

⁹⁰ "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").

⁹¹ "Public Systems" are MMWEC and NHEC.

⁹² "State Entities" are the CT PURA, CT DEEP, CT AG, MPUC, and MA DPU.

⁹³ Although NETOS requested that the FERC grant a one-month extension for reply briefs to be filed in this proceeding, many parties opposed that request (including [Acadia](#), [Consumer Advocates](#), [MMWEC/NHEC](#), [NESCOE](#), [NECOS/ENE](#), [MA DPU](#)) and the FERC denied the NETOs' request (Notice Denying Extension of Time, Eversource Energy and ISO New England Inc., Docket No. ER26-2389 (Sep. 16, 2026)).

⁹⁴ *New Base ROE Initial Order* at P 48.

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.⁹⁵ 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).

⁹⁵ 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).

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

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

On September 30, 2026, the FERC accepted Market Rule revisions jointly filed by ISO-NE and NEPOOL 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.⁹⁶ 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 accepted effective as of *October 1, 2026*, as requested. In accepting the Proposal, the FERC agreed that “the proposal addresses asymmetries in the current [PFP] market design resulting from setting the Actual Capacity Provided floor at 0 MW” and thus found that the changes “ensure that all exports receive the same treatment and align the treatment of exports with imports during Capacity Scarcity Conditions”.⁹⁷ Unless the *SBE CSC PPR Order* is challenged, with any challenges due on or before **October 30, 2026**, this proceeding will be concluded. 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 September 28, 2026, the FERC accepted, effective October 1, 2026, the Tariff revisions (filed jointly by ISO-NE and NEPOOL in response to the *NEPGA BR Complaint Order*)⁹⁸ that cap the Capacity Balancing Ratio at 1.0 (“Cap”) and make conforming changes⁹⁹ necessary to effectuate the Cap.¹⁰⁰ Unless the September 28 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).

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

On September 14, 2026, the FERC accepted certain post-implementation adjustments¹⁰¹ (“Proposed Adjustments”) to the jointly-optimized Day-Ahead Ancillary Services Market (“DAAS”) and Day-Ahead Energy Market (together, “Day-Ahead Market”) jointly filed by ISO-NE and NEPOOL.¹⁰² The Proposed Adjustments were accepted effective *October 22, 2026*. In finding the Proposed Adjustments “just and reasonable and not unduly discriminatory or preferential” and rejecting the challenges by FirstLight and NEPGA, the FERC found that the FER Demand Quantity adjustments will reduce inefficient resource commitments and clearing of energy supply and Energy Imbalance Reserve offers in the Day-Ahead Market,¹⁰³ the DAAS Strike Price floor strikes a reasonable

⁹⁶ *ISO New England Inc.*, 196 FERC ¶ 61,252 (Sep. 30, 2026) (“*SBE CSC PPR Order*”).

⁹⁷ *Id.* at P 30.

⁹⁸ *New England Power Generators Assoc. v. ISO New England Inc.*, 194 FERC ¶ 61,052 (Jan. 22, 2026) (“*NEPGA BR Complaint Order*”).

⁹⁹ As previously reported, 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 in the Financial Assurance Policy to account for the Cap.

¹⁰⁰ *ISO New England Inc.*, 196 FERC ¶ 61,240 (Sep. 28, 2026) (“*Balancing Ratio Cap Compliance Changes Order*”).

¹⁰¹ The proposed changes: (i) adjust 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 (“NCPC Credit Adjustment”).

¹⁰² *ISO New England Inc.*, 196 FERC ¶ 61,198 (Sep. 14, 2026) (“*DAAS Adjustments Order*”).

