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June 20, 2008

VIA OVERNIGHT DELIVERY AND E-MAIL

NEPOOL Review Board
74 Bedford Street
Lexington, MA 02420

Re: 01-NE-BD-2008, *Appeal Taken by NRG Energy of Certain Actions of the NEPOOL Participants Committee at its June 6, 2008 Meeting Regarding Rejected De-List Bid Compensation Proposals*

Pursuant to Section 11.7(d) of the Second Restated NEPOOL Agreement and Section 5(a) of the Board of Review's Rules of Procedure, the Secretary and Counsel for the NEPOOL Participants Committee ("NEPOOL") submits this filing in the appeal taken on June 13, 2008 by NRG Energy, Inc. ("NRG") of two actions of the Participants Committee at its June 6, 2008 meeting. NRG submitted that appeal pursuant to Sections 11.7 and 7.5 of the Second Restated NEPOOL Agreement. NRG's appeal relates to Participants Committee actions on amendments to Section III.13 of Market Rule 1 of the Tariff¹ to address issues related to the treatment and compensation of resources whose de-list bids in the Forward Capacity Auction ("FCA") have been rejected for reliability reasons, thereby requiring the resource to continue providing capacity to the region. Consistent with the convention used in the Markets Committee and Participants Committee discussions, the issue that is the subject of the proposed amendments to the Tariff will be referred to herein as the "rejected de-list bid compensation issue."

I. ACTIONS OF THE PARTICIPANTS COMMITTEE AT ISSUE

A. Action Regarding the NEPOOL Amendment

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

NRG appeals a set of amendments to the Market Rules to address the rejected de-list bid compensation issue (referred to herein as the “NEPOOL Amendment”) which were supported by a 76.12% Vote of the Participants Committee. (Generation – 13.02%; Transmission – 0%; Supplier – 15.20%; Alternative Resources – 13.18%; Publicly Owned Entity – 17.36%; and End User – 17.36%). Attachment 1 hereto provides a clean copy of the text of the NEPOOL Amendment.

By way of contextual background and as described more fully in subsequent portions of this submission, the NEPOOL Amendment largely reflects a proposal developed by ISO New England Inc. (“ISO-NE”) to address the rejected de-list bid compensation issue. The ISO-NE proposal was first presented to the Markets Committee at that Committee’s November 2007 meeting, and is described in a memorandum to the Markets Committee prepared by ISO-NE a copy of which is included as Attachment 10A hereto. The ISO-NE proposal was the topic of discussion at numerous Markets Committee meetings and was modified by ISO-NE in ways acceptable to ISO-NE in response to comments, suggestions and concerns of Market Participants and state regulators. Following the final Markets Committee action on proposals to address the rejected de-list bid compensation issue taken at the May 12-13, 2008 meeting, the ISO-NE proposal submitted to the Participants Committee was modified by agreement by ISO-NE to reflect clarifying changes proposed by Mirant. That modified ISO-NE proposal is referred to as the “ISO-NE 6/6/08 Proposal.”

The NEPOOL Amendment consists of the ISO-NE 6/6/08 Proposal amended to include language proposed by FirstLight which requires ISO-NE to perform certain analysis and make filings with the FERC in certain instances in which de-list bids in an FCA have been rejected for reliability reasons. That additional language is stated in a proposed Section III.13.2.5.2.5(f), which provides as follows:

In instances where there is the possibility that the reliability need leading to the rejection of a Non-Price Retirement Request, Permanent De-List Bid, Export De-List Bid, Administrative Export De-List Bid, Static De-List Bid, or Dynamic De-List Bid for a Commitment Period may not be resolved before the subsequent Commitment Period, prior to the start of the New Capacity qualification period for the FCA for that subsequent Commitment Period, the ISO shall (i) review the status of the specific reliability need, identify alternatives to resolve that reliability need and the time to implement those solutions with the Reliability Committee, and, (ii) in instances where it is determined that the reliability need leading to the rejection of a Non-Price Retirement Request or Permanent De-List Bid cannot be resolved before that subsequent Commitment Period, make a FERC filing indicating the need to include the capacity seeking retirement in that FCA.

