

Consumer Liaison Group Meeting

Boston, Massachusetts

August 5, 2010

Meeting Notes

I. Participants

The following individuals participated at this meeting either in person or by phone:¹

Robert Ludlow (ISO-NE); Anne George (ISO-NE); Hayley Dunn (ISO-NE); Sam Newell (Brattle Group); Jed Nosal (MA AG); Jim Stetson (MA AG); Ellen Foley (ISO-NE); Sean Fitzgerald (MMWEC); Dave Tuohey (MMWEC); Jeff Jones (Bangor Hydro); Bob Espindola (Acushnet Company); Brian Forshaw (CMEEC); Cynthia Arcate (PowerOptions); Bradley Swalwell (Comverge); Herb Healy (EnerNOC); Ben D'Antonio (MA DPU); David Cetola (MA AG); Henry Yoshimura (ISO-NE); Timothy Pulling (inCharge Energy); Craig Foley (inCharge Energy); Greg Thompson (Peregrine Technologies); Jerry Tudan (Peregrine Technologies); Sean Wirth (Halifax American Energy); Donald Drobin (Halifax American Energy); Gus Fromuth (Freedom Energy Logistics); Robert Halpin (MASGIC); Hans Mertens (VT DPS); Joan Evans (MA DPU); Helen Honan (NU); Paul Bockelman (MMA); Edward Goldstein (MA AG); Pat Kelly (MA AG); Mary Smith (Harvard); Roger Borghesani (TEC); Paul Peterson (Synapse Energy Economics); Tim Brennan (National Grid); John Keene (MA DPU); Christopher Carlozzi (NFIB); Mary Healey (CT OCC); Bob Ruddock (Smith and Ruddock); Dennis Villanueva (Partners Healthcare Systems); Agnes Gormley (ME OPA); Robert Rio (AIM); Robert Ethier (ISO-NE); Carolyn O'Connor (ISO-NE); Leo Wold (RI AG); Denis Bergeron (ME PUC); Jeff Turcotte (ISO-NE).

II. Introductions

Jed Nosal, Chief, Business and Labor Bureau, Office of Massachusetts Attorney General Martha Coakley and Chair of the CLG Coordinating Committee welcomed everyone and started introductions.

III. Demand Resource Participation in Energy Market

Panelists representing [NECPUC](#), the [Massachusetts Attorney General](#) and the Maine Public Advocate, [EnerNOC](#), [Comverge](#) and [ISO New England](#) discussed their perspectives on how Price Responsive Demand (PRD) should participate and be compensated in the wholesale energy market. The discussion also brought up the issues and concerns associated with dynamic retail pricing, including that businesses and consumers may not have the time, resources or business process to monitor and respond to changing prices. Rather consumers prefer fixed pricing as a hedge for business planning and budget

¹ Please note that this is not an all-inclusive list of participants, some individuals may not have signed-in or may have joined the conference call without identifying themselves.

certainty purposes. Others viewed dynamic pricing as a means for more efficient use of energy and a means by which consumers can manage their electricity costs.

CLG members requested that dynamic pricing be on the agenda for a future meeting.

IV. Economic Impact Analysis

Robert Ethier, Vice President, Market Development, ISO New England and Sam Newell of the Brattle group [presented](#) and discussed the ISO's process and current proposal for determining which ISO market initiatives will be the subject of economic impact analysis. This analysis is in response to the Order 719 [RTO Responsiveness and Governance Working Group](#) stakeholder process that committed the ISO to provide consumers and other stakeholders with qualitative and quantitative information on "major" ISO initiatives. Following the determination of the appropriate criteria for such analysis, the ISO will consider criteria for deciding major system planning initiatives.

Draft criteria for determining "major" initiatives were presented, including that (at a minimum) the initiative:

- Should be controversial, with multiple participants affected or the states believe it to be a key policy issue;
- Should be a significant market design change (i.e., a fundamental or substantial adjustment to market design, as opposed to implementation of existing principles); and
- Must not be following a prescription in a FERC order.

Additionally, the initiative must either be risky (it will affect other ISO markets and functions), a broad or deep market impact, or have large implementation costs for the ISO or participants.

Mr. Ethier discussed the challenge in producing timely analysis, such that the information will be useful in the stakeholder process. The ISO expects to produce a specific proposal in the near future for stakeholder review.

V. 2009 Consumer Liaison Group Report

Mr. Nosal informed the CLG that ISO had recently released its [2009 Report on the Consumer Liaison Group](#). The report is based on the CLG work that took place in 2009 and also provides a high level background on the ISO (its structure, responsibilities and relationship to its stakeholders) as well as a summary of the issues that were addressed by the CLG. These include transmission development and investment, wholesale electricity price formation and an analysis of wholesale costs and retail rates. Major ISO activities and initiatives that occurred throughout the year are also summarized.

Next CLG Meeting Date: [December 9](#) – Boston, MA