



November 1, 2024

VIA ELECTRONIC FILING

The Honorable Debbie-Anne A. Reese, Secretary
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Revisions to the Coordination Agreement Between ISO New England Inc. and New Brunswick Power Corporation,
ISO New England Inc., Docket No. ER25-____-000**

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ ISO New England Inc. (“ISO-NE”),² joined by the New England Power Pool (“NEPOOL”) Participants Committee³ (together, the “Filing Parties”), hereby electronically submits to the Federal Energy Regulatory Commission (“FERC” or “Commission”) this transmittal letter and proposed revisions to the Coordination Agreement Between ISO New England Inc. and New Brunswick System Operator (“NE/NB Coordination Agreement” or “Coordination Agreement”) contained in Attachment F – Coordination Agreements of the ISO-NE Tariff (“Coordination Agreement Revisions”). The Coordination Agreement Revisions are supported by the affidavit of Cheryl Mendrala, Principal Engineer in System Operations and Market Administration, which is sponsored solely by ISO-NE.

¹ 16 U.S.C. § 824d (2018).

² Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in ISO-NE’s Transmission, Markets, and Services Tariff (“ISO-NE Tariff”) or in the NE/NB Coordination Agreement.

³ Under New England’s RTO arrangements and pursuant to the Transmission Operating Agreement Section 3.02(b), ISO-NE holds the right to make this filing of revisions to Attachment F of the ISO-NE Tariff under Section 205 of the FPA. NEPOOL, pursuant to the Participants Agreement, provides the sole Participant Processes for advisory voting on ISO-NE matters. NEPOOL supported the revisions reflected in this filing and accordingly joins this Section 205 filing.

As described in Section IV of this transmittal letter, the Coordination Agreement Revisions are necessary to bring the NE/NB Coordination Agreement up-to-date. The Coordination Agreement Revisions:

- (1) Reflect the amalgamation of the New Brunswick Power Group of Companies and align the agreement with the structure of the ISO-NE/New York Independent System Operator, Inc. Coordination Agreement (“NE/NY Coordination Agreement”);⁴
- (2) Recognize the North American Electric Reliability Council (“NERC”) Registered Reserve Sharing Group; and
- (3) Update pricing-related provisions for Security Energy and Emergency Energy.

The Filing Parties submit that the Coordination Agreement Revisions are just and reasonable. In addition to updating the agreement, the proposed Coordination Agreement Revisions will improve the processes for coordination between ISO-NE and the New Brunswick Power Corporation.

I. REQUESTED EFFECTIVE DATE

The Filing Parties respectfully request that the Coordination Agreement Revisions become effective on **January 1, 2025**,⁶ 60 days after the date of this filing.

II. DESCRIPTION OF FILING PARTIES AND COMMUNICATION

ISO-NE is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. ISO-NE operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO-NE Tariff and operating agreements with transmission owners. In its capacity as an RTO, ISO-NE has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council (“NPCC”) and NERC.

NEPOOL is a voluntary association organized in 1971 pursuant to the New England Power Pool Agreement, and it has grown to include more than 530 members. NEPOOL participants (the “Participants”) include all of the electric utilities rendering or receiving service under the ISO-NE Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, end users, developers, demand resource providers, and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission,⁵ the Participants act through the NEPOOL Participants Committee. The Participants Committee is authorized by Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement

⁴ See ISO-NE Tariff at Attachment F (containing the NE/NY Coordination Agreement).

⁵ *ISO New England Inc.*, 109 FERC ¶ 61,147 (2004).

to represent NEPOOL in proceedings before the Commission. Pursuant to Section 2.2 of the Participants Agreement, “NEPOOL provide[s] the sole Participant Processes for advisory voting on [ISO-NE] matters and the selection of [ISO-NE] Board members, except for input from state regulatory authorities and as otherwise may be provided in the [ISO-NE] Tariff, TOA and the Market Participant Services Agreement included in the [ISO-NE] Tariff.”

Correspondence and communications in this proceeding should be addressed to:

ISO-NE:

Jillian Kasow, Esq.*
Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Tel: (413) 540-4460
Fax: (413) 535-4379
E-mail: jkasow@iso-ne.com

NEPOOL:

Eric K. Runge*
Day Pitney LLP
One Federal Street
Boston, MA 02110
Tel.: (617) 345-4735
Fax: (617) 345-4745
E-mail: ekrunge@daypitney.com

*Persons designated for service

III. STANDARD OF REVIEW

The Coordination Agreement Revisions are submitted pursuant to Section 205 of the FPA, which “gives a utility the right to file rates and terms for services rendered with its assets.”⁶ Under Section 205, the Commission “plays ‘an essentially passive and reactive’ role”⁷ whereby it “can reject [a filing] only if it finds that the changes proposed

⁶ *Atlantic City Elec. Co. v. FERC*, 295 F.3d 1, 9 (D.C. Cir. 2002).

⁷ *Id.* at 10 (quoting *City of Winnfield v. FERC*, 744 F.2d 871, 876 (D.C. Cir. 1984)).

by the public utility are not ‘just and reasonable.’”⁸ The Commission limits this inquiry “into whether the rates proposed by a utility are reasonable—and [this inquiry does not] extend to determining whether a proposed rate schedule is more or less reasonable than alternative rate designs.”⁹ The Coordination Agreement Revisions filed herein “need not be the only reasonable methodology, or even the most accurate.”¹⁰ As a result, even if an intervenor or the Commission develops an alternative proposal, the Commission must accept this Section 205 filing if it is just and reasonable.¹¹

IV. BACKGROUND AND DESCRIPTION OF PROPOSED REVISIONS

In accordance with Section 3.02(b) of the Transmission Operating Agreement (“TOA”), ISO-NE has the operating authority to enter into coordination agreements with the operators of neighboring Control Areas. Coordination agreements establish arrangements for the coordinated system operation of the common interconnections. One such agreement is the NE/NB Coordination Agreement, which is included in Attachment F of the ISO-NE Tariff (titled “Coordination Agreements”) and which was accepted by the Commission in Docket ER11-2152-000, in an order issued on December 23, 2010, and made effective on December 1, 2010.¹²

Subsequently, in 2013, the New Brunswick Power Group of Companies was amalgamated into a vertically integrated utility known as New Brunswick Power Corporation (“NB Power”), itself a subsidiary of the New Brunswick Power Holding Corporation. Effective October 1, 2013, New Brunswick System Operator (“NBSO”) was integrated into NB Power and exists as a division within the Crown Corporation. The New Brunswick Power-System Operator (“NBP-SO”) is the successor in interest to the NBSO and is now the system operator of the New Brunswick Integrated Electricity System. Accordingly, ISO-NE and NB Power initiated an effort to update the existing NE/NB Coordination Agreement to memorialize the amalgamation and reflect NB Power as the vertically integrated utility and NBP-SO as the system operator for the New Brunswick Integrated Electricity System. In making these revisions, it became apparent that various additional improvements were needed to bring the agreement up-to-date. Those additional improvements include: restructuring the document to align with the NE/NY Coordination

⁸ *Id.* at 9.

⁹ *Cities of Bethany, Bushnell et al. v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir.), *cert. denied*, 469 U.S. 917 (1984) (“*Cities of Bethany*”); *see also ISO New England Inc.*, 114 FERC ¶ 61,315 at P 33 and n.35 (2005) (citing *Pub. Serv. Co. of New Mexico v. FERC*, 832 F.2d 1201, 1211 (10th Cir. 1987) and *Cities of Bethany* at 1136)).

¹⁰ *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (citing *Cities of Bethany* at 1136).

¹¹ *Cf. Southern California Edison Co., et al.*, 73 FERC ¶ 61,219 at 61,608 n.73 (1995) (“Having found the Plan to be just and reasonable, there is no need to consider in any detail the alternative plans proposed by the Joint Protesters.”) (citing *Cities of Bethany* at 1136)).

¹² *ISO New England Inc.*, Docket No. ER11-2125-000 (FERC-delegated letter order accepting filing of tariff revisions, Dec. 23, 2010).

Agreement; recognizing the NERC-Registered Reserve Sharing Group structure between ISO-NE and NBP-SO; and updating pricing-related provisions for Security Energy and Emergency Energy.

A. Revisions to Reflect Amalgamation of the NB Power Group of Companies and Align the Agreement with the Structure of the NE/NY Coordination Agreement

The Filing Parties propose to revise the NE/NB Coordination Agreement to memorialize the amalgamation of the NB Power Group of Companies, align the NE/NB Coordination Agreement with the NE/NY Coordination Agreement, and provide consistency with NERC terminology. As an initial matter, the Coordination Agreement Revisions involving the amalgamation of the NB Power Group of Companies are reflected in the preamble, recitals, and signature pages, as well as throughout the articles of the agreement, the schedules, and the attachments. These revisions are necessary to accurately reflect the corporate structure of the parties responsible for the New Brunswick Integrated Electricity System.

The Filing Parties also propose to revise the NE/NB Coordination Agreement to align with the structure and provisions of the NE/NY Coordination Agreement,¹³ as well as make additional revisions for consistency with NERC terminology and requirements. These revisions include:

1. Update and introduce new definitions, including updates for consistency with current NERC definitions (Article 1.0);¹⁴
2. Incorporate references to reliability requirements and coordination obligations in the articles titled Scope of Agreement (Article 2.0), Interconnected Operation (Article 4.0), Emergency Plans and Assistance (Article 5.0), Reliability Coordination and Reliability Assessment of Outages (Article 8.0), and Operational Information (Article 9.0), as well as Schedule B;¹⁵

¹³ See *ISO New England Inc.*, Docket No. ER09-291-001 (FERC-delegated letter order accepting coordination agreement, Mar. 26, 2009). This accepted filing “revised the Coordination Agreement to recognize system changes . . . , to update all terminology to be consistent with NERC terminology and definitions, to improve the process for data exchange between ISO-NE and [the New York Independent System Operator], to provide for treatment of confidential information and critical energy infrastructure information (“CEII”), to clarify the liability and indemnification provisions, and to reflect certain ministerial or editorial improvements.” *ISO New England Inc.*, Compliance Filing of Revisions to Coordination Agreement Between ISO New England Inc. and New York Independent System Operator, Docket No. ER09-291-001 (filed Jan. 21, 2009).

¹⁴ In addition to the revisions described above, Article 1.1 of Schedule C, which defined “Delivery Point,” was noted as redundant of the same definition included in Article 1 and is proposed to be stricken. Article 1.2 of Schedule C, concerning the price for Emergency Energy and Security Energy, is proposed to be moved to a new Article 4.1, under Article 4.0 of Schedule C, titled “Rates and Charges.”

¹⁵ Article 3.2 of Schedule C is proposed to be stricken as redundant. This provision described reliability requirements, which would now be located in Articles 2.2, 4.2, and 4.6 of the agreement.

3. Establish the obligation to share emergency plans (Article 5.1),¹⁶ provide “maximum reasonable assistance” during an emergency or system restoration condition (Article 5.2),¹⁷ and further define the obligation to seek an available commercial remedy prior to scheduling emergency energy from the other Balancing Authority (Article 5.3);¹⁸
4. Specify obligations regarding the exchange of information and confidentiality (Article 6.0);
5. Clarify the Coordination Committee’s duties, responsibilities, and authority (Article 7.0);
6. Identify the location of the Delivery Point for meter reading and adjustments (Article 10.4) and designate both ISO-NE and NBP-SO’s access to integrated meters and establish periodic verification of the accuracy of those meters (Article 10.5);¹⁹
7. Include a new article on Joint Checkout Procedures (Article 11.0); and
8. Expand provisions relating to liability and indemnification (Article 12.0).

These revisions do not modify the intent of the agreement but provide further clarity on coordination processes as well as consistency with the NE/NY Coordination Agreement, which will bring the agreement up-to-date and improve the processes for coordination between ISO-NE and NB Power.

B. Revisions to Recognize the NERC-Registered Reserve Sharing Group

Pursuant to NERC and NPCC Reliability Requirements, ISO-NE and NBP-SO participate in a Reserve Sharing Group for mutual reserve assistance.²⁰ A Reserve Sharing Group is “a group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority’s use in recovering from contingencies within the group.”²¹ The Filing Parties propose to add a new Article 4.11 to codify that NBP-SO will be the registered Reserve Sharing Group with NERC and NPCC. The Coordination Agreement Revisions also

¹⁶ The proposed new Article 5.1 expands upon, but is not included in, the NE/NY Coordination Agreement.

¹⁷ “‘Maximum reasonable assistance’ . . . would not normally require the shedding of firm load.”

¹⁸ Articles 5.1 and 5.2 have been adapted from Article 3.2 of Schedule C, which is proposed to be stricken.

¹⁹ These provisions were previously located under Articles 5.1 and 5.2 of Schedule C, which are proposed to be stricken.

²⁰ Mutual reserve assistance are energy flows provided to support recovery from system disturbances in accordance with NPCC Directory # 5, and NERC Reliability Standard BAL-002, Disturbance Control Performance.

²¹ The Coordination Agreement Revisions add a definition for “Reserve Sharing Group” in Article 1.0 and further describe the conditions under which reserve sharing occurs.

provide that any penalties resulting from a violation of NERC BAL-002 Reliability Standard will be initially assigned to NBP-SO as the Reserve Sharing Group. However, that penalty will then be allocated among both ISO-NE and NBP-SO *pro-rata* based on the Reserve Sharing Group performance requirements, the Reserve Sharing Group's disturbance control standard performance (*i.e.*, the joint performance of the Parties), and each Party's disturbance control standard performance for its respective Balancing Authority Area for the event that resulted in the penalty. The pro-rata allocation distributes the penalty costs between the Parties based on the system conditions that contributed to the penalty.

C. Revisions to Pricing-Related Provisions

The coordination agreements between ISO-NE and its neighboring Control Areas (*i.e.*, New York, New Brunswick, and Hydro-Quebec) specify, among other things, the terms and conditions under which each Control Area will provide energy to the neighboring Control Area during emergency conditions. These terms and conditions include provisions that address the price that one Control Area will charge the other Control Area for providing such energy.

Schedule C of the NE/NB Coordination Agreement, titled "Emergency and Security Energy Transactions Schedule," sets forth provisions for Emergency Energy and Security Energy. Emergency Energy refers to "energy supplied from Operating Reserve or electrical generation available for sale in New Brunswick or New England or available from another Balancing Authority Area."²² It is provided in cases of sudden and unforeseen contingencies or circumstances, or to provide sufficient Operating Reserves. The terms and pricing for Emergency Energy are contained in Attachment A to Schedule C. Security Energy is unique to the coordination between ISO-NE and NBP-SO and refers to energy delivered by NBP-SO to ISO-NE when "the total net interchange between the . . . Areas of market-based real-time transactions in a given hour is less than the minimum . . . with respect to . . . minimum transfer limits on the New Brunswick-New England Interconnection."²³ The terms and pricing for Security Energy are in Attachment B to Schedule C. The Filing Parties propose revisions to Schedule C as well as its Attachments A and B.

First, the Coordination Agreement Revisions in Schedule C are primarily ministerial, eliminate redundancy, and align with the NE/NY Coordination Agreement. The revisions also clarify in Article 3.4—which establishes that the delivery of Security Energy is uni-directional from NBP-SO to ISO-NE—that "Security Energy shall only be used to maintain the minimum required flows." Revisions to Article 3.4 also identify locational points of operation and reliability requirements. The revisions to Schedule C further include the elimination of Articles 1.0, 3.2, and 5.0 as redundant or proposed to be

²² An existing definition under Article 1.0 of the Coordination Agreement.

²³ The Coordination Agreement Revisions add a definition for "Security Energy" in Article 1.0.

relocated.²⁴ Article 4.0 on “Rates and Charges” is amended to clarify that the transmission costs of delivery energy to a Delivery Point are included in the cost of providing either Emergency Energy or Security Energy, and that the party receiving service is responsible for transmission costs beyond the Delivery Point. Revisions to Article 6.0, on “Billing and Payment,” note that payment of an invoice is due within five days of its issuance. All other revisions to Schedule C are ministerial.