The inclusion of this language is the only difference between the NEPOOL Amendments and the ISO-NE 6/6/08 Proposal.² ISO-NE did not support the inclusion of this language in its proposal. NRG's challenge does not concern the notice and review provision that FirstLight was proposing but, rather, for all practical purposes, is an objection to the ISO-NE 6/6/08 Proposal as submitted by ISO-NE.³

B. Action Regarding NRG Amendment # 1

NRG also appeals the Participants Committee failure to approve a set of revisions to Section III.13 of Market Rule 1 proposed by NRG, which objected to ISO-NE's overall proposal to address the rejected de-list bid compensation issue. The amendments proposed by NRG are referred to herein as "NRG Amendment # 1."⁴ That motion, framed as a motion to amend a main motion that contained provisions objectionable to NRG, failed at the Participants Committee with a 40.90% Vote (Generation – 17.36%; Transmission – 0%; Supplier- 10.13%; Alternative Resources – 11.09%; Publicly Owned Entity – 0%; and End User – 2.32%). Attachment 3 is a clean copy showing the text of NRG Amendment # 1.

II. ORGANIZATION OF THE PARTICIPANTS COMMITTEE'S SUBMISSION AND SUPPORTING DOCUMENTATION

Section III of this submission explains the circumstances and reasons that gave rise to the NEPOOL Amendment, including a summary by ISO-NE of the objectives underlying its proposal to address the rejected de-list bid compensation issue. Section IV of this submission provides background regarding the numerous proposals presented to and considered by the Markets Committee ahead of the Participants Committee action on this matter on June 6. Section V of this submission provides materials circulated to the Participants Committee regarding rejected de-list bid compensation issues, and additional background information regarding those materials.

² Attachment 2 hereto provides the text of the NEPOOL Amendment, marked to show the differences with the ISO-NE 6/6/08 Proposal.

³ After approving the NEPOOL Amendment, the Participants Committee at ISO-NE's request pursuant to Section 11.1.3 of the Participants Agreement also voted on a motion to support the ISO-NE 6/6/08 Proposal (i.e., the NEPOOL Amendment without the Section III.13.2.5.2.5(f) proposed by FirstLight). The vote on the ISO-NE 6/6/08 Proposal failed with only 29.05% Vote in favor (Generation – 2.48%; Transmission – 17.36%; Supplier – 8.68%; Alternative Resources – 0%; Publicly Owned Entity – 0.53%; and End User – 0%).

⁴ NRG offered two other proposals (referred to in the June 9, 2006 Notice of Actions of the Participants Committee as "NRG Amendment # 2" and "NRG Amendment # 3"). Motions to support these proposals also failed at the Participants Committee. NRG is not appealing those Participants Committee actions.

NEPOOL provides the following documentation concerning the Participants Committee actions that are the subject of the appeals:

Attachment	Description
1	Text of the NEPOOL Amendment
2	Document showing differences between ISO-NE 6/6/08 Proposal and NEPOOL Amendment
3	Text of NRG Amendment # 1
4	The resolutions voted on by the Participants Committee at its June 6 meeting on matters that are the subject of the appeal, including the Participants Committee Notice of Actions that was circulated to Participants following that meeting
5	A tabulation of the Participants Committee votes on the resolutions identified in Attachment 4
6	A document showing the NEPOOL Amendment as a mark-up to the currently effective provisions of the Tariff
7	A document showing NRG Amendment # 1 as mark-up to the NEPOOL Amendment

In addition to these materials, and as described more fully herein, NEPOOL has included with its submission other background materials and information for the convenience of the members of the Review Board.

III. REASONS FOR THE NEPOOL AMENDMENT AND THE ISO-NE PROPOSAL

A. General Background Regarding Market Rule 1, Section III.13

Issues concerning compensation associated with rejected de-list bids arise out of an aspect of the provisions of Market Rule 1 of the Tariff (the “FCM Rules”) implementing New England’s Forward Capacity Market (“FCM”).⁵ The FCM Rules were approved by the Federal Energy Regulatory Commission (the “Commission”) on April 16, 2007, *ISO New England Inc.*,

⁵ Section III of the Tariff is referred to as “Market Rule 1.” The FCM arrangements were reflected in the terms of a settlement agreement filed with and approved by the Commission in its Docket ER03-563, *Devon Power LLC*, 115 FERC ¶ 61,340, *order on reh’g*, 117 FERC ¶ 61,133 (2006), *appeal denied in pertinent part, Maine Public Utilities Commission v. FERC*, Case Nos. 06-1427 and 07-1193 (D.C. Cir. Mar. 28, 2008).

