

Talking Points from Select Load Parties

1. Pricing Agreement. Starting with the 2013/2014 Capacity Commitment Period and continuing until the 2023/2024 Capacity Commitment Period, there shall be a price collar with a floor of \$2.95/kW-mo (as adjusted by an applicable average or rolling index) and a fixed ceiling of \$7.95/kW-mo. Any cleared new entry will continue to receive its necessary capacity clearing price for the number of capacity commitment periods it elected during the qualification process. All existing cleared resources will be subject to the collar.
2. If the auction clears at the floor price, resources will have the option of prorating their cleared MWs after the Forward Capacity Auction. Note that resources will continue to have the option to prorate by price.
3. APR. Adopt ISO proposal described in Section 1 of the DBD with the following exceptions. If APR-1 and APR-2 are triggered in a Capacity Zone, then the Capacity Clearing Price in that Capacity Zone shall be, generally, the lesser of:
(a) \$0.01 below the price [at which the first new resource which would have otherwise cleared but for the cleared OOM withdrew (*still reviewing/developing this concept*)]; or (b) CONE.
4. CONE. Adjust CONE by a rolling or average Handy-Whitman Index of Public Utility Construction Costs in years when it is not updated by new entry
5. A New Generating Capacity Resource and a New Demand Resource may elect, during the qualification process, to have the Capacity Supply Obligation and the Capacity Clearing Price applicable to an offer that clears in the Forward Capacity Auction continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, for up to 10 additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only.
6. Only permanent de-list bids will be allowed to trigger modeling of and price formation in the Capacity Zones.
7. Resources without a Capacity Supply Obligation, to the extent they are available to the ISO to provide energy, shall be obligated to provide energy if requested by the ISO to address and/or avoid an OP4 situation (i.e., emergency) after the ISO has called on all resources with a Capacity Supply Obligation. Resources shall be paid for the energy (*details to be worked out*).
8. In an effort to find the proper balance between additional reliability and additional capacity market costs for consumers, recognizing that the probability that some amount of the remaining interconnected resources will still be offering into the energy market is certainly not zero, the calculation of the probabilistic local RA requirement/LSR will include and recognize the reliability contribution expected

from some amount of the remaining interconnected resources. INITIALLY, SUCH AMOUNT WILL BE ZERO. After the completion of the first two Capacity Commitment Periods, (and then after each subsequent commitment period), based on the actual demonstrated offers into the energy market, ISO-NE shall update the initial amount assumed to properly reflect in the calculation of the probabilistic local RA requirement the reliability contribution of interconnected de-listed/surplus capacity.

9. All DR issues will be addressed in the NEPOOL Participant Process.