¹⁰³ *Id.* at P 38.

balance between reducing the risks associated with participating in the DAAS Market,¹⁰⁴ setting a \$3/MWh floor on the Impact Test threshold will avoid over-mitigation of the market when prices are low and market power is unlikely to be present,¹⁰⁵ and the NCPC Credit Adjustment should ensure that the FER Price or its equivalent through NCPC credits is paid only to resources that help ensure a reliable next-day operating plan (which does not include an import transaction without a corresponding Real-Time supply offer).¹⁰⁶ Unless the DAAS Adjustments Order is challenged, with any challenges due on or before **October 14, 2026**, this proceeding will be concluded. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **MW-Dependent Fuel Price Adjustments: Notice of Sep 23, 2027 Effective Date (ER24-2584)**

On September 30, 2026 ISO-NE filed a notice that the actual effective date for the previously-accepted Fuel Price Adjustment changes¹⁰⁷ will be *September 23, 2027* (later than the originally targeted November 16, 2026 implementation date). ISO-NE cited competing projects, which had to be completed before work on the Fuel Price Adjustments could begin, including work related to *Order 881*, *Order 841*, *Order 2222*, Day-Ahead Ancillary Service Initiative (“DASI”) improvements, Storage as a Transmission Asset (“SATO”), the next Generation Electricity Market (“nGEM”) Real-Time Market Clearing Engine, and the New England Clean Energy Connect (“NECEC”) transmission line, as among the reasons why a November 16, 2026 effective date is not possible. ISO-NE also cited as a reason for the delay the allocation of key external vendor resources to higher-priority and ongoing project commitments.

ISO-NE stated that, together with its vendor, it has developed a schedule of work that will result in the Fuel Price Adjustments being in place for the Winter 2027/2028 season. The implementation delay was reviewed with stakeholders without stated objection at the September 10, 2026 Markets Committee meeting. If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@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 Section 205 must be refunded).¹⁰⁸ The Refund Report and ISO-NE’s request remain 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

¹⁰⁴ Id. at P 62.

¹⁰⁵ Id. at P 68.

¹⁰⁶ Id. at P 71.

¹⁰⁷ ISO New England Inc., 189 FERC ¶ 61,112 (Nov. 21, 2024) (“Fuel Price Adjustments Order”). The Fuel Price Adjustment changes will allow Market Participants to submit up to two different MW-dependent fuel prices in their cost-based Reference Levels (“Fuel Price Adjustments”).

¹⁰⁸ 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).

the process for ISO-NE to execute the ACR role (collectively, the “ACR Revisions”).¹⁰⁹ 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 were due on or before September 7, 2026 and were filed by [AEU](#), [Consumer Advocates](#),¹¹⁰ [EDF/CLF](#), [MOPA](#), [NESCOE](#), and [Public Systems](#).¹¹¹ On September 28, 2026, ISO-NE answered AEU’s comments. Interventions only were filed by: Avangrid, Eversource, National Grid, RI Energy, Versant, NH DOE, EEI, and Public Citizen. 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).

V. Financial Assurance/Billing Policy Amendments

No Activity to Report

VI. Schedule 20/21/22/23 Changes & Agreements¹¹²

No Activity to Report

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports¹¹³

- **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

¹⁰⁹ 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.

¹¹⁰ “Consumer Advocates” for purposes of this proceeding are: the NH OCA, MA AGO, CT OCC, and RI Division.

¹¹¹ “Public Systems” for purposes of this proceeding are: MMWEC, CMEEC, NHEC, and VPPSA.

¹¹² 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).

¹¹³ 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.

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 remains 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).¹¹⁴ If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

IX. Membership Filings

Questions concerning any of the Membership Filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Oct 2026 Membership Filing (ER26-3897)**

On September 30, 2026, NEPOOL requested that the FERC accept the NEPOOL memberships of Atlantic Grid LLC (Supplier Sector); Energetick LLC (Supplier Sector); Nabla Technologies Europe, LLC (Supplier Sector); and ZPD-PT Solar Project 2017-040 LLC [Related Person to the Agilitas Energy Companies (AR Sector, DG Sub-Sector)]. Comments on this filing are due on or before **October 21, 2026**.

- **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 were due on or before September 18, 2026; none were filed. This matter is pending before the FERC.

- **Aug 2026 Membership Filing (ER26-3331)**

On September 25, 2026, the FERC accepted: (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)].¹¹⁵ Unless the September 25 order is challenged, this proceeding will be concluded.

X. Misc. - ERO Rules, Filings; Reliability Standards¹¹⁶

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).