119 FERC ¶ 61,045 (2007) (“April 16 Order”), and confirmed in a later order on rehearing, *ISO New England Inc.*, 120 FERC ¶ 61,087 (2007) (“Rehearing Order”).⁶ In general, the FCM Rules permit a resource to seek to exit the capacity market by submitting a de-list bid. If that bid is accepted, the resource is not eligible to receive any capacity payments and does not take on the obligations of a capacity resource. The FCM Rules also provide, however, that ISO-NE can reject a de-list bid for “reliability reasons” and that a resource whose de-list bid has been rejected for reliability reasons will be compensated during the time that it is counted on for reliability at a “just and reasonable price, as determined by the Commission.” As the Commission observed in both the April 16 Order and the Rehearing Order, the FCM Rules as filed and approved by the Commission did not define the mechanism for the “determination of a just and reasonable rate.” (April 16 Order at P 57). The NEPOOL Amendment (Attachment 1) and NRG Amendment # 1 (Attachment 3) that are the subject of NRG’s appeal seek to define this mechanism.

As explained more fully in the April 16 Order, the Rehearing Order and the February 15, 2007 filing of the FCM Rules in Docket ER07-546 which was the subject of those orders, under the FCM, ISO-NE is required by the FCM Rules to conduct an annual auction to procure capacity (*i.e.*, the FCA). Each FCA is conducted three-plus years in advance of the period during which the capacity being procured in that FCA is to be supplied.⁷ The time period for which the capacity is being provided is referred to as the Commitment Period. Any resource that clears the FCA is obligated to supply capacity during the applicable Commitment Period. “Clearing” the FCA means that the capacity resource was selected in the auction.

In each FCA, ISO-NE is required by the FCM Rules to procure 100 percent of the amount of capacity projected as being needed during the Commitment Period in the New England Control Area and within each Capacity Zone.⁸ The FCAs are designed as “descending clock” auctions in which the asking price for capacity is progressively decreased in a series of auction rounds until the aggregate megawatts (MWs) of newly proposed capacity (including eligible demand response) and existing capacity that has not had its de-list bid accepted equals the number of MWs that ISO-NE has determined are needed for the region. New England’s Load Serving Entities (LSEs) are responsible for paying for the amount of capacity committed in the FCA.

⁶ For convenience, a copy of the April 16 Order is included as Attachment 8 hereto, and a copy of the Rehearing Order is included as Attachment 9 hereto.

⁷ For example, the initial FCA held in February 2008 will procure capacity for the Commitment Period June 1, 2010 to May 31, 2011.

⁸ The amount of capacity is a MW quantity, known as the Installed Capacity Requirement (“ICR”). Prior to each FCA, ISO-NE will calculate the Installed Capacity Requirement for the New England control area for each year through the commitment period. The FCM includes a Local Sourcing Requirement (“LSR”) which is a locational component that allows for prices to differ across capacity zones. Depending on the transmission system constraints, prices for capacity may differ in different capacity zones.

The FCM Rules provide that each existing capacity resource automatically participates in the FCA, but that a resource may seek to remove itself from the FCM by submitting a de-list bid in the FCA. A de-list bid is the price at which the resource indicates that it is no longer willing to provide capacity to the market, and is instead withdrawing its capacity from the auction.⁹ The FCM Rules define the following types of de-list bids as bids which must be submitted to ISO-NE in advance of an FCA, during the pre-auction resource qualification process: Permanent De-List Bids,¹⁰ Static De-List Bids,¹¹ Export Bids, and Administrative Export De-List Bids. A fifth type of de-list bid (a “Dynamic De-List Bid”) may be submitted during the FCA itself.

The FCM Rules, at Section III.13.2.5.2.5, provides that ISO-NE can reject a de-list bid for reliability reasons. Under the current rules, where ISO-NE has determined that some or all of the capacity associated with a de-list bid is needed for reliability reasons, the de-list bid for that capacity will not clear in the FCA and that resource will be notified following the FCA that its de-list bid has been rejected.

The FCM Rules also recognize that, during the period between the FCA and the Commitment Period, a number of circumstances can change that would adjust the MWs needed to ensure a balance between the region’s capacity requirements and committed capacity. For example, load can be different than expected, new resources that were planned for construction can be delayed or cancelled, and operational circumstances can change for existing resources. Accordingly, the Market Rules provide for periodic “reconfiguration auctions” ahead of the Commitment Period that effectively allow market participants to acquire or transfer capacity obligations.