Second, the Filing Parties propose revisions to Attachment A, concerning the pricing provisions for Emergency Energy. The provisions for Emergency Energy charges are proposed to be reorganized to align with the NE/NY Coordination Agreement and also updated to conform with changes to the New England Market Rules, which apply to the sale of Emergency Energy by ISO-NE to NBP-SO. These market rule changes amended Section III.3.2.6 of Market Rule 1 in the ISO-NE Tariff²⁵ and were accepted in 2017.²⁶ The changes established that settlement will be performed for each five-minute interval in which Emergency Energy is provided to the neighboring Control Area using five-minute Locational Marginal Prices (“LMP”) at the external pricing node, rather than on an hourly basis. The changes were then incorporated into the NE/NY Coordination Agreement and the term sheet indicating the pricing of sales of Emergency Energy by ISO-NE to Hydro-Quebec Transenergie in a separate 2017 filing.²⁷ That filing also added a pricing floor to ensure that ISO-NE market participants are not responsible for the cost of providing Emergency Energy if the price, at the time the energy is provided, is negative.²⁸ ISO-NE is, therefore, taking the opportunity to incorporate the equivalent of those changes into the coordination agreement with the last affected, neighboring Control Area, New Brunswick. Coordination Agreement Revisions in Attachment A also incorporate the calculations that are used for determining Emergency Energy charges supplied by a third party balancing

²⁴ See discussion in Section IV(A) of this transmittal letter, and notes 14, 15, 18, and 19, *supra*.

²⁵ Section III of the ISO-NE Tariff is also sometimes referred to as “Market Rule 1” and governs the operation of New England’s wholesale electricity markets and includes detailed information on pricing, scheduling, offering, bidding, settlement, and other procedures related to the purchase and sale of electricity.

²⁶ *ISO New England Inc. and New England Power Pool*, Implementing Sub-Hourly Settlements, Docket No. ER16-1838-000 (filed June 2, 2016); *ISO New England Inc.*, Docket No. ER16-1838-000 (FERC-delegated letter order accepting implementation of sub-hourly settlements, July 26, 2016). The sub-hourly settlement revisions explained that the calculation will be performed for each five-minute interval in which a purchase or sale takes place, rather than on an hourly basis.

²⁷ *ISO New England Inc. and New England Power Pool*, Revisions to Pricing Provisions for Sales of Emergency Energy to Neighboring Control Areas, Docket No. ER17-1625-000 (filed May 18, 2017); *ISO New England, Inc.*, Docket No. ER17-1625-000 (FERC-delegated letter accepting filing of revisions to the NE/NY Coordination Agreement re pricing of emergency energy sales to neighboring control areas, June 16, 2017).

²⁸ “[The] Pricing Schedules are being modified to include the statement that, for purposes of the pricing calculation, ‘an LMP in a settlement interval is set to \$0.00 if the LMP in the settlement interval was negative.’” *ISO New England Inc. and New England Power Pool*, Revisions to Pricing Provisions for Sales of Emergency Energy to Neighboring Control Areas, Docket No. ER17-1625-000, at 5 (filed May 18, 2017).

authority. The definition of the transmission charge is updated to include the cost impact of congestion and losses in that hour up to the point of delivery.

Third, the Filing Parties propose revisions to Attachment B, concerning the pricing provisions for Security Energy. Specifically, the revisions that modify the calculation for Security Energy make technical clarifications and change the cost of Security Energy from a lesser-of-Location-Marginal-Price approach to the actual cost to deliver energy. This approach ensures that the costs of the energy supplied are fully recovered. The proposed Coordination Agreement Revisions further establish a new cost allocation for Security Energy, which will be divided evenly between the NBP-SO Balancing Authority Area and the New England Balancing Authority Area going forward, rather than being covered solely by New England. This adjustment reflects a more equitable approach to cost allocation for Security Energy because the reliability benefit applies to both areas.

V. STAKEHOLDER PROCESS

The Coordination Agreement Revisions were considered through the complete NEPOOL Participant Process. At its September 10, 2024 meeting, the Markets Committee voted unanimously in favor of recommending the Participants Committee's support for the revisions, with one abstention.²⁹ At its September 17, 2024 meeting, the Reliability Committee voted unanimously in favor of recommending the Participants Committee's support for the revisions. The Participants Committee, at its October 10, 2024 meeting, supported the Coordination Agreement Revisions as part of its Consent Agenda.³⁰

VI. ADDITIONAL SUPPORTING INFORMATION

Section 35.13 of the Commission's regulations generally requires public utilities to file certain cost and other information related to an examination of traditional cost-of-service rates. However, the Coordination Agreement Revisions are not a traditional "rate," and ISO-NE is not a traditional investor-owned utility. In light of these circumstances, the Filing Parties submit the following information in substantial compliance with relevant provisions of Section 35.13 and request waiver of Section 35.13 of the Commission's regulations to the extent the content or form deviates from the specific technical requirements of the regulations.

²⁹ The NEPOOL Markets Committee voted only on the Coordination Agreement Revisions in Schedule C of the Coordination Agreement.

³⁰ The Consent Agenda for a Participants Committee meeting, similar to the Consent Agenda for a Commission open meeting, is a group of actions (each recommended by a Technical Committee or subgroup established by the Participants Committee) to be taken by the Participants Committee through approval of a single motion at a meeting. All recommendations voted on as part of the Consent Agenda are deemed to have been voted on individually and independently. In this case, the Participants Committee's approval of the October 10, 2024 Consent Agenda included its support for the Coordination Agreement Revisions filed herein.

35.13(b)(1) – Materials included herewith are as follows:

- This transmittal letter;
- Marked ISO-NE Tariff sheets reflecting the Coordination Agreement Revisions discussed in this filing;
- Clean revised ISO-NE Tariff sheets reflecting the Coordination Agreement Revisions discussed in this filing;
- Affidavit of Cheryl Mendrala, which is sponsored solely by ISO-NE;
- List of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont to which a copy of this filing is being sent electronically.

35.13(b)(2) – As noted above, the Filing Parties requests that the Coordination Agreement Revisions become effective on January 1, 2025.

35.13(b)(3) – Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO's website at: <https://www.iso-ne.com/participate/participant-asset-listings/directory?id=1&type=committee>.

An electronic copy of this transmittal letter and the accompanying materials has also been sent to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, and to the New England Conference of Public Utility Commissioners, Inc. Their names and addresses are shown in the attached listing. In accordance with Commission rules and practice, there is no need for the Governance Participants or the entities identified in the listing to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) – A description of the materials submitted pursuant to this filing is contained in this transmittal letter.

35.13(b)(5) – The reasons for this filing are discussed in Section IV of this transmittal letter.

35.13(b)(6) – As explained above, the Coordination Agreement Revisions for which ISO-NE holds Section 205 rights reflect the results of the Participant Processes required by the Participants Agreement and reflect the support of the Participants Committee.

35.13(b)(7) – The Filing Parties have no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

35.13(c)(1) – The Coordination Agreement Revisions herein do not modify a traditional “rate.” The statement required under this Commission regulation is not applicable to this filing.

35.13(c)(2) – ISO-NE does not provide services under other rate schedules that are similar to the wholesale, resale, and transmission services it provides under the ISO-NE Tariff.

35.13(c)(3) – No specifically assignable facilities have been or will be installed or modified in connection with the revision submitted herein.

VII. CONCLUSION

The Filing Parties respectfully request that the Commission accept the Coordination Agreement Revisions contained in this filing to become effective on January 1, 2025, without modification or condition.

Respectfully Submitted,

ISO NEW ENGLAND INC.

By: /s/ Jillian Kasow

Jillian Kasow, Esq.
Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Tel: (413) 540-4460
Fax: (413) 535-4379
E-mail: jkasow@iso-ne.com

Counsel for ISO New England Inc.

NEW ENGLAND POWER POOL

By: /s/ Eric Runge

Eric Runge, Esq.
Day Pitney LLP
One Federal Street
Boston, MA 02110
Tel: (617) 345-4735
Fax: (617) 345-4745
E-mail: ekrunge@daypitney.com

Counsel for New England Power Pool



COORDINATION AGREEMENT BETWEEN
-ISO NEW ENGLAND INC. AND
NEW BRUNSWICK POWER CORPORATIONS~~SYSTEM OPERATOR~~

Effective Date:

~~December 1, 2010~~ January 1, 2025

Table of Contents

Article 1.0	Definitions
Article 2.0	Scope of Agreement
Article 3.0	Mutual Benefits
Article 4.0	Interconnected Operation
Article 5.0	Emergency Plans and Assistance
Article 6.0	Exchange of Information and Confidentiality
Article 7.0	Coordination Committee
Article 8.0	Reliability Coordination and Reliability Assessment of Outages
Article 9.0	Operational Information
Article 10.0	Interconnection Revenue Metering
Article 11.0	Joint Checkout Procedures
Liability	
Article 12.0	Liability
Applicable Law	
Article 13.0	Applicable Law License and Authorization
Article 14.0	License and Authorization Assignment
Article 15.0	Assignment Amendment
Article 16.0	Amendment Notices
Article 17.0	Notices Dispute Resolution
Article 18.0	Dispute Resolution Representations
Article 19.0	Representations Effective Date and Term
Article 20.0	Effective Date and Term Miscellaneous
Article 21.0	Miscellaneous
Schedule A:	Description of Interconnection Facilities
Schedule B:	Procedures for Development and Authorization of Operating Instructions
Schedule C:	Emergency and Security Energy Transactions Schedule
	Attachment A – Emergency Energy Pricing
	Attachment B – Security Energy Pricing

THIS AMENDED AND RESTATED COORDINATION AGREEMENT is made and entered into this 1st ~~first~~ day of January, 2025, ~~2024~~ by and April 2005 and revised on the first day of December 2007 and December 1, 2010.

BETWEEN:

between NEW BRUNSWICK POWER CORPORATION-SYSTEM OPERATOR, a Crown corporation established under section 40 and by virtue of the Electricity Act (New Brunswick), S.N.B. 2013, c. 7, having its Head Office in the City of at 515 King Street, Fredericton, New Brunswick, hereinafter called the “NBSO”.

and

E3B 4X1 (in its capacity as the New Brunswick Power-System Operator (“NBP-SO”)) and ISO NEW ENGLAND INC., a not-for-profit, private corporation established under the laws of Delaware on May 30, 1997 that is the regional transmission organization for New England, hereinafter called (“ISO-NE”). Hereinafter each may be referred to, individually, as “Party” and, collectively, as “Parties” where appropriate.

RECITALS

WHEREAS:

- A. ISO-NE and the New Brunswick System Operator, were parties to that certain Coordination Agreement dated as of the 1st day of April 2005 and revised on the 1st day of December 2007 and the 1st day of December 2010 (as otherwise amended, restated, or otherwise modified from time to time, the “Prior Agreement”);
- B. Effective October 1, 2013, the New Brunswick Power Group of Companies was amalgamated into a vertically integrated utility known as New Brunswick Power Corporation, NBSO are sometimes hereinafter referred to, collectively, as the “Parties” and, individually, as a “Party herein as “NB Power”;
- C. WHEREAS, the Effective October 1, 2013, NBSO is a not for profit, independent was integrated within NB Power and exists as a division within the Crown corporation with its own Board of Directors whose primary responsibility is to ensure;

D. Effective October 1, 2013, NBP-SO is the Security and Reliability of successor in interest to the electricity system NBSO and it, as NB Power, is now a single integrated Crown corporation responsible for administer and supervise the rules governing generation, transmission access and to facilitate and distribution of electricity throughout the development and operation of a competitive electricity market in Province of New Brunswick;

E. WHEREAS, ISO-NE is a not for profit, the independent corporation that serves as the regional transmission organization ("RTO") for New England and the independent system operator of, in which capacity it operates the New England Transmission System and New England's wholesale electricity marketplace, manages a comprehensive regional bulk power system planning process and is responsible for the day-to-day reliable operation of New England's bulk power system;

F. NBP-SO WHEREAS, the NBSO, as the System Operator of the NBSO Controlled Grid and administrator of the New Brunswick market Integrated Electricity System, enters into coordination agreements and operating arrangements with the operators of neighboring Balancing Authority Areas, and with neighboring Transmission Operators, and coordinates system operation and emergency procedures with neighboring Balancing Authority Areas; and

A.G. WHEREAS, ISO-NE, as RTO for the New England Transmission System and administrator of the New England markets enters into coordination agreements and operating arrangements with the operators of neighboring Balancing Authority Areas, and coordinates system operation and Emergency procedures with neighboring Balancing Authority Areas; and

B.H. WHEREAS, the NBSO NBP-SO and ISO-NE desire to continue coordinated interconnected operation formerly carried out by New Brunswick Power Corporation and ISO-NE to maintain Reliability for both of the power systems of the Maritime Provinces of Canada, and the six New England States within the United States of America ("USA"), recognizing the Parties desire to maximize interconnected capability under the terms and conditions contained in this Agreement; and NBP-SO and ISO-NE desire to amend and restate in full the Prior Agreement in order to reflect the transactions described above in the form set forth herein; and

WHEREAS, related to the Interconnection Facilities:

- A. ISO-NE is the Reliability Coordinator, Balancing Authority Operator, Transmission Operator, ~~M~~arket ~~O~~perator, and Planning Authority for the six New England States, and operates and is responsible for the secure operation of the New England Transmission System in accordance with its Transmission Operating Agreements with New England Transmission Owners and in compliance with the FERC-~~accepted~~approved ISO-NE Tariff (~~which includes the ISO-NE Market Rules~~) and ~~the requirements and guidelines set forth by NERC or NPCC applicable Reliability Requirements~~ and, as such, has the power and authority to enter into this Agreement and perform its obligations under it. ISO-NE responsibilities exclude the Northern Maine Market;
- B. The NBP-SO is the Reliability Coordinator for the Canadian Maritime Provinces and the Northern Maine Market. The NBP-SO is also the Balancing Authority for ~~the~~New Brunswick, Prince Edward Island and the Northern Maine Market. The NBP-SO is the Transmission Service Provider, the ~~Market Operator and the~~ Transmission Operator and Planning Authority for the New Brunswick Transmission System and, as such, has the power and authority to enter into this Agreement and perform its obligations under it;
- C. The New England Transmission System and the New Brunswick Transmission System interconnect at a certain point of Interconnection as more specifically described in this Agreement and the Parties wish to record their agreement as to the operational and other matters addressed herein and pertaining to the Interconnection Facilities; and

D.

~~WHEREAS~~tThe Parties desire to manage the operational aspects of their interconnected operations by developing, administering and implementing practices, procedures and information relating to Reliability coordination and power system operation that will be managed and approved by a committee formed under this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual agreements and obligations between the Parties and for other good and valuable consideration ISO-NE and the NBP-SO agree as follows:

ARTICLE 1.0: DEFINITIONS

In this Agreement, the following words and terms shall have the meanings (such meanings to be equally applicable to both the singular and the plural forms) ascribed to them in this Article 1.0. Terms used in the Agreement with initial capitalization that are not defined in ~~this~~ Article 1.0 shall have the meaning specified in the sections in which they are used.

“Adequacy” means the ability of the electric system to supply the aggregate electrical demand and energy requirements of the end-use customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements.

“Agreement” means this Agreement and the Schedule(s) attached hereto and incorporated herein.

“Balancing Authority ~~Area~~” means ~~an electric system or systems, bounded by the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Balancing Authority Areas and contributing to frequency regulation of the Interconnection Facilities as set forth by NERC in real time.~~

“Balancing Authority ~~Area~~” means collection of generation, transmission, and loads within the entity responsible for metered boundaries of the secure operation of a Balancing Authority Area. The Balancing Authority maintains load-resource balance within this area.

“Bulk Electric System” has the same meaning as set forth defined by NERC.

“Confidential Information” has the meaning stated in Section 6.5 of this Agreement.

“Coordination Committee” means the jointly constituted ISO-NE and NBP-SO committee established to administer the terms and provisions of this Agreement pursuant to Article 7.0 hereof.

“Delivery Point” means the ~~international border between New England and New Brunswick. The Delivery Point is constituted of all of the~~ points of direct Interconnection between the ~~New England~~ISO-NE Balancing Authority Area and the NBP-SO Balancing Authority Area. Such Delivery Point shall include (1) the point on the 345 kV Keene Road - Keswick -transmission line (3001 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, (2) the point on the 345 kV Orrington - Point Lepreau transmission line

(390/3016 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, and/or such other Delivery Point(s) as the Coordination Committee shall determine.

“Dispute” has the meaning attributed thereto in Article 187.0 of this Agreement.

“Effective Date” means the reference date of this Agreement as shown on the first page hereof of this Agreement.

“Electricity Act” means Chapter E 4.6 of the Revised Statutes of New Brunswick as amended from time to time, the Electricity Act, S.N.B. 2013, c.7.