- **Reliability Standard: PRC-029-2 (RD26-10)**

On September 30, 2026, the FERC approved a revised Reliability Standard PRC-029-2 (Frequency and Voltage Ride-through Requirements for Inverter-Based Generating Resources), the associated Implementation Plan, Violation Risk Factors ("VRFs") and Violation Severity Levels ("VSLs"), and the retirement of currently-

¹¹⁴ 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).

¹¹⁵ *New England Power Pool Participants Comm.*, Docket No. ER26-3331-000 (Sep. 25, 2026) (unpublished letter order).

¹¹⁶ 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.*).

effective Reliability Standard PRC-029-1.¹¹⁷ As previously reported, NERC stated that the changes proposed in revised PRC-029-2 respond to the requirements of *Order 909*¹¹⁸ 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 asserted, 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. Unless the September 30 order is challenged, this proceeding will be concluded.

- **Reliability Standard: CIP-014-4 (RD26-9)**

On September 10, the FERC approved Reliability Standard CIP-014-4 (Physical Security), the associated Implementation Plan, Violation Risk Factors (“VRFs”) and Violation Severity Levels (“VSLs”), and the retirement of CIP-014-3.¹¹⁹ NERC stated that these changes would address concerns identified in NERC’s Evaluation of the Physical Security Reliability Standard and Physical Security Attacks to the Bulk-Power System⁵ (“CIP-014 Report”) by providing for an adequate and consistent approach for evaluating instability and identifying critical infrastructure. Unless the September 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,¹²⁰ 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”).¹²¹ On 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,¹²² 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.¹²³ 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

¹¹⁷ *N. Am. Elec. Rel. Corp.*, Docket No. RD26-10-000 (Sep. 10, 2026) (unpublished letter order).

¹¹⁸ *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.

¹¹⁹ *N. Am. Elec. Rel. Corp.*, 196 FERC ¶ 61,184 (Sep. 10, 2026).

¹²⁰ *N. Am. Elec. Rel. Corp.*, 192 FERC ¶ 61,212 at P 1 (Sep. 10, 2025).

¹²¹ 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.

¹²² 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”).

¹²³ 18 CFR § 39.4(b) (2026).

\$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 were due on or before September 15, 2026; none were filed. The 2027 Business Plans and Budgets are pending before the FERC.

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).¹²⁴ 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. This matter is remains pending before the FERC. 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**.

Deficiency Letter. On September 23, 2026, the Office of Energy Market Regulation issued a deficiency letter, requesting Applicants provide additional information to permit processing of the application. That information is required to be submitted on or before **October 23, 2026**. In light of the Deficiency Letter, the Connecticut and Massachusetts Attorneys General and CT DEEP asked that the FERC either confirm that the Deficiency Letter suspends the September 29 comment deadline¹²⁵ or suspend the comment deadline until 30 days after the Application is complete. Applicants opposed that Motion.

Comments and protests were filed by: Eversource, MPUC, NESCOE, PIOs, State Parties, PJM IMM, NC Elec. Membership Corp., Carolina Industrial Group for Fair Utility Rates, Old Dominion Elec. Coop., MD OPC, VA OAG, Central Electric Power Coop., and an individual citizen (C. Abboud). 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). Doc-less interventions only were filed by: ISO-NE, ISO-NE IMM, CLF, CMEEC, CT OCC, EDF, Eversource, MA AG, MOPA, NRDC, NH OCA, RI DPUC, CT AG, CT DEEP, MA DPU, ME AG, MPUC, RI AG, AEP, Carolina Industrial Group For Fair Utility Practices, Central Electric Power Cooperative, Corporate Energy Buyer’s Association, Florida Municipal Power Agency, Maryland Office of People’s Counsel, North Carolina Justice Center, City of Orangeburg (South Carolina), PJM, PJM IMM, National Rural Electric Cooperative Association (“NRECA”), Rockland Electric, South Carolina Coastal Conservation League, South Carolina Office of Regulatory Staff, Southern

¹²⁴ 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.

¹²⁵ 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 were due Sep. 29, 2026.