Once the Commitment Period arrives, if the capacity that sought to de-list is still needed for reliability, than it remains a listed resource with the attendant obligations and will receive capacity payments like all other resources. In addition, recognizing that it is required to continue as a capacity resource during a time that it sought to de-list, it also will be eligible for additional

⁹ If the resource lacks market power, its de-list bid should represent that resource's net risk-adjusted going forward and opportunity costs of providing service. Among other things, a resource whose de-list bid is accepted has no obligation to bid into the Day-Ahead and Real-Time energy markets for the period for which it is de-listed, and does not have to honor ISO-NE’s requests to reschedule maintenance.

¹⁰ A Permanent De-List Bid is a bid to remove the resource from capacity obligations during the delivery year, and to permanently preclude the resource from offering its capacity to meet any future capacity obligation in New England. In contrast to offers to sell capacity, a Permanent De-List Bid clearing the market means that the existing capacity resource that submitted that bid no longer has an obligation to supply capacity.

¹¹ A Static De-List Bid is a bid to remove the resource from any capacity obligations only during the delivery year; thus, a Static De-List Bid would not preclude the resource from offering its capacity into future capacity auctions.

payments in order to ensure that it is “compensated at a just and reasonable price, as determined by the Commission.” *See* Tariff, Market Rule 1, Section III.13.2.5.2.5(f), currently in effect.

B. ISO-NE’s Stated Objectives and Rationale for ISO-NE’s Proposal

As indicated, NRG is appealing both the Participants Committee’s action approving the NEPOOL Amendment and its action not to approve NRG Amendment # 1. As noted above, the NEPOOL Amendment, but for one change that is objectionable to ISO-NE, is identical to the ISO-NE 6/6/08 Proposal. The foundation for both of those sets of amendments was a proposal to address the rejected de-list bid compensation issue that was advanced and championed by ISO-NE through the Markets Committee process.¹²

In its first presentation of its proposal on this issue to the Markets Committee in November 2007, ISO-NE explained its objectives in considering and resolving the rejected de-list bid compensation issue. That explanation is contained in a memorandum presented to and reviewed with the Markets Committee at its November 12-13, 2007 meeting. (Attachment 10A). Although ISO-NE over time modified aspects of its proposal to reflect stakeholder input obtained through the Markets Committee process, the discussion in this initial ISO-NE memorandum regarding the factors considered by ISO-NE in formulating its overall approach to the issue remain valid and pertinent to the issues presented in this appeal.

The NEPOOL Amendment (and the ISO-NE 6/6/08 Proposal) provide, in pertinent part: (1) that resources whose static or dynamic de-list bids have been rejected for reliability reasons would be compensated based on the rejected de-list bid (with the caveat that dynamic de-list bids would be subject to Commission review); (2) that resources whose permanent de-list bids have been rejected for reliability reasons can elect to be paid based on the rejected de-list bid or a cost of service agreement that is consistent with the requirements of the Market Rules; and (3) that resources with Non-Price Retirement requests that are not approved for reliability reasons and which do not elect to proceed with the retirement as allowed by the proposed Non-Price Retirement rules or do not opt for receiving FCM clearing price to remain operation, can elect to be compensated under a cost of service agreement that is consistent with the requirements of the Market Rules. The NEPOOL Amendment also states other related criteria, including the timing for when resources with rejected de-list bids or non-price requirement requests will qualify for the compensation described above.

NRG suggests that these payment provisions do not reflect a “market-based solution,” and argues in materials it submitted to the Markets Committee and the Participants Committee, and in its June 13, 2008 appeal petition, that the NRG Amendment #1 does reflect a market-

¹² Although ISO-NE is best positioned to explain and defend in this appeal those aspects of its proposal that are reflected in NEPOOL Amendment that NRG challenges, ISO-NE has advised the NEPOOL Secretary and Counsel that it will not be participating in this Appeal.

based solution to these issues and that a market based solution is preferable and should be adopted.