“Electricity Business Rules (EBR)” means the rules made from time-to-time, and any and all amendments thereto or replacements thereof, pursuant to the New Brunswick *Electricity Act*, and all policies, procedures, and guidelines contemplated thereby.

“Emergency” means any abnormal system condition that requires remedial-automatic or immediate manual action to prevent or limit loss-the failure of transmission facilities or generation supply facilities that could adversely affect the Reliability of the Bulk Eelectricity sSystem.

“Emergency Energy” means energy supplied from Operating Reserve or electrical generation available for sale in New Brunswick or New England or available from another Balancing Authority Area. Emergency Energy may be provided in cases of sudden and unforeseen outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Emergency Energy is provided pursuant to this Agreement and priced according to Attachment A of Schedule C of this Agreement.

“Energy” means generation or use of electric power by a device over a period of time, expressed in kilowatthours (kWh), megawatthours (MWh), or gigawatthours (GWh).

“FERC” means the Federal Energy Regulatory Commission.

“Force Majeure” means an event of force majeure as described in Section 1112.1 of this Agreement.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the North American electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with good business practices, Reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted by NERC and FERC.

“Integrated Electricity System (IES)”²² is a term used by the NBP-SO that means the Transmission Systems in the Province of New Brunswick and the structures, equipment or other things that connect those Transmission Systems with generation facilities and distribution systems in the Province and with Transmission Systems outside the Province.

“Intentional Wrongdoing” means an act or omission taken or omitted by a Party with knowledge or intent that injury or damage could reasonably be expected to result.

“Interconnection” means a connection between two or more individual Transmission Systems that ~~normally operate in synchronism and~~ have interconnecting Intertie(s).

“Interconnection Facilities” means the Interconnections described in Schedule A.

“Interconnection Reliability Operating Limit” means the System Operating Limit that, if violated, could lead to instability, uncontrolled separation, or Cascading outages that adversely impact the reliability of the Bulk Electric System.

“Intertie” means a transmission line that forms part of an Interconnection.

“ISO-NE Tariff” means the ISO New England Inc. Transmission, Markets and Services Tariff, which includes the ISO-NE Open Access Transmission Tariff and ~~the ISO-NE Market Rules, Manuals and Operating Procedures~~ ISO-NE market rules.

“Market Participant” ~~means an entity that, for its own account, produces, transmits, sells, and/or purchases for its own consumption or resale capacity, energy, energy derivatives and ancillary services in the wholesale power markets. Market Participants include transmission service customers, power~~

~~exchanges, Transmission Owners, load serving entities, loads, holders of energy derivatives, generators and other power suppliers and their designated agents.~~

“Market Participant” For the purpose of ISO-NE, means a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission; and, for the purpose of NBP-SO, means a “Transmission User” as per the EBR, section 1.2.

“Metered Quantity” means apparent power, reactive power, active power, with associated time tagging and any other quantity that may be measured by a Party’s Metering Equipment and that is reasonably required by either Party for Security reasons or revenue requirements.

“Metering Equipment” means the potential transformers, current transformers, meters, interconnecting wiring and recorders used to meter any Metered Quantity.

“Mutual Benefits” as described in Article 3.0 of this Agreement, means the transient and steady-state support that the integrated generation and ~~Transmission facilities Systems in the~~ New England and New Brunswick Transmission Systems provide to each other inherently by virtue of being interconnected.

~~**“NBSO Market Rules” means the rules made from time to time, and any and all amendments thereto or replacements thereof, pursuant to the Electricity Act, and all policies, procedures, and guidelines contemplated thereby.**~~

“NERC” means the North American Electric Reliability Corporation or its successor organization.

“New Brunswick Power Corporation Open Access Transmission Tariff (OATT)” means the transmission tariff that specifies the terms, conditions and rates for use of the New Brunswick Transmission System.

“New Brunswick Transmission System” means the integrated transmission facilities located in New Brunswick except for distribution systems operating at a nominal voltage level of less than 69 kV, as defined in the Electricity Act, and for which the NBP-SO has authority to direct operations pursuant to operating agreements. For the purposes of the Reliability Coordinator functions, the operational footprint includes transmission facilities in the Canadian Maritime Provinces and the Northern Maine Market.

“New England Transmission System” for the purpose of this Agreement means the system of transmission facilities, within the New England [Reliability Coordinator Area and](#) Balancing Authority Area that are under the ISO-NE’s operational jurisdiction, as defined in [its Transmission Operating Agreements and](#) the ISO-NE Tariff.

“Northern Maine Market” means the Transmission System radially connected to New Brunswick in the portion of northern Maine that includes Aroostook, Washington, and Penobscot Counties and the associated market for all energy and reliability-related services that is administered by the Northern Maine Independent System Administrator under its Tariff.

“NPCC” means the Northeast Power Coordinating Council Inc. or its successor organization.

“Operating Instructions” means the joint operating procedures, steps, and instructions for the operation of the Interconnection Facilities established and modified from time to time by the Coordination Committee in accordance with (a) [the ISO-NE Tariff and the New Brunswick EBR](#), (b) Schedule B of this Agreement and (c) ISO-NE and NB-P-SO individual procedures and processes. Operating Instructions are separate from ISO-NE and NB-P-SO individual procedures and processes.

“Operating Reserve” means: [in ISO-NE, an Operating Reserve as defined in Section I.2.2 of the ISO-NE Tariff; and in New Brunswick, an Operating Reserve as defined in Appendix A – Definitions of the New Brunswick EBR](#) ~~generation capacity or load reduction capacity which can be called upon on short notice by either Party to replace scheduled energy supply which is unavailable as a result of an unexpected outage or to augment scheduled energy as a result of unexpected demand or other contingencies.~~

“Operational Control” [for the purpose of this Agreement,](#) means Security monitoring, adjustment of generation and transmission resources, coordinating and approval of changes in transmission status for maintenance, determination of changes in transmission status for Reliability, coordination with other Balancing Authority Areas and Reliability Coordinators, voltage reductions and load shedding, except that each legal owner of generation and transmission resources continues to physically operate and maintain its own facilities.

“Parties” means ISO-NE and NB-P-SO and **“Party”** means either one of them.

“Planning Authority” means the responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.

“Reliability” means the degree of performance of the Bulk Electric System that results in electricity being delivered within Reliability ~~Standards~~ Requirements and in the amount desired. Electric system Reliability can be addressed by considering two basic and functional aspects of the electric systems Adequacy and Security.

“Reliability Coordinator” means ~~an the~~ entity that is the highest level of authority who is responsible for the ~~operational Security of one or more~~ Reliable Operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator ~~Areas and to perform~~ has the purview that is broad enough to enable the calculation of Interconnection Security functions for such area(s) as set forth by NERC. Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.

“Reliability Coordinator Area” means ~~that portion of the bulk electric system under the purview the~~ collection of generation, transmission, and loads within the boundaries of the Reliability Coordinator. Its boundary coincides with one or more Balancing Authority Areas.

“Reliability ~~Requirements~~Standards” means the criteria, ~~standards and~~ requirements and standards relating to Reliability established by a Standards Authority.

“Reserve Sharing Group” means a group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority’s use in recovering from contingencies within the group. Scheduling energy from an adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker (e.g., between zero and ten minutes) then, for the purposes of disturbance control performance, the areas become a Reserve Sharing Group.

“Schedule” means a schedule attached to this Agreement and all amendments, supplements, replacements and additions hereto.

“Security” means the ability of the electric system to withstand sudden disturbances including, without limitation, electric short circuits or unanticipated loss of system elements.

“Security Energy” means energy delivered by the NBPSO to ISO-NE in the event that the total net interchange between the New England and New Brunswick Balancing Authority Areas of market-based real-time transactions in a given hour is less than the minimum required in accordance with the applicable Operating Instructions with respect to the determination of minimum transfer limits on the New Brunswick – New England Interconnection. Security Energy is provided pursuant to this Agreement and priced according to Attachment B of Schedule C of this Agreement.

~~**“Security Limits”** means operating electricity system voltage limits, stability limits and thermal ratings.~~

“Standards Authority” means ~~the North American Electric Reliability Corporation, Northeast Power Coordinating Council~~ NERC, NPCC, any successor thereof, or any other agency with authority over the Parties regarding standards or criteria to either Party relating to the Reliability of Transmission Systems.

“System Operating Limit” means the value (such as MW, Mvar, amperes, frequency or volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria. System Operating Limits are based upon certain operating criteria. These include, but are not limited to: Facility Ratings (applicable pre- and post-Contingency Equipment Ratings or Facility Ratings); transient stability ratings (applicable pre- and post-Contingency stability limits); voltage stability ratings (applicable pre- and post-Contingency voltage stability); system voltage limits (applicable pre- and post-Contingency voltage limits).

“Third Party” means a person or entity that is not a party to this Agreement.

“Transmission Customer” means any eligible customer (or its designated agent) that can or does execute a Transmission Service agreement or can or does receive Transmission Service; or any of the following entities: Generator Owner, Load-Serving Entity, or Purchasing-Selling Entity.

“Transmission Operating Agreement(s)” means the agreement(s) that establishes the terms and conditions under which the Transmission Owners transferred to ISO-NE ~~Operational~~ control over designated transmission facilities.

“Transmission Operator” means the entity responsible for the Reliability of its “local” transmission system, and that operates, or directs the operation of, the transmission facilities ~~and equipment in~~ accordance with applicable Transmission Operating Agreements.

“Transmission Owner” means an entity that owns ~~a Transmission System~~ and maintains transmission facilities.

“Transmission Service” means the services provided to the Transmission Customer by the Transmission Service Provider to move energy from a Point of Receipt to a Point of Delivery.

“Transmission Service Provider” means an entity that ~~manages (under an agreement with Transmission Owners) a Transmission System that performs the functions of providing transmission services to qualified Market Participants under applicable transmission service agreements, and that determines~~ administers the transmission Adequacy by monitoring the interconnected system tariff and performing actions to preserve local network integrity provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.

“Transmission System” means a system for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

ARTICLE 2.0: SCOPE OF AGREEMENT

2.1 Amendment of Prior Agreement

The terms of the ~~pPrior a~~ Agreement made between the Parties dated June 7, 2005 are hereby amended and superseded by the terms of this Agreement, to be effective on the date this Agreement is effective as set out in Article 20 hereof~~19~~.

2.2 Purpose of this Agreement

This Agreement provides for the reliable operation of the interconnected New England and New Brunswick Transmission Systems in accordance with the ~~requirements of the Standards Authority~~ applicable Reliability Requirements.

This Agreement establishes a structure and framework for the following functions related to the Reliability of interconnected operations between the Parties:

- (a) developing and issuing Operating Instructions ~~and Security Limits~~;
- ~~(b) coordinating operation of their respective Transmission Systems;~~
- ~~(be)~~ developing and adopting operating criteria, requirements and standards;
- ~~(d) conducting operating performance reviews of the Interconnection Facilities;~~
- ~~(e) considering matters related to transmission service and access;~~
- ~~(cf)~~ implementing each Party's respective NERC and NPCC Reliability Requirements with regard to the New England Transmission System and New Brunswick Transmission System; ~~and~~
- ~~(d)~~ considering matters related to Transmission Service and access;
- ~~(e)~~ coordinating operation of their respective Transmission Systems;
- ~~(fg)~~ exchanging operations information ~~and coordinating regarding system planning the Interconnection~~; ~~and~~
- ~~(gh)~~ exchanging information and coordinating actions that may impact the ISO-NE or NBP-SO Reliability Coordinator Area, including monitoring and coordinating actions to address System Operating Limits and Interconnection Reliability Operating Limits;
- ~~(h)~~ providing mutual assistance in an Emergency and during system restoration;
- ~~(i)~~ exchanging information on and coordinating system planning; and
- ~~(j)~~ implementing other arrangements between the Parties for the coordination of their systems.

The Parties shall, consistent with ~~NPCC criteria~~ applicable Reliability Requirements and the Parties' respective tariffs, rules and standards to the maximum extent they deem consistent with the safe and proper operation of their respective Reliability Coordinator Area and Balancing Authority Area and necessary coordination with other interconnected systems, and with the furnishing of dependable and satisfactory service to their own customers, operate their systems in accordance with the following procedures and principles.

ARTICLE 3.0: MUTUAL BENEFITS

3.1 No Charge for Mutual Benefits of Interconnection

Both the New England Transmission System and New Brunswick Transmission System, by virtue of being connected to each other and with a much larger Interconnection, share Mutual Benefits such as transient and steady-state support. NBPSO and ISO-NE shall not charge one another for such Mutual Benefits.

3.2 Maintenance of Mutual Benefits

The Parties shall endeavor to operate or direct the operation of the Interconnection Facilities to realize the Mutual Benefits. The Parties recognize circumstances beyond their control, such as a result of operating configurations, contingencies, maintenance, or actions by ~~Third Parties~~, may result in a reduction of Mutual Benefits.

ARTICLE 4.0: INTERCONNECTED OPERATION

4.1 Obligation to Remain Interconnected

The Parties shall at all times during the term of this Agreement operate or direct the operation of their respective Transmission Systems so that they remain interconnected except:

- (a) during the occurrence of an event of Force Majeure which renders a Party unable to remain interconnected;
- (b) when an Interconnection is opened in accordance with the terms of an Operating Instruction ~~or, if the Operating Instruction does not anticipate;~~
- (c) when an Interconnection is opened in accordance with Good Utility Practice in a particular circumstance where there is an imminent risk of equipment failure, or of danger to personnel or the public, or a risk to the environment, or risk to the Reliability of a Transmission System that is not anticipated or addressed within an Operating Instruction, which cannot be avoided by Good Utility Practice; or
- (~~d~~e) during planned maintenance where notice has been given in accordance with outage procedures as implemented by the Coordination Committee.

4.2 Adherence to Reliability Requirements ~~to NPCC Criteria, Guides and Procedures~~

The Parties are participants in the NPCC and are required to comply with ~~NPCC criteria, guides and procedures~~ applicable Reliability Requirements. Such ~~criteria, guides and procedures requirements~~ detail

the many coordinating functions carried out by the Parties and this Agreement is intended to enhance this arrangement.

4.3 Notification of Circumstances

In the event that ~~a component of the~~ Interconnection Facilities is opened or if the ~~Interconnection Facility~~ transfer capability of a component of the Interconnection Facilities is changed, or if a Party plans to initiate the opening of any component of the Interconnection Facilities, or to change the transfer capability of any component of the Interconnection Facilities, such Party shall immediately provide the other Party with notification indicating the circumstances of the opening or transfer capability change and expected restoration time, in accordance with procedures implemented by the Coordination Committee or applicable ~~Reliability Requirements~~ NPCC criteria, guides and procedures.

4.4 Compliance with Decisions of the Coordination Committee Direction

ISO-NE shall direct the operation of the New England Transmission System and the NBP-SO shall direct the operation of the New Brunswick Transmission System in accordance with the obligations of their respective tariffs, rules and standards and applicable directions of the Coordination Committee that conform with their respective tariffs, rules and standards, except where prevented by Force Majeure. The Coordination Committee direction includes decisions and jointly developed and approved Operating Instructions. If decisions or Operating Instructions of the Coordination Committee do not anticipate a particular circumstance, the Parties shall act in accordance with Good Utility Practice.

4.5 Control and Monitoring

Each Party shall provide or arrange for 24-hour control and monitoring of their portion of the Interconnection Facilities.

4.6 Reactive Transfer and Voltage Control

The Parties agree to determine reactive transfers and control voltages in accordance with the provisions of NPCC Document B-03, "Guidelines for Inter-Area Voltage Control" Appendix B - Guideline and Procedure for Emergency Operation (Appendix B) to NPCC Directory #2 – (Directory #2) (or the successor thereto) and the "Reactive Power Flow Agreement" in place between the Parties and as revised from time to time. Real and reactive power will be transferred over the Interconnection Facilities, which are as described in Schedule A ~~where these circuit(s) cross the international boundary of this Agreement~~.

4.7 Inadvertent

Inadvertent power transfers on all Interconnection Facilities shall be controlled and accounted for in accordance with ~~the standards and procedures developed by NERC and NPCC applicable Reliability Requirements~~ and implemented by the Coordination Committee ~~and the system operators of each Party to this Agreement~~.