Alliance for Clean Energy, Tri-County Electric Cooperative, Virginia Municipal Electric Association No. 1, and Public Citizen.

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 remains 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 authorized¹²⁶ 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 Persons¹²⁷; collectively, the “Applicants”).¹²⁸ 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,¹²⁹ 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 parties and the Commission can be confident that an application that clears the screen would have no adverse

¹²⁶ *Bridgeport Energy LLC, et al.*, 196 FERC ¶ 61,107 (Aug. 5, 2026) (“*Vistra/Cogentrix Order*”).

¹²⁷ 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.

¹²⁸ 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.

¹²⁹ 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.

effect on competition.”¹³⁰ 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.”¹³¹ 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.”¹³²

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 CMMEC to Vitol. While CMMEC has the contractual right under the Restated Use Agreement to enter into a transfer agreement to transfer its Use Rights to another party, CMMEC is relying on NSTAR to effectuate the transfer since CMMEC 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 CMMEC intervened doc-lessly. This matter remains 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 September 25, 2026, the FERC accepted amendments to CMP’s Wholesale Distribution Tariff (“WDT”) with Midcoast Regional Redevelopment Authority (“MRRA”), which make the MRRA WDT consistent with CMP’s a small decrease in CMP’s distribution rates most recently approved by the Maine Public Utilities Commission (“MPUC”).¹³³ The amendments were accepted effective September 1, 2026, as requested. Unless the September

¹³⁰ *Vistra/Cogentrix Order* at P 70.

¹³¹ *Id.* at P 71.

¹³² *Id.* at P 67.

¹³³ *Central Maine Power Co.*, Docket No. ER26-3419-000 (Sep. 25, 2026) (unpublished letter order).

25 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 September 3, 2026, the FERC accepted non-conforming first revised Generation Interconnection Agreements (“IAs”), filed by ISO-NE and CL&P/NSTAR, that reflect ownership and non-material changes to the technical specs for a number of FirstLight facilities.¹³⁴ As previously reported, the Filing Parties stated that “neither the service levels, nor the configuration of the Generating Facilities or Interconnection Facilities have been materially altered”. The Revised IAs were accepted effective *September 8, 2026*, as requested. Unless the September 3 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).

- **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. No Comments on the RIE WDT filing were submitted. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **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,¹³⁵ effective August 4, 2025.¹³⁶ 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).

¹³⁴ 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.

¹³⁵ 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”)).

¹³⁶ *Central Maine Power Co.*, 192 FERC ¶ 61,110 (Aug. 4, 2025) (“*CMP ESF Rate Settlement Order*”).

XII. Misc. - Administrative & Rulemaking Proceedings¹³⁷

- **ISO/RTO Petition for CEII Protections Rulemaking (AD26-9; RM26-14)**

On June 3, 2026, ISO-NE and other Indicated ISOs/RTOs,¹³⁸ together with transmission-owning utilities,¹³⁹ (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.

- **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](#),¹⁴⁰ 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;

¹³⁷ 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).

¹³⁸ 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”).

¹³⁹ 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.

¹⁴⁰ “Public Interest Organizations” are: RMI, Sierra Club, Earthjustice, NRDC, and Southern Environmental Law Center.

- 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 discussed a package of reforms at its September 24, 2026 Members Committee meeting and took action on that package of reforms at a special September 30, 2026 meeting.

- **Joint Federal-State Current Issues Collaborative¹⁴¹ (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.¹⁴² The FERC issued a notice announcing those appointments on September 8, 2026. As previously reported, MPUC Commissioner Carrie Gilbert and NH PUC Commissioner Pradip Chattopadhyay were elected as NECPUC representatives.¹⁴³

- **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”).¹⁴⁴ 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.¹⁴⁵ *Order 917* includes EQR Data Dictionary Version 4.0, which reflects the revised reporting framework

¹⁴¹ *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.

¹⁴² 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.

¹⁴³ The 2026-27 Commission representatives are: Chair Christine Guhl-Sadovy, NJ BPU and Commr. Kathryn Zerkus, 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).