The Participants Committee, in its consideration of these two approaches, considered a broad range of arguments and factors for and against each proposal. With respect to NRG Amendment # 1, which was not supported by the Participants Committee, members opposing NRG Amendment # 1 expressed concern, among other things, about the effect of the solution proposed by NRG on the integrity of the FCA and about the impact of market power concerns in constrained areas on the reasonableness of this proposal. ISO-NE, speaking in opposition to NRG Amendment # 1 stated its view that implementation of NRG Amendment # 1 would provide an undesired opportunity for must run units to recover greater compensation than ISO-NE concluded was justified. Specifically, ISO-NE explained at both the Markets Committee and the Participants Committee that NRG Amendment # 1 would (1) facilitate the use of market power; (2) provide an incentive for resources to leave the capacity market to seek a higher payment; and (3) is unnecessary to address the identified reliability issue which will be addressed through the Regional System Plan process or by market solutions.

As noted above, the only difference between the ISO-NE 6/6/08 Proposal and the NEPOOL Amendment was the insertion of a new Section III.13.2.5.2.5(f) proposed by FirstLight. Participants supporting the NEPOOL Amendment expressed a desire for additional stakeholder input regarding specific units needed for reliability and Commission notification that previously identified reliability needs still exist. ISO-NE stated opposition to this amendment due to a belief that the current planning process is the adequate forum for addressing these technical issues. ISO-NE also voiced a willingness to discuss these determinations at the Reliability Committee but did not feel it necessary to formalize this process in the Market Rule.¹³

IV. PROCEEDINGS BEFORE THE MARKETS COMMITTEE

At its November 12-13, 2007, and March 12-13, April 8-9, April 23-24 and May 13-15, 2008 meetings, the Markets Committee discussed the rejected de-list bid compensation issue and/or considered proposals to address that issue, including a proposal by ISO-NE which evolved ultimately into the NEPOOL Amendment and a proposal by NRG which ultimately evolved into NRG Amendment # 1. This Section of NEPOOL's submission provides background information and describes background materials regarding the consideration of these two proposals by the Markets Committee over these meetings.

A. November 12-13, 2007 Markets Committee Meeting

¹³ ISO-NE did not support the amendment proposed by FirstLight. ISO-NE's stated objection was that the amendment added planning requirements into Market Rules, where ISO-NE believed they did not belong. ISO-NE, and others supporting the ISO-NE 6/6/08 Proposal and opposing the FirstLight amendment, advised that they did not otherwise oppose the substance of the request or the requirement of a filing with the Commission as proposed by the FirstLight amendment.

The Markets Committee received as agenda item # 12a at its November 12-13, 2007 meeting a presentation by ISO-NE of ISO-NE's proposed approach to address the rejected de-list bid compensation issue. A copy of a memorandum dated November 6, 2007 from ISO-NE is included as Attachment 10A hereto. A copy of the minutes of this Markets Committee meeting is included as Attachment 10B hereto. No votes or actions were taken by the Markets Committee at this meeting regarding this issue.

B. March 12-13, 2008 Markets Committee Meeting

The Markets Committee received as agenda item # 13 at its March 12-13, 2008 meeting a presentation by ISO-NE of ISO-NE's proposed revisions to Market Rule 1 to address the rejected de-list bid compensation issue. No votes or actions were taken by the Markets Committee at this meeting regarding this issue.

A copy of the ISO-NE proposal as presented to the Markets Committee at this meeting (the "ISO-NE 3/12/08 Proposal") is included as Attachment 11A hereto. A copy of the explanatory materials provided by ISO-NE in support of its proposal is included as Attachment 11B hereto. A copy of the minutes of this Markets Committee meeting is included as Attachment 11C hereto.

C. April 8-9, 2008 Markets Committee Meeting

The Markets Committee at its April 8-9 meeting received a further presentation by ISO-NE of its proposal (agenda item # 3) and a presentation by NRG of a competing proposal to address the rejected de-list bid compensation issue (agenda item # 4). No votes or actions were taken by the Markets Committee at this meeting regarding this issue.

The discussion regarding this issue is reflected in the minutes of this Markets Committee meeting included as Attachment 12A hereto. The materials presented by ISO-NE regarding its proposal at this meeting (the "ISO-NE 4/8/08 Proposal") are included as Attachment 12B hereto. The materials resented by NRG regarding its proposal (the "NRG 4/8/08 Proposal") include a mark-up of ISO-NE's proposal (Attachment 12C hereto) and a PowerPoint presentation (Attachment 12d hereto). The NRG 4/8/08 Proposal evolved into NRG Amendment # 1 over the course of subsequent Markets Committee meetings.

