



memo

To: NEPOOL Budget & Finance Subcommittee

From: Cheryl Arnold

Date: January 15, 2015

Subject: Modification to the ISO New England Inc. Transmission, Markets, and Services Tariff-
Elective Transmission Upgrades

The ISO has proposed changes to the Open Access Transmission Tariff in the form of a new Schedule 25 – Elective Transmission Upgrade Interconnection Procedures. On December 2 and 16, 2014, ISO New England Inc. (the “ISO”) presented to the Transmission Committee proposed rule changes that are necessary to support the Elective Transmission Upgrade (“ETU”) project. Specifically, the ISO presented the new Schedule 25 – Elective Transmission Upgrade Interconnection Procedures (“Schedule 25”) to the ISO’s Open Access Transmission Tariff (“OATT”), which contains the core provisions that establish the procedures and agreements for the interconnection of ETUs to the Administered Transmission System, including for the payment of certain related deposits. The presentation that was provided to the Transmission Committee on December 2, 2014 has been posted as background material for this Subcommittee. Subsequent to the December 16, 2014 meeting, minor changes to the redlines of the OATT will be reviewed by the Transmission Committee at their January 20, 2015 meeting for final vote.

As a result of the addition of the new Schedule 25, we need to make a minor, clarifying, change to the ISO New England Inc. Transmission, Markets, and Services Tariff (ISO Tariff), Section IV.A (Recovery of ISO Administrative Expenses), Schedule 1. The redline change is posted for your review. The change simply clarifies that any deposits that become non-refundable under this new Schedule 25 of the OATT will be credited to Schedule 1 of the ISO Tariff and is consistent with the treatment of other deposits under the OATT Schedule 22 that become non-refundable.

The changes related to the new Schedule 25 of the OATT, changes to Market Rule 1 and the change presented here to the ISO Tariff are expected to be discussed and voted on at the February 6, 2015 NEPOOL Participants Committee meeting. The ISO will make the filings with the Commission shortly thereafter and expect to request an effective date of February 16, 2015, to ensure that the revisions are in place for FCA 10.