¹⁴⁴ *Filing Process and Data Collection for the Electric Quarterly Report*, 194 FERC ¶ 61,195 (Mar. 19, 2026) (“*Order 917*”).

¹⁴⁵ 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

and new data fields. *Order 917* became effective May 26, 2026.¹⁴⁶ While compliance with *Order 917* is mandatory, the actual timeline for compliance with *Order 917* remains to be seen. The FERC said that “industry 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.”¹⁴⁷

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.¹⁴⁸ The FERC issued that order on July 20, 2026,¹⁴⁹ 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.¹⁵⁰ 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).

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.

¹⁴⁶ *Order 917* was published in the *Fed. Reg.* on Mar. 24, 2026 (Vol. 91, No. 56) pp. 14,306-14,348.

¹⁴⁷ *Order 917* at P 39.

¹⁴⁸ *Filing Process and Data Collection for the Elec. Quarterly Rpt.*, 195 FERC ¶ 62,103 (May 18, 2026) (“*Order 917 Allegheny Notice*”).

¹⁴⁹ *Filing Process and Data Collection for the Elec. Quarterly Rpt.*, 196 FERC ¶ 61,045 (July 20, 2026).

¹⁵⁰ The webpage is available at <https://www.ferc.gov/order-917>.

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 order¹⁵¹ in which it directed American Efficient, LLC, its various subsidiary companies,¹⁵² and its corporate parents¹⁵³ (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;¹⁵⁴ and (ii) provisions of MISO’s and PJM’s Tariffs for failure to satisfy the tariff requirements for participation as an Energy Efficiency Resource (“EER”).¹⁵⁵ 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).¹⁵⁶

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)*.

¹⁵¹ *American Efficient, LLC et al.*, 189 FERC ¶ 61,196 (Dec. 16, 2024) (“*American Efficient Show Cause Order*”).

¹⁵² Affirmed Energy LLC, Wylan Energy L.L.C., Midcontinent Energy LLC, and Maple Energy LLC.

¹⁵³ Modern Energy Group LLC and MIH LLC.

¹⁵⁴ OE concludes that “[w]hat American Efficient passes off as energy efficiency in its capacity supply offers really is just market research. It buys sales data of energy efficient products from large retailers like The Home Depot, Lowes, and Costco and then figures out how many MWs of electricity would be saved if end-use customers installed those products and used them in accordance with predictive models. It then bids those energy savings into the capacity markets as if it caused the savings. But American Efficient does not cause the energy savings.”

¹⁵⁵ 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.

¹⁵⁶ 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.”

Order Assessing Civil Penalties. On April 15, 2026, the FERC issued an Order Assessing Civil Penalties¹⁵⁷ 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 be the presiding judge for hearings in this matter,¹⁵⁸ 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,¹⁵⁹ 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 order¹⁶⁰ 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,¹⁶¹ 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;¹⁶² (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

¹⁵⁷ *American Efficient, LLC et. al.*, 195 FERC ¶ 61,043 (Apr. 15, 2026) ("American Efficient Penalties Order").

¹⁵⁸ 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.

¹⁵⁹ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 183 FERC ¶ 61,190 (June 14, 2023) ("June 14 Order").

¹⁶⁰ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 177 FERC ¶ 61,182 (Dec. 16, 2021) ("Rover/ETP Tuscarawas River HDD Show Cause Order").

¹⁶¹ *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").

¹⁶² 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.

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.¹⁶³ This matter is pending before the FERC.

XIV. Natural Gas Proceedings

For further information on any of the natural gas proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com).

New England Pipeline Proceedings

The following New England pipeline projects are currently under construction or before the FERC:

- **PNGTS Facilities Increase (CP26-553)**
 - ▶ Project to increase the certificated capacity on Portland Natural Gas Transmission System's ("PNGTS") wholly-owned north system from Pittsburg, New Hampshire to Westbrook, Maine ("Northern Facilities") by 14,160 Mcf/d, and to increase the mainline certificated capacity on the system it jointly owns with Maritimes & Northeast Pipeline, L.L.C. ("MNE") from Westbrook, Maine to Dracut, Massachusetts ("Joint Facilities"), by 14,514 Mcf/d to accommodate new firm upstream deliveries at the interconnect with TransCanada Pipelines Limited in Pittsburg, New Hampshire. PNGTS said that the increase in certificated capacity does not involve any construction nor additional cost.
 - ▶ On September 22, 2026, as corrected on September 23, the MPUC submitted comments supporting the request
- **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.