D. April 23-24, 2008 Markets Committee Meeting

The Markets Committee at this meeting received a further presentation by ISO-NE regarding ISO-NE's rejected de-list bid compensation proposal (the "ISO-NE 4/23/08 Proposal"). This presentation is reflected in agenda item # 6 for that Markets Committee meeting. ISO-NE submitted the following materials regarding the ISO-NE 4/23/08 Proposal: (1) a PowerPoint presentation (Attachment 13A hereto); (2) a document showing the ISO-NE 4/23/08 Proposal as a mark-up to the ISO-NE 4/8/08 Proposal (Attachment 13B hereto); and (3)

a document showing changes to the current Tariff language reflecting implementation of the ISO-NE 4/23/08 Proposal (Attachment 13C hereto).

The Markets Committee at this meeting received a further presentation by NRG of its rejected de-list bid compensation proposal (the “NRG 4/23/08 Proposal”). NRG’s presentation is reflected as agenda item # 7 for that meeting. At this meeting, NRG submitted the following materials regarding the NRG 4/23/08 Proposal: (1) a PowerPoint presentation (Attachment 13D hereto); and (2) a document providing Tariff language implementing the NRG 4/23/08 Proposal (Attachment 13E hereto).

No votes or actions were taken by the MC at this meeting regarding this issue. The discussion of this issue at this meeting is reflected in the minutes, a copy of which is included as Attachment 13F hereto.

E. May 13-15, 2008 Markets Committee Meeting

The Markets Committee at this meeting took several votes regarding the rejected de-list bid compensation issue. A copy of the “main motion” on this issue presented for consideration at this meeting is included as Attachment 14A hereto. A copy of the May 20, 2008 Notice of Actions of the Markets Committee for this meeting showing the votes taken at this meeting is included as Attachment 14B hereto. The minutes of this Markets Committee meeting are not yet available.

The ISO-NE 5/13/08 Proposal: The Markets Committee at this meeting received a further presentation by ISO-NE regarding the ISO-NE rejected de-list bid compensation proposal, which is reflected as agenda item # 3 for that meeting. The version of the ISO-NE proposal presented at this Markets Committee meeting is referred to herein as the “ISO-NE 5/13/08 Proposal.” At this meeting, ISO-NE submitted the following materials regarding the ISO-NE 5/13/08 Proposal: (1) a memorandum dated May 8, 2008 from David LaPlante and Theodore Paradise discussing differences between the ISO-NE 5/13/08 Proposal and the ISO-NE 4/23/08 Proposal (Attachment 14C hereto); and (2) a document reflecting the ISO-NE 5/13/08 Proposal as a mark-up of the currently effective provisions of the Tariff (Attachment 14D hereto). The ISO-NE 5/13/08 Proposal was the subject of the main motion for agenda item # 3. As reflected in the May 20, 2008 Notice of Actions (at pages 8-9), a motion to recommend that the Participants Committee support the ISO-NE 5/13/08 Proposal passed (65.99% Vote in favor).

The NRG Amendments: The Markets Committee at this meeting received a further presentation by NRG on its rejected de-list bid compensation amendment, including a document stating NRG’s comments on the ISO-NE 5/13/08 Proposal (Attachment 14E hereto). The Markets Committee was asked to consider three proposed amendments offered by NRG to the ISO-NE 5/13/08 Proposal. Those amendments are referred to herein as “NRG 5/13/08 Amendment # 1,” “NRG 5/13/08 Amendment # 2,” and “NRG 5/13/08 Amendment # 3.”

Attachment 14F hereto is a copy of the materials NRG provided to the Markets Committee in support of NRG 5/13/08 Amendment # 1, which evolved into the NRG Amendment # 1 that was considered by the Participants Committee at its June 6, 2008 meeting and is the subject of NRG's appeal to the Board of Review. As reflected in the May 20, 2008 Notice of Actions (at pages 1-6), a motion that the Markets Committee recommend that the Participants Committee support NRG 5/13/08 Amendment # 1 failed to pass (53.13% vote in favor).

NRG 5/13/08 Amendment # 2 and NRG 5/13/08 Amendment # 3 are not the subject of NRG's appeal. As reflected in the May 20, 2008 Notice of Actions (at pages 6-7), a motion to recommend that the Participants Committee support the NRG 5/13/08 Amendment # 2 proposal failed to pass (52.72% in favor). Materials provided by NRG in support of the NRG 5/13/08 Amendment # 2 is included as Attachment 14G hereto. As reflected in the May 20, 2008 Notice of Actions (at page 7), a motion to recommend that the Participants Committee support the NRG 5/13/08 Amendment # 3 proposal failed to pass (57.98% in favor). Materials provided by NRG in support of the NRG 5/13/08 Amendment # 3 is included as Attachment 14H hereto.

