

INITIAL AGENDA

1. To approve the preliminary minutes of the Participants Committee meetings held on June 22-23, 2010 and August 6, 2010. Copies of the draft minutes are included with this notice. Please provide us with any comments on these draft minutes on or before **noon on Friday, September 10, 2010**.
2. To adopt and approve all actions recommended by the Technical Committees set forth on the Consent Agenda included with this notice. **In accordance with the Participants Committee Bylaws, if you wish to remove any of the recommended actions from the Consent Agenda, you must so indicate by notifying the Secretary on or before noon on Friday, September 10, 2010.**
3. To receive an ISO Chief Executive Officer Report.
4. To receive an ISO Chief Operating Officer Report.
5. To consider and take action, as appropriate, on proposed 2011 ISO and NESCOE Budgets. Background materials and draft resolutions will be included with the supplemental notice.
6. To consider and take action on changes to the ISO Financial Assurance and Billing Policies to comply with the FERC's order on the unsecured credit filing. Background materials and a draft resolution will be included with the supplemental notice.
7. To consider and take action on proposed FCM conforming changes regarding impacts to Schedule 2 of the OATT. Background materials and a draft resolution will be included with the supplemental notice.
8. To consider and take action, as appropriate, on proposed comments regarding FERC's transmission planning and cost allocation NOPR. Background materials and a draft resolution will be included with the supplemental notice.
9. To receive a report on the Eastern Interconnection Planning Collaborative (EIPC) process. Background materials will be included with the supplemental notice.
10. To receive a report on current matters relating to regional wholesale power and transmission arrangements that are pending before the regulators and the courts. A litigation report will be circulated with the supplemental notice.
11. To receive reports from committees and subcommittees.
12. To transact such other business as may properly come before the meeting.

PRELIMINARY

A meeting of the NEPOOL Participants Committee was held at the Water's Edge Resort & Spa, 1525 Boston Post Road, Westbrook, CT on Tuesday, June 22 and Wednesday, June 23, 2010, pursuant to notice duly given. A quorum, determined in accordance with the Second Restated NEPOOL Agreement, was present and acting throughout the meeting on each day. All motions acted on at the meeting were voted on Wednesday, June 23. Attachment 1 identifies the members, alternates, and temporary alternates in attendance at the meeting on that day.

Mr. Brian E. Forshaw, Chair, presided and Mr. David Doot, Secretary, recorded for both days.

JUNE 22, 2010 SESSION

The June 22, 2010 session began at 9:50 a.m. Mr. Forshaw welcomed the members, alternates and guests who were present, noting with appreciation the attendance by representatives of the New England State Commissions, the Federal Energy Regulatory Commission (FERC), and members of the ISO New England Board. Chairman Kevin DelGobbo, of the Connecticut Department of Public Utility Control, welcomed everyone to Connecticut and to the summer meeting. He commended NEPOOL as an organization for its challenging agenda, bringing together the right people and the right combinations ~~of~~ for needed regional discussions ~~that need to happen~~.

COMMENTS OF FERC COMMISSIONER JOHN NORRIS

Commissioner Norris was introduced and his background ~~was~~ described to the Committee. In his remarks to the group, he described his previous involvement in the industry in Iowa, noting that, while Iowa had elected not to restructure its retail energy industry, it had

passed new laws that provided greater certainty for the rate treatment for generation facilities ~~in that State~~. As a result, Iowa had substantial amounts of new coal, gas, and wind generation ~~in the State~~.

Commissioner Norris explained that his regulatory philosophy was to ensure that all his decisions are designed to benefit consumers. He ~~saw~~ viewed the key role of the FERC ~~to~~ as ensure ing that the industry ~~is providing~~ provides safe, reliable, dependable, just and reasonably priced electricity for consumers.

He proceeded to summarize his views as to the status of national energy policy. He explained that there was considerable interest in creating jobs and business opportunities while reducing carbon emissions. He indicated his view that it was current national policy to enhance new technology and to expand the use of demand-side resources. In support, he cited the current efforts of the Obama ~~a~~ A Administration to double renewable energy in the next three years and the initiatives under the American Recovery and Reinvestment Act to direct money to ~~s~~ Smart ~~g~~ Grid and other technological advances. He acknowledged there was great uncertainty as to whether Congress would pass any new federal legislation ~~this~~ during that year, but opined that the problems in the Gulf of Mexico would increase the likelihood of legislation. He noted that there ~~are~~ were currently over 30 states with some form of renewable portfolio standards (RPS) and expressed his expectation that the federal government would ~~step~~ become involved in ~~on~~ this topic area.

Focusing on transmission infrastructure, Commissioner Norris noted that there were tens of billions of dollars of investment needed for transmission across the country and the FERC ~~is~~ was working on facilitating that investment. He referenced the Department of Energy (DOE)

grant for the planning processes in the nation and expressed hope that the coordinated planning would assist in maximizing benefits for consumers. He acknowledged that questions on transmission cost allocation could impede development and that there was no single solution but that the FERC had provided principles for consideration in its Notice of Proposed Rulemaking (NOPR) on transmission planning and cost allocation. He noted FERC's preference that the regions agree upon how best to allocate costs within their region, but indicated FERC would step in if needed.

Turning next to questions on reliability, Commissioner Norris explained that ~~this~~ reliability was an area where he did not have substantial experience in his prior roles with the MISO and as a State Commissioner. He referenced the FERC's recent orders on reliability and guidelines it had provided with respect to the evolving FERC/NERC relationship. ~~He indicated that, which~~ he viewed ~~this~~ as a work-in-progress. He reminded interested parties of the ~~FERC's planned technical conference~~ July 6, 2010 FERC Technical Conference on this issue ~~that had been scheduled for July 6 and invited interested parties to attend~~ and encouraged participation.

At the conclusion of his remarks, Commissioner Norris responded to a variety of questions. One line of questioning focused on the FERC's expectations with respect to cost/benefit analyses. He readily acknowledged that Sstates differ as to how to assess costs and benefits. He indicated his understanding that FERC was seeking to provide maximum flexibility for the states to pursue their own policies. He acknowledged that certain state policies could impose costs outside of their regions, and that some means to address those costs efficiently needed to be developed. He expressed hope that the planning process would assist in this

respect. He commented in response to a particular question that the FERC was concerned that some current legislation requiring a specific analysis of cost and benefits could present a very substantial impediment to any new transmission being built.

He Commissioner Norris was asked about his position on demand response and appropriate compensation levels in light of the ~~current~~pending NOPR on this topic. He said that he did not have enough information on that issue to opine at that time, but expected ~~that~~ the FERC would provide some guidance soon -- ~~most~~-likely in September. Following further ~~questions, answers and discussions~~discussion, Commissioner Norris was thanked for his attendance and participation in the meeting, and invited to attend ~~any~~ future NEPOOL ~~meeting~~of his choosingmeetings.

COMMENTS OF ISO BOARD CONCERNING SECTOR MEETINGS

Ms. Roberta Brown presented a summary of the comments ~~recei~~viewed by her group of ISO Board members during the breakout meetings with the individual Sectors. She reported that the other Board members on her panel included Ms. Kate Jaskson, Mr. Paul Levy, and Mr. John Kassakian, and that her panel met with the End User~~;~~; Publicly Owned Entity~~,~~, and Transmission-~~Owner~~ Sectors. She said that each group talked about: (1) the need for, and their appreciation of, a fulsome stakeholder process ~~and~~in New England which several commented ~~that they was~~ thought ~~it to was~~be the best in the industry; (2) the importance of being able to deal directly with the Board. She said that there was a common understanding of the role of the Board, so the role of the Board was a topic of discussion with several of the Sectors; and (3) concern about ~~the~~costcosts to consumers, though each group had a little different approach as to how to address that concern. She noted that the three groups placed different emphasis on planning and market

approaches and priorities; and that two of the groups each had some specific concerns regarding FCM, the July 1 filing, and the possible impact on the region's stakeholder process and relationships among the parties. She reported the End User Sector discussed the Board's role in influencing public policy, and that there was not a common vision as to how much influence the ISO Board should have on such matters. The Publicly Owned Entities raised specific concerns about the increasing complexity of the market and the result on the players in the market. The Transmission Owners expressed concern about any undermining of the foundation of reliability of the Northeast system and movement away from tailored standards to a more a-bright-line mechanistic approach to standard setting and how that would impose additional complexity and costs on ~~our marketplace~~ New England markets.

Mr. Richard Kessel then provided comments on ~~his Board's~~ the panel discussions with the remaining Sectors his Board panel had. He reported that other Board members on his panel ~~included~~ were Mr. Al Klevorick, Mr. David Vitali, and Ms. Louise McCarren, and that panel met with the AR, Generation, and Supplier Sectors. He noted the themes discussed were similar to those summarized by Ms. Brown. He ~~noted~~ reviewed that a large concern was the level of resources available to the ISO to address the many issues confronting the region, and the Board was requested to consider a budget that would allow the ISO to move things along ~~quicker~~ more expeditiously. He reported that some of the Sectors expressed concern with the fact that rules appeared to be more capacity-centric and the panel heard a request that rules be more neutral to those participating in the New England Market. He reported that the AR Sector talked about FCM, noting the short lead-time service, but long lead-time market. The AR Sector requested more flexibility after making a commitment in FCM ~~and~~ to trade among various providers within

the load zones and types of resources. The AR Sector's view was that FCM was their main source of revenue, but they were seeking opportunities to participate also in the reserve and regulation markets. In the regulation markets, ~~they~~in order to accommodate new and developing technologies, AS Sector members sought opportunities for resources that might not be dispatched in the energy market ~~in order to accommodate new and developing technologies.~~

Continuing, he reported that the Generation Sector talked about FCM. ~~They were~~That Sector was favorable to a number of proposals, which they concluded were well-constructed and would work in the long-run. They complained about the impact on the market of out-of-market (OOM) resources, including those that were new resources in FCA1 through FCA3. He reported ~~they~~that the Sector complained about proposed de-list rules. The Generation Sector also shared concerns about ~~p~~Peak ~~e~~Energy ~~r~~Rent (PER) deductions in FCM, which cleared ~~ed~~ at Real-Time prices whereas most generation and load cleared ~~ed~~ at the Day-Ahead price. The Sector objected also to basing PER on the lower of gas or oil prices. They noted that the ISO could significantly impact PER if its load forecast ~~is~~was off. They, like the AR Participants, wanted to make certain that there was comparability between demand resources and generators, but overall they felt that the ISO was moving in the right direction.

From the Supplier Sector discussions, Mr. Kessel noted the message that reliability seemed to be trumping market design at the ISO. The Supplier Sector appreciated that out-of-merit commitments had decreased. ~~They~~Supplier Sector members requested that ISO external affairs seek to improve communication with the Attorney Generals and various government agencies. One company requested a more granular and robust FTR ~~markets.~~ ~~They~~market.

Supplier Sector members reinforced the request that the ISO budgets, going forward, allow enough resources to meet identified need.

Commenting on process for these and future meetings, both Ms. Brown and Mr. Kessel observed that separate meetings among interest groups was a productive format. They reinforced the need and desire for advanced agendas and information. The Participants expressed appreciation for the format, but requested a bit more time for the meetings, with more time for dialogue following the Sector meetings.

REPORT OF ISO EXTERNAL MARKET MONITOR

David B. Patton, Ph.D, President of Potomac Economics, the ISO's ~~Independent~~External Market ~~Monitoring Unit (IMMU)~~Monitor, presented the ~~IMMU~~External Market Monitor's 2009 Annual State of the Markets Report. He summarized his presentation that had been circulated in advance of the meeting. With regard to energy prices, he explained that prices fell by 48% from 2008 to 2009, primarily due to a 52% decrease in natural gas prices. He reported that the average implied heat rate rose from 2008 to 2009 because of substantially lower natural gas prices, explaining that some of the generation costs ~~are~~were not related to fuel, and therefore the implied heat rate ~~ri~~ses as fuel prices ~~fa~~ell. He noted that there were no significant capacity deficiencies in 2009, as with the peak demand level of 25.3 GW ~~was~~ much lower than the 2009 summer forecast of 27.9 GW.

Dr. Patton noted that congestion revenues collected by the ISO from the Day-Ahead and Real-Time ~~markets~~Energy Markets fell 79% from \$121 million in 2008 to \$25 million in 2009. He attributed much of that drop to transmission upgrades completed in 2009 and reduced natural gas prices. He said that the average congestion price difference between the Hub and Lower

SEMA in the Day-Ahead ~~market~~Energy Market fell from more than \$10 per MWh in 2008 to less than \$1 per MWh in 2009. He reported that FTR prices generally over-estimated the congestion in the energy markets in 2009, suggesting that participants may not have fully anticipated the effects of transmission upgrades on the congestion pattern, and that the efficiency of FTR prices and congestion improved from the annual auction to the monthly auctions as participants gained additional information.

Dr. Patton next reviewed external transactions scheduled with Quebec, New Brunswick and New York (NY), noting that power imported from Quebec and New Brunswick typically rose in peak hours and fell in off-peak hours consistent with hydro operations. New England/NY transactions had exports from CT to Long Island, averaging 310- MW in 2009, but with power flows in both directions on the interface between Vermont and NY (200 MW of exports in peak hours and 102 MW of imports in off-peak hours). He summarized his view that consumer savings of approximately \$43 million from 2006 to 2009 could ~~be~~have been achieved had rules permitted the optimization of flow across the NY interfaces. He explained that ~~these-~~estimatedsuch savings result from under-utilized ties when the energy prices between the regions are different. He emphasized that this concern grows in capacity-tight situations. He reported a recommendation that the ISOs develop scheduling rules and protocols to better coordinate the use of the ties. In response to a question, Dr. Patton explained that Lake Erie loop flow issues were not directly related to this inefficient use of the ties, but rather was the result of differences between actual power flows and flows assumed in contract-path scheduling. He explained that ~~this~~is issue ~~is~~was being addressed in NY. Related to this point, Mr. Stephen Whitley, President and CEO of the NYISO, commented that the piece of the broader regional markets projects that

~~deal with~~would address interchange scheduling and faster scheduling times ~~will~~would directly affect this issue and get the transactions flowing in the right direction. Dr. Patton also indicated ~~that he intended~~his intention to monitor closely the impact of changes in Market Rules on this issue. He reviewed charts reflecting Real-Time prices and responded to questions regarding the volatility of prices, noting the Real-Time price volatility ~~here~~ could result from a closer match between capacity and load. He compared New England to other regions, noting that, through early 2009, there were significantly higher levels of commitments made in New England ~~than~~ in as compared to other markets ~~in early 2009, but that high level of commitment changed in, but less so during~~ the second half of 2009 and into 2010. He ~~said~~explained that, as a result of lower levels of excess capacity in the Real-Time market, Real-Time prices became higher and more volatile. He said that volatility in New England nevertheless remained lower than in other markets because New England was not subject to many of the external factors that ~~can~~could cause ~~the system~~other RTO markets to become ramp constrained, ~~the ramp capability in New England was fairly good, and the markets looked quite different from a dispatch perspective relative to other regions.~~

Dr. Patton reported that commitments for local reliability decreased from a daily average of 1,000 MW in 2008 to 300 MW in 2009 and that significant transmission upgrades had reduced the need for supplemental commitment and reliability agreements for local reliability. Associated uplift charges decreased sharply from \$387 million in 2008 to \$139 million in 2009.