4.8 Adoption of Standards

The Parties hereby agree to adopt, enforce and comply with ~~Reliability #~~Requirements and standards that will safeguard Reliability of the interconnected Transmission Systems. Such Reliability requirements ~~and Reliability Standards~~ shall be:

- (a) adopted and enforced for the purpose of providing reliable service;
- (b) not unduly discriminatory in substance or application;
- (c) applied consistently to both Parties; and
- (d) consistent with the Parties' respective obligations to applicable Standards Authorities -including, without limitation, any relevant requirements or guidelines from each of NERC, NPCC or any other regional Standards Authority or regional transmission group to which the Parties are required to adhere.

4.9 Coordination of Interconnection Reliability Operating Limit Actions~~New Brunswick New England IROL~~

The Parties ~~shall identify and operate to Interconnection Reliability Operating Limits that relate to or affect share a joint Interconnection Reliability Operating Limit ("IROL") related to transfers on the transmission lines interconnecting the two Balancing Authority Areas. Depending on the availability of reactive resources or system configuration, flow from New England to New Brunswick must be less than the real-time calculated limit (may actually be a negative number). This IROL over the Interconnection Facilities. Such limits shall be is~~adhered to in order to ensure acceptable steady-state and transient performance of ~~the New Brunswick and Maine Transmission Systems and between the NBP-SO and ISO-NE Reliability Coordinator Areas~~. Both Parties will monitor ~~these~~~~is~~ limits in accordance with this Agreement and independently determine the applicable import and export transfer limits ~~on the Interconnection Facilities~~. Both Parties agree to operate the ~~Interconnection Facilities interface~~ to the most conservative ~~transfer~~ limits developed in real-time and the day-ahead planning process. ~~These Interconnection Reliability Operating Limits shall be determined in accordance with Reliability Requirements~~. Both Parties will take coordinated corrective actions to avoid a violation of the ~~Interconnection Reliability Operating Limit IROL~~. If a violation occurs, ~~coordinated~~ corrective actions

~~shall will~~ be taken to ensure that the violation is cleared as soon as possible, ~~but definitely within thirty~~
~~(30) minutes and~~ in accordance with ~~NERC applicable~~ Reliability ~~Requirements~~ Standards.

4.10 Coordination and Exchange of Information Regarding System Operations and Planning

Each Party shall have operating procedures, processes or plans in place for activities that require notification, exchange of information or coordination of actions with the other Party to support Interconnection Reliability. Each Party shall have communications capabilities with the other Party and communication protocols, for both voice and data exchange as required to meet reliability needs of the Interconnection.

The Parties shall exchange information and coordinate regarding system operations and planning and inter-regional planning activities in a manner consistent with Reliability Requirements, and consistent with the requirements of Article 6.0 of this Agreement.

4.11 Mutual Reserve Assistance

Pursuant to NERC and NPCC Reliability Requirements, ISO-NE and NBP-SO shall participate in a Reserve Sharing Group for mutual reserve assistance. NBP-SO shall be the Party registered with NERC and NPCC as the Reserve Sharing Group. A penalty resulting from a violation of NERC BAL-002 that occurred while the Parties were actively providing mutual reserve assistance will be determined through the NERC Compliance Monitoring and Enforcement Program and NPCC Criteria Compliance and Enforcement Program and shall initially be assessed to NBP-SO as the Party registered with NERC as the Reserve Sharing Group. In accordance with this Agreement and Operating Instructions developed by the Parties pursuant to Section 7.2 and Schedule B of this Agreement, NBP-SO and ISO-NE shall allocate the assigned penalty to the Parties on a pro rata basis based on the Reserve Sharing Group performance requirements, the Reserve Sharing Group's disturbance control standard performance (i.e., the joint performance of the Parties), and each Party's disturbance control standard performance for its respective Balancing Authority Area for the event that resulted in the penalty.

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ARTICLE 5.0: EMERGENCY PLANS AND ASSISTANCE

5.1 Emergency Plans

Each Party shall provide to the other Party a copy of its current Emergency plans that involve coordination between the Parties whenever such plans are updated, or otherwise upon request.

5.2 Mutual Assistance

The Parties shall provide mutual assistance in an Emergency and during system restoration conditions. Upon receiving a request for assistance to avoid or mitigate an Emergency, a Party shall provide “maximum reasonable assistance” to the other Party. Such reasonable assistance would not normally require the shedding of firm load.

5.3 Emergency Assistance

Both Parties shall exercise due diligence to avoid or mitigate an Emergency to the extent ~~practical~~ practicable as per each Party’s requirements related to the mitigation of an Emergency, in applicable policies and procedures ~~governing the mitigation of an Emergency imposed by NERC, NPCC, Reliability Requirements, or contained in the~~ ISO-NE Tariff, the New Brunswick Power Corporation OATTNBSO Market Rules and NBSO Tariff the New Brunswick EBR. In avoiding or mitigating an Emergency, both Parties shall strive to allow for commercial remedies, but if commercial remedies are not successful the Parties agree to be the suppliers of last resort to ensure Reliability on the system. For each hour during which Emergency conditions exist in a Party’s Balancing Authority Area, that Party (while still ensuring operations within applicable Reliability Requirements) shall determine what commercial remedies are available and make use of those that are available and needed to avoid or mitigate the Emergency before any Emergency Energy is scheduled in that hour. In the absence of those commercial remedies the Parties will take whatever actions that are required to resolve the Emergency.

5.42 Emergency Energy Transactions

Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective Transmission System, provide Emergency Energy to the other Party in accordance with the provisions of Schedule C of this Agreement.

ARTICLE 6.0: EXCHANGE OF INFORMATION AND CONFIDENTIALITY

6.1 Information

ISO-NE and NBP-SO are authorized and agree to exchange and share such information as is may be required ~~from time to time~~ for the Coordination Committee to perform its duties and for the Parties to fulfill their obligations under this Agreement, ~~subject to the requirements of existing confidentiality~~

~~agreements or rules binding upon either of the Parties, including the ISO New England Information Policy, as it may be amended from time to time. Such information will be comprised of the following:~~

Any Party that receives Confidential Information, Critical Energy Infrastructure Information (CEII) or Critical Infrastructure and Emergency Management (CI/EM) pursuant to this Article 6 (the “Receiving Party”) shall treat such information as confidential subject to the terms and conditions set forth in Section 6.5 of this Agreement.

6.1 Information

The Parties are authorized and agree to share the following information:

- (a) Information required to develop Operating Instructions;
- (b) Transmission System facility specifications and modeling data required to perform Security analysis;
- (c) Functional descriptions and schematic diagrams of Transmission System protective devices and communication facilities;
- (d) Ratings data and associated ratings methodologies for the Interconnection Facilities;
- (e) Telemetry points, equipment alarms and status points required for real-time monitoring of Security dispatch;
- (f) Data required to reconcile accounts for inadvertent energy, and for Emergency Energy and Security Energy transactions;
- (g) Transmission System information that is consistent with the information sharing requirements imposed by the Reliability Requirements; and ~~Commercially valuable Transmission System information concerning such things as transfer capabilities, physical curtailments and interruptions, ancillary services, pricing for transmission service, and discounts offered on pricing for transmission service; provided, however, that commercially valuable Transmission System information shall not be shared by the receiving Party with any other party that is a Market Participant; and~~
- (h) Such other information as may be required for the Parties to maintain the reliable operation of their interconnected Transmission Systems (including protection systems changes and new generation and transmission installations) and fulfill their obligations under this Agreement and to ~~any Standards Authority of which either Party is a member~~ Reliability Requirements, provided, however, that this other information will be exchanged only if that can be done in accordance with applicable restrictions on the disclosure of information to any Market Participant.

6.2 Data Exchange Timing~~Confidentiality~~

The Parties agree to exchange data in a timely manner consistent with existing defined formats or such other formats to which the Parties may agree. Each Party shall provide notification to the other Party thirty (30) days prior to modifying an established data exchange format.

6.3 Cost of Data and Information Exchange

Each Party shall bear its own cost of providing ~~Party receiving~~ information to the other Party.

6.4 Other Data

The Parties may share Confidential Information not listed in this Article 6 that is necessary for the coordinated operation of their systems, subject to the protections set forth in Section 6.5, below.

6.5 Treatment of Confidential Information and Critical Energy Infrastructure Information

(a) Definitions. For purposes of addressing information shared or exchanged pursuant to this Agreement, the term “Confidential Information” shall mean: (i~~4~~) all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished, that is marked “confidential” or “proprietary” or which under all of the circumstances should be treated ~~Article 6.0 shall treat such information as confidential, and shall not, except as or proprietary;~~ (ii) information that is Confidential Information or Strategic Information under the ISO New England Information Policy, or the New Brunswick Power Corporation OATT and New Brunswick EBR; (iii) all reports, summaries, compilations, analyses, notes or other information of a Party hereto which are based on, contain or reflect any Confidential Information; or (iv~~iv~~) any information which, if disclosed by a transmission function employee of a utility to a market function employee of the same utility system, other than by public posting, would violate the FERC’s Standards of Conduct set forth in 18 C.F.R. § 37 *et. seq.* and the Parties’ Standards of Conduct on file with the FERC or the New Brunswick Power Corporation Standards of Conduct (SOC).

(b) Labeling of Confidential Information. In circumstances where it may not be clear that information that is ~~provided for in Section 6.3~~ or exchanged between the Parties pursuant to the authority provided in this Agreement is Confidential Information, the information being provided should be clearly marked “confidential” or “proprietary.”

(c) Protection. Except as set forth herein, the Receiving Party shall not, at any time during or after the term of this Agreement, in any manner, either directly or indirectly, divulge, disclose ~~any of the~~

~~information received, or communicate to any person, firm, corporation or other entity, or use for any purposes other than those set forth herein, any Confidential Information acquired from the party disclosing the information (the “Disclosing Party”), without the express prior written consent of the Party supplying the information. Disclosing Party. The Receiving Party shall not disclose any Confidential Information to anyone except to officers and employees of the Receiving Party and to its outside consultants, advisers and/or attorneys, in each case who have a need to know to further the purposes set forth herein and who have been advised of the confidential nature of the Confidential Information and who have agreed to abide by the terms of this Agreement -or are bound by equally restrictive covenants (collectively, “Authorized Representatives”). The Receiving Party agrees that it shall be liable for any breach of this Agreement by its Authorized Representatives.~~

~~(d) Survival. The obligation of each Party and each Authorized Representative under this Section Article 6-2 continues and survives the termination of this Agreement by seven (7) years.~~

~~6.3 — Demands for Disclosure~~

~~Confidential Information shall not include any information provided which: (a) is generally available to the electric industry or the public at the time of disclosure; (b) subsequent to receipt by the Recipient, becomes generally available to the electric industry or the public as a result of disclosure by the Disclosing Party or its representatives; (c) the Recipient can establish by credible evidence that it was available to the Recipient on a non-confidential basis prior to its disclosure to the Recipient; (d) subsequent to receipt by the Recipient, the Recipient can establish, by credible evidence that it became available to the Recipient on a non-confidential basis from a source other than the Disclosing Party or its Representatives without breach of this Agreement; (e) must be disclosed by law, including pursuant to freedom of information legislation, or pursuant to requirement of the Canadian government, the FERC, the USA Department of Energy (“DOE”), and any other governmental authority or tribunal having jurisdiction where there is no reasonable alternative to such disclosure; (f) must be disclosed by one of the Parties in connection with the performance of its duties and functions for reasons of power system operation or transmission tariff administration where there is no reasonable alternative to such disclosure; (g) must be disclosed by one of the Parties to a national or regional reliability council as a consequence of its membership in such a national or regional reliability council where there is no reasonable alternative to such disclosure. Each Party retains all rights, title and interest in the Confidential Information it discloses to the other Party. Each Party shall use at least the same standard of care to protect the Confidential Information it receives as it uses to protect its own Confidential Information.~~

(e) Scope. This obligation of confidentiality shall not extend to data and information that, at no fault of the Receiving Party, is or becomes: (a) in the public domain or generally available or known to the public; (b) disclosed to a recipient by a non-Party who had a legal right to do so; or (c) independently developed by the Receiving Party or known to such Party prior to its disclosure hereunder.

(f) Required Disclosure or Submission on a Confidential Basis. If a governmental authority requests or requires the Receiving Party to publicly disclose any of the Disclosing Party's Confidential Information, or if a request from another person or entity is made in writing pursuant to a legal discovery process, the Receiving Party shall provide the Disclosing Party with prompt notice of such request or requirement. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure with prompt written notice of the circumstances that may require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

If a Receiving Party is required to publicly disclose any Confidential Information under this Section, the Parties shall meet as soon as practicable in an effort to resolve any and all issues associated with the required disclosure, and the possibility of further requested or required disclosures of the Disclosing Party's Confidential Information.

The process described above shall also be followed if a governmental authority requests or requires the Receiving Party to submit any of the Disclosing Party's Confidential Information on a confidential basis (with the exception of requests for Confidential Information from FERC or the Commodity Futures Trading Commission (CFTC)). The Receiving Party shall notify the governmental authority that the requested or required information contains NBP-SO or ISO-NE Market Participant specific Confidential Information, if applicable, and shall use reasonable efforts to protect the Confidential Information from public disclosure.

If the Canada Energy Regulator (CER) requests or requires the NBP-SO to submit any Confidential Information it received from ISO-NE on a confidential basis, the NBP-SO will seek permission to inform ISO-NE of the requirement or request and, if granted, will follow the procedures outlined above. In the event the CER does not permit the NBP-SO to notify ISO-NE of the request, NBP-SO shall inform the CER in writing that the disclosed information includes Confidential Information, and shall request that the CER inform NBP-SO before releasing to a Third Party any of the Confidential Information. If a governmental authority (including FERC, the CFTC and the CER) that requested or required the

submission, on a confidential basis, of Confidential Information by a Receiving Party issues a notice indicating that it is considering disclosing, or intends to disclose any Confidential Information provided by the Disclosing Party, or if the governmental authority (including FERC, the CFTC and the CER) receives a public records demand or other legal discovery request seeking disclosure of any Confidential Information provided by the Disclosing Party, the Receiving Party shall notify the Disclosing Party so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure under this provision with prompt written notice of the circumstances that may require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

(gg) Return of Confidential Information. Information provided pursuant to this Article 6 is deemed to be on loan, and remains the property of the Disclosing Party notwithstanding the disclosure of such Confidential Information to the Receiving Party hereunder. All Confidential Information provided by the Disclosing Party shall be returned by the Receiving Party to the Disclosing Party or destroyed, erased or deleted by the Receiving Party, with written confirmation provided to the Disclosing Party, promptly upon request. Upon termination of this Agreement, a Party shall use reasonable efforts to destroy, erase, delete or return to the Disclosing Party any and all written or electronic Confidential Information. Unless otherwise expressly agreed in a separate license agreement, the disclosure of Confidential Information to the Receiving Party will not be deemed to constitute a grant, by implication or otherwise, of a right or license to the Confidential Information or in any patents or patent applications of the Disclosing Party.

(hh) Relief. Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in this Article 6, and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have and to the extent permitted by law, to the granting of equitable relief, including injunction, in the Disclosing Party's favor without proof of actual damages. In addition to the equitable relief referred to in this Section, a Disclosing Party shall only be entitled to recover from a Receiving Party any and all gains wrongfully acquired, directly or indirectly, from a Receiving Party's unauthorized disclosure of Confidential Information.

(i) Existing Confidential Information Obligations. Notwithstanding anything to the contrary in this Agreement, the Parties shall have no obligation to disclose Confidential Information or data to the extent such disclosure of information or data would be a violation of or inconsistent with applicable state or federal regulation or law. This Agreement requires the Parties to exchange Confidential Information that

is necessary for the Coordination Committee to perform its duties, or for the Parties to fulfill their obligations under this Agreement. The Parties are not obligated to share Confidential Information for other purposes.

(jj) The term “Critical Energy Infrastructure Information” (CEII) or “Critical Infrastructure and Emergency Management” (CI/EM), shall mean all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished, that is marked “Critical Energy Infrastructure Information”, “CEII”, “Critical Infrastructure and Emergency Management” or “CI/EM”, or which under all of the circumstances should be treated as such in accordance with the definition of CEII in 18 C.F.R. § 388.13(c)(1) and the definition of CI/EM in Public Safety Canada “Information Sharing and Protection Under the Emergency Management Act Critical Infrastructure Policy Emergency Management and National Security Branch”, as applicable. The Receiving Party shall maintain all CEII and CI/EM in a secure place. The Receiving Party shall treat CEII and CI/EM received under this agreement in accordance with its own procedures for protecting CEII and CI/EM and shall not disclose CEII and CI/EM to anyone except its Authorized Representatives.