¹⁶³ *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.

- ▶ 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.¹⁶⁴ 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.

¹⁶⁴ *Iroquois Gas Transmission Sys., L.P.*, 178 FERC ¶ 61,200 (2022) (“*Iroquois Certificate Order*”).

- ▶ 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.¹⁶⁵
- ▶ 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.¹⁶⁶ 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.¹⁶⁷
- ▶ On August 14, 2026, as supplemented on August 21 and 27 and September 4, 2026, Iroquois requested authorization to proceed with construction of natural gas compression and gas cooling facilities at three existing compressor stations on Iroquois' system (the Athens, Dover, and Milford Compressor Stations in Greene and Dutchess Counties, New York, and New Haven County, Connecticut) as part of the ExC Project. Comments opposing (D. Myers, Sierra Club, Save the Sound, and K. (not T.) Swift) and supporting (National Grid, ConEd) the request were filed.
- ▶ On September 23, 2026, Iroquois was granted the requested permission to proceed by the Chief, Gas Branch 1 Division of Gas – Environment and Engineering, FERC Office of Energy Projects.

XV. State Proceedings & Federal Legislative Proceedings

No Activity to Report

XVI. Federal Courts

The following are matters of interest, including petitions for review of FERC decisions in NEPOOL-related proceedings, that are currently pending before the federal courts (unless otherwise noted, the cases are before the U.S. Court of Appeals for the District of Columbia Circuit ("DC Circuit")). An "****" following the Case No. indicates that NEPOOL has intervened or is a litigant in the appeal. The remaining matters are appeals as to which NEPOOL has no organizational interest but that may be of interest to Participants. For further information on any of these proceedings, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Offshore Wind Orders Challenge (26-1910)**

Case Title: State of New York et al. v. U.S. Dept. of Interior et al.

Underlying Proceeding: BOEM/DOI lease cancellation and settlement

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. 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,

¹⁶⁵ 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.

¹⁶⁶ *Iroquois Gas Transmission System, L.P.*, 190 FERC ¶ 61,112 (Feb. 19, 2025).

¹⁶⁷ *Id.* at P 15.

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. On September 29, 2026, the parties jointly requested a revised scheduling order after the States received consent to file a second amended complaint adding new constitutional and statutory claims and revising existing claims. The Court granted the request, vacating the August 6 scheduling order, and set the following schedule: the States' second amended complaint is due **October 2, 2026**; Defendants' responses are due **December 11, 2026**; the States' responses to any motions are due **February 5, 2027**; and Defendants' replies are due **March 5, 2027**. The Court also granted the parties' request for additional briefing pages.

- **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: RM22-22¹⁶⁸

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. The Court received the required paper copies of the parties' briefs. On September 25, 2026, the Court calendared the consolidated appeals for oral argument on **November 4, 2026**.

- **Order 1920: Transmission Planning Reforms (4th Circuit – 24-1650)**

Case Title: Appalachian Voices v. FERC

Underlying FERC Proceeding: RM21-17¹⁶⁹

Status: Briefing Completed; Oral Argument Held; Pending Court Decision

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*.¹⁷⁰ 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 Intervenors' 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

¹⁶⁸ *Compensation for Reactive Power Within the Standard Power Factor Range*, Order No. 904, 189 FERC ¶ 61,034 (Oct. 17, 2024).

¹⁶⁹ *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*").

¹⁷⁰ Petitioners for review of *Order 1920* have also been filed in the 1st, 4th, 5th, and 9th Circuits.

attaching the D.C. Circuit's decision issued on July 31, 2026 upholding Order 2023.¹⁷¹ 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.¹⁷² Also on August 7, Clean Air Task Force, Earthjustice, NRDC, Sierra Club, Southern Enviro Law Center, and Invenergy 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. On September 15, 2026, the Court heard oral argument. This matter is now pending a decision by the Court.