Dr. Patton then concluded his presentation by reviewing the following list of recommendations for improvements and refinements to energy pricing and market design, ancillary services markets, FCM, and system operations:

- ▶ evaluate potential pricing changes that would allow the costs of fast-start units to be more fully reflected in the ~~Real~~-~~Time~~ prices;
- ▶ develop rules to allow demand response activation to be reflected in prices when they are needed to avoid a shortage;
- ▶ consider replacing the current *ex poste* pricing process with one that uses *ex ante* prices for settlement;
- ▶ consider providing suppliers with flexibility to modify their offers closer to ~~Real~~-~~Time~~ to reflect changes in marginal costs;
- ▶ eliminate the “Rest-of-System” Thirty-Minute Operating Reserve (TMOR) requirement in the forward reserve market (FRM);
- ▶ consider replacing the ~~forward reserve markets~~ FRM's current price cap with a tiered price cap to recognize higher-value classes and locations of reserves;
- ▶ evaluate the benefits of moving to a regulation market that is co-optimized with the energy and ancillary services markets;
- ▶ modify demand response resources' obligations to be comparable to obligations of generation resources or imports;
- ▶ revise the APR or any replacement provisions such that they more fully mitigate the price effects of Out-Of-Market (OOM) entry and do not treat rejected de-list bids as OOM;
- ▶ permanently model the capacity zones in order to allow capacity prices to reflect local capacity requirements;
- ▶ modify market power mitigation measures to be effective given the changes in the market design;
- ▶ develop provisions to coordinate the physical interchange between NY and New England in ~~Real~~-~~Time~~; and
- ▶ evaluate assumptions made in its capacity evaluation process to determine when supplemental commitments are needed, particularly the assumptions regarding imports and exports.

He responded to numerous questions regarding these recommendations. He commented with respect to capacity issues on the desire for markets that encourage new entry when needed while properly addressing concerns with out-of-market resources and proper mitigation of market power.

REPORT OF ISO-NE AND NYISO CHIEF EXECUTIVE OFFICERS

Mr. Stephen Whitley, President and CEO of the New York ISO (NYISO) and Mr. Gordon van Welie, President and CEO of ISO New England (the ISO or ISO-NE) reviewed presentations regarding regional developments in their respective areas.

Regional Developments in New York

Mr. Whitley began by reporting that, ~~like as in~~ New England, a lot of new capacity had been added to the NY power system, including 7,800 MW of conventional generating capacity, 1,300 MW of transmission capacity, ~~2,400~~2,400 MW of demand response, 1,300 MW of wind, and another 7,000 MW in the interconnection queue. He stated that about 80% of the conventional generation was built ~~in the load pockets. Looking ahead, he reviewed that, even though there was~~ at or near the New York City and Long Island load pockets. He attributed this good success to the early implementation of locational energy and capacity markets in NY – stating that NY went to this market construct from the very beginning of competition (1999). Looking ahead, he highlighted that, despite ample capacity in NY to meet the load for the next 10 years, there was still more generating capacity ~~coming on-line that was~~ then under construction that was scheduled to come on-line, with 2,000 MW ~~in~~within the ~~next~~following 3 years, and with wind generation projects projected to come on-line thereafter.

In the area of transmission planning, he noted and explained the NYISO's Congestion Assessment Resource Integration Study (CARIS) and the Strategic Transmission Assessment and Reliability Study (STARS).

Mr. Whitley reviewed a chart reflecting future energy trends in NY, noting that NY demand growths peaked in 2006, and that over the ~~past~~previous year ~~the~~ energy demand dropped

considerably due to mild weather and economic conditions. He explained that load projections might be affected by energy efficiency initiatives.

Mr. Whitley reported that a number of environmental initiatives in NY could have a significant impact on existing thermal generator units ~~in NY~~, especially regulations that effect cooling and water temperature. He said the NYISO ~~is~~was conducting a comprehensive reliability analysis (the NYISO Reliability Needs Assessment) that year to identify what the impact of those individual regulations could have on ~~the~~ generating plant facilities in NY and what effect they would have cumulatively. He indicated that there ~~are~~were several different regulations being proposed, and that ~~this~~the generation adequacy picture in NY could change if a number of power plants were to retire because of ~~the~~ose new initiatives.

Turning to broader regional markets, Mr. Whitley described the Lake Erie loop flow issue and efforts to address it. He reported on efforts to address seams issues, particularly to improve how the RTOs schedule interchange. ~~He said they were investigating reducing, and to~~ investigate a reduction in scheduling time from ~~the current 90 minutes~~90 to 15 minutes. He referenced a July 2009 FERC order requiring NYISO to develop long-term comprehensive solutions with its neighboring grid operators and described ongoing efforts in that regard. He explained that most of the efforts underway were with PJM and HQ, with the intent to apply lessons learned to future efforts with New England very quickly. He reviewed other projects including: (1) Buy-Through of Congestion; (2) Market-to-Market Coordination; (3) installation and operation of the Phase Angle Regulators (PAR) in Michigan/~~Ontario~~; and (4) the required Parallel Flow Visualization tool. He explained that the proposed objectives were to reduce uplift costs associated with Real-Time event management and congestion management, improve the

capability to integrate variable, renewable resources, and lower total system operating costs.

~~He~~Referencing a recent study by Dr. Patton, he said those initiatives could produce as much as \$368 million savings for the region over the next 20 years, including an average annual production costs savings for New England of \$15-20 million and \$40 million in consumer cost savings per year.

Mr. Whitley then reported on the Eastern Interconnection Planning Collaborative (EIPC), noting that efforts to complete the contract with the DOE ~~to accept~~covering the \$16 million in funding for the EIPC proposal and \$14 million ~~to for~~ the EISPC proposal ~~to do this 3-year planning study~~ were in process. He reported that the Stakeholder Steering Committee (SSC) ~~has~~d been formed and would help decide what scenarios ~~to would~~ be run, the modeling tools to be used, and key assumptions for the scenarios. Mr. Whitley summarized that three distinct scenarios ~~will~~would be finalized through the SSC that would be looked at for complete transmission build-out to determine the cost of those build-outs, the benefits, and the overall results for these three scenarios. He said that, in response to the DOE process ~~calls~~that called for a study with a 20-year horizon, ~~but NY's normal planning process has a 10-year horizon. In NY~~ was building a 20-year ~~model, NY is building a~~ base-case from the bottom-up ~~from the planners,~~ with input from ~~the~~ state agencies and the NY stakeholders, in addition to its normal 10-year horizon planning process.

Mr. Whitley concluded by expressing appreciation to the ISO-NE staff and Board, and to the NEPOOL stakeholders and New England state agencies for their support in these important regional initiatives.

Regional Developments in New England

Mr. van Welie, ~~President and CEO of ISO New England,~~ gave an overview of New England regional developments in four broad areas: (1) future grid projects and initiatives; (2) New England/~~New York~~NY interregional collaboration; (3) new and emerging operational issues; and (4) state legislative activity. He reviewed transmission planning studies underway, including: Vermont/New Hampshire combined study; New England East West Solution (NEEWS); Greater Boston; Long-term Lower Southeast MA (SEMA); Pittsfield (MA); Southwest CT; Greater Hartford (CT); and Middletown (CT). He reported on studies to move output from on- and -off-shore wind projects to New England load centers. He noted there ~~are~~were multiple competing projects for moving wind or hydro energy from north to south within New England.

He reported on the 2010 Economic Study Requests, ~~saying~~noting that the NESCOE request was quite large and allowed the region to prepare for the EIPC discussions, ~~in looking at~~ establishing a baseline, and in evaluating a single year in a 20-year timeframe ~~and establishing a baseline~~. He reviewed also a request to look at the retiring of carbon-heavy coal and oil units, to be replaced by either efficient natural gas-fired combined-cycle units or renewable resources. He reported on the request to evaluate transmission for 700 MW of renewal generation in the queue for northern New Hampshire through a submarine HVDC cable project from New Hampshire to Boston and SEMA. He referenced the need for ~~the region to work together~~regional cooperation to address the recent FERC NOPR on transmission planning and cost allocation.

Mr. van Welie reviewed Smart Grid initiatives which he said would be important to integrate demand response (DR) into FCM. He reported on the large investment made in

upgrading the ISO's software and communications infrastructure and integrating DR ~~and making it part of our~~into system dispatch. He also noted the recently awarded DOE Phasor Measurement Units project and the New England Wind Integration Study. He reviewed the implementation sequence for the Software & Communications Infrastructure Improvements Projects and expressed appreciation to Dr. Vamsi Chadalavada and his team for completing all 5 projects ~~within a 3 1/2 month timeframe~~on schedule, on budget, and for the smooth implementation of these projects in the short February to June timeframe.

Mr. van Welie ~~review~~reported that the Alternative Technology Regulation pilot was underway to identify the impact of new technologies and their access to the regulation market. He noted experience with flywheels and other storage devices, and the need to ~~deal with~~address opportunity costs for non-renewable resources. He reminded the Committee of the New England Wind Integration Study, expected to be completed by the end of the ~~at~~summer, with discussion of the study likely to occur at the September Planning Advisory Committee (PAC) meeting.

He reported on the activities of the ISO/RTO Council (IRC). He ~~explained that different working groups were established on different topics. For example,~~said a markets committee ~~was had been~~ assembled to look at market design and how to share ~~best practices from a~~ market design ~~perspective~~best practices. He said that the IRC worked together to share resources on different initiatives. Mr. van Welie reported that FERC Chairman Wellinghoff has asked the IRC to look at Plug-In Electric Vehicles (PEV) Integration Project (a report was ~~done~~completed and presented to Chairman Wellinghoff)- and the IRC had commissioned a Smart Grid Standards Development Program, focusing on DR and storage ~~activities (a project is underway to~~ proposedinterface standards ~~for interface into~~in the Smart Grid)wholesale markets. On NAESB,

Mr. van Welie reviewed that the ISOs had been involved in the Measurement & Verification (M&V) standards for DR in wholesale electricity markets that were approved by the FERC. He noted that NAESB ~~is~~was looking at Phase 2 M&V standards and baseline methodologies.

Reviewing ~~the~~ New England/~~New York Collaboration~~NY collaboration, Mr. van Welie stated that the NYISO ~~was handling~~and ISO-NE were collaborating on the improvement of interregional power flows and congestion management. ~~He reviewed~~The implementation of congestion management improvements would be informed by the experiences of the joint project between NYISO and PJM. He noted that the Northeast Coordinated System Plan (NCSP) summarized activities in the regions (NY, New England, and PJM) and identified any investments in the regions that may have an impact on other regions. He stated that the NCSP also ~~looks at~~addressed the possibility of increased tie capacity between those regions. Mr. van Welie noted that the Inter-Area Planning Stakeholder Advisory Committee (IPSAC) was considering ~~in~~ the NCSP ~~in~~.

~~On the topic of~~Addressing operational issues, Mr. van Welie ~~reviewed that~~noted two issues that stood out: (1) ~~a fleet that is aging~~that a portion of the generation fleet was quite old and not running very often (e.g. older oil-fired units); and (2) the beneficial impacts of the transmission investments made in recent years, which had resulted in a reduced need for surplus commitment. ~~He emphasized that weather forecast errors and the addition of less predictable resources would exacerbate the situation and that~~Looking forward, the future power grid would consist of a greater percentage of variable energy resources. He said this would increase operational complexity and risk, making adjustments to the market design and operating

procedures ~~might be~~potentially necessary, ~~as~~and would require additional investment in control room resources, wind forecasting and risk management tools ~~over time~~.

Finally, Mr. van Welie ~~review~~ported that legislators had been acting to promote ~~renewable~~-development of renewable resources. Legislators, he cautioned, would need to balance the need for renewable and efficiency incentives with the desire to ~~control rates~~minimize rate increases. He noted that budget shortfalls tempt states to raid energy development funds – and target energy infrastructure as a new revenue source. Looking ahead, he predicted that states would need to revisit RPS and selected states would promote integrated resource planning.

EASTERN INTERCONNECTION PLANNING COLLABORATIVE PANEL

Mr. Eric Runge, NEPOOL counsel, moderated a panel discussion on EIPC. The panelists included: NHPUC Chairman Thomas Getz, providing a New England State representative perspective, Ms. Lisa Barton, Vice President of Transmission Strategy of ~~AEP~~American Electric Power, providing a Midwest TO perspective; Mr. David Boguslawski, Vice President of Transmission of Northeast Utilities, providing a New England TO perspective; and Mr. Stephen Rourke, ~~the~~-ISO-NE's Vice President of System Planning, providing an ISO perspective.

Mr. Rourke reviewed a presentation on EIPC that was circulated in advance of the meeting, noting that the Eastern Interconnection Planning Authorities (PAs) took action to establish a collaborative in the Spring of 2009 and seek DOE funding. He reviewed some of the EIPC activities ~~currently~~then underway, including the formation of the Stakeholder Steering Committee (SSC). He reported the first meeting of the SSC was scheduled on July 15-~~16~~16, 2010 in Chicago, IL. He outlined the structure of the EIPC work, the EIPC projects, and target dates. He then reviewed the 2009 Economic Planning studies to support the New England

Governors' Renewable Energy Blueprint, which provided key points and findings for future 2020 and 2030 case development; and the 2010 Economic Planning Study request from NESCOE that will provide results to further refine modeling of the New England power system in 2030.

Chairman Getz provided the States' perspective on the Eastern Interconnection States Planning Council (EISPC), which was comprised of 39 states, ~~and~~ the District of Columbia, and the City of New Orleans. The EISPC was established to enable state coordination on the analysis to be conducted by the EIPC and to perform studies and prepare whitepapers. The EISPC, since June 2009, had addressed governance, creating Governance, Nominating, and Application Committees in order to create bylaws, and had submitted a DOE application the prior August. He ~~said~~ reviewed that EISPC has two designees per state, 1 utility commissioner and 1 Governor's representative, with an Executive Committee with regional representation by 5 officers, and a Steering Committee with 5 members. In March, the bylaws and the nomination of the officers were formally adopted. He noted he was pleased with filings made in February that focused on getting the data and the facts right in order to make an informed decision. He said that the EISPC was a required 1/3 of the SSC, and noted that efforts to hire staff were pending the execution of a DOE contract. Chairman Getz expressed his hope that the EIPC effort would collect data and facilitate fully-informed, economically sound decision making with respect to environmental, energy and related security goals.

Ms. Barton, providing the Midwest perspective, agreed that communication among the regions was essential to provide perspectives on regional challenges and a range of differences from individuals in the industry. She noted there are very significant differences among the

systems, especially between the Northeast and the Midwest. For example, the electric border between New England and NY was discreet, but similar interstate boundaries in the Midwest were constantly changing. She expected significant challenges for the RTOs in the development of long-term plans, but was hopeful that the EIPC process would produce a base case upon which various relevant scenarios ~~can~~could be run.

Mr. Boguslawski, on behalf of the New England TOs, explained that there would be a variety of scenarios, and that New England had a good sense of how ~~all that works~~would work based on its own scenario planning. He echoed comments suggesting the need for balanced, diverse scenarios and emphasized that, for New England, it would be important that scenarios not be imposed by other regions, but rather reflect New England's participation and views, including scenarios that reflect New England's views on how ~~renewable portfolio standards~~RPS could be met. He reviewed potential game changers ~~—what Congress might do—~~potential US Congressional action, and where the FERC might go with, or without, Congressional ~~approval—~~action.