ARTICLE 7.0: COORDINATION COMMITTEE

7.1 Coordination Committee Inauguration and Authorization

The Parties shall form a Coordination Committee under this Agreement. Within 30 days of the Effective Date, each of the Parties shall appoint two representatives, a principal and an alternate, to serve as members of the Coordination Committee with the authority to act on their behalf with respect to actions or decisions taken by the Coordination Committee. A Party may, at any time upon providing prior notice to the other Party, designate a replacement principal member or alternate member to the Coordination Committee.

7.2 Coordination Committee Duties and Responsibilities

The Coordination Committee exists to administer or assist the Parties’ implementation of the provisions of this Agreement. The Coordination Committee shall develop and adopt policies, instructions, and recommendations relating to the Parties’²¹ performance of their obligations under this Agreement, attempt to resolve Disputes between the Parties pursuant to Article 187.0 of this Agreement, and shall undertake any other actions specifically delegated to it pursuant to this Agreement.

The Coordination Committee shall undertake to assist the Parties' efforts to jointly develop ~~and authorize~~ Operating Instructions to implement the intent of this Agreement in accordance with Schedule B, ~~4~~ Procedures for Development and Authorization of Operating Instructions (Schedule B) of this Agreement. The Coordination Committee shall authorize such Operating Instructions once developed. To the extent that the Operating Instructions require participation by ~~L~~local ~~C~~control ~~C~~centers and Transmission Owners in New England or the Maritimes Reliability Coordinator Areas, the Parties will involve those entities ~~will be involved~~ in the development process.

Should the terms and conditions contained in this Agreement be found to conflict with or fail to recognize obligations of ~~a Standards Authority of which either Party is a member or other regulatory requirements~~ an applicable Regulatory Requirement, the Parties agree to amend this Agreement accordingly.

Any ~~effective~~ recommendations on revisions to this Agreement shall be provided to each Party's appropriate corporate officers for approval.

7.3 Limitations of Coordination Committee Authority

~~With the exception of the Schedules, t~~The Coordination Committee is not authorized to modify or amend any of the terms of this Agreement. The Coordination Committee is also not authorized to excuse any obligations under this Agreement or waive any rights pertaining to this Agreement. The Coordination Committee has no authority to commit either Party to any expenditure that is beyond those expenses described herein.

7.4 Exercise of Coordination Committee Duties

The Coordination Committee shall hold meetings no less frequently than once each calendar year. The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either Party in advance of the meeting and sent to the representatives of the other Party. All decisions of the Coordination Committee must be unanimous. Special meetings may be called at any time if the Coordination Committee deems such meetings to be necessary or appropriate.

Subject to the limitations on its authority as described in Section 7.3 of this Agreement, the Coordination Committee has the responsibility and authority to take action on all aspects of this Agreement, including, but not limited to the following:

- ~~(a)~~ ~~(a)~~ amending, adding or canceling ~~Schedules, or~~ Operating Instructions in accordance with Section 7.2 and Schedule B of this Agreement;
- ~~(a)(b)~~ ~~and~~ providing written notice in accordance with Article 17.0 of this Agreement;
- ~~(c)~~ ~~b~~ assessment of non-compliance with this Agreement and, subject to Article 18.0 of this Agreement, the taking of appropriate action in respect thereof;
- ~~(d)~~ ~~e~~ documentation of decisions related to the initial resolution of Disputes as set out in Article 18.0 of this Agreement, or in cases of unresolved Disputes, the circumstances relevant to the Dispute in question as contemplated by the requirements of Article 17.0 of this Agreement; and
- ~~(e)~~ ~~d~~ preparation, documentation, retention and distribution of Coordination Committee meeting minutes and agendas.

ARTICLE 8.0: RELIABILITY COORDINATION AND RELIABILITY ASSESSMENT OF OUTAGES

In accordance with Reliability Requirements, ~~b~~ Both Parties agree to provide each other with appropriate updates on planned outage schedules and other activities that may have an impact on the Reliability or availability of the interconnected New Brunswick Transmission System and New England Transmission System. As Reliability Coordinators and Balancing Authorities, the NBP-SO and ISO-NE shall interact with each other as required, and with other Balancing Authorities iesy Areas and Reliability Coordinators, to establish Security System Operating Limits and Interconnection Reliability Operating Limits and to perform Reliability coordination and Reliability assessments of outages.

ARTICLE 9.0: OPERATIONAL INFORMATION

9.1 Obligation to Provide Operational Data and Status Points

The Parties shall ensure that appropriate monitoring facilities are installed as required to provide for electric power quantities or equipment loading to enable monitoring of Security Limits, meet requirements of each of NERC System Operating Limits and Interconnection Reliability Operating Limits to meet applicable Reliability Requirements ~~and NPCC~~, and for determining Interconnection Facilities inadvertent energy accounting.

~~9.2 Points of Operational Data~~

~~The points of data for operating information are those points as may be agreed in writing by the Coordination Committee from time to time.~~

ARTICLE 10.0: INTERCONNECTION REVENUE METERING

10.1 ~~_____~~ Metering Equipment

~~The Parties shall ensure that each Intertie is equipped with common megawatt hour meters, with readings provided hourly to the control centers of each Party.~~

10.12 ~~_____~~ Obligation to Provide Inadvertent Energy Accounting Metering

The Parties shall ensure appropriate electric metering devices are installed as required to measure electric power quantities for determining Interconnection Facilities inadvertent energy accounting.

10.2 Standards for Metering Equipment

Any Metering Equipment used to meter Metered Quantities for inadvertent energy accounting shall be designed, verified, sealed and maintained in accordance with the Party's respective metering standards or as otherwise agreed to by the Coordination Committee.

10.3 Meter Compensation to the Point of Interconnection

The metering compensation for transmission line losses to the Interconnection Facilities Delivery Point shall be determined by ~~each~~^{the} Party's respective standards or otherwise agreed to by the Coordination Committee. All Energy supplied at the Delivery Point shall be metered at the Keswick and Point Lepreau Terminals. The metered amounts shall be adjusted for actual losses to the Delivery Point. This adjustment will be done to compensate for the difference in location between the Delivery Point and the meters.

10.4 Metering Readings

The Parties shall ensure that integrated meter readings are provided at least once each hour for Interconnection Facilities accounting purposes and meter registers are read at least monthly, as close as ~~practical~~^{practicable} to the last hour of the month. An appropriate adjustment shall be made to register readings not taken on the last hour of the month.

Any properly designated representative of either of the Parties hereto shall have access, through coordination with the meter owner, during normal business hours, to all of the billing meters for the purpose of reading the same. The accuracy of the meters shall be verified by proper tests periodically and at any other time upon reasonable notice given by either of the Parties to the other, and each of the Parties

shall be entitled to have a representative present at such verification, subject to coordination with the meter owner. In the event errors greater than +/-2% should be discovered, retroactive billing adjustments, if any, shall be determined by the Coordination Committee.

ARTICLE 11.0: JOINT CHECKOUT PROCEDURES

11.1 Scheduling Checkout Protocols

Both Parties shall require all real-time energy market transaction schedules over Interconnections to be tagged in accord with the NERC tagging standard. For simultaneous activation of 10-minute reserve and other emergency schedules that are not tagged, the Parties will enter manual schedules into their respective operating systems.

When there is a real-time energy market transaction scheduling conflict, the Parties will work to modify the schedule as soon as practical.

Consistent with the foregoing requirements, the Parties will perform the following types of checkouts:

- (a) Day-ahead checkout shall be performed daily on the day before the transaction is to flow. Day-ahead checkout includes the verification of net interchange totals and individual transaction schedules;
- (b) Real-time checkout shall be performed during the period before the transaction is to flow. Real-time checkout includes the verification of net interchange totals and individual transaction schedules;
- (c) After-the-fact checkout of real-time transactions shall be performed the next business day following the day of the transactions; and
- (d) After-the-fact reporting of scheduled energy interchange and actual energy interchange shall be updated by each Party each day and exchanged with the other Party. Within ten (10) business days of the end of each month, the previous month's data shall be reconciled.

ARTICLE 12.0: LIABILITY

12.1 Force Majeure

A Party shall not be considered to be in default or breach of this Agreement, and shall be excused from performance or liability for damages to ~~the any~~ other ~~p~~Party, if and to the extent it shall be delayed in or prevented from performing or carrying out any of the provisions of this Agreement, arising out of or from

any act, omission, or circumstance by or in consequence of any act of God, labor disturbance, sabotage, failure of contractors or suppliers of materials, act of the public enemy, war, invasion, insurrection, riot, fire, storm, flood, ice, earthquake, explosion, epidemic, breakage or accident to machinery or equipment or any other cause or causes beyond such Party's reasonable control, including any curtailment, order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or by making of repairs necessitated by an emergency circumstance not limited to those listed above upon the property or equipment of the Party or property or equipment of others which is deemed under the Operational Control of the Party. A Force Majeure event does not include an act of negligence or Intentional Wrongdoing by a Party. Any Party claiming a Force Majeure event shall use reasonable diligence to remove the condition that prevents performance and shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Force Majeure event. Each Party shall use its best efforts to mitigate the effects of such Force Majeure event, remedy its inability to perform, and resume full performance of its obligations hereunder.

A Party suffering a Force Majeure event ("Affected Party") shall notify the other Party ("Non-Affected Party") in writing (a notice of a "Notice of Force Majeure Event") as soon as reasonably practicable specifying the cause of the event, the scope of commitments under the Agreement affected by the event, and a good faith estimate of the time required to restore full performance. Except for those commitments identified in the Notice of Force Majeure Event, the Affected Party shall not be relieved of its responsibility to fully perform as to all other commitments in the Agreement. If the Force Majeure event continues for a period of more than 90 days from the date of the Notice of Force Majeure Event, the Non-Affected Party shall be entitled, at its sole discretion, to terminate the Agreement.

12.2 Liability to Third Parties

~~NBSO shall release~~Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person or entity that is not a Party or a permitted successor or assignee.

12.3 Indemnification

(a) Definitions. An "Indemnifying Party" means a Party who holds an indemnification obligation hereunder. An "Indemnitee" means a Party entitled to receive indemnification under this Agreement.

(b) Third Party Losses. Each Party will defend, indemnify, and hold the other Party harmless ~~ISO NE~~ from and against any and all losses, damages, losses, liabilities, obligations, claims, demands, suits, proceedings, recoveries, judgments, settlements, costs and expenses, court costs, attorney fees, causes of

action, judgments and all other obligations (each, an “Indemnifiable Loss”) asserted against ISO-NE by a person that is not a Party to this Agreement (a “Third Party”) including but not limited to any action by an NBSO employee, to collectively, “Losses”) brought or obtained by any Third Party against such other Party, only to the extent alleged to result from, arise out of or be related to such NBSO acts or omissions that give rise to such Indemnifiable Loss, including an NBSO directive or instruction to a Third Party; and (ii) ISO-NE shall release, indemnify, and hold harmless NBSO Losses arise directly from and against any Indemnifiable Loss asserted against NBSO, by a Third Party, including but not limited to the:

- (i) Gross negligence, recklessness, or willful misconduct of the Indemnifying Party or any action by an ISO-NE employee, of its agents or employees, in the performance of this Agreement; except to the extent alleged to result from, such Losses arise out of or be related to ISO-NE’s acts or omissions (i) from gross negligence, recklessness, willful misconduct or breach of contract or law by the Indemnitee or such Indemnitee’s agents or employees, or (ii) as a consequence of strict liability imposed as a matter of law upon the Indemnitee, or such Indemnitee’s agents or employees; or
- (ii) Breach of the Parties’ obligations in Article 6 hereof.

(c) Process. The Indemnitee shall give Notice to the Indemnifying Party as soon as reasonably practicable after the Indemnitee becomes aware of the indemnifiable Losses or any claim, action or proceeding that give rise may give rise to an indemnification. Such notice shall describe the nature of the Losses or proceeding in reasonable detail, explain how the Losses relate to the performance of this Agreement, and shall indicate, if practicable, the estimated amount of the Losses that has been sustained by the Indemnitee. A delay or failure of the Indemnitee to such Indemnifiable Loss, including an ISO-NE directive or instruction to a Third Party, provide the required notice shall release the Indemnifying Party (i) from any indemnification obligation to the extent that such delay or failure materially and adversely affects the Indemnifying Party’s ability to defend such claim or materially and adversely increases the amount of the indemnifiable Losses, and (ii) from any responsibility for any costs or expenses of the Indemnitee in the defense of the claim during such period of delay or failure.

(d) Indemnification shall be limited to the extent that the liability of the Indemnitee would be limited by any applicable law.

121.43 Liability bBetween the Parties

The Parties’ duties and standard of care with respect to each other, and the benefits and rights conferred on each other shall be no greater than as expressly stated herein. Neither Party, its directors, officers, trustees, employees or agents, shall be liable to the other Party for any ~~loss, damage, claim, cost, charge or expense~~ Losses, whether direct, indirect, incidental, punitive, special, exemplary or consequential, arising from ~~the other that~~ Party’s performance or nonperformance under this Agreement, except to the extent

that ~~athe~~ Party, is found liable for gross negligence or willful misconduct, in which case the Party responsible shall be liable only for direct and ordinary damages and not for any incidental, consequential, punitive, special, exemplary or indirect damages.

121.54 Liability for Interruptions

~~Neither Except as set forth herein, neither~~ Party shall be liable to the other Party for any ~~claim, demand, liability, loss~~ Losses or damage, whether direct, indirect, incidental, punitive, special, exemplary or consequential, resulting from an occurrence on the circuits and system that are under the Operational Control of the other Party and which results in damage to or renders inoperative such circuits and system, or the separation of the systems in an Emergency, or interrupts or diminishes service, or increases, decreases or in any way affects ~~for whatever length of time~~ the voltage or frequency of the energy delivered hereunder to the other Party.

ARTICLE 132.0: APPLICABLE LAW

132.1 Applicable Law Governance

This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick where the NBP-SO is delivering energy to ISO-NE, and the Parties irrevocably attorn to the New Brunswick courts.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts where ISO-NE is delivering energy to NBP-SO, and to the extent permitted by law, the Parties irrevocably attorn to the courts of the Commonwealth of Massachusetts.

132.2 Sovereign Immunity

To the extent that any Party has sovereign immunity or other immunity that might arise from being a subdivision of a political entity that would prevent any other Party from enforcing the terms of this Agreement pursuant to the Federal Sovereign Immunities Act (~~“FSIA”~~), but subject to any future amendment to that Act, the Parties acknowledge that all activities under this Agreement shall be deemed commercial activities and, thus, are qualified to be a commercial activity exception within the meaning of the FSIA so that any immunities that may be given to a Party pursuant to that Act do not apply to this Agreement.

ARTICLE 143.0: LICENSE AND AUTHORIZATION

The agreements and obligations expressed herein are subject to such initial and continuing governmental permission and authorization as may be required. Each Party shall be responsible for securing and paying for any approvals required by it from any regulatory agency of competent jurisdiction relating to its participation in this Agreement and will reasonably cooperate with the other Party in seeking such approvals.

ARTICLE 154.0: ASSIGNMENT

This Agreement shall inure to the benefit of, and be binding upon and may be performed by, the successors and assigns of the Parties hereto respectively, but shall not be assignable by either Party without the written consent of the other.

ARTICLE 165.0: AMENDMENT

~~15.1—Authorized Representatives~~

~~No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the Parties' authorized representatives (except as provided for in Section 7.3 of this Agreement). For the purposes of this section, an authorized person refers to individuals designated as such by Parties in their respective corporate by laws.~~

15.16.12 Review of Agreement

The terms of this Agreement are subject to review for potential amendment at the request of either Party. If, consequent to such review, the Parties agree that any of the provisions hereof, or the practices or conduct of either Party impose an inequity, hardship or undue burden upon the other Party, or if the Parties agree that any of the provisions of this Agreement have become obsolete or inconsistent with changes related to the Interconnection Facilities, the Parties shall endeavor in good faith to amend or supplement this Agreement in such a manner as will remove such inequity, hardship or undue burden, or otherwise appropriately address the cause for such change.

~~15.3—Mutual Agreement~~

~~The Parties may amend~~ Any amendment of this Agreement ~~at any time by mutual agreement the Parties must be done~~ in accordance with Section 16.2 of this Agreement~~15.1 above~~.