- **CASPR (20-1333, 21-1031) (consolidated)****

Case Title: *Sierra Club, et al. v. FERC*

Underlying FERC Proceeding: ER18-619¹⁷³

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 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: ER15-414¹⁷⁴ 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 TOs¹⁷⁵ 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*¹⁷⁶ 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

¹⁷¹ *Advanced Energy United v. FERC*, No. 23-1282 (D.C. Cir. July 31, 2026) (denying petitions for review).

¹⁷² 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.

¹⁷³ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("*CASPR Order*").

¹⁷⁴ *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) ("*Order Rejecting Filing*").

¹⁷⁵ 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.

¹⁷⁶ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*").

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.¹⁷⁷ 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. On September 28, 2026, Petitioners submitted an unopposed motion on proposed briefing format for the consolidated cases.

- ***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, 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.

¹⁷⁷ 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.

- **Allco PURPA Enforcement Petition (D.CT) (Case No. 3:25CV01321)**

Case Title: *Allco Finance Limited Inc. v. Dykes et al.*

Status: Private Defendants’ Motion to Dismiss Granted; State Agency Defendants’ Motion to Dismiss Pending

Following a FERC notice¹⁷⁸ that it had decided not to act on Allco’s PURPA Complaint related to Connecticut’s¹⁷⁹ implementation under section 210 of PURPA of its Shared Clean Energy Facility (“SCEF”) Program,¹⁸⁰ Allco brought an enforcement action against Connecticut in federal district court in Connecticut.¹⁸¹ *Allco Finance Limited Inc. v. Dykes et al.* (case no. 3:25CV01321). On November 24, 2025, Defendants¹⁸² filed a motion to dismiss the Complaint and stay discovery. DEEP Commissioner, Katie S. Dykes, PURA Commissioners, David Arconti, Michael Caron, and Marissa Gillett,¹⁸³ 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 Defendants submitted supplemental authority relevant to their pending motion to dismiss citing the July 9, 2026 Connecticut Superior Court’s decision.¹⁸⁴ On September 29, 2026, the Court granted the Private Defendants’ motion to dismiss. The State Agency Defendants’ motion to dismiss remains pending. [who are private defendants?]

- **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; Summary judgement briefing scheduled

¹⁷⁸ *Allco Finance Limited*, 192 FERC ¶ 61,116 (Aug. 4, 2025).

¹⁷⁹ 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”).

¹⁸⁰ 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.

¹⁸¹ 16 U.S.C. § 824a-3(h)(2)(B).

¹⁸² Defendants are UI, Avangrid Networks, Inc., Avangrid, Iberdrola, S.A., Charlotte Ancel, and Pedro Azagra Blázquez.

¹⁸³ Marissa Gillett resigned her position as chair of PURA, effective Oct. 10, 2025.

¹⁸⁴ *Allco Finance Ltd. v. PURA*, No. HHB-CV-25-6095406-S (Conn. Super. Ct. July 9, 2026) (dismissing Allco’s appeal).

On December 23, 2025, RENEW Northeast and several other clean energy trade associations¹⁸⁵ filed suit against certain federal agencies¹⁸⁶ 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 Zerzan 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 Zerzan 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. On September 14, 2026, the parties filed a joint statement and proposed schedule for the scheduling conference. On September 21, 2026, the Court held the virtual scheduling conference and adopted the parties' proposed schedule for production of the administrative record and summary judgment briefing. The administrative record is due **November 20, 2026**, and any motions concerning the record are due **January 15, 2027**. Plaintiffs' motion for summary judgment is due **January 22, 2027**; Defendants' cross-motion and opposition are due **March 5, 2027**; Plaintiffs' opposition is due **April 16, 2027**; and Defendants' reply is due **May 7, 2027**. The Court scheduled a hearing on the summary judgment motions for **June 9, 2027**.

¹⁸⁵ 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).

¹⁸⁶ 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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I. Complaints/Section 206 Proceedings

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Administrative Matters

Admin
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Oct 2, 2026
Meeting