Mr. Runge reported that the SSC would be key in achieving an acceptable outcome, and that diligent effects were underway to ensure appropriate input in the SSC from New England. In addition, he noted that the region must put together macroeconomic future scenarios with various sensitivities that could be worked into the EIPC's three expansion scenarios.

JUNE 23, 2010 SESSION

The meeting was reconvened at 8:00 a.m. on June 23, 2010. Mr. Forshaw again welcomed members, alternates and guests, including representatives of the New England State Commissions, and the FERC, that were in attendance for panel discussions and presentations that day.

REGULATOR PANEL REGARDING RENEWABLE ENERGY

Mr. Heather Hunt, Executive Director of NESCOE, moderated a panel of the State Regulators concerning efforts to expand renewable energy in the region. The panel included the following officials of the six New England States: Chairman Del Gobbo (CTDPUC); Chairman Sharon Reishus (MPUC); Chairman Ann Berwick (MA DPU); Commissioner Clifton Below (NH PUC); Chairman Elia Germani and Commissioner Paul Roberti (RI PUC); and Chairman James Volz and Commissioner David O'Brien (VT DPS). In addition, Mr. Walt Howard, CEO of Noble Environmental Power, was present to provide a developer's perspective on the regulators' efforts.

Ms. Hunt reviewed the region's prior efforts ~~with the ISO~~ to produce the Governors Renewable Energy Blueprint, including work with ISO-NE and stakeholders to develop technical analysis that informed the Blueprint. She said the ~~g~~Governors began their joint focus to develop the region's renewable power in September 2008 and communicated with federal officials about their interest. ~~They are now looking at the potential for coordinated procurement and plan to talk with the stakeholders and Canada. From~~ She explained that, from a policy perspective, ~~they~~the Blueprint considered ~~together~~ how ~~they~~the states might facilitate the

development of renewable resources by coordinating siting processes for interstate transmission facilities, and ~~they considered the authority and ability to do common~~ by examining joint or coordinated procurement and ~~to enter into~~ long-term contracts. She said the states were evaluating the potential for coordinated procurement and plan planned to talk with the stakeholders and ~~Canada. From~~ Canadian counterparts.

Chairman DelGobbo reviewed the Connecticut perspective regarding renewables, noting that a particular challenge to CT ~~is in~~ was its ~~statute~~ statutory requirement to reach renewable targets of 20% by 2020. He said that achieving in-state RPS goals through 2012 appeared relatively painless, but after 2013, ~~rate payers are~~ ratepayers were going to see more dramatic impacts. He expressed value in dialogue amongst the states ~~at least,~~ minimally to allow regulators to be aware of developments outside of their states.

For Rhode Island, Commissioner Roberti noted that there was tension between legislatures and regulatory bodies in terms of the long-term cost impacts of the renewable energy agendas being ~~sought~~ pursued. There were great concepts and innovation, whether off-shore wind, land-based wind, landfill gas, flywheels, or the like, but decisions needed to be made on the basis of engineering and economic realities. He ~~reviewed~~ observed that job creation was a very difficult variable inserted into the public interest equation in terms of evaluating projects. Chairman Germani added that carbon reduction would be best achieved, in his view, through nuclear power. He questioned whether a coordinated renewable procurement in New England made sense given the fact that the states' interests were varied and they were all talking about economic development with in their states.

Chair Berwick reviewed the perspective from Massachusetts. She agreed that each state was trying to husband, as best it could, the jobs and economic growth opportunities that would come with renewables development, but and that would not produce the appropriate perspective to accomplish regional and rational national goals. New England would need to approach these issues from the perspective of competitive markets to get the most cost effective renewables possible. She commented on the challenges of various renewable technologies and the need for the region to work together.

Commissioner O'Brien, for Vermont, indicated that the objective was for cheap, clean, reliable power. He opined that the best way for the economy to create jobs was to deliver the lowest possible unit price of electricity for people in the business world and make sure that it would be as reliable as practicable. He reported that the Vermont VT Legislature enacted a policy for a feed-in-tariff, that mandates that utilities take a *pro rata* share of renewables, with the price for each kind of renewable intended to permit recovery would be paid their cost to produce the power plus an allowed rate of return. He said all new generation, whether renewable or not, is was likely to require long-term financial commitments to be financed.

Chairman Volz highlighted that, because of Vermont's strong environmental ethic with a special interest in energy issues because of their impacts on the environment. He noted that Vermont VT has a statute that would impose an RPS if all load growth between 2005 and 2012 is was not met with renewables. Given the emphasis in VT on energy efficiency and the economy, there has been no load growth and nor a high emphasis on renewables, so he did not anticipate a Vermontan RPS at this point. He opined that a healthy and robust renewable energy industry would help us New England in the EISPC/EIPC process to make the case that we-

~~don't~~New England need ~~to~~not pay for transmission lines to bring renewable energy from the Midwest to New England.

Commissioner Below reviewed from the New Hampshire perspective the complexities and challenges presented by regional and state climate action goals, including commitment to relatively high-priced renewables, as well as by joint or coordinated procurement across states.

Chairman Reishus noted Maine's experience with the RPS process over the years, and the Governor of Maine's support for ~~that process~~exploring coordinated procurement. She explained stated that the Maine Legislature continued to focus on Maine resources, but had not gone as far as some of the other New England legislatures in insisting on above-market arrangements with Maine-basedd resources. She discussed commitments through the University of Maine to engage in preliminary research ~~around~~of ocean energy.

Providing a developer's perspective, Mr. Howard explained that Noble ~~sells~~sold the energy it producesd in ~~the~~ New England and in other organized markets at market-based rates, and ~~is currently~~was in the process of developing and financing ~~the a 100 MW wind project,~~ ~~the~~its Granite Reliable project, which was a 100 MW wind project in northern NH. ~~That project,~~ ~~he~~He reported, that project was fully permitted, and would utilize U.S. built turbines financed by U.S. financial institutions. He opined that a growth in wind development in New England would increase the likelihood that components might then also be manufactured in New England. He discussed credit and financing challenges facing the Granite Reliable project and similar projects, and the benefits ~~to wind projects~~ of power purchase agreements in wind projects. Mr. Howard also explained why, in his view, renewable resources should be ~~treated~~ ~~differently~~afforded different treatment in RFPs and other solicitations, ~~given the energy you~~

~~need to treat it differently than putting it up against combined cycle natural gas or other fossil fuel projects and if you want to consider carbon or various emissions you can, but those on the other side of the equation will respond to the RFPs in a pragmatic sense, and will probably not bid.~~

REPORT ~~O~~F ENFORCEMENT AND COMPLIANCE ISSUES

Mr. Doot introduced Mr. Matthew Goldberg, ISO Director of Reliability & Operations Compliance and Mr. Larry Gasteiger, Deputy Director of the FERC Office of Enforcement, who would report on New England and national enforcement and compliance issues ~~in New England and in the nation.~~

Mr. Goldberg referred the Committee to a presentation that had been circulated in advance of the meeting regarding compliance efforts in the region. He ~~reviewed~~noted that it hasd been 3~~three~~ years since the first set of ~~NERC~~North American Electric Reliability Corporation (NERC) Reliability Standards became mandatory and enforceable and that prior to, and since then, companies in New England haved established internal compliance programs and many haved been audited by NERC and the Northeast Power Coordinating Council (NPCC). He ~~reviewed~~addressed the following three areas: (1) ISO compliance initiatives; (2) NERC Standard application in New England; and (3) NERC developments. With regard to ISO compliance initiatives, Mr. Goldberg explained that the ISO had established internal controls to monitor compliance with NERC Standards, North American Energy Standards Board (NAESB) Business Practices; ISO Tariff/Operating Agreements, and ~~F~~Federal/~~S~~State regulatory filing requirements. He reported that feedback from the FERC on ~~its~~the ISO's controls had been positive.

Turning to ~~the~~ NERC Standards application, Mr. Goldberg noted that for ongoing and overall compliance with NERC Standards, it was important to be knowledgeable about ISO Operating and Planning Procedures, forms, and the Customer Asset Management System (CAMS) database. He then reviewed NERC developments in the ~~S~~second ~~Q~~quarter, including standards related to Nuclear Plant Interface Coordination, Transmission Loading Relief, and ~~S~~staffing and ~~S~~system ~~P~~ersonnel ~~T~~raining. He reported that new versions of the Critical Infrastructure Protection (CIP) Standards were expected, ~~with~~and that revisions were expected to both the NERC Reliability Standard Development Procedure and the NERC Compliance Monitoring Enforcement Program. He concluded his presentation by identifying a list of websites that would assist Participants in staying up-to-date on NERC and NPCC compliance requirements.

Prior to his presentation, which by way of disclaimer he noted would reflect only his views, Mr. Gasteiger introduced his FERC colleagues in attendance at the meeting, including Mr. Kurt Longo, Ms. Jignas Gadani, and Mr. Jeff Dennis, Legal Advisor to Commissioner Norris. He then addressed the following three areas: (1) changes in leadership and organization in the Office of Enforcement (OE) over the prior year; (2) the impact of those changes in terms of OE's approach to enforcement and its overall philosophy; and (3) recent significant developments involving the FERC's enforcement program. Mr. Gasteiger explained how the changes in leadership and organization of OE demonstrated the FERC's commitment to a strong and effective enforcement program and its dedication to consumer protection, keeping markets fair, and to preserving the safe and reliable operation of the nation's power grid. He stated also there was a sense of priority for creating transparency, which he viewed as important to "keeping

government honest". The OE, he reported, had undertaken significant steps to enhance transparency and would continue to ~~try to enhance transparency in both~~ do so in a reasonable and responsible way.

Concluding his presentation, Mr. Gasteiger reviewed enforcement initiatives over the past year, including the 2009 Annual Report and the Policy Statement on Penalty Guidelines issued in March 2010. He noted that the initiatives signaled and clarified how the OE determines penalties, and were not meant to be a major shift in enforcement practices or in the FERC/NERC relationship.

APPROVAL OF MAY 7, 2010 MINUTES

Mr. Doot referred the members to the preliminary minutes of the May 7, 2010 meeting that had been circulated in advance of the meeting, noting additional minor editorial changes. Upon motion duly made and seconded, the May 7 minutes, with the noted changes, were unanimously approved.

CONSENT AGENDA

Mr. Forshaw referred the Committee to the Consent Agenda that had been circulated in advance of the meeting with Items 1 and 4 removed. Following motion duly made and seconded, the Consent Agenda was unanimously approved with the Publicly Owned Entity Sector abstaining because of their objection to the item related to further Order 719-A compliance changes (removal of Host Utility exceptions).

CHANGES TO PLANNING PROCEDURE NO. 10

On behalf of the Reliability Committee, Mr. Donald Gates referred the Committee to materials circulated in advance of the meeting recommending changes to Planning Procedure No. 10 (Planning Procedure to support the Forward Capacity Market). He explained that this matter would have been on the Consent Agenda, but for the timing of the ~~Reliability Committee consideration, and that~~ meeting at which the Reliability Committee's had made its unanimous recommendation ~~was unanimous~~.

The following motion was duly made, seconded, and unanimously approved:

RESOLVED, that the Participants Committee supports the change to PP-10, as proposed by ISO-NE and recommended by the Reliability Committee, and as reflected in materials circulated to the Participants Committee in advance of this meeting, together with any non-substantive changes as may be approved by the Chair and Vice-Chair of the Reliability Committee.

REPORT OF ISO CHIEF EXECUTIVE OFFICER

Board Activities

Mr. van Welie summarized that, since his last update on June 4, the Compensation and Human Resources Committee, System Planning and Reliability Committee (SPARC), and the full Board each met once, and the Markets Committee met twice. In addition, the Board met with the NEPOOL ~~s~~Sectors and NECPUC on June 22, 2010, in conjunction with the NEPOOL Participants Committee summer meeting.

Compensation and Human Resources Committee

Mr. van Welie reported that the Compensation and Human Resources Committee met on June 21, 2010. He reviewed that the Committee discussed the structure of the ~~Company~~ISO's

Long-Term Incentive Plan, and also approved a *pro forma* restatement of the ~~Company~~ISO's pension plans. He stated that the Committee conducted its annual review of its charter and determined that the Committee ~~is~~was in compliance with the charter's terms, and also discussed the successful resolution of negotiations with the union representing Control Room employees. He said that the Committee then went into executive session to review the ~~Company~~ISO's plans for management succession. Mr. van Welie noted that this ~~is~~was an annual exercise that follow~~ed~~ed a great deal of work internally to ensure that the ~~Company~~ISO has~~d~~d succession plans in place for management and other critical technical resources. Last, he ~~review~~reported that the Committee discussed the significant risks to ~~the ISO-NE~~ that ~~are~~were within the scope of the oversight of this Committee. He explained that discussion was in preparation for the October Board meeting, at which time all committees ~~will~~would report on ~~this topic~~significant risks within their purview as part of the Board's risk management exercise.

Board Markets Committee

Mr. van Welie reported that the Board Markets Committee met on June 8 and again on June 21. At the June 8 meeting, he noted that the Committee reviewed in detail an early draft of the ISO's positions on FERC's FCM Order. He stated these positions were ultimately presented to stakeholders on June 15. Reporting further, he explained that, on June 21, the Committee received its regular reports on market monitoring activity, reliability costs, market seams, the NEPOOL Markets Committee, and the FCM project. Mr. van Welie reported that during the market monitoring and reliability costs reports, the Committee discussed the relatively warm weather during May and its impact on market and system operations. In addition to the regular reports by the Board Markets Committee, he noted that the Committee reviewed the final draft of

the External Market Monitor's Annual Markets Report and conducted the annual review of the Committee's charter.

System Planning and Reliability Committee (SPARC)

Mr. van Welie reported that SPARC met on June 21 and reviewed the draft Executive Summary for the 2010 Regional System Plan (RSP) and discussed the upcoming September public meeting. He stated that SPARC agreed on a revised RSP meeting format that ~~features~~would feature a brief summary of the RSP followed by two panel discussions and a keynote speech. He reported that ~~the~~ SPARC agreed that the first panel should focus on state planning initiatives and non-transmission alternatives and the second panel should discuss drivers of the future grid. He said that SPARC then received an update on the Demand Resource Integration Project, including a briefing on how demand resources are dispatched and monitored by the ~~C~~control Room, and they also received a report on the status of Kleen Energy, Vermont Yankee, and Northfield Mountain.

Full Board

Mr. van Welie reported that the Board met on June 21 and received reports from the various Committees of the Board. He stated that he also presented a report to the Board that focused on the budget scenarios and the business plan that were shared with the Participants Committee ahead of the meeting and were to be discussed later in the meeting. He reviewed that the Board spent the rest of its meeting reviewing the topics that had been identified ahead of the meeting for discussion with stakeholders. In particular, Mr. van Welie reported that the Board spent significant time reviewing the important issues in the FCM hearing and positions of

various stakeholders. Last, he said ~~that~~ the Board reviewed the 2009 Form 990 and approved the proposed *pro forma* restatement of the ~~Company~~ISO's pension plans.