16.2 Authorized Representatives

No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the Parties' authorized representatives. For the purposes of this Section 16.2, an authorized person refers to individuals designated as such by Parties in their respective corporate by-laws.

ARTICLE ~~17~~6.0: NOTICES

Except as otherwise agreed from time to time, any notice, invoice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given at the earlier of the time of actual receipt or deemed time of receipt if delivered personally to a senior official of the Party for whom it is intended or electronically transferred or sent by registered mail, addressed as follows:

In the case of the NB~~P~~-SO to: New Brunswick Power Corporation~~System Operator~~
P.O. Box 2000, 515 King ~~77 Canada~~ Street
Fredericton, New Brunswick
E3B~~A~~ 4X13Z3
Attention: Chief Legal Officer~~Secretary and General Counsel~~

In the case of ISO-NE to: ISO New England Inc.
One Sullivan Road
Holyoke, Massachusetts 01040-2841
Attention: Vice President of System Operations

or delivered to such other person or electronically transferred or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Article 17.0~~section~~ or delivered by any other means agreed to by the Parties hereto.

Any notice, or communication so mailed shall be deemed to have been received on the third business day following the day of mailing, or if electronically transferred shall be deemed to have been received on the same business day as the date of the electronic transfer, or if delivered personally shall be deemed to have been received on the date of delivery or if delivered by some other means shall be deemed to have been received as agreed to by the Parties hereto.

The use of a signed facsimile of ~~future~~ notices and correspondence between the Parties related to this Agreement shall be accepted as proof of the matters therein set out. Follow-up with hard copy by mail will not be required unless agreed to by the Coordination Committee.

ARTICLE ~~18~~17.0: DISPUTE RESOLUTION

In the event of a ~~D~~dispute arising out of or relating to this Agreement (a “Dispute”) that is not resolved by the representatives of the Parties who have been designated under Section 7.1 of this Agreement within 7 days of the reference to such representatives of such Dispute, each Party shall, within 14 days’ written notice by either Party to the other, designate a senior officer with authority and responsibility to resolve the Dispute and refer the Dispute to them. The senior officer designated by each Party shall have authority to make decisions on its behalf with respect to that Party’s rights and obligations under this Agreement. The senior officers, once designated, shall promptly begin discussions in a good faith effort to agree upon a resolution of the Dispute. If the senior officers do not agree upon a resolution of the Dispute within ~~30~~14 days of its referral to them; ~~(or do not within the same 14 day such longer period as the senior officers mutually agree to refer in writing), then the matter to some individual or organization for alternate Parties shall request that FERC’s -Dispute resolution, then Resolution Service mediate their efforts to resolve the Dispute. At any point in the mediation process, -either Party shall have may terminate the right mediation and may to~~ pursue any and all remedies available to it at law or in equity.

Neither the giving of notice of a Dispute, nor the pendency of any Dispute resolution process as described in this ~~section~~ Article 18.0 shall relieve a Party of its obligations under this Agreement, extend any notice period described in this Agreement or extend any period in which a Party must act as described in this Agreement. Notwithstanding the requirements of this Article 18.0~~section~~, either Party may terminate this Agreement in accordance with its provisions, or pursuant to an order of the FERC or a court of competent jurisdiction~~action at equity~~. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE ~~19~~18.0: REPRESENTATIONS

1918.1 Good Standing

Each Party represents and warrants that it is duly organized, validly existing and in good standing under the laws of the state or province in which it is organized, formed, or incorporated, as applicable.

198.2 Authority to Enter Into Agreement

Each Party represents and warrants that it has the right, power and authority to enter into this Agreement, to become a Pparty hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

1918.3 Organizational Formation Documents

Each Party represents and warrants that the execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, bylaws, operating agreement, or agency agreement of such Party, or any judgment, license, permit, regulatory order, or governmental authorization applicable to such Party.

1918.4 Regulatory Authorizations

Each Party represents and warrants that it has, or applied for, all regulatory authorizations necessary for it to perform its obligations under this Agreement.

ARTICLE 1920.0: EFFECTIVE DATE AND TERM

Subject to the conditions of Article 143.0 -(License and Authorization) above, this Agreement shall take effect as of the date that all of the following have occurred: (i) upon the execution hereof by both Parties on the date set forth above; and (ii) all necessary governmental approvals for the effectiveness of this Agreement have been received. This Agreement shall continue in force until terminated in accordance with this article.

This Agreement may be terminated at any time by mutual agreement in writing. It may also be terminated by either Party with prior written notice of at least ninety (90) days to the other Party of its intention to terminate.

ARTICLE 219.0: MISCELLANEOUS

219.1 Performance

The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any right held by such Party. Any waiver on any specific occasion by either Party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Agreement.

21.2 Agreement Rights, Remedies, or Benefits

~~This Agreement is not intended to and does not create any rights, remedies, or benefits of any kind whatsoever in favor of any entities other than the Parties, their principals and, where permitted, their assigns.~~

20.3 Agreement

This Agreement, including all Attachments ~~attached~~ hereto, is the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, oral or written, with respect to the subject matter of this Agreement.

21.320.4 Governmental Authorizations

This Agreement, including its future amendments is subject to the initial and continuing governmental authorizations required to establish, operate and maintain the Interconnection Facilities as herein specified. Each Party shall take all actions necessary and reasonably within its control to maintain all governmental rights and approvals required to perform its respective obligations under this Agreement.

21.420.5 Unenforceable Provisions

If any provision of this Agreement is deemed unenforceable, the rest of the Agreement shall remain in effect and the Parties shall negotiate in good faith and seek to agree upon a substitute provision that will achieve the original intent of the Parties.

21.520.6 Execution

This Agreement may be executed in multiple counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement, and shall become binding when all counterparts have been signed by each of the Parties and delivered to each Party hereto.

Delivery of an executed signature page counterpart by ~~telecopier~~ facsimile or electronic delivery shall be as effective as delivery of a manually executed counterpart.

21.620.7 Payments

Unless otherwise indicated in writing by the Parties, all payments due under this Agreement will be effected in immediately available funds of the USA.

21.720.8 Regulatory Authority

If any ~~R~~egulatory ~~A~~uthority having jurisdiction (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction (~~collectively, the "Regulatory Bodies"~~) issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement, including changes to section headings or numbering (the "Regulatory Requirement"), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement. Notwithstanding the foregoing, if the ~~R~~egulatory ~~A~~uthority materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, as determined by either of the Parties within twenty (20) business days of the receipt of the Agreement as materially modified, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement forthwith.

21.8 Headings

The headings used for the Articles and Sections of this Agreement are for convenience and reference purposes only, and shall not be construed to modify, expand, limit, or restrict the provisions of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed in duplicate as of the day and year first written above.

NEW BRUNSWICK POWER CORPORATION ~~SYSTEM OPERATOR~~

Date: _____

Nicole Poirier

Vice President Operations

npoirier@nbpower.com

506-458-4337

~~By Sylvain Gignac, President and Chief Executive Officer~~

Date: _____

James Petrie

Chief Legal Officer

jpetrie@nbpower.com

506-458-3372

ISO NEW ENGLAND INC.

Date: _____

~~By~~ Vamsi Chadalavada

~~, Senior Executive~~ Vice President and Chief Operating Officer

~~Chief Operating Officer~~ vchadalavada@iso-ne.com

413-540-4405

SCHEDULE A:
DESCRIPTION OF INTERCONNECTION FACILITIES

This Schedule A to the Agreement covers the New England – New Brunswick Interconnection Facilities under the Operational Control of the NB ~~Power-SO~~ and ISO-NE.

There is only one *Interconnection* (i.e., the New England – New Brunswick Interconnection) that makes up the New England – New Brunswick *Interconnection Facilities*. For Operational Control purposes, the point of demarcation for the *Interconnection* is the point at which the New England – New Brunswick Interconnection crosses the USA-Canada boundary.

List of Interconnection(s)

The New England-New Brunswick Interconnection is comprised of the following two (2) *Interties* (as ordered from South to North:

1. 390/3016 Intertie

A 345 kV AC transmission circuit, designated the 390 Line/3016 Line, connecting the Orrington transmission substation in the State of Maine, USA to the Point Lepreau transmission substation in the Province of New Brunswick, Canada. The common meter point for this *Intertie* is located at the Point Lepreau transmission substation.

2. 3001 Intertie

A 345 kV AC transmission circuit, designated the -3001 Line, connecting the Keene Road transmission substation in the State of Maine, USA to the Keswick transmission substation in the Province of New Brunswick, Canada. The common meter point for this *Intertie* is located at the Keswick transmission substation.

SCHEDULE B:
PROCEDURES FOR DEVELOPMENT AND
AUTHORIZATION OF OPERATING INSTRUCTIONS

Overview

Operating Instructions (a) will be developed and recorded by the Parties, with assistance from the Coordination Committee, in accordance with this Schedule B, (b) will be contained in a document separate from this Agreement, and (c) may be modified by the Parties, with assistance from the Coordination Committee, without amending this Agreement.

The Parties, with assistance from the Coordination Committee shall jointly develop ~~and approve~~ Operating Instructions and review them at least annually. The Parties, with assistance from the Coordination Committee, shall submit draft material to one another for review and comment. The Parties, with assistance from the Coordination Committee, shall provide comment on the draft material promptly. The Parties, with assistance from the Coordination Committee, shall promptly provide such information as may reasonably be required in connection with establishing, or reviewing, the material. The Coordination Committee shall be responsible for approving final versions of Operating Instructions.

Each Party will follow the agreed upon actions that are set forth in the Operating Instructions.

In the event that any conflicts arise or are made apparent to a Party regarding any Operating Instructions, they shall notify the other Party and engage the Coordination Committee if necessary to resolve such conflicts.

The Coordination Committee will periodically review applicable ISO-NE and NBP-SO individual procedures and processes to determine any benefits of sharing these procedures and processes. These benefits may be for the purpose of training or to satisfy Reliability RequirementsStandards. The Coordination Committee will determine how best to share these individual procedures and processes.

A list of Operating Instructions and applicable ISO-NE and NBP-SO individual procedures will be maintained by the Coordination Committee ~~and posted on an appropriate location on the respective individual websites of the Parties.~~

Outlined below are the key principles and items of methodology to be observed while the Parties, with assistance from the Coordination Committee, ~~are is~~ engaged in developing ~~and approving~~ Operating Instructions, and issuing them to their respective operations staff.

Principles

Given that the Parties' respective operations staff benefit from following a single instruction for all aspects of their execution of interconnected operations, it is an acceptable practice to combine this content to achieve the single Operating Instructions for use by a respective Party's operations staff. The preferred methodology when appropriate is to use the ~~NPCC criteria, guides and procedures applicable~~ Reliability Requirements for the coordination and operation of the interconnected Transmission Systems. When the ~~NPCC documentation~~ Reliability Requirements are is insufficient to accomplish this task separate instructions will be developed in accordance with this ~~s~~Schedule.

Each Party shall coordinate the issuance internally of any Operating Instructions developed and agreed to by the Parties, with assistance from the Coordination Committee, to ensure that their respective operations staff ~~have has~~ these Operating Instructions. In addition, annual review of the Operating Instructions and the Parties' internal procedures associated with the Operating Instructions shall be conducted by the Parties, with assistance from the Coordination Committee, to ensure consistency.

Operating Instructions, when approved by the ~~Parties~~Coordination Committee, shall be binding on the Parties insofar as they relate to the Interconnection Facilities until they expire, are changed, deleted, or superseded by authority of the Parties, with assistance from the Coordination Committee.

Items of Methodology

~~Each page of the approved Operating Instructions shall be identified in the header or footer as the NBSO —ISO-NE Coordination Committee's with the Effective Date and any revision number.~~

By mutual agreement of the Coordination Committee, ~~either one of the Parties NBSO or ISO-NE~~ shall be designated by the Coordination Committee to control the revision process of the Operating Instructions from the initial drafting of material through to the conversion of the Operating Instruction into its final form.

SCHEDULE C:
EMERGENCY AND SECURITY ENERGY TRANSACTIONS SCHEDULE

WHEREAS, ISO-NE, as the ~~independent system operator of RTO for~~ the New England Transmission System ~~in New England~~ and the administrator of the New England markets, arranges for the sale and purchase of Emergency capacity and energy on behalf of Market Participants with neighboring Balancing Authority Areas, all in accordance with the ISO-NE Tariff, which includes the ISO-NE Open Access Transmission Tariff and ~~the ISO-NE M~~arket Rules;

WHEREAS, ISO-NE ~~is the administrator of the ISO-NE Tariff and~~ is responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the ISO-NE Tariff;

WHEREAS, NBP-SO, as the System Operator for the New Brunswick Transmission System, arranges for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas, all in accordance with the New Brunswick Power Corporation OATT and the New Brunswick EBR;

WHEREAS, NBP-SO is responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the New Brunswick Power Corporation OATT and the New Brunswick EBR;

WHEREAS, either of the Parties may, from time to time, have insufficient Operating Reserve available on the respective systems that they operate, or need to supplement available resources to cover sudden and unforeseen circumstances such as loss of equipment or forecast errors, and such conditions could result in the need to arrange for the purchase of Emergency Energy for Reliability reasons;

WHEREAS, from time to time, the total net interchange between the New England and New Brunswick Balancing Authority Areas of market-based real-time transactions in a given hour may be less than the minimum required flow from New Brunswick to New England on the New England to New Brunswick Interconnection, in accordance with the applicable Operating Instructions with respect to the determination of minimum transfer limits, and such conditions could result in the need to arrange for the purchase of Security Energy for ~~Reliability~~ Security reasons; and

WHEREAS, the Parties wish to provide for the terms and conditions pursuant to which either Party may arrange for the purchase of such Security Energy for its system from the other Party and specify the prices for such purchases and sales.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties mutually agree as follows:

ARTICLE 1.0: RESERVED~~DELIVERY POINT~~

~~1.1 — The Delivery Point for energy delivered pursuant to the terms of this Schedule shall be the international border between New England and New Brunswick. The Delivery Point is constituted of all of the points of direct Interconnection between the New England Balancing Authority Area and the NBSO Balancing Authority Area. Such Delivery Point shall include (1) the point on the 345 kV Keene Road—Keswick transmission line (3001 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, and (2) the point on the 345 kV Orrington—Point Lepreau transmission line (390/3016 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, and/or such other Delivery Point(s) as the Coordination Committee shall determine.~~

~~1.2 — Unless otherwise agreed by the Coordination Committee, the price for energy for an hour delivered pursuant to this Schedule shall include all transmission costs of delivering such energy to the Delivery Point in that hour, and the Party taking delivery of such energy for the hour shall be responsible for all transmission costs beyond the Delivery Point for that hour.~~

ARTICLE 2.0: CHARACTERISTICS OF EMERGENCY AND SECURITY ENERGY

All Emergency Energy and Security Energy made available under this Schedule shall be three phase, 60 Hz alternating current at operating voltages established at the Delivery Point in accordance with system requirements and appropriate to the Interconnection Facilities or other such characteristics as may be agreed upon by the Parties.

ARTICLE 3.0: NATURE OF SERVICE

3.1 ISO-NE and the NBP~~SO~~ shall, to the maximum extent each deems consistent with the safe and proper operation of its system, the furnishing of economical, dependable and satisfactory services by its participants, and the obligations of its participants to other parties, make available to the other Party when a system Emergency exists on the other Party's system, Emergency Energy from its system's available generating capability in excess of the system's load requirements (i.e., load requirements alone, not load plus reserve requirements) up to the transfer limits in use between the two Balancing Authority Areas. Emergency Energy is provided in cases of emergency outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Normally, a Party requests Emergency Energy from the other Party as a last resort, when market-based real-time energy transactions are not available, or not available in a timely fashion in order to maintain its ten-minute reserve requirement. At the time the Emergency Energy sale is being initiated, the Party delivering such Emergency Energy shall describe the Emergency Energy transaction as being one of the following: (1) "delivered out of ten-minute reserve"; (2) "delivered out of thirty-minute reserve" where such a delivery could reasonably be expected to be recalled if the Party delivering the Emergency Energy needed the generation for a reserve pick-up or other Emergency; or (3) "delivered above and beyond ten-minute and thirty-minute reserves" where the Party delivering such Emergency Energy is normally expected to be able to continue delivering the energy following a reserve pick-up.