V. PROCEEDINGS BEFORE THE PARTICIPANTS COMMITTEE

The Participants Committee considered at its June 6, 2008 meeting the ISO-NE proposal and several amendments to that proposal for addressing the rejected de-list bid compensation issue (Agenda Item # 7). As described earlier in this filing, ISO-NE presented a slightly modified proposal to the June 6, 2008 meeting for discussion and action. After the May 13, 2008 Markets Committee meeting, ISO-NE accepted a set of clarifying changes submitted by Mirant to its proposal. The actions of the Participants Committee are reported in the June 9, 2008 Notice of Actions, included as Attachment 4 hereto.

Thus, the Participants Committee at the June 6, 2008 meeting considered among other things the explanations of ISO-NE in support of the ISO-NE 6/6/08 Proposal, which was a modification of the ISO-NE proposal recommended by the Markets Committee. The Committee also considered at that meeting the explanations of NRG for its three amendments, including NRG Amendment #1 which is one of the subject of this Review Board appeal. Numerous members and alternates also presented their views in support of or opposition to the ISO-NE 6/6/08 Proposal and NRG Amendment #1.

The Participants Committee Members and Alternate Members also received the following materials with the May 30, 2008 Supplemental Notice with respect to this matter, all of which are included as Attachments hereto:

Attachment	Description
15A	Supplemental Notice of and Final Agenda For Meeting
15B	May 30, 2008 Memorandum from NEPOOL Counsel with proposed motion
15C	Materials describing the ISO-NE Proposal

15D	May 20, 2008 Notice of Actions of the Markets Committee
15E	Memorandum from Mirant proposing an amendment to the ISO-NE 5/13/2008 Proposal
15F	May 9, 2008 Memorandum from NRG regarding NRG Amendment # 1
15G	May 9, 2008 Memorandum regarding NRG Amendment # 2 (This amendment is not the subject of NRG's appeal)

Thereafter, additional materials were provided to the NEPOOL Secretary for consideration by the Commission and the following additional materials were provided to the Participants Committee Members and Alternate Members, which are included in Attachment 16 hereto:

Attachment	Description
16A	ISO-NE 6/4/08 Proposal
16B	Current Tariff provisions marked to reflect ISO-NE 6/4/08 Proposal
16C	ISO-NE 6/4/08 Proposal reflecting changes proposed by Mirant and accepted by ISO-NE as friendly, clarifying amendments. (This is the ISO-NE 6/6/08 Proposal)
16D	FirstLight 6/4/08 Amendment (This amendment, which was approved by the Participants Committee, reflects the only difference between the NEPOOL Amendment and the ISO-NE 6/6/08 Proposal)
16E	NRG 6/4/08 Amendment # 3 (This amendment is not the subject of NRG's appeal)

The minutes of the June 6, 2008 Participants Committee meeting will not be available until after the August 2008 Participants Committee meeting at the earliest. While Participants Committee meetings generally are recorded, due to a technical difficulty, some of the substantive discussion at the June 6, 2008 Participants Committee meeting regarding this matter was not captured on the recording. We have included with this submission that portion of the recording that was made, which begins with a portion of the vote on NRG Amendment # 1 and includes the discussion and vote of NRG Amendments # 2 and # 3 (which are not the subject of NRG's appeal), continues with the discussion of and vote taken on the amendment proposed by FirstLight which is reflected in the NEPOOL Amendment, and concludes with the vote taken on the NEPOOL Amendment and the ISO-NE 6/6/08 Proposal.

VI. DESIGNATION FOR SERVICE

For purposes of this proceeding, the designated NEPOOL contact for service is:

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VII. CERTIFICATION OF SERVICE

In accordance with Rule 4(a) of the Board of Review's Rules of Procedure, the undersigned hereby certifies that a copy of the Participants Committee's submission was sent by e-mail and overnight delivery to the Review Board as follows:

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and by e-mail and overnight delivery to NRG as follows:

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As of the service of this submission, NEPOOL is not aware that any other entity has intervened.

A copy of this submission has also been sent to ISO-NE by e-mail and overnight delivery to:

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Very truly yours,

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SPM/slf