REVIEW OF 5-YEAR BUSINESS PLAN AND 2011 BUDGET

Mr. van Welie then referred the Committee to the materials circulated in advance of the meeting regarding the 5-year business plan and 2011 budget. He indicated that the draft [business plan](#) had been developed with formal and informal input from stakeholders over several months, and that it also reflected the results of strategic planning discussions that take place in the first quarter of each year among ISO management and the Board of Directors.

Mr. van Welie explained the consistency of the [5-year plan](#) with the prior year's plan, noting that the plan had neither undergone a wholesale rewrite, nor had the ISO's three primary objectives and criteria for judging success materially changed. He noted updates to specific projects, including:

- ▶ enhancements to the planning process to provide earlier information about potential solutions that could either satisfy reliability needs or defer proposed transmission projects;
- ▶ participation in EIPC;
- ▶ development of smart grid standards;
- ▶ implementation of the synchrophasor project with DOE funds;
- ▶ integration of wind resources;
- ▶ [compliance initiatives; and](#)
- ▶ ~~compliance initiatives; and,~~ as required by the ISO's revised mission statement, - the provision of quantitative and qualitative analyses of major ISO initiatives.

Mr. van Welie then turned to the development of the 2011 budget, noting the ISO's desire to discuss and reach consensus with NEPOOL on overall structure prior to proposing for approval a 2011 budget. That discussion, he explained, would follow internal consideration of an ISO Board of ~~Director~~[Directors'](#) request to consider and account for the possibility of an increased demand on ISO resources over the next several years. In formulating its response to

the Board's directive, ISO management had attempted to balance the following organizational design objectives, some of which Mr. van Welie acknowledged were naturally conflicting: ensuring adequate resources to be responsive to growing demands for its services; ensuring ISO services would be delivered in a high quality, cost-effective and efficient manner; and keeping overall costs as low as practicable possible.

He reviewed the following two possible scenarios that had been developed: (1) status quo - with the ISO remaining at approximately its present size and budget level, presuming normal inflationary increases and increases to fulfill existing commitments; and (2) measured growth to support emerging policy initiatives.

The first scenario, he explained, was fundamentally reactive and would take a "wait-and-see" approach to the development of the responses to developing challenges. Under a status quo scenario, the ISO would manage throughout to match its resource constraints. He explained that the primary risk in the status quo scenario would be the possibility that emerging policy and stakeholder demands could quickly outpace the ISO's capabilities and the ISO's responsiveness would suffer. Under the status quo scenario, a budget increase of roughly 5.7% from 2010 levels could be expected, with increases primarily attributable to inflationary increases in salaries, computer services, NPCC dues, interest expenses, and the reinstatement of some deferred training and meeting expenses. Because the ISO would not be able to quantify the budget implications of all FERC proceedings, impact analysis, FCM, and the information delivery operational excellence project, it would, to the extent necessary, either absorb the additional activities arising from these three items in 2011 by displacing lower priority activities, or defer the additional activities until they could be incorporated in the 2012 budget.

Mr. van Welie then reviewed the measured growth scenario, which presumed a continuation of the organization's growth over the last ten years, including the incremental addition of resources and infrastructure in areas of greatest need and vulnerability. That scenario also reflected contingency funds for emerging work, in response to stakeholder suggestions that the ISO actively plan for unallocated resource time to address emerging issues. Mr. van Welie explained that the ISO had always maintained a contingency in the annual budget of \$700,000 to cover emerging work. However, the second scenario provided for an increase in this contingency fund. He hoped that such an approach would give the ISO greater flexibility to respond to changing circumstances. If implemented, he anticipated that the ISO would prepare a more detailed two-year plan that would quantify and phase-in incremental additions to the ISO's resources and infrastructure. The direction and pace of the key policy initiatives would be evaluated and, if necessary, adjusted in ~~2012~~, 2012.

In response to questions, Mr. van Welie requested that Participant comments and feedback be ~~promptly~~ provided promptly so that it could be reflected in materials to be next presented to the Budget & Finance Subcommittee. He also acknowledged the impact that retirement of certain fossil-based resources and increased environmental regulation could have on ISO operations. A member also requested that, in addition to RGGI and RPS, the ISO monitor developments with respect to state laws and policies addressing energy efficiency.

Mr. Joel Gordon, Chair of the Budget & Finance Subcommittee reported that the Subcommittee would consider the ISO budget at either its August 12 or August 25 meeting. Mr. Forshaw reported that the NEPOOL officers would have an opportunity to meet with the ISO to review in more detail the 2011 budget prior to the Budget & Finance Subcommittee discussion.

TREATMENT OF FINANCIAL ASSURANCE FOR NEW RESOURCES

On behalf of the Markets Committee, Ms. Allison DiGrande referred the Committee to materials circulated in advance of the meeting ~~regarding a Markets Committee recommendation~~ regarding changes to Market Rule 1 to modify the financial assurance (FA) for new resources. ~~The~~ She reported that the Markets Committee recommended approval of these changes by a vote of 71.5% in favor. Mr. Robert Stein explained that HQ US ~~had~~ pulled the item from the Consent Agenda for the following reasons, ~~which included~~ including concern that the changes went beyond mere changes in credit policies: (1) there would be no time limit for Demand Resources to build out; (2) the megawatts do not hold a place in the overlapping impact test, potentially effecting other generators who might try to qualify in future capacity auctions; and (3) a desire to provide the ISO with an opportunity to comment on the issue, which may not have been occurred had the item been addressed by way of the Consent Agenda.

On behalf of the ISO, Mr. Robert Ethier indicated that the ISO circulated a memo with the meeting materials in advance of the meeting that provided a more comprehensive set of explanations why the ISO did not support this. He highlighted that the ISO did not support the change in ~~financial assurance~~ EA treatment for new resources because the change would: (1) undermine the core physical delivery requirements of the FCM; (2) compensate certain resources at higher levels than others, without a corresponding efficiency or reliability benefit; and (3) would potentially undermine the long-term effectiveness of the FCM penalty provisions and block certain resources from reaching the market.

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Section III.13.3.4(c) of Market Rule 1 to modify the financial

assurance for new resources as recommended by the Markets Committee and circulated to this Committee in advance of this meeting, together with such non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

On behalf of the DR Providers, Mr. Doug Hurley explained that the proposal would extend the ~~financial assurance (FA)~~ FA grace period for the physical delivery of pro-rated MW of new resources. Under then current arrangements, a new resource was required to deliver its original Capacity Supply Obligation (CSO) within certain time parameters, i.e., two Capacity Commitment Periods, to recover all of its FA; if it didn't, its FA would be forfeited. Where a new resource had opted to pro-rate its MWs and receive a smaller ~~Capacity Supply Obligation~~ CSO, it was still required to deliver all of its original larger ~~Capacity Supply Obligation~~ CSO in order to recover its full FA. The changes proposed by the DR Providers and recommended by the Markets Committee were intended to avoid indefinitely a forfeiture of FA associated with the difference between the larger and smaller pro-rated ~~Capacity Supply Obligations~~ CSOs.

Following further questions and comments, the motion was voted and failed with a vote of 50.7% in favor (Generation – 3.42%; Transmission – 11.4%; Supplier – 4.28%; Alternative Resources – 14.5%; Publicly Owned Entity – 0%; and End User – 17.1%). (See Vote 1 on Attachment 2).

REVISIONS TO THE FORWARD RESERVE CREDITS CALCULATION

Ms. DiGrande referred the Committee to the materials circulated in advance of the meeting regarding revisions to Market Rule 1 to modify the Forward Reserve Credits calculation proposed by PSEG. ~~The~~ She said that the changes recommended by the Markets Committee

revised the Forward Reserve Credit calculation such that the lower adjusted clearing price rather than the FCM clearing price would be applied for all resources denied the ability to pro-rate.

She noted that the Markets Committee recommended support for the changes by a 81.5% Vote at its June 8-9 meeting.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Section III.13.9.8(b) of Market Rule 1 to modify the Forward Reserve Credits calculation as recommended by the Markets Committee and circulated to this Committee in advance of this meeting, together with such non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

The Energy America representative explained ~~both that~~ the reason why Energy America had pulled the item from the Consent Agenda and its objection to the timing of its proposed implementation. She explained that, because the proposal would effect the winter FRM auction, and many load serving entities (LSEs) had already entered into deals to serve load during that timeframe (October 2010 to May 2011), LSEs could ~~and would~~ not then support changes that increased costs that could not be priced into, or recovered under, their arrangements.

Mr. Ethier explained the ISO's opposition to the proposal, highlighting that a special exception for resources denied pro-rationing in ~~Connecticut~~ CT would be inconsistent with the FRM design, unnecessary for the construction of competitive offers, and would inappropriately afford different treatment to certain ~~Connecticut~~ CT resources. The PSEG representative followed with a summary of how its proposal corrected ~~for~~ a perceived oversight in the filing of FCM conforming changes to the LFRM.

Following clarifying questions and comments, including procedural distinctions and clarifications should the proposal be approved, the motion was voted and approved with a vote

of 84.8% in favor (Generation – 17.1%; Transmission – 8.55%; Supplier – 10.45%; Alternative Resources – 14.5%; Publicly Owned Entity – 17.1%; and End User – 17.1%). (See Vote 2 on Attachment 2).

ELIMINATION OF THE FRM MINIMUM PURCHASE REQUIREMENT FOR REST-OF-SYSTEM AND MINISTERIAL CHANGES TO FRM MARKET RULES

Ms. DiGrande referred the Committee to the materials circulated in advance of the meeting regarding revisions to Market Rule 1 to eliminate the Rest-of-System (ROS) minimum purchase requirement for the ~~Forward Reserve Market (FRM)~~ and other ministerial changes to the FRM Market Rules. She reported that the Markets Committee had recommended by a vote of 73.11% at its June 8-9, 2010 meeting Participants Committee support for the changes to eliminate the ROS minimum purchase requirement. Mr. Forshaw then explained that the consolidated set of ministerial changes, which were not directly related to the ROS minimum purchase requirement, did not come with a recommendation of the Markets Committee because they had been included with a vote that failed to recommend the elimination of the penalty exemption for resources on ISO-approved annual schedule maintenance outages. Based on feedback received from Committee members in advance of the meeting that indicated support for the ministerial changes, however, he suggested that, absent any objection, the ministerial changes be voted as part of the motion to support the elimination of the ROS minimum purchase requirement. There was no objection to including the ministerial changes with the main motion.

The following motion was then duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Market Rule 1 to eliminate the Rest-of-System minimum purchase requirement for the Forward Reserve Market as recommended by the Markets Committee and circulated to this Committee in advance of this meeting, together with the ministerial changes circulated to this

Committee and agreed to at this meeting and such non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

A Transmission Sector representative noted his company's support was premised on an understanding from the ISO that it intended to work out a system-wide cost allocation methodology for the sharing of the cost of the system's ~~Thirty Minute Operating Reserve~~ TMOR requirement. A member opposing the proposal suggested that the changes, which would not be implemented until the summer of 2011, would be better considered in conjunction with that cost allocation methodology.

Mr. Ethier, confirming that there had been input and support from operations personnel, and that the FERM ROS minimum purchase requirement was no longer needed, emphasized the ISO's support for the change.

The motion was voted by a show of hands and approved with opposition by: Boston Generating, Brookfield, Caithness, ConEd, CPower, Dighton, Dominion, Exelon, GDF Suez, Granite Ridge, Entergy, Mirant, NAEA, ~~NRG, and NextEra, and NRG~~; and abstentions by: BP, CSC, Dynege, ~~CSC~~, IPA, MA AG, Millennium, ~~MA AG~~, and Sempa.

ELIMINATION OF PENALTY EXEMPTION FOR RESOURCES ~~FOR RESOURCES~~ ON ISO-APPROVED ANNUAL SCHEDULED MAINTENANCE OUTAGES

Ms. DiGrande referred the Committee to the materials circulated in advance of the meeting regarding revisions to Market Rule 1 to eliminate the penalty exemption for resources on ISO-approved annual scheduled maintenance outage for the ~~Forward Reserve Market~~ FERM. She noted that the Markets Committee considered but failed to recommend the changes by a vote of 58.96%. at its June 8-9, 2010 meeting.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Market Rule 1 to eliminate the penalty exemption for resources on ISO-approved annual scheduled maintenance outage for the Forward Reserve Market, as well as certain other ministerial changes, as proposed by the ISO and circulated to this Committee in advance of this meeting, together with such non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

Referring to his memo circulated to the Committee in advance of the meeting, Mr. Ethier explained why the exemption had first been introduced, and ~~why~~ the ISO ~~was of the~~'s view that the exemption was no longer needed. Addressing financial impacts of the exemption's elimination, Mr. Ethier indicated that the ISO's analysis suggested that any additional costs of taking an outage could be reflected in resources' market prices. He then explained perceived advantages of this outcome, including incentives for Market Participants to more efficiently schedule maintenance, particularly relative to risks in the FRM.

A Supplier Sector member, noting his initial opposition to, and lingering concerns with, the proposed elimination, explained ~~why~~, on balance, that he would vote to support the proposed changes.

~~Without further discussion, the~~ The motion was then voted and approved with a vote of 63.8% in favor (Generation – 5.13%; Transmission – 17.1%; Supplier – 9.97%; Alternative Resources – 14.5%; Publicly Owned Entity – 0%; and End User – 17.1%). (See Vote 3 on Attachment 2).