3.2 ~~Reserved~~~~The Parties are participants in NPCC and are expected to comply with NPCC criteria, guides and procedures. Such NPCC criteria include "Emergency Operation Criteria" (Document A-3), which describes the basic factors to be considered by a Balancing Authority Area in formulating plans and procedures to be followed in an Emergency. A principle of operation in this NPCC criteria is that upon receiving a request for assistance to mitigate an Emergency, a Balancing Authority Area would provide "maximum reasonable assistance" to a neighboring Balancing Authority Area. Such reasonable assistance would not normally require the shedding of firm load.~~

3.3 Normally, the Party experiencing or anticipating an Emergency would request Emergency Energy from the other Party in accordance with this Schedule, its tariff, and applicable ~~NPCC criteria, guides and procedures~~ Reliability Requirements after all market-based real-time transactions have been scheduled, unless there is an immediate need for such Emergency Energy in order to maintain system Reliability.

3.4 The Parties agree to arrange for the delivery of Security Energy, as needed and as available, ~~which shall be priced in accordance with Attachment B of this Schedule.~~ Security Energy shall only be

used to maintain the minimum required flows on the New Brunswick – New England Interconnection. The purpose of these minimum required flows is to provide acceptable steady-state and transient performance of the Maine Transmission System and reliable operation of the 345 kV Keene Road - Keswick transmission line (3001 Line) and 345 kV Orrington - Point Lepreau transmission line (390/3016) Line on a post-contingency basis. Prior to the purchase of Security Energy ~~from NBP-SO~~in accordance with Attachment B of this Schedule, ISO-NE will take the following actions (unless exigent circumstances dictate otherwise), as necessary and in the following order, in coordination with Market Participants and the ~~NBP-SO~~New Brunswick System Operator to avoid or correct a net interchange that is below the violation of the minimum flow requirement:

1. Curtail exports from New England to New Brunswick.

2. Request Security Energy Transactions (SETs) from Market Participants

a. ISO-NE will post a message, “Special Request for Security Energy Transactions,” to the “Special Notices” section of the ISO-NE external website. The special notice will request the submittal of SETs for specified hour(s) and amount(s).

b. SETs may be submitted to ISO-NE via the external transaction scheduling software as imports with the designation, “Security Energy Transactions” and may be submitted as either Self-Scheduled (“Real-Time without Price”) or Dispatchable (“Real-Time with Price”). SETs may be submitted up to sixty minutes prior to the top of the hour in which the transaction is requested to begin.

3. Energy (including Market Participant submitted Security Energy Transactions) is scheduled for the next hour to the required MW level, based on economics, from all available offers in sufficient quantity to correct the potential or actual net interchange that is below the minimum flow requirement~~violation~~.

4. If steps 1 through 3 above do not fully correct the potential or actual net interchange that is below the minimum flow requirement~~violation~~, then Control-Area-to-Control-Area Security Energy will be scheduled and priced in accordance with the provisions of Attachment B to satisfy the minimum flow requirement.

3.5 In the event a Party is unable to provide Emergency ~~or Security~~ Energy to the other when needed, but there is energy available from a ~~third party~~ Third Party Balancing Authority Area supplier, the Party will use reasonable efforts to acquire and transmit such energy to the other Party where feasible.

ARTICLE 4.0: RATES AND CHARGES

4.1 ~~The charge for~~ Unless otherwise agreed by the Coordination Committee, the price for Emergency Energy and Security Energy in an hour delivered pursuant to this Schedule shall include all transmission costs of delivering such energy to the Delivery Point in that hour, and the Party taking delivery of such energy in that hour shall be responsible for all transmission costs beyond the Delivery Point in that hour.

4.2 ~~The charge for~~ Emergency Energy delivered to the NBP-SO or to ISO-NE shall be as set forth in Attachment A, attached hereto.

4.32 The charge for Security Energy delivered to ISO-NE shall be as set forth in Attachment B, attached hereto.

ARTICLE 5.0: RESERVEDMEASUREMENT OF ENERGY INTERCHANGED

5.1 ~~— All energy supplied at the Delivery Point shall be metered at the NBSO's Keswick and Point Lepreau Substations. The metered amounts shall be adjusted for actual losses to the Delivery Point. This adjustment will be done to compensate for the difference in location between the Delivery Point and the meters.~~

5.2 ~~— Any properly designated representative of either of the Parties hereto shall have access, through coordination with the meter owner, during normal business hours, to all of the billing meters for the purpose of reading the same. The accuracy of the meters shall be verified by proper tests periodically and at any other time upon reasonable notice given by either of the Parties to the other, and each of the Parties shall be entitled to have a representative present at such verification, subject to coordination with the meter owner. In the event errors greater than +/- 2% should be discovered, retroactive billing adjustments, if any, shall be determined by the Coordination Committee.~~

ARTICLE 6.0: BILLING AND PAYMENT

6.1 The procedure for rendering and payment of invoices for transactions pursuant to this Schedule shall be as set out hereunder unless otherwise agreed by the Coordination Committee.

6.2 Promptly after the end of ~~each~~ each calendar month, the Party delivering energy pursuant to this Schedule shall prepare, or cause to be prepared, and render an invoice to the other Party covering all transactions conducted under the terms of this Schedule during such calendar month ~~during such calendar month~~. All transactions will be billed based on the schedule of energy agreed to by the Parties.

6.3 All invoices rendered by a Party shall be payable by the other Party in currency of the USA by electronic bank transfer, ~~or in such other manner as is agreed to by the Coordination Committee, on the later of (1) the twentieth day of each month or the first common banking day after the nineteenth day of the month whichever is later~~ within five (5) business days after the issuance of an invoice (the “Due Date”).

6.4 The currency exchange rate used to convert Canadian dollars, where required, to United States of America (U.S.) dollars in preparing the invoice will be that quoted by the Bank of Canada at noon on the last banking day of the month in which the Emergency Energy or Security Energy being invoiced was delivered.

6.5 If the rendering of an invoice is unavoidably delayed, a Party may issue an interim invoice based on estimated charges. Each invoice shall be subject to adjustment for any errors in calculation, meter readings, estimating or otherwise. Any such billing adjustments shall be made as promptly as practical, but in no event later than six months after issuing the invoice.

6.6 Any amount not paid by the Due Date shall be subject to interest, calculated from the due date of the invoice to the date of payment, in accordance with the methodology specified for interest on refunds in the ~~Federal Energy Regulatory Commission’s~~ FERC’s regulations at 18 C.F.R. § 35.19a (a) (2) (iii).

6.7 If any invoice remains unpaid by a Party for thirty (30) days after the Due Date, the Party rendering the invoice may, in addition to all other remedies available to it, and after giving the other Party at least five days written notice of its intention to do so, present the issue in question to that Party’s Board of Directors. The Party’s Board of Directors shall contact the other Party’s Board of Directors or its designee to develop a solution to a billing Dispute pursuant to Article 187 of this Agreement. The Boards of Directors may also choose to submit the billing Dispute to a form of alternative ~~d~~ispute

resolution to which the Boards of Directors may agree. Such action shall not be construed as a breach of contract by the Party rendering the invoice and shall not relieve the other Party of its obligations to pay for energy in accordance with the provisions of this Schedule.

6.8 The applicable provisions of this Schedule shall continue in effect after termination of this Schedule to the extent necessary to provide for final billing, billing adjustments, payments and disposition of any claims outstanding.

6.9 Each Party warrants that it has, or will have, the agreements and procedures in place to ensure the collection of payments from its participants for the delivery of Emergency Energy and ~~or~~ Security Energy to it from the other Party.

ARTICLE 7.0: RECORDS

7.1 Each Party hereto shall keep or cause to be kept complete and accurate records and memoranda of its operations hereunder and shall maintain such data as may be necessary to determine with reasonable accuracy any item required hereunder. With respect to invoicing records, each Party shall maintain or cause to be maintained such records, memoranda and data for the current calendar year plus the previous calendar year. The Coordination Committee shall have the right to examine all such records and memoranda that are not confidential in so far as may be reasonably necessary for the purpose of ascertaining the reasonableness and accuracy of any statements of costs relating to transactions hereunder.

Attachment A

To the Emergency and Security Energy Transactions Schedule

Emergency Energy Pricing

In accordance with the Emergency and Security Energy Transactions Schedule between the NBP-SO and ISO-NE, the charge for Emergency Energy delivered to the Delivery Point by the NBP-SO or ISO-NE to the other shall be as defined within this Attachment A.

A.1. Direct NBP-SO/ISO-NE Emergency Energy Transaction

These are requests made by ~~one Party to the other~~ NBP-SO or ISO-NE to receive Emergency Energy in support of ~~e~~Emergency ~~reliability~~ conditions ~~presented by inadequate energy and to protect Reliability in the event that there is a need for Energy~~ on its system that could not be supplied through the market.

The charge for Emergency Energy shall be calculated by the delivering Party using the following two-part formula. The first part of the formula calculates the “Emergency Energy Charge” portion of the charge and the second part incorporates any “Emergency Transmission Charge” reasonably associated with the delivery of the Emergency Energy to the Delivery Point.

Total Charge for Emergency Energy Supplied in an Hour

The Total Charge for Emergency Energy supplied in an Hour =
the Emergency Energy Charge in the hour +
the Emergency Energy Transmission Charge in the hour.

The Emergency Energy Charge ~~for~~ in the hour

For NBP-SO as the delivering Party:

The Emergency Energy Charge in an hour equals the Emergency Energy supplied in the hour in MWh * NBP-SO's Cost of Emergency Energy in the hour in \$/MWh * 110%, where the Cost of Emergency Energy in the hour shall equal the incremental marginal cost. For the purposes of this calculation:

(1) The incremental marginal cost is the actual cost incurred by the NBP-SO to deliver the Emergency Energy.

For ISO-NE as the delivering Party:

The Emergency Energy Charge in an hour equals the sum of the Energy Charges for each five-minute settlement interval in the hour * 110%. For purposes of this calculation:

(1) The Energy Charge for a five-minute settlement interval equals the amount of Emergency Energy (in MWh) scheduled in the settlement interval at the ISO-NE Salisbury 345 external node (as used in the New England market system for Energy exports from the ISO-NE Balancing Authority Area into the NBP-SO Balancing Authority Area, as such pricing node is defined in Section III of the ISO-NE Tariff and determined by ISO-NE), adjusted for any curtailment, multiplied by the Cost of Emergency Energy in the settlement interval.

(2) The Cost of Emergency Energy in a five-minute settlement interval equals the Locational Marginal Price (LMP; in USD/MWh) at the ISO-NE Salisbury 345 external node for the settlement interval. For purposes of this calculation, an LMP in a settlement interval is set to \$0.00 if the LMP in the settlement interval was negative.

The

~~The Emergency Energy Charge for an hour =~~

~~———— (Emergency Energy supplied in the hour in megawatt hour(s) (“MWh”))~~

~~* ——— (Delivering Party’s Cost of such energy in \$/MWh)~~

~~* ——— 110%~~

The Emergency Energy Transmission Charge ~~(for in an hour)~~

The Emergency Energy Transmission Charge to the Delivery Point for an in an hour = shall equal

the actual ancillary services costs and any transmission costs reasonably associated with the delivery of such Emergency Energy ~~for an in the~~ hour by the delivering Party to the Delivery Point pursuant to the applicable tariff of the delivering Party-, as filed with and accepted by the governmental agency with jurisdiction over such tariff.

The Total Charge for Emergency Energy Supplied in an Hour

~~The Total Charge for Emergency Energy Supplied in an Hour =~~
~~———— (the Emergency Energy Charge for an hour)~~
~~+ ——— (the Emergency Energy Transmission Charge for that same hour).~~

~~In the case of the NBSO as delivering Party, the Cost of energy shall be the Market Clearing price (in \$U.S./MWh) at the external node associated with the Delivery Point ¹(as used in the NBSO Market System for energy exports from the NBSO Balancing Authority Area into the New England Balancing Authority Area, as such pricing node is defined in NBSO Market Rules and determined by the NBSO) for the hour of the Emergency Energy delivery.~~

~~In the case of ISO-NE as the delivering Party, the Cost of energy shall be the Locational Marginal Price (in \$U.S./MWh) at the external node associated with the Delivery Point ²(as used in the New England Market System for energy exports from the New England Balancing Authority Area into the NBSO Balancing Authority Area, as such pricing node is defined in Market Rule 1 and determined by ISO-NE) for the hour of the Emergency Energy delivery.~~

A.2. NBP-SO/ISO-NE Emergency Energy Transaction ~~F~~from ~~a~~ Third-Party Balancing Authority Area Supplier

These are requests made by NBP-SO or ISO-NE to deliver Energy to the other to address system balancing or other ~~r~~Reliability conditions present on the exporting system, which could not be accomplished through the market.

The ~~charge for~~ Emergency Energy Charge for energy supplied to a Party from a ~~third-party~~ Third Party Balancing Authority Area supplier shall be calculated by the delivering Party using the following two-part formula. The first part of the formula calculates the “Emergency Energy Charge” portion of the charge, which in this case includes the total charge (energy and transmission) that the Third Party~~third-party~~ Balancing Authority Area supplier charges for delivery of the Emergency Energy to the delivering Party’s Balancing Authority Area border. The second part of the formula incorporates any ~~T~~transmission

¹~~In the case of the NBSO as the delivering Party, the external node associated with the Delivery Point shall be: New Brunswick Node.~~

²~~In the case of the ISO as the delivering Party, the external node associated with the Delivery Point shall be: Salisbury 345.~~

Charges reasonably associated with the delivery of the Emergency Energy by the delivering Party through its system to the Delivery Point. It is expected that that all such Third Party third-party Balancing Authority Area supplier charges will be in accordance with rates filed and approved-accepted by the governmental body with jurisdiction over such rates.

The Total Charge for Emergency Energy Charge (for Supplied in an hHour)

~~Emergency Energy~~ The Total Charge for an hour =

— (Emergency Energy supplied in an the hHour =
in MWh) the

* — (Third-Party Balancing Authority Area supplier's total charge for such energy Supplier
Emergency Energy Charge in \$/MWh) the hour +

(Note: 10% adder does not apply to pricing of Emergency Energy from third-party Balancing Authority Area suppliers.)

The the ISO-NE or NBP-SO Emergency Energy Transmission Charge (for an in the hour.)

Third Party Balancing Authority Area Supplier Emergency Energy Charge in an hour

The Third Party Balancing Authority Area Emergency Energy Charge in an hour = the total cost the third-party supplier imposes for such energy upon the Party. The costs included in this Energy Charge may include an energy charge, capacity charge, transmission charge(s) and any other applicable charges for delivery of the Emergency Energy through the third-party Balancing Authority Area.

ISO-NE or NBP-SO Emergency Energy Transmission Charge to the Delivery Point for in an hour =

The Emergency Energy Transmission Charge in an hour shall equal the The actual ancillary services costs and any transmission costs reasonably associated with the delivery of such energy for in an hour to the Delivery Point pursuant to the applicable tariff of the delivering Party, as filed with and accepted by the governmental agency with jurisdiction over such tariff. Transmission costs would include, but not be limited to, applicable transmission charges and any costs for congestion and losses that are associated with the delivery of such Emergency Energy through the delivering Party's Balancing Authority Area in an hour to the Delivery Point. Such costs for congestion and losses are calculated by the amount of

Emergency Energy supplied in the hour (in MW) at the delivering Party's Balancing Authority Area border with the receiving Party multiplied by the difference in congestion and losses costs associated with transporting the Energy through the delivering Party's Balancing Authority Area.

~~The Total Charge for Emergency Energy Supplied in an Hour~~

~~The Total Charge for Emergency Energy Supplied in an Hour =~~

~~———— (the Emergency Energy Charge for an hour)~~

~~+ ——— (the Emergency Energy Transmission Charge for that same hour).~~

ATTACHMENT B

To the Emergency and Security Energy Transactions Schedule

Security Energy Pricing

In accordance with the Emergency and Security Energy Transactions Schedule between the NBP-SO and ISO-NE, the charge for Security Energy delivered to the Delivery Point ~~(as defined in 1.1 of the Schedule)~~ by the NBP-SO to ISO-NE shall be as defined within this Attachment B.

B.1. Direct NBP-SO/ISO-NE Security Energy Transaction

The charge for Security Energy shall be calculated by the delivering Party using the following two-part formula. The first part of the formula calculates the “Security Energy Charge” portion of the charge and the second part incorporates any “Security Energy Transmission Charge” reasonably associated with the delivery of the Security Energy to the Delivery Point.

The Security Energy Charge (for an hour)

Security Energy ~~Charge for in~~ an hour =
(Security Energy supplied in the hour in MWh)
* (Delivering Party’s Cost of such energy in \$/MWh)

(Note: 10% adder does not apply to Security Energy pricing.)