OTHER BUSINESS

Mr. Doot reminded the Committee that there was no Participants Committee meeting-
~~scheduled~~ in July, and ~~noted~~ that the next ~~regularly-scheduled~~ Committee meeting ~~would be-~~
~~held~~was scheduled for August ~~6, 2010 in Boston, MA~~ at the Colonnade Hotel ~~in Boston.~~

Mr. Doot concluded the ~~session~~summer meeting by inviting and encouraging all those
attending to contact him, or any member of the NEPOOL team, to provide their thoughts and
feedback as to what NEPOOL or the ISO could do to enhance the value of, or participation at,
future annual business meetings. Mr. Forshaw, on behalf of the Participants Committee,
expressed appreciation to Ms. Cynthia Jacobs, NEPOOL Administrator and to the Day Pitney
team for the well-organized and well-run meeting and to Messrs. Staszowski and Bowie for their
efforts in arranging for the successful ~~June 21~~ golf outing ~~on June 21, 2010.~~

There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,

David T. Doot, Secretary

MEMBER AND ALTERNATES IN ATTENDANCE AT THE
PARTICIPANTS COMMITTEE SUMMER MEETING
JUNE 23, 2010 SESSION

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
511 Plaza LP	End User	William P. Short III		
Ashburnham Municipal Light Plant	Publicly Owned		Gary Will	
Bangor Hydro-Electric Company	Transmission		Stacy Dimou	
Boston Generating, LLC	Generation		William Fowler	
Boylston Municipal Light Department	Publicly Owned		Gary Will	
BP Energy Company	Supplier			Nancy Chafetz
Brookfield Energy Marketing /Cross-Sound Cable (CSC)	Supplier	Nicolas Bosse		Jose Rotger
Caithness New England Services Company	Generation		Ken Bekman	
Calpine Energy Services, LP	Supplier	John Flumerfelt		
Central Maine Power Company	Transmission	Eric Stinneford		
Chicopee Municipal Lighting Plant	Publicly Owned		Gary Will	
Competitive Energy Services, LLC	Supplier			Don Sipe
Comverge, Inc.	AR	Brad Caswell (tel)		
Concord Municipal Light Plant	Publicly Owned		Gary Will	
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw	Julie Cammarata	
Connecticut Office of Consumer Counsel (CT OCC)	End User		Richard Steeves (tel)	Paul Peterson
Conservation Law Foundation	End User			Paul Peterson
Conservation Services Group (CSG)	AR	Doug Hurley		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels	Ken Bekman	
Constellation Energy Commodities Group, Inc.	Supplier	Steve Kirk	Dan Allegretti	
CP Energy Marketing (US) Inc.	Supplier	Chris Bursaw		
CPower, Inc.	AR	Tom Rutigliano		Doug Hurley
DC Energy, LLC	Supplier	Bruce Bleiweis		
Dighton Power, LLC	Generation		William Fowler	
Dominion Energy Marketing, Inc.	Generation	Ron Hart (tel)		
Dynege/Calpine	Supplier	Glenn Haake		
Easy Energy of Massachusetts	Supplier	Stan Smith	Margaret Campbell	
Energy America, LLC	Supplier			Nancy Chafetz
EnerNOC, Inc.	AR	Herb Healy		
Entergy Nuclear Power Marketing LLC	Generation	Ron Mackowiak (tel)		
Exelon Generation Company, LLC	Supplier	William Fowler		
Gas Recovery Systems, LLC (GRS)	AR		Doug Hurley	
GDF SUEZ Energy Marketing NA/FirstLight	Supplier	Thomas Kaslow		
Granite Ridge Energy, LLC	Supplier		William Fowler	
Groton Electric Light Department	Publicly Owned		Gary Will	
H.Q. Energy Services (U.S.) Inc.	Supplier	Louis Guilbault	Robert Stein	
Hess Corporation	Supplier			Nancy Chafetz
Holden Municipal Light Department	Publicly Owned		Gary Will	
Holyoke Gas & Electric Department	Publicly Owned			Gary Will
Hudson Light and Power Department	Publicly Owned		Gary Will	
Hull Municipal Lighting Plant	Publicly Owned		Gary Will	
Industrial Energy Consumer Group	End User	Donald Sipe		Paul Peterson
Ipswich Municipal Light Department	Publicly Owned		Gary Will	
Integrus Energy Services Inc.	Supplier			Nancy Chafetz
International Power America (ANP Funding I) (IPA)	Generation	Dorothy Capra		
Kimberly-Clark Corporation	Supplier			Vicki Kirandrikas (tel)
Linde Energy Services	Supplier			Vicki Kirandrikas (tel)
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kiemy	Gary Will
Long Island Lighting Company (LIPA)	Supplier	William Killgoar		
Maine Skiing, Inc.	End User	Donald Sipe		Paul Peterson
Mansfield Municipal Electric Department	Publicly Owned		Gary Will	
Marblehead Municipal Light Department	Publicly Owned		Gary Will	

MEMBER AND ALTERNATES IN ATTENDANCE AT THE
PARTICIPANTS COMMITTEE SUMMER MEETING
JUNE 23, 2010 SESSION

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
Massachusetts Attorney General's Office	End User	Jesse Reyes	David Cetola	
Massachusetts Municipal Wholesale Electric Co.	Publicly Owned	Gary Will		
Mead Oxford	End User	Donald Sipe		Paul Peterson
Middleborough Gas and Electric Department	Publicly Owned		Gary Will	
Middleton Municipal Electric Department	Publicly Owned		Gary Will	
Millennium Power Partners	Generation			
Mirant Energy Trading, LLC	Generation	Phil Smith		
NAEA Energy Massachusetts, LLC	Generation	Ken Bekman		
New England Power Company	Transmission	Timothy Brennan	Terron Hill (tel)	
New Hampshire Electric Cooperative, Inc.	Publicly Owned		Stephen E. Kaminski	
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Fernando DaSilva		
Northeast Utilities Service Company (NU)	Transmission	Joseph Staszowski	Cal Bowie	
NRG Power Marketing, Inc.	Generation	Pete Fuller	Judith Lagano	
NSTAR Electric Company	Transmission	James Daly		
Paxton Municipal Light Department	Publicly Owned		Gary Will	
Peabody Municipal Light Plant	Publicly Owned		Gary Will	
Pepco Energy Services, Inc.	Supplier			Nancy Chafetz
Pinpoint Power, LLC	Supplier	Tom Atkins		
PowerOptions, Inc.	End User		Douglas Stevenson	Paul Peterson
PPL EnergyPlus	Supplier		Sharon Weber (tel)	
Praxair, Inc.	End User			Vicki Kirandrikas (tel)
Princeton Municipal Light Department	Publicly Owned		Gary Will	
Provisional Group Member Load Response Subsector	AR	Hugh Scolah (tel)	Erik Abend (tel)	
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		
Rowley Municipal Lighting Plant	Publicly Owned		Gary Will	
Sempra Energy Trading Corp.	Supplier			Nancy Chafetz
Shrewsbury Electric & Cable Operations	Publicly Owned		Gary Will	
Small Distributed Generation Group Member	AR	Doug Hurley		
Small Load Response Group Member	AR	Doug Hurley		
Small Renewable Generation Group Member	AR			Doug Hurley
South Hadley Electric Light Department	Publicly Owned		Gary Will	
Sterling Municipal Electric Light Department	Publicly Owned		Gary Will	
Taunton Municipal Light Department	Publicly Owned		Brian Forshaw	
Templeton Municipal Lighting Plant	Publicly Owned		Gary Will	
TransCanada Power Marketing Ltd.	Generation		Michael Hachey	
Union of Concerned Scientists (UCS)	End User		Paul Peterson	
United Illuminating Company, The	Transmission	Rich Peters	Alan Trotta	
Vermont Electric Cooperative	Publicly Owned	Craig Kiemy		Gary Will
Vermont Electric Power Company, Inc.	Transmission		Kirk Shields	
Vermont Energy Investment Corporation (VEIC)	AR		Doug Hurley	
Verso Maine Energy LLC	Generation	Glenn Poole		Herb Healy
Wakefield Municipal Gas and Light Department	Publicly Owned		Gary Will	
West Boylston Municipal Lighting Plant	Publicly Owned		Gary Will	
Westfield Gas & Electric Department	Publicly Owned			Gary Will

VOTES TAKEN AT
 NEPOOL PARTICIPANTS COMMITTEE SUMMER MEETING
 JUNE 23, 2010 SESSION

TOTAL

Participant Name	VOTE 1	VOTE 2	VOTE 3
GENERATION	3.42	17.10	5.13
TRANSMISSION	11.40	8.55	17.10
SUPPLIER	4.28	10.45	9.97
ALTERNATIVE RESOURCES	14.50	14.50	14.50
PUBLICLY OWNED ENTITY	0.00	17.10	0.00
END USER	17.10	17.10	17.10
% IN FAVOR	50.70	84.80	63.80

GENERATION SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
Boston Generating, LLC	A	F	O
Caithness New England Services	A	F	O
Dighton Power, LLC	A	F	O
Dominion Energy Marketing, Inc.	A	F	O
Entergy Nuclear Power Marketing	A	F	A
International Power America (ANP Funding I, LLC)	A	F	A
Millennium Power Partners	A	F	O
Mirant Energy Trading, LLC	O	F	O
NAEA Energy Massachusetts, LLC	A	F	O
NextEra Energy Resources, LLC	O	A	A
NRG Power Marketing, LLC	O	F	F
TransCanada Power Marketing Ltd.	O	F	F
Verso Maine Energy LLC	F	F	F
IN FAVOR (F)	1	12	3
OPPOSED (O)	4	0	7
TOTAL VOTES	5	12	10
ABSTENTIONS (A)	8	1	3

TRANSMISSION SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
Bangor Hydro-Electric Company	A	A	F
Central Maine Power Company	A	O	F
New England Power Company	F	F	--
Northeast Utilities System Companies	O	O	F
NSTAR Electric Company	F	F	F
The United Illuminating Company	A	A	A
Vermont Electric Power Company	A	A	F
IN FAVOR (F)	2	2	5
OPPOSED	1	2	0
TOTAL VOTES	3	4	5
ABSTENTIONS (A)	4	3	1

SUPPLIER SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
BP Energy Company	A	O	A
Brookfield Energy Marketing Inc./CSC	A	F	A
Competitive Energy Services, LLC	F	--	--
Consolidated Edison Energy, Inc.	O	F	O
Constellation Energy Commodities Group	A	O	F
CP Energy Marketing (US) Inc.	--	A	--
DC Energy, LLC	--	F	--
Dynegy Power Marketing, Inc.	O	F	F
Energy America, LLC	A	O	F
Exelon Generation, LLC	A	F	O
GDF SUEZ Energy Marketing NA, Inc. / FirstLight	O	A	O
Granite Ridge/Merrill Lynch Commodities/BoA	A	F	O
Hess Corporation	O	O	F
H.Q. Energy Services (U.S.) Inc.	O	F	A
Integrus Energy Services, Inc.	A	O	F
Kimberly-Clark Corporation	A	A	F
Linde Energy Services, Inc.	A	O	A
LIPA	A	F	A
Pepco Energy Services, Inc.	O	O	A
Pinpoint Power	A	F	A
PPL EnergyPlus, LLC	A	F	O
PSEG Energy Resources & Trade	F	F	F
IN FAVOR (F)	2	11	7
OPPOSED	6	7	5
TOTAL VOTES	8	18	12
ABSTENTIONS (A)	12	3	7

ALTERNATIVE RESOURCES SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
Renewable Generation Sub-Sector			
Gas Recovery Systems, Inc.	F	F	F
Distributed Generation Sub-Sector			
Small DG Group Member	F	F	F
Load Response Sub-Sector			
Conservation Services Group	F	F	F
CPower, Inc.	F	F	F
EnerNOC, Inc.	F	F	F
Vermont Energy Investment Corp.	F	F	F
Small LR Group Member	F	F	F
LR Provisional Group Member	F	A	F
IN FAVOR (F)	8	7	8
OPPOSED	0	0	0
TOTAL VOTES	8	7	8
ABSTENTIONS (A)	0	1	0

VOTES TAKEN AT
 NEPOOL PARTICIPANTS COMMITTEE SUMMER MEETING
 JUNE 23, 2010 SESSION

PUBLICLY OWNED ENTITY SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
Ashburnham Municipal Light Plant	O	A	A
Boylston Municipal Light Department	O	A	A
Chicopee Municipal Lighting Plant	O	A	A
Conn. Municipal Electric Energy Coop.	O	F	O
Concord Municipal Light Plant	O	A	A
Groton Electric Light Department	O	A	A
Holden Municipal Light Department	O	A	A
Holyoke Gas & Electric Department	O	A	A
Hudson Light and Power Department	O	A	A
Hull Municipal Lighting Plant	O	A	A
Ipswich Municipal Light Department	O	A	A
Littleton (NH) Water & Light Dept.	O	A	A
Mansfield Municipal Electric Dept.	O	A	A
Marblehead Municipal Light Dept.	O	A	A
Mass. Municipal Wholesale Electric Co	O	A	A
Middleborough Gas and Electric Dept.	O	A	A
Middleton Municipal Electric Dept.	O	A	A
New Hampshire Electric Cooperative	O	A	A
Paxton Municipal Light Department	O	A	A
Peabody Municipal Light Plant	O	A	A
Princeton Municipal Light Department	O	A	A
Rowley Municipal Lighting Plant	O	A	A
Shrewsbury's Electric & Cable Ops	O	A	A
South Hadley Electric Light Dept.	O	A	A
Sterling Municipal Electric Light Dept.	O	A	A
Taunton Municipal Lighting Plant	O	A	A
Templeton Municipal Lighting Plant	O	A	A
Vermont Electric Cooperative	O	A	A
Wakefield Municipal Gas & Light Dept.	O	A	A
West Boylston Municipal Lighting Plant	O	A	A
Westfield Gas & Electric Light Dept.	O	A	A
IN FAVOR (F)	0	1	0
OPPOSED	31	0	1
TOTAL VOTES	31	1	1
ABSTENTIONS (A)	0	30	30

END USER SECTOR

Participant Name	VOTE 1	VOTE 2	VOTE 3
511 Plaza, LP	F	F	F
Conservation Law Foundation	F	F	F
CT Office of Consumer Counsel	F	F	F
Corinth Wood Pellets, LLC	F	F	F
Dennis Beverage	F	F	F
Elektrisola, Inc.	F	F	F
Fairchild Semiconductor Corporation	F	F	F
Food City, Inc.	F	F	F
Garland Manufacturing Company	F	F	F
Hammond Lumber Company	F	F	F
Hardwood Products Company	F	F	F
Industrial Energy Consumer Group	F	F	F
LaBree's Inc.	F	F	F
Lavalley Lumber Co.	F	F	F
Maine Skiing, Inc.	F	F	F
Maine Woods Pellet Company	F	F	F
Marden's Inc.	F	F	F
Mass. Attorney General's Office	A	F	F
Mead Oxford	F	F	F
Merchants Plaza LLC	F	F	F
NH Office of Consumer Advocate	F	F	F
PalletOne of Maine	F	F	F
PowerOptions, Inc.	F	F	F
Praxair, Inc.	A	A	F
Quality Egg of New England	F	F	F
RJF – Morin Brick LLC	F	F	F
Robbins Lumber	F	F	F
St. Anselms College	F	F	F
Union of Concerned Scientists	F	F	F
Westerly Hospital	F	F	F
Whole Foods Market Group, Inc.	F	F	F
Z-TECH, LLC	F	F	F
IN FAVOR (F)	32	33	34
OPPOSED	0	0	0
TOTAL VOTES	32	33	34
ABSTENTIONS (A)	2	1	0

PRELIMINARY

A meeting of the NEPOOL Participants Committee was held at 10:00 a.m. on Friday, August 6, 2010 at the Colonnade Hotel, 120 Huntington Avenue, Boston, MA, pursuant to notice duly given. 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 attending the meeting.

Mr. Brian E. Forshaw, Chair, presided and Mr. David T. Doot, Secretary, recorded. Mr. Forshaw welcomed the members, alternates and guests who were present.

APPROVAL OF JUNE 4, 2010 MINUTES

Mr. Doot referred the Committee to the preliminary minutes of the June 4, 2010 meeting as circulated in advance of the meeting, and to the minor changes that also were circulated. Following motion duly made and seconded, the preliminary June 4, 2010 minutes with those changes were unanimously approved. Mr. Doot reported that Committee consideration of the preliminary minutes of the June 22-23, 2010 Summer Meeting, also circulated in advance of the meeting, would be deferred to allow additional time for review.

CONSENT AGENDA

Mr. Forshaw referred the Committee to the Consent Agenda that had been circulated in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was unanimously approved.

REPORT OF ISO CHIEF EXECUTIVE OFFICER

Board Activities

Mr. Gordon van Welie summarized the Board Committee meetings that had occurred since the June 23 report at the Summer Meeting. He said that since June 23, the Board Markets Committee had met twice and the Nominating and Governance Committee and System Planning and Reliability Committee (SPARC) had each met once.

Board Markets Committee

Mr. van Welie reported that the Board Markets Committee met on June 25 and again on July 15. At the June 25 meeting, the Committee met for the sole purpose of considering the feedback received from stakeholders at the NEPOOL Summer Meeting regarding the ISO's FCM proposal. Directors reviewed the feedback from each of the NEPOOL Sectors as well as the state regulators. He said that, following a detailed discussion, the Board Markets Committee agreed to continue to support the ISO's proposed FCM design changes, but noted that stakeholders had raised important considerations. He reported that the Committee asked ISO management to outline the process going forward and the opportunities for stakeholders to provide feedback, and asked that management continue to ensure that all Board members are advised of the range of views expressed by stakeholders.

Reporting on the July 15 meeting of the Board Markets Committee, Mr. van Welie said that the Committee received its regular reports on market monitoring, the FCM project, market seams, and the work of the NEPOOL Markets Committee. He noted that, during the market monitors' reports, the Committee discussed the impact of Demand Resource activations in June.

With respect to the NEPOOL Markets Committee report, the Board Committee discussed the presentation on cost-impact analysis and also discussed the stakeholder-proposed rule change regarding the netting of capacity and forward reserve payments. Mr. van Welie added that, in addition to receiving those reports, the Committee again discussed details of the ISO's FCM proposal and the submissions in the paper hearing stage of the FCM Re-Design proceeding.

Nominating and Governance Committee

Mr. van Welie reported that the Nominating and Governance Committee met on July 15 to discuss the schedule for meetings of the Board and its Committees in 2011, which the full Board would review in September. He noted on-going efforts to include joint meetings with NEPOOL and NECPUC in that schedule.

System Planning and Reliability Committee

Mr. van Welie reported that SPARC met on July 15. The SPARC, he indicated, reviewed the draft Executive Summary for the 2010 Regional System Plan (RSP) and discussed plans for the upcoming September public meeting. SPARC then reviewed and discussed the FERC's Notice of Proposed Rulemaking (NOPR) on transmission planning and cost allocation, including a detailed discussion of the portions of the NOPR requiring inclusion of policy directives in planning, and comments proposed in response to the NOPR. He also reported that SPARC received a detailed update on the interstate component of the New England East-West Solution (NEEWS) project, as well as a general update on other regional transmission projects and studies.

In response to questions, Mr. van Welie clarified that neither the NEEWS update nor the 2010 RSP report had yet been finalized or posted. With respect to the NEEWS update, Mr. van Welie noted his expectation that the update would be finalized and available in the week following the meeting. Mr. Raymond Hepper reported that the draft 2010 RSP had been distributed for review and discussion at the August 12 Planning Advisory Committee (PAC) meeting, and would be finalized following the September 16 RSP public meeting and final approval by the ISO Board in October. Mr. van Welie added that Dr. Vasmi Chadalavada would review the format of the September 16 RSP meeting during his COO report.

2011 ISO Budgets Update

Before Mr. van Welie's update on the 2011 ISO Budgets, Mr. Forshaw highlighted plans for the Participants Committee to consider and vote the 2011 ISO Budgets at its September 17 meeting. He encouraged Participants to participate in the August 25 Budget and Finance Subcommittee meeting and to provide input and raise any concerns with the ISO's budgets at that meeting so that any such input and/or concerns could be addressed prior to the September meeting. In connection with that discussion, Mr. van Welie requested that the Participants Committee provide the Subcommittee with a general sense of its support for either a "status quo" or "measured growth" operating budget, so that ISO could limit its presentation at the September Participants Committee meeting to a single, recommended proposal. He indicated that the alternative 2011 budget proposals to be summarized had been reviewed the evening before with the NEPOOL officers and NECPUC representatives.

Turning to the materials circulated in advance of the meeting, Mr. van Welie reviewed a chart summarizing a 2011 Status Quo Operating Budget of \$115.2 million (Status Quo Budget).

He highlighted that the Status Quo Budget reflected expected economic and external factors, inflationary issues (including compensation), and efficiencies, as well as previous and known future commitments, including NERC/NPCC compliance, FCM, Demand Resource integration, and business continuity. The Status Quo Budget addressed the items the ISO had an obligation to support in 2011.

He then reviewed a chart reflecting a 2011 Measured Growth Operating Budget of \$118.2 million (Measured Growth Budget), which included, in addition to items reflected in the Status Quo Operating Budget, additional funds for: an increased CEO emerging work allowance, information delivery, transmission planning, non-transmission planning alternatives, studies and application development, user interface improvements, additional Smart Grid standards and simulator development, and additional cost impact analysis. He emphasized that a Measured Growth Budget would provide additional flexibility to address discretionary items and unforeseen circumstances as they arise.

Members asked clarifying questions on the two budget proposals. Mr. Van Welie was asked how certain challenges identified in his June 16 memo to the Committee regarding future structure and budget, would be reflected in the Measured Growth Budget proposal. He responded by explaining various correlations, noting specifically that resource retirements and efforts to increase the percentage of low or non-carbon resources would be addressed through additional transmission planning resources, and workforce demographic issues would be addressed in part through funding of internship opportunities covered under an increased CEO Emerging Work Allowance and in part through on-going recruiting and success planning processes. He explained further that the \$150,000 allocated for cost/impact analysis would cover

the development of the infrastructure necessary to perform requested analyses, but efforts associated with those analyses would require additional resources from other budget areas. He indicated that, to the extent necessary, future budgets would reflect experience and expectations regarding the resource levels necessary to perform such analyses within that infrastructure. Mr. van Welie also explained that both budgets reflected additional resources to address an expected increase in NERC-related compliance efforts, particularly in light of increased NERC budgets and staffing. Overall, he stated, the Measured Growth Budget provided for nearly a dozen additional full-time employees beyond what was reflected in the Status Quo Budget.

Almost all members who provided feedback urged support for the Measured Growth Budget. They expressed their views that the benefits of the flexibility for additional resources outweighed concerns with the additional cost, particularly when such resources are appropriately deployed, given potential market impacts of the additional work that could be undertaken, and in light of the ISO's growing workload and challenges it faced in recruiting and developing the necessary expertise. A number of Participants were not prepared to provide feedback other than to clarify that their silence with respect to the 2011 budget options at this meeting should not be construed as a preference, or even support, for either of the options. Some indicated that, absent additional detail, they would ultimately be unable to support either budget option. Others, noting appreciation for the ISO's presentation, indicated that they had not yet determined which option might be preferable or could be supported. Mr. Forshaw again urged Participants to prepare for and participate in the Budget and Finance Subcommittee consideration of the 2011 budgets.

REPORT OF ISO CHIEF OPERATING OFFICER

Dr. Chadalavada reviewed highlights from the monthly COO report, which was circulated in advance of the meeting and posted on the ISO website. He noted that uplift in July totaled \$19.4 million, with \$16.3 million in first contingency payments, a significant increase from previous months. There was also an increase in voltage payments of \$2.3 million, up \$2.1 million from June, largely attributable to high loads caused by low voltage issues which required additional units to be brought on-line to ensure voltage thresholds were met.

Addressing the RSP process, Dr. Chadalavada indicated that written comments on the draft RSP10 were due to the ISO by August 5 and would be the focus of the August 12, 2010 PAC meeting. He also noted that the NEEWS Interstate Reliability Project would be discussed at the August 12 PAC meeting. Based on feedback received following past RSP meetings, Dr. Chadalavada announced that a new format would be used for the September 16 RSP Public Meeting. He explained that the ISO would condense its presentation of RSP10 to approximately one hour, with the time saved allowing for a panel discussion on state planning initiatives and non-transmission alternatives in the morning and on technologies and the future grid in the afternoon. He hoped that Participants would find the revised format beneficial and indicated that post-meeting feedback on the revised format would be solicited from stakeholders.

Turning to the Eastern Interconnection Planning Collaborative (EIPC), Dr. Chadalavada reported that the EIPC and the DOE finally had a contract, and work on identified milestones was underway. He reported that a primary EIPC milestone – the development of a 10-year model that would form the basis for future transmission analyses – was essentially complete, with analysis underway to identify opportunities for improvement, and a draft report expected in October. He referred the Committee to a memorandum from NEPOOL counsel circulated in

advance of the meeting that provided an update on EIPC process, including a report on the first Stakeholder Steering Committee (SSC) meeting in Chicago, IL on July 15-16, 2010, which focused on the structure and process for selecting identified scenarios that would be studied by the EIPC. Dr. Chadalavada predicted a high level of activity on EIPC matters over the ensuing eighteen months.

Dr. Chadalavada reported that the fourth Forward Capacity Auction (FCA4) was completed, and referred the Committee to a press release posted on the ISO website that same day for additional details. He noted that the results would be finalized following the ISO's receipt of the auctioneers' certification and filed with the FERC later in the month. Referring to the FCA4 press release, he then highlighted that the auction cleared at a floor price of \$2.95 per kW-month and that there was 5,374 MW of supply in excess of the 32,127 MW the ISO sought to procure for the 2013/2014 Power Year (32,247 MW of generating resources; 3,261 MW of demand resources; and 1,993 MW of imports). Dr. Chadalavada reported that several existing power plants and demand resources submitted dynamic delist bids in advance of and during the auction, and that most of the resources submitting those bids were allowed to withdraw from the auction, with a few retained in areas that otherwise would have had insufficient resources to ensure the reliable operation of the system.

Turning to Summer 2010 highlights, Dr. Chadalavada indicated that the lowest Summer Operable Capacity Margin was calculated for the week of September 11. He reported several hot days in July, including a heat wave the week of July 5, with a peak load of 27,154 MW on July 6 (4th highest peak in New England) and 26,508 MW on July 7 (9th highest peak in New England), and noted that overall the New England power system performed well. Noting that Summer 2010 marked the beginning of the first FCM commitment period and full integration of

Demand Resources (DRI) into ISO operations, he reported that new control room applications, communications infrastructure and Operating Procedures and processes for FCM and DRI worked well, and that all 670 MW of Real-Time Demand Response had been called on June 24 in response to a system-wide capacity deficiency situation and had performed well. Dr. Chadalavada explained that supplemental commitments were higher than previous months because of several factors: the extended outage of the Northfield Mountain station (which provided significant reserves and load following capability); weather forecast errors (which drove load forecast errors); lower load levels cleared in the Day-Ahead Energy Market than were required to meet the Day-Ahead load forecast; and additional Day-Ahead commitments of resources for reliability due to the start-time inflexibility and ramp rate of several units.

In response to Participant questions, Dr. Chadalavada confirmed that high humidity levels may have contributed to forecast errors. Members asked whether the ISO could make available the factors they used to calculate the daily load average forecast. In response, Dr. Chadalavada referred the Committee to slides reflecting the daily average load forecast percent error at hour of daily peak and the load forecast percent error at hour of daily peak for July 2010, and reviewed the three inputs that were considered by the weather services: (1) temperature; (2) humidity index; and (3) brightness/cloud cover. In addition, Dr. Chadalavada committed to report back on and make available at the next meeting the factors the ISO used to calculate the daily load average forecast. In response to further questions, Dr. Chadalavada confirmed that also affecting load forecasting was the relatively recent change in the quantity of incremental offers (incs) and decremental bids (decs). Mr. Marc Montalvo reviewed that there had been a material decline in the total volume of decs, and an even sharper decline in the quantity of incs, offered into the market. He indicated that that development would be reviewed in the Internal

Market Monitor's next Quarterly Report, as would issues of supplemental commitment, load forecast, and Day-Ahead Market participation of load.

Also in response to questions, Dr. Chadalavada referred the Committee to a slide reflecting the Real-Time Demand Response obligations and performance by load zone, which indicated a total capacity obligation of 669 MW, with an average aggregate performance of 653 MW. He noted significant over-performance in Maine, where the ISO had expected 167 MW of total capacity but ended up with 239 MW, and under-performance in Connecticut where the ISO's expected 227 MW of total capacity obligation but ended up with 170 MW. Accordingly, he reported, the ISO had undertaken, in coordination with aggregators and resource owners, to further study and analyze those factors and individual performance.

FCM PERFORMANCE PENALTIES AND INCENTIVES FOR DEMAND RESPONSE RESOURCES

Mr. Thomas Kaslow, Markets Committee Vice-Chairman, referred the Committee to materials circulated in advance of the meeting that reflected the Markets Committee's recommended changes to Market Rule 1 to modify the calculation of FCM performance penalties for Demand Response (DR) resources. He explained that the changes recommended by the Markets Committee would revise those penalties so as to be based on the monthly Capacity payment rate received by the resource and not to exceed monthly revenues. He reported the changes were proposed initially by EnerNOC and received a 75.39% Vote in favor on the motion to recommend them for approval by the Participants Committee. He noted that, since that Markets Committee recommendation, the ISO had suggested further changes in order to facilitate implementation and to conform the changes with other Market Rule provisions.

Mr. Robert Laurita then reviewed the further changes proposed by the ISO that touched on the following two areas: (1) reducing to two the number of penalty rates for DR Resources (other than Real-Time Emergency Generation (RTEG) Resources) to address the possibility that certain DR Resources may have been created as the result of a split or a merger of Resources that were both price- and MW-prorated; and (2) clarifying/modifying the incentive payments for over-performance by DR Resources. For non-RTEG DR Resources, the ISO proposed to assess penalties based on the lower adjusted Capacity Clearing Price, or \$4.25/kW-month during the 2010/2011 Capacity Commitment Period (non-RTEG DR Resources would be assessed a separate, second rate, or \$2.92/kW-month for the 2010/2011 period). For DR Resources performing at a level that exceeds the amount of their committed capacity, the ISO proposed to compensate those DR Resources based on the Capacity payment rate received for its committed capacity rather than quantity. Based on the post-Markets Committee implementation assessment conducted by the ISO, the ISO had concluded only if the proposal was so modified, could it be developed, fully tested, and implemented by October.

There being no objection to including the additional implementation and conforming changes proposed by the ISO, the following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports revisions to Market Rule 1 to modify the FCM performance penalties and incentives for Demand Response Resources as recommended by the Markets Committee and circulated to this Committee in advance of this meeting, together with those changes proposed by the ISO in materials circulated in advance of the meeting as agreed to by the Participants Committee at this meeting and such non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

The EnerNOC representative spoke in support of the ISO's proposed changes. Some members, noting the process through which the proposed changes were completed, identified

concerns and suggested that additional time to evaluate the proposed changes in the broader context of the Market Rules may be warranted.

The Caithness representative, after confirming that the proposed changes would prevent Demand Resources from negative capacity revenues in any given month, sought to amend the main motion to provide for the same treatment for generators. Because he was not prepared to offer the text of such an amendment, he moved instead to defer action on the proposed changes to the September meeting and that motion was seconded.

Members then discussed the motion to defer. Those supporting the motion to defer echoed concerns that the changes be reviewed as part of a broader approach, particularly in light of potential concerns with comparability. Those opposing the motion to defer acknowledged the comparability issues, but variously expressed the following facts and opinions: (i) the proposed changes, as well as the specific comparability issues, had been reviewed and well-vetted at several Markets Committee meetings; (ii) the proposed changes would reduce the disparity in penalty treatment of DR and generation resources; (iii) there was a sense of urgency to implement the proposed changes; (iv) there was an expectation that the ISO would begin discussions on comparability generally in the near term; and (v) the proposed changes were ripe for Participants Committee action. Addressing future discussions on comparability issues, Mr. Robert Ethier indicated ISO plans to begin those discussions in early 2011, subject to on-going efforts related to FCM and Price-Responsive Demand (PRD). Following further discussion, and with ascent of the sponsors of the motion to defer, that motion was withdrawn without a vote.

Without further discussion, the main motion was then voted and passed with a 77.91% Vote in favor (Generation – 2.14%; Transmission – 17.1%; Supplier – 9.98%; Alternative

Resources – 14.5 %; Publicly Owned Entity – 17.1%; and End User – 17.1%). (See Vote 1 on Attachment 2).

The EnerNOC representative then reviewed EnerNOC's proposal for specific Participants Committee affirmation that the changes just approved would be applied beginning with the October 2010 resettlement of FCM payments and charges associated with period beginning on June 1, 2010 (Timing Proposal). He emphasized that the Timing Proposal would not change the substantive penalty determination, but rather would clarify that the proposed changes would be applied during the October re-settlement process. He asserted that this Timing Proposal was consistent with the ISO's authority under the Market Rules to adjust FCM payments and charges, including performance penalties, associated with the June 1, 2010 billing period during the October resettlement process, and had contributed to EnerNOC's earlier decision not to pursue the changes on a more expedited basis.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the application of the revisions to the Demand Resources performance penalties previously approved today, beginning with the resettlement in October 2010 of FCM payments and charges associated with period beginning on June 1, 2010.

Following the presentation of further background, members asked clarifying questions and commented on the Timing Proposal. Members opposing the Timing Proposal raised concerns with its retroactive effect and the precedent support for the Timing Proposal might set. Members supporting the Timing Proposal dismissed as distinguishable the precedent concerns and highlighted their views that the proposed changes supported earlier in the meeting were in the nature of a correction, and implementation through resettlement for the June 2010 period would be consistent with such a correction.

For the ISO, Mr. Ethier clarified that, while the penalties largely effect revenues as between DR Participants, there would also be an effect on the load bill. Mr. Hepper identified concerns with the Timing Proposal from both a legal and business perspective. From a legal perspective, Mr. Hepper opined that the proposal did ask for the rule to be applied retroactively, which the FERC had typically frowned upon and could potentially create some risks for the region down the road. From a business perspective, he highlighted the difficulties that would be experienced by those tasked with ensuring accurate and timely re-settlement and an organizational concern that re-settlement might be more readily viewed as a means to change ISO bills. For those reasons, he indicated, the ISO did not support the Timing Proposal.

The motion was then voted and failed with a 40.27% Vote in favor (Generation – 2.14%; Transmission – 3.42%; Supplier- 3.11%; Alternative Resources – 14.5%; Publicly Owned Entity – 0%; and End User – 17.1%). (See Vote 2 on Attachment 2).

In response to follow-up questions concerning the effective date to be requested for the changes supported earlier in the meeting, Mr. Hepper indicated that the ISO would typically request an effective date that would be 60 days from the date of filing, but would discuss off-line with the EnerNOC representative the possibility of requesting an effective date sooner than 60 days from the date the changes would be filed.

MEMBERSHIP SUBCOMMITTEE RECOMMENDATION CONCERNING GAS INDUSTRY PARTICIPANTS

Mr. Patrick Gerity, NEPOOL Counsel, referred the Committee to the materials circulated in advance of the meeting regarding a proposal to amend the Second Restated NEPOOL Agreement (RNA) to add the definition of a “Gas Industry Participant” to allow Entities that meet that definition to become non-voting NEPOOL Participants. Mr. Gerity reviewed that the

genesis of the proposal was a request by Repsol YPF, a Spanish oil and gas company which operates the Canaport LNG facility, to join NEPOOL as a Participant. He said that, under the RNA, Repsol did not meet the eligibility requirements for membership. He explained the details of the proposal that established a framework under which Repsol could become a member. He reported that the Membership Subcommittee (Subcommittee) unanimously recommended at its July 19, 2010 meeting that the Participants Committee authorize and direct the Balloting Agent to circulate ballots for an amendment to the RNA to achieve that result. On behalf of Repsol, Ms. Mary Usovicz, Director of External Affairs, then thanked the Subcommittee for its efforts, and provided further explanation regarding Repsol's membership request.

The Repsol representative was asked to leave the room and the following motion was duly made and seconded:

RESOLVED that the Participants Committee authorizes and directs the Balloting Agent (as defined in the Second Restated NEPOOL Agreement) to circulate ballots for the approval of changes to the Second Restated NEPOOL Agreement (that defined and address the arrangements for Gas Industry Participants), but with such non-material changes therein as the Chair of the Membership Subcommittee may approve, to each Participant for execution by its voting member or alternate on this Committee or such Participant's duly authorized officer.

Members opposing the motion to ballot the amendment noted a desire for additional, clarifying, and broader discussion of the issue, and expressed concerns with the implications of the proposal, including the impact on the Participant Processes, access to Pool counsel, and precedential effects expansion of membership to include such non-voting members might have. Others suggested that those interested and with legitimate reasons for attending Committee meetings could continue to do so as guests, and membership need not be expanded to accommodate that participation.

Members supporting the motion to ballot, including Subcommittee members who had recommended the proposal, highlighted the connection between Gas Industry Participants and those participating in New England's electricity markets, potential benefits to the coordination of those industries such memberships could bring, and the bases for the limits and expenses of such memberships.

Following further discussion, a motion was duly made and seconded to defer action on this matter pending further consideration by the Membership Subcommittee.

The motion to defer was then voted and failed with a 23.93% Vote in favor (Generation – 0%; Transmission – 14.25%; Supplier- 1.9%; Alternative Resources – 3.34%; Publicly Owned Entity – 0%; and End User – 2.44%). (See Vote 3 on Attachment 2).

The main motion was then voted and approved with a 78.12% Vote in favor (Generation – 17.1%; Transmission – 4.28%; Supplier- 12.21%; Alternative Resources – 10.33%; Publicly Owned Entity – 17.1%; and End User – 17.1%). (See Vote 4 on Attachment 2).

NEPOOL COMMENTS ON TRANSMISSION PLANNING AND COST ALLOCATION NOPR

Mr. Doot referred the Committee to the materials circulated in advance of the meeting regarding proposed NEPOOL comments to be submitted to the FERC in response to the FERC's June 17, 2010 NOPR regarding transmission planning and cost allocation. He explained that the draft comments, with explanatory and background material yet to be inserted, were a third iteration reflecting the input and efforts of the working group of interested stakeholders that had, in collaboration with NEPOOL Counsel, met to develop comments. He added that because the NOPR required submission of comments prior to the September meeting of the Committee, the Committee needed to take action at the meeting. He noted that there was pending before the

FERC a request to extend the comment deadline by 45 days, and if that request was granted, the comments would not be filed with FERC prior to the September 17 meeting, and further comments from members would be welcome. Mr. Doot underscored that once the comments had been voted on, the working group and counsel would stay within the bounds of the substance of the document that had been circulated to the Committee, and any further changes would be limited to clarifications and elaboration of the descriptive elements within the document.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the NEPOOL comments in response to the Transmission NOPR, as distributed with the materials for the August 6, 2010 Participants Committee meeting, and authorizes NEPOOL counsel to finalize and file such comments consistent with the Review Process described in the July 30, 2010 memo from NEPOOL counsel.

Mr. Michael Harrington, on behalf of NECPUC, asked that the comments clarify that, although NECPUC and NESCOE participated in the preparation of comments, those organizations neither supported, nor opposed, the substance of NEPOOL's comments. He noted also the possibility that one or two of the New England states might individually express a position opposed to that expressed in Section II(B)(v) of the proposed comments (which urged the FERC to avoid undue discrimination in the markets against one type of resource developer or technologies versus other types of developers or technologies based on state or federal policies) given state policies encouraging development of certain types of resources.

In response to a member's question also concerning Section II(B)(v) and its significance with respect to potential federal carbon tax legislation that would discriminate against fossil resources, Mr. Doot clarified that the comments urged the FERC not to take action that would unduly discriminate beyond what would otherwise be required under, and would allow for the

implementation of, such state or federal policies. Referring to Section 3, a member noted the absence of any reference to cost recovery for non-incumbent transmission developers with an obligation to build and committed to provide clarifying language to the working group. There was no objection expressed to the inclusion of additional clarification on this issue.

Following further discussion, the Committee unanimously approved the motion, with abstentions noted by CLF, CT OCC, LIPA, MA AG, NH OCA and UCS.

EIPC PROCESS REPORT

Mr. Doot referred the Committee to the report on EIPC process developments circulated in advance of the meeting. Mr. Doot reminded the Committee that Mr. Eric Runge, NEPOOL Counsel, had been asked by the Committee to provide regular updates on EIPC process developments, and directed any specific questions to Mr. Runge or Mr. Herb Healy, a Committee member also serving as an EIPC SSC member for “Other Suppliers”.

A member, noting the clarification from the July EIPC meetings that only the existing regional ten-year plans (and not twenty-year plans) would be rolled-up and used as the starting point for each of the eight scenarios selected, asked whether that development would have any impact on NESCOE’s pending economic study request of the ISO to prepare a 20-year plan. Ms. Heather Hunt explained the states’ continuing view that there would be substantial value in having a 20-year New England scenario in existence and visible in order to illustrate the region’s goals, thoughts, and planning. Given the many assumptions and scenarios to be used in the planning and decision-making process, she indicated that it remained critical that the EIPC process use data that New England as a region defined. She added, and others concurred, that from a New England perspective, it was important that one of the three build-out scenarios be

considered a “business as usual” case and represent a view of New England developing its own renewable resources from within New England or neighboring Control Areas and the related transmission infrastructure. Mr. Forshaw concluded the discussion by stating that New England has been very visible in the EIPC so far and voiced his appreciation for all of the individuals involved in representing the region.

LITIGATION REPORT

Mr. Doot referred the Committee to the Litigation Report circulated in advance of the meeting. He noted that the Report continued to reflect an intense level of activity and encouraged anyone with questions on the Report to raise them with any member of the NEPOOL Counsel team.

OTHER BUSINESS

Mr. Doot discussed the calendar for August and September that had been distributed at the meeting. He noted that the next Participants Committee meeting was scheduled for September 17 at the Colonnade Hotel, and highlighted the Budget and Finance Subcommittee meetings on August 12 and 25.

There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,

David T. Doot, Secretary

PARTICIPANTS IN ATTENDANCE AT THE
AUGUST 6, 2010 PARTICIPANTS COMMITTEE MEETING

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
511 Plaza LP	End User	William P. Short III		
Ashburnham Municipal Light Plant	Publicly Owned		Gary Will	
Associated Industries of Massachusetts	End User			Roger Borghesani
Bangor Hydro-Electric Company	Transmission	Jeff Jones		
Boston Generating, LLC	Generation	John Reese	William Fowler	
Boylston Municipal Light Department	Publicly Owned		Gary Will	
BP Energy Company	Supplier	Randy Prescott		Nancy Chafetz
Brookfield Energy Marketing /Cross-Sound Cable (CSC)	Supplier		Jose Rotger	
Caithness New England Services Company	Generation		Ken Bekman (tel)	
Chicopee Municipal Lighting Plant	Publicly Owned		Gary Will	
Comverge, Inc.	AR	Brad Caswell		
Concord Municipal Light Plant	Publicly Owned		Gary Will	
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw	Julie Cammarata	
Connecticut Office of Consumer Counsel (CT OCC)	End User	Mary Healey		
Conservation Law Foundation (CLF)	End User		Naim Jonathan Peress	
Conservation Services Group (CSG)	AR	Doug Hurley		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels		
Constellation Energy Commodities Group, Inc.	Supplier	Steve Kirk		
CPower, Inc.	AR	Tom Rutigliano		
Dighton Power, LLC	Generation		William Fowler	
Dominion Energy Marketing, Inc.	Generation	Wes Walker (tel)		
Dynegy Power Marketing, Inc.	Supplier	Glenn Haake (tel)		
Energy America, LLC	Supplier			Nancy Chafetz
EnerNOC, Inc.	AR	Herb Healy		
Entergy Nuclear Power Marketing LLC	Generation	Ron Mackowiak (tel)		
Exelon Generation Company, LLC	Supplier	William Fowler		
Gas Recovery Systems, LLC (GRS)	AR		Doug Hurley	
GDF SUEZ Energy Marketing NA/FirstLight	Supplier	Thomas Kaslow		
Granite Ridge Energy, LLC	Supplier		William Fowler	
Groton Electric Light Department	Publicly Owned		Gary Will	
Harvard Dedicated Energy Limited	End User			Roger Borghesani
H.Q. Energy Services (U.S.) Inc.	Supplier		Robert Stein	
Hess Corporation	Supplier			Nancy Chafetz
Holden Municipal Light Department	Publicly Owned		Gary Will	
Holyoke Gas & Electric Department	Publicly Owned			Gary Will
Hudson Light and Power Department	Publicly Owned		Gary Will	
Hull Municipal Lighting Plant	Publicly Owned		Gary Will	
Ipswich Municipal Light Department	Publicly Owned		Gary Will	
Integrays Energy Services Inc.	Supplier			Nancy Chafetz
International Power America (ANP Funding I) (IPA)	Generation	Dorothy Capra		
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kienny (tel)	
Long Island Lighting Company (LIPA)	Supplier		John Higgins	
Mansfield Municipal Electric Department	Publicly Owned		Gary Will	
Marblehead Municipal Light Department	Publicly Owned		Gary Will	
Massachusetts Attorney General's Office (MA AG)	End User		David Cetola	
Massachusetts Municipal Wholesale Electric Co.	Publicly Owned	Gary Will		
Middleborough Gas and Electric Department	Publicly Owned		Gary Will	
Middleton Municipal Electric Department	Publicly Owned		Gary Will	
Millennium Power Partners	Generation			
Mirant Energy Trading, LLC	Generation			William Fowler
NAEA Energy Massachusetts, LLC	Generation	Ken Bekman (tel)		

PARTICIPANTS IN ATTENDANCE AT THE
AUGUST 6, 2010 PARTICIPANTS COMMITTEE MEETING

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
New England Power Company	Transmission	Timothy Brennan	Terron Hill	
New Hampshire Electric Cooperative, Inc.	Publicly Owned			Brian Forshaw
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Fernando DaSilva		
Northeast Utilities Service Company (NU)	Transmission	Joseph Staszowski		
NSTAR Electric Company	Transmission	James Daly		
Paxton Municipal Light Department	Publicly Owned		Gary Will	
Peabody Municipal Light Plant	Publicly Owned		Gary Will	
Pinpoint Power, LLC	Supplier			Bob Stein
PowerOptions, Inc.	End User	Cindy Arcate		
PPL EnergyPlus	Supplier		Sharon Weber (tel)	
Princeton Municipal Light Department	Publicly Owned		Gary Will	
Provisional Group Member Load Response Subsector	AR		Erik Abend (tel)	
Provisional Group Member	Transmission	Steve Conant		
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon (tel)		
Rowley Municipal Lighting Plant	Publicly Owned		Gary Will	
Shrewsbury Electric & Cable Operations	Publicly Owned		Gary Will	
Small Distributed Generation Group Member	AR	Doug Hurley		
Small Load Response Group Member	AR	Doug Hurley		
Small Renewable Generation Group Member	AR	Erik Abend (tel)		
South Hadley Electric Light Department	Publicly Owned		Gary Will	
Sterling Municipal Electric Light Department	Publicly Owned		Gary Will	
Taunton Municipal Light Department	Publicly Owned		Brian Forshaw	
Templeton Municipal Lighting Plant	Publicly Owned		Gary Will	
The Energy Consortium	End User	Roger Borghesani		
The Energy Council of Rhode Island (TEC-RI)	End User			Roger Borghesani
Union of Concerned Scientists (UCS)	End User		Paul Peterson	
United Illuminating Company, The	Transmission		Alan Trotta	
Vermont Electric Cooperative	Publicly Owned	Craig Kiemy (tel)		
Vermont Electric Power Company, Inc.	Transmission	Francis Etori		
Vermont Energy Investment Corporation (VEIC)	AR		Doug Hurley	
Verso Maine Energy LLC	Generation	Glenn Poole (tel)		
Wakefield Municipal Gas and Light Department	Publicly Owned		Gary Will	
West Boylston Municipal Lighting Plant	Publicly Owned		Gary Will	
Westfield Gas & Electric Department	Publicly Owned			Gary Will

VOTES TAKEN AT
AUGUST 6, 2010 NEPOOL PARTICIPANTS COMMITTEE MEETING

TOTAL

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
GENERATION	2.14	2.14	0.00	17.10
TRANSMISSION	17.10	3.420	14.25	4.26
SUPPLIER	9.98	3.11	1.90	12.21
ALTERNATIVE RESOURCES	14.50	14.50	3.34	10.33
PUBLICLY OWNED ENTITY	17.10	0.00	0.00	17.10
END USER	17.10	17.10	2.443	17.10
% IN FAVOR	77.91	40.27	21.93	78.12

GENERATION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Boston Generating, LLC	O	O	O	F
Caithness New England Services	O	O	O	F
Dighton Power, LLC	O	O	O	F
Dominion Energy Marketing, Inc.	A	--	--	--
International Power America (ANP Funding I, LLC)	O	O	O	F
Mirant Energy Trading, LLC	O	O	A	A
NAEA Energy Massachusetts, LLC	O	O	O	F
NextEra Energy Resources, LLC	O	O	A	F
Verso Maine Energy LLC	F	F	O	F
IN FAVOR (F)	1	1	0	7
OPPOSED (O)	7	7	6	0
TOTAL VOTES	8	8	6	7
ABSTENTIONS (A)	1	0	2	1

TRANSMISSION SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Bangor Hydro-Electric Company	F	O	O	F
New England Power Company	F	F	F	O
Northeast Utilities System Companies	F	O	F	O
NSTAR Electric Company	F	O	F	O
The United Illuminating Company	F	A	F	A
Vermont Electric Power Company	F	O	F	A
IN FAVOR (F)	6	1	5	1
OPPOSED	0	4	1	3
TOTAL VOTES	6	5	6	4
ABSTENTIONS (A)	0	1	0	2

SUPPLIER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
BP Energy Company	A	O	O	F
Brookfield Energy Marketing Inc./CSC	A	O	A	A
Consolidated Edison Energy, Inc.	O	O	O	A
Constellation Energy Commodities Group	F	F	--	--
Dynegy Power Marketing, Inc.	O	O	O	F
Energy America, LLC	F	A	A	A
Exelon Generation, LLC	O	O	O	F
GDF SUEZ Energy Marketing NA, Inc. / FirstLight	O	O	F	A
Granite Ridge/Merrill Lynch Commodities/BoA	O	O	O	F
Hess Corporation	F	A	A	A
H.Q. Energy Services (U.S.) Inc.	F	A	O	O
Integrus Energy Services, Inc.	F	A	A	A
LIPA	A	A	A	A
Pinpoint Power	F	F	O	O
PPL EnergyPlus, LLC	A	O	A	A
PSEG Energy Resources & Trade	F	O	O	F
IN FAVOR (F)	7	2	1	5
OPPOSED	5	9	8	2
TOTAL VOTES	12	11	9	7
ABSTENTIONS (A)	4	5	6	8

ALTERNATIVE RESOURCES SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Renewable Generation Sub-Sector				
Gas Recovery Systems, Inc.	F	F	O	F
Distributed Generation Sub-Sector				
Small DG Group Member	F	F	O	F
Load Response Sub-Sector				
Comverge, Inc.	F	F	F	O
Conservation Services Group	F	F	O	F
CPower, Inc.	F	F	A	O
EnerNOC, Inc.	F	F	F	O
Vermont Energy Investment Corp.	F	F	O	F
Small LR Group Member	F	F	O	F
IN FAVOR (F)	7	7	2	5
OPPOSED	0	0	5	3
TOTAL VOTES	7	7	7	8
ABSTENTIONS (A)	0	0	1	0

VOTES TAKEN AT THE
AUGUST 6, 2010 NEPOOL PARTICIPANTS COMMITTEE MEETING

PUBLICLY OWNED ENTITY SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
Ashburnham Municipal Light Plant	F	O	O	F
Boylston Municipal Light Department	F	O	O	F
Chicopee Municipal Lighting Plant	F	O	O	F
Conn. Municipal Electric Energy Coop.	F	O	O	F
Concord Municipal Light Plant	F	O	O	F
Groton Electric Light Department	F	O	O	F
Holden Municipal Light Department	F	O	O	F
Holyoke Gas & Electric Department	F	O	O	F
Hudson Light and Power Department	F	O	O	F
Hull Municipal Lighting Plant	F	O	O	F
Ipswich Municipal Light Department	F	O	O	F
Littleton (NH) Water & Light Dept.	F	O	O	F
Mansfield Municipal Electric Dept.	F	O	O	F
Marblehead Municipal Light Dept.	F	O	O	F
Mass. Municipal Wholesale Electric Co	F	O	O	F
Middleborough Gas and Electric Dept.	F	O	O	F
Middleton Municipal Electric Dept.	F	O	O	F
New Hampshire Electric Cooperative	F	O	O	F
Paxton Municipal Light Department	F	O	O	F
Peabody Municipal Light Plant	F	O	O	F
Princeton Municipal Light Department	F	O	O	F
Rowley Municipal Lighting Plant	F	O	O	F
Shrewsbury's Electric & Cable Ops	F	O	O	F
South Hadley Electric Light Dept.	F	O	O	F
Sterling Municipal Electric Light Dept.	F	O	O	F
Taunton Municipal Lighting Plant	F	O	O	F
Templeton Municipal Lighting Plant	F	O	O	F
Vermont Electric Cooperative	F	O	O	F
Wakefield Municipal Gas & Light Dept.	F	O	O	F
West Boylston Municipal Lighting Plant	F	O	O	F
Westfield Gas & Electric Light Dept.	F	O	O	F
IN FAVOR (F)	31	0	0	31
OPPOSED	0	31	31	0
TOTAL VOTES	31	31	31	31
ABSTENTIONS (A)	0	0	0	0

END USER SECTOR

Participant Name	Vote 1	Vote 2	Vote 3	Vote 4
511 Plaza, LP	F	F	O	F
Associated Industries of Mass.	F	F	F	F
Conservation Law Foundation	F	F	A	A
CT Office of Consumer Counsel	F	A	A	F
Corinth Wood Pellets, LLC	F	F	O	F
Dennis Beverage	F	F	O	F
Dragon Products Company	F	F	O	F
Elektrisola, Inc.	F	F	O	F
Fairchild Semiconductor Corporation	F	F	O	F
Food City, Inc.	F	F	O	F
Garland Manufacturing Company	F	F	O	F
Hammond Lumber Company	F	F	O	F
Hardwood Products Company	F	F	O	F
Harvard Dedicated Energy Limited	F	F	F	F
LaBree's Inc.	F	F	O	F
Lavalley Lumber Co.	F	F	O	F
Maine Woods Pellet Company	F	F	O	F
Marden's Inc.	F	F	O	F
Mass. Attorney General's Office	F	F	A	A
Merchants Plaza LLC	F	F	O	F
NH Office of Consumer Advocate	F	F	A	F
PalletOne of Maine	F	F	O	F
PowerOptions, Inc.	F	F	A	F
Quality Egg of New England	F	F	O	F
RJF – Morin Brick LLC	F	F	O	F
Robbins Lumber	F	F	O	F
St. Anselms College	F	F	O	F
St. Joseph Health Services of RI	F	F	O	F
The Energy Consortium	F	F	F	F
The Energy Council of RI (TEC-RI)	F	F	F	F
Union of Concerned Scientists	F	F	A	A
Westerly Hospital	F	F	O	F
Whole Foods Market Group, Inc.	F	F	O	F
Z-TECH, LLC	F	F	O	F
IN FAVOR (F)	34	33	4	31
OPPOSED	0	0	24	0
TOTAL VOTES	34	33	28	31
ABSTENTIONS (A)	0	1	6	3

CONSENT AGENDA

From the notice of actions of the *Transmission Committee* meeting dated July 26, 2010, which has been previously circulated:¹

1. OATT Schedule 24 Changes Incorporating by Reference NAESB WEQ Standards Pursuant to Orders 676-E and 676-F

Support amendments to Schedule 24 of the OATT to incorporate by reference the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) Standards adopted by the Federal Energy Regulatory Commission as outlined in Order Nos. 676-E and 676-F (dated November 24, 2009 and April 15, 2010, respectively), as recommended by the Transmission Committee at its July 22, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Transmission Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

From the notice of actions of the *Markets Committee* meeting dated August 12, 2010, which has been previously circulated:²

2. Changes to the MR 1 QPCRD Tracking Process

Support revisions to Market Rule 1 to implement the revisions to the Qualification Process Cost Reimbursement Deposit (QPCRD) tracking process, as recommended by the Markets Committee at its August 10-11, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

3. FCM Conforming Changes to MR 1 Appendix H

Support FCM conforming changes to Appendix H to Market Rule 1 (Operations During Cold Weather Conditions) and associated revisions to Market Rule 1 and Appendix A to Market Rule 1, as recommended by the Markets Committee at its August 10-11, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Markets Committee may approve.

¹ Reliability Committee Notices of Actions are also posted on the ISO website at: http://www.iso-ne.com/committees/comm_wkgrps/relbilty_comm/relbilty/actions/index.html.

² Markets Committee Notices of Actions are also posted on the ISO website at: http://www.iso-ne.com/committees/comm_wkgrps/mrks_comm/mrks/actions/index.html.

The motion to recommend Participants Committee support was approved with a vote of 77.2% in favor (Generation (0% in favor, 17.1% opposed, 6 abstentions), Transmission (17.1% in favor, 0% opposed, 1 abstention), Supplier (11.4% in favor, 5.7% opposed, 11 abstentions), Alternative Resources (14.5% in favor, 0% opposed, 5 abstentions), Publicly Owned Entity (17.1% in favor, 0% opposed), and End User (17.1% in favor, 0% opposed, 8 abstentions).

From the notice of actions of the *Reliability Committee* meeting dated August 18, 2010, which has been previously circulated:³

4. OP 18 Appendix C (Addition of Digital Protective Relay and Change to Voltage Transformers Minimum Accuracy Standard)

Support revisions to Appendix C to ISO New England Operating Procedure (OP) No. 18 (Metering and Telemetry Criteria - Minimum Accuracy Standards), which add a Digital Protective Relay accuracy standard, change the standard for Voltage Transformers, and remove a note related to Transducers, as recommended by the Reliability Committee at its August 16-17, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

5. Updates to PP 4

Support revisions to ISO New England Planning Procedure (PP) No. 4 (Procedure for Pool-Supported PTF Cost Review), as recommended by the Reliability Committee at its August 16-17, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

6. Conforming Changes to PP 7 (reflecting new IEEE standards and NERC Reliability Standard FAC-008-002)

Support revisions to PP 7 (Procedure for Determining and Implementing Transmission Facility Ratings in New England), including changes to conform that PP to the new IEEE standards and NERC Standard FAC-008-2, as recommended by the Reliability Committee at its August 16-17, 2010

³ Reliability Committee Notices of Actions are also posted on the ISO website at: http://www.iso-ne.com/committees/comm_wkgrps/relblyt_comm/relblyt/actions/index.html.

meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

7. Updates to OP 12 Appendix B

Support revisions to Appendix B to OP 12 (Voltage and Reactive Schedules and Surveys), to reflect updated information resulting from VTF review and new test results, as recommended by the Reliability Committee at its August 16-17, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Reliability Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

From the notice of actions of the *Transmission Committee* meeting dated August 19, 2010, which has been previously circulated:

8. FCM Conforming Changes to Schedule 2 of ISO Tariff Section II

Support FCM conforming changes to Schedule 2 of Section II of the ISO Tariff regarding Reactive Capability, as recommended by the Transmission Committee at its August 16-17, 2010 meeting, with such further non-substantive changes as the Chair and Vice-Chair of the Transmission Committee may approve.

The motion to recommend Participants Committee support was unanimously approved.

Directions:

From The Airport:

Follow signs from the airport for Boston/Sumner Tunnel. At the end of the Sumner Tunnel, move into the left lane and merge onto I-93N. Follow I-93N to Exit 26 – Cambridge/Storrow Drive. Follow Storrow Drive to the Copley Square/Back Bay Exit (The 2nd left hand exit). At the traffic light, turn right onto Beacon Street. Follow Beacon Street 4 blocks and turn left onto Exeter Street. Follow Exeter Street until it ends and turn right onto Huntington Avenue. Follow Huntington Avenue through the 1st set of lights. Make a U-turn at the 2nd set of lights (The hotel will be on your left hand side at this set of lights). Once you make the U-turn, the hotel entrance will be immediately on your right hand side. The garage entrance is located just beyond Brasserie Jo.

From The West:

From New York and Connecticut (Route I-90E)

Follow the Massachusetts Turnpike/Route I-90E to Exit 22 - Copley Square/Prudential. Stay in the left lane and follow signs for “Prudential.” This exit will place you directly onto Huntington Avenue. Proceed through the stop sign and merge into the far left lane. Make a U-turn at 1st the set of lights (The hotel will be on your left hand side at this set of lights). Once you make the U-turn, the hotel entrance will be immediately on your right hand side. The garage entrance is located just beyond Brasserie Jo.

From Worcester and Fitchburg (Route 2E)

Follow Route 2E to Exit 52A – Route 95S/Route 128S. Follow Route 95S/Route 128S for 7 miles to Exit 25 – Massachusetts Turnpike/Route I-90E. Follow the same directions as above from Route I-90E.

From The North: (Maine, New Hampshire, Vermont and the North Shore)

Heading southbound on Route 95S, take Exit 37 – I-93S. Follow I-93S to Exit 26 – Storrow Drive. Stay in the left lane and follow signs for “Storrow Drive.” Follow Storrow Drive to the Copley Square/Back Bay Exit (The 2nd left hand exit). At the traffic light, turn right onto Beacon Street. Follow Beacon Street 4 blocks and turn left onto Exeter Street. Follow Exeter Street until it ends and turn right onto Huntington Avenue. Follow Huntington Avenue through the 1st set of lights. Make a U-turn at the 2nd set of lights (The hotel will be on your left hand side at this set of lights). Once you make the U-turn, the hotel entrance will be immediately on your right hand side. The garage entrance is located just beyond Brasserie Jo.

From The South: (Cape Cod and the South Shore)

Heading northbound on Route I-93N, take Exit 18 – Massachusetts Avenue. Proceed through the 1st set of lights. At the 2nd set of lights, turn left over the highway and follow signs for Massachusetts Avenue. Turn right onto Massachusetts Avenue and continue through 8 sets of lights to Huntington Avenue. Turn right onto Huntington Avenue and continue through 2 sets of lights. The hotel will be immediately on your right hand side. The garage entrance is located just beyond Brasserie Jo.

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