The delivering Party’s Cost of energy shall be the actual cost incurred by the NBP-SO to deliver the Security Energy. ~~the lesser of:~~

(a) ~~the Market Clearing price (in \$U.S./MWh) at the external node associated with the Delivery Point³ (the external node used in the NBSO Market System for energy exports from the NBSO Balancing Authority Area into the New England Balancing Authority Area, as such pricing node is defined in NBSO Market Rules and determined by the NBSO) for the hour of the Security Energy delivery; or~~

³ ~~The external node associated with the Delivery Point shall be : New Brunswick Node.~~

~~(b) — the Locational Marginal Price (in \$U.S./MWh) at the external node associated with the Delivery Point⁴ (as used in the New England Market System for energy exports from the New England Balancing Authority Area into the NBSO Balancing Authority Area, as such pricing node is defined in Market Rule 1 and determined by ISO-NE) for the hour of the Security Energy delivery.~~

In no case shall the charge for the Security Energy be less than \$0/MWh regardless of the calculated price in the NBP-SO Balancing Authority Area or the New England Balancing Authority Area.

The Security Energy Transmission Charge (for an hour)

Security Energy Transmission Charge to the Delivery Point for an hour =

The actual ancillary services costs and any transmission costs reasonably associated with the delivery of such energy for an hour by the delivering Party to the Delivery Point pursuant to the applicable tariff of the delivering Party.

The Total Charge for Security Energy Supplied in an Hour

The Total Charge for Security Energy Supplied in an Hour shall be split equally between the NBP-SO Balancing Authority Area and the New England Balancing Authority Area and calculated as follows:

=

[(the Security Energy Charge for an hour)

+ (the Security Energy Transmission Charge for that same hour)]

/ 2.

⁴~~The external node associated with the Delivery Point shall be: Salisbury 345.~~



COORDINATION AGREEMENT BETWEEN
ISO NEW ENGLAND INC. AND
NEW BRUNSWICK POWER CORPORATION

Effective Date:
January 1, 2025

Table of Contents

Article 1.0	Definitions
Article 2.0	Scope of Agreement
Article 3.0	Mutual Benefits
Article 4.0	Interconnected Operation
Article 5.0	Emergency Plans and Assistance
Article 6.0	Exchange of Information and Confidentiality
Article 7.0	Coordination Committee
Article 8.0	Reliability Coordination and Reliability Assessment of Outages
Article 9.0	Operational Information
Article 10.0	Interconnection Revenue Metering
Article 11.0	Joint Checkout Procedures
Article 12.0	Liability
Article 13.0	Applicable Law
Article 14.0	License and Authorization
Article 15.0	Assignment
Article 16.0	Amendment
Article 17.0	Notices
Article 18.0	Dispute Resolution
Article 19.0	Representations
Article 20.0	Effective Date and Term
Article 21.0	Miscellaneous
Schedule A:	Description of Interconnection Facilities
Schedule B:	Procedures for Development and Authorization of Operating Instructions
Schedule C:	Emergency and Security Energy Transactions Schedule
	Attachment A – Emergency Energy Pricing
	Attachment B – Security Energy Pricing

THIS AMENDED AND RESTATED COORDINATION AGREEMENT is made and entered into this 1st day of January, 2025, by and between NEW BRUNSWICK POWER CORPORATION, a Crown corporation, under and by virtue of the Electricity Act, S.N.B. 2013, c. 7, having its Head Office at 515 King Street, Fredericton, New Brunswick, E3B 4X1 (in its capacity as the New Brunswick Power-System Operator (“NBP-SO”)) and ISO NEW ENGLAND INC., a not-for-profit, private corporation established under the laws of Delaware that is the regional transmission organization for New England (“ISO-NE”). Hereinafter each may be referred to, individually, as “Party” and, collectively, as “Parties” where appropriate.

RECITALS

WHEREAS:

- A. ISO-NE and the New Brunswick System Operator, were parties to that certain Coordination Agreement dated as of the 1st day of April 2005 and revised on the 1st day of December 2007 and the 1st day of December 2010 (as otherwise amended, restated, or otherwise modified from time to time, the “Prior Agreement”);
- B. Effective October 1, 2013, the New Brunswick Power Group of Companies was amalgamated into a vertically integrated utility known as New Brunswick Power Corporation, sometimes referred to herein as “NB Power”;
- C. Effective October 1, 2013, NBSO was integrated within NB Power and exists as a division within the Crown corporation;
- D. Effective October 1, 2013, NBP-SO is the successor in interest to the NBSO and it, as NB Power, is now a single integrated Crown corporation responsible for the generation, transmission and distribution of electricity throughout the Province of New Brunswick;
- E. ISO-NE is the independent corporation that serves as the regional transmission organization (“RTO”) for New England, in which capacity it operates the New England Transmission System and New England’s wholesale electricity marketplace, manages a comprehensive regional bulk power system planning process and is responsible for the day-to-day reliable operation of New England’s bulk power system;
- F. NBP-SO, as the System Operator of the New Brunswick Integrated Electricity System, enters into coordination agreements and operating arrangements with the operators of neighboring Balancing Authority Areas, and with neighboring Transmission Operators, and coordinates system operation and emergency procedures with neighboring Balancing Authority Areas;

- G. ISO-NE, as RTO for the New England Transmission System and administrator of the New England markets enters into coordination agreements and operating arrangements with the operators of neighboring Balancing Authority Areas, and coordinates system operation and Emergency procedures with neighboring Balancing Authority Areas; and
- H. NBP-SO and ISO-NE desire to continue coordinated interconnected operation to maintain Reliability for both of the power systems of the Maritime Provinces of Canada, and the six New England States within the United States of America (USA), recognizing the Parties desire to maximize interconnected capability under the terms and conditions contained in this Agreement and NBP-SO and ISO-NE desire to amend and restate in full the Prior Agreement in order to reflect the transactions described above in the form set forth herein; and

WHEREAS, related to the Interconnection Facilities:

- A. ISO-NE is the Reliability Coordinator, Balancing Authority Operator, Transmission Operator, market operator, and Planning Authority for the six New England States, and operates and is responsible for the secure operation of the New England Transmission System in accordance with its Transmission Operating Agreements with New England Transmission Owners and in compliance with the FERC-accepted ISO-NE Tariff and applicable Reliability Requirements and, as such, has the power and authority to enter into this Agreement and perform its obligations under it. ISO-NE responsibilities exclude the Northern Maine Market;
- B. The NBP-SO is the Reliability Coordinator for the Canadian Maritime Provinces and the Northern Maine Market. The NBP-SO is also the Balancing Authority for New Brunswick, Prince Edward Island and the Northern Maine Market. The NBP-SO is the Transmission Service Provider, the Transmission Operator and Planning Authority for the New Brunswick Transmission System and, as such, has the power and authority to enter into this Agreement and perform its obligations under it;
- C. The New England Transmission System and the New Brunswick Transmission System interconnect at a certain point of Interconnection as more specifically described in this Agreement and the Parties wish to record their agreement as to the operational and other matters addressed herein and pertaining to the Interconnection Facilities; and

- D. The Parties desire to manage the operational aspects of their interconnected operations by developing, administering and implementing practices, procedures and information relating to Reliability coordination and power system operation that will be managed and approved by a committee formed under this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual agreements and obligations between the Parties and for other good and valuable consideration ISO-NE and the NBP-SO agree as follows:

ARTICLE 1.0: DEFINITIONS

In this Agreement, the following words and terms shall have the meanings (such meanings to be equally applicable to both the singular and the plural forms) ascribed to them in this Article 1.0. Terms used in the Agreement with initial capitalization that are not defined in this Article 1.0 shall have the meaning specified in the sections in which they are used.

“Adequacy” means the ability of the electric system to supply the aggregate electrical demand and energy requirements of the end-use customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements.

“Agreement” means this Agreement and the Schedule(s) attached hereto and incorporated herein.

“Balancing Authority” means the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

“Balancing Authority Area” means collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

“Bulk Electric System” has the same meaning as defined by NERC.

“Confidential Information” has the meaning stated in Section 6.5 of this Agreement.

“Coordination Committee” means the jointly constituted ISO-NE and NBP-SO committee established to administer the terms and provisions of this Agreement pursuant to Article 7.0 hereof.

“Delivery Point” means the points of direct Interconnection between the ISO-NE Balancing Authority Area and the NBP-SO Balancing Authority Area. Such Delivery Point shall include (1) the point on the 345 kV Keene Road - Keswick transmission line (3001 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, (2) the point on the 345 kV Orrington - Point Lepreau transmission line (390/3016 Line) between the State of Maine, USA and the Province of New Brunswick, Canada at which the line crosses the international boundary, and/or such other Delivery Point(s) as the Coordination Committee shall determine.

“Dispute” has the meaning attributed thereto in Article 18.0 of this Agreement.

“Effective Date” means the reference date of this Agreement as shown on the first page hereof.

“Electricity Act” means the Electricity Act, S.N.B. 2013, c.7.

“Electricity Business Rules (EBR)” means the rules made from time-to-time, and any and all amendments thereto or replacements thereof, pursuant to the New Brunswick *Electricity Act*, and all policies, procedures, and guidelines contemplated thereby.

“Emergency” means any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the Reliability of the Bulk Electric System.

“Emergency Energy” means energy supplied from Operating Reserve or electrical generation available for sale in New Brunswick or New England or available from another Balancing Authority Area. Emergency Energy may be provided in cases of sudden and unforeseen outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Emergency Energy is provided pursuant to this Agreement and priced according to Attachment A of Schedule C of this Agreement.

“Energy” means generation or use of electric power by a device over a period of time, expressed in kilowatthours (kWh), megawatthours (MWh), or gigawatthours (GWh).

“FERC” means the Federal Energy Regulatory Commission.

“Force Majeure” means an event of force majeure as described in Section 12.1 of this Agreement.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the North American electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with good business practices, Reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted by NERC and FERC.

“Integrated Electricity System (IES)” is a term used by the NBP-SO that means the Transmission Systems in the Province of New Brunswick and the structures, equipment or other things that connect those Transmission Systems with generation facilities and distribution systems in the Province and with Transmission Systems outside the Province.

“Intentional Wrongdoing” means an act or omission taken or omitted by a Party with knowledge or intent that injury or damage could reasonably be expected to result.

“Interconnection” means a connection between two or more individual Transmission Systems that have interconnecting Intertie(s).

“Interconnection Facilities” means the Interconnections described in Schedule A.

“Interconnection Reliability Operating Limit” means the System Operating Limit that, if violated, could lead to instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the Bulk Electric System.

“Intertie” means a transmission line that forms part of an Interconnection.

“ISO-NE Tariff” means the ISO New England Inc. Transmission, Markets and Services Tariff, which includes the ISO-NE Open Access Transmission Tariff and ISO-NE market rules.

“Market Participant” For the purpose of ISO-NE, means a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission; and, for the purpose of NBP-SO, means a “Transmission User” as per the EBR, section 1.2.

“Metered Quantity” means apparent power, reactive power, active power, with associated time tagging and any other quantity that may be measured by a Party’s Metering Equipment and that is reasonably required by either Party for Security reasons or revenue requirements.

“Metering Equipment” means the potential transformers, current transformers, meters, interconnecting wiring and recorders used to meter any Metered Quantity.

“Mutual Benefits” as described in Article 3.0 of this Agreement, means the transient and steady-state support that the integrated generation and transmission facilities in the New England and New Brunswick Transmission Systems provide to each other inherently by virtue of being interconnected.

“NERC” means the North American Electric Reliability Corporation or its successor organization.

“New Brunswick Power Corporation Open Access Transmission Tariff (OATT)” means the transmission tariff that specifies the terms, conditions and rates for use of the New Brunswick Transmission System.

“New Brunswick Transmission System” means the integrated transmission facilities located in New Brunswick except for distribution systems operating at a nominal voltage level of less than 69 kV, as defined in the Electricity Act, and for which the NBP-SO has authority to direct operations pursuant to operating agreements. For the purposes of the Reliability Coordinator functions, the operational footprint includes transmission facilities in the Canadian Maritime Provinces and the Northern Maine Market.

“New England Transmission System” for the purpose of this Agreement means the system of transmission facilities, within the New England Reliability Coordinator Area and Balancing Authority

Area that are under the ISO-NE's operational jurisdiction, as defined in its Transmission Operating Agreements and the ISO-NE Tariff.

“Northern Maine Market” means the Transmission System radially connected to New Brunswick in the portion of northern Maine that includes Aroostook, Washington, and Penobscot Counties and the associated market for all energy and reliability-related services that is administered by the Northern Maine Independent System Administrator under its Tariff.

“NPCC” means the Northeast Power Coordinating Council Inc. or its successor organization.

“Operating Instructions” means the joint operating procedures, steps, and instructions for the operation of the Interconnection Facilities established and modified from time to time by the Coordination Committee in accordance with (a) the ISO-NE Tariff and the New Brunswick EBR, (b) Schedule B of this Agreement and (c) ISO-NE and NBP-SO individual procedures and processes. Operating Instructions are separate from ISO-NE and NBP-SO individual procedures and processes.

“Operating Reserve” means in ISO-NE, an Operating Reserve as defined in Section I.2.2 of the ISO-NE Tariff; and in New Brunswick, an Operating Reserve as defined in Appendix A – Definitions of the New Brunswick EBR.

“Operational Control” for the purpose of this Agreement, means Security monitoring, adjustment of generation and transmission resources, coordinating and approval of changes in transmission status for maintenance, determination of changes in transmission status for Reliability, coordination with other Balancing Authority Areas and Reliability Coordinators, voltage reductions and load shedding, except that each legal owner of generation and transmission resources continues to physically operate and maintain its own facilities.

“Parties” means ISO-NE and NBP-SO and **“Party”** means either one of them.

“Planning Authority” means the responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.

“Reliability” means the degree of performance of the Bulk Electric System that results in electricity being delivered within Reliability Requirements and in the amount desired. Electric system Reliability

can be addressed by considering two basic and functional aspects of the electric systems Adequacy and Security.

“Reliability Coordinator” means the entity that is the highest level of authority who is responsible for the Reliable Operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.

“Reliability Coordinator Area” means the collection of generation, transmission, and loads within the boundaries of the Reliability Coordinator. Its boundary coincides with one or more Balancing Authority Areas.

“Reliability Requirements” means the criteria, requirements and standards relating to Reliability established by a Standards Authority.

“Reserve Sharing Group” means a group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority’s use in recovering from contingencies within the group. Scheduling energy from an adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker (e.g., between zero and ten minutes) then, for the purposes of disturbance control performance, the areas become a Reserve Sharing Group.

“Schedule” means a schedule attached to this Agreement and all amendments, supplements, replacements and additions hereto.

“Security” means the ability of the electric system to withstand sudden disturbances including, without limitation, electric short circuits or unanticipated loss of system elements.

“Security Energy” means energy delivered by the NBP-SO to ISO-NE in the event that the total net interchange between the New England and New Brunswick Balancing Authority Areas of market-based

real-time transactions in a given hour is less than the minimum required in accordance with the applicable Operating Instructions with respect to the determination of minimum transfer limits on the New Brunswick – New England Interconnection. Security Energy is provided pursuant to this Agreement and priced according to Attachment B of Schedule C of this Agreement.

“Standards Authority” means NERC, NPCC, any successor thereof, or any other agency with authority over the Parties regarding standards or criteria to either Party relating to the Reliability of Transmission Systems.

“System Operating Limit” means the value (such as MW, Mvar, amperes, frequency or volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria. System Operating Limits are based upon certain operating criteria. These include, but are not limited to: Facility Ratings (applicable pre- and post-Contingency Equipment Ratings or Facility Ratings); transient stability ratings (applicable pre- and post-Contingency stability limits); voltage stability ratings (applicable pre- and post-Contingency voltage stability); system voltage limits (applicable pre- and post-Contingency voltage limits).

“Third Party” means a person or entity that is not a party to this Agreement.

“Transmission Customer” means any eligible customer (or its designated agent) that can or does execute a Transmission Service agreement or can or does receive Transmission Service; or any of the following entities: Generator Owner, Load-Serving Entity, or Purchasing-Selling Entity.

“Transmission Operating Agreement(s)” means the agreement(s) that establishes the terms and conditions under which the Transmission Owners transferred to ISO-NE operational control over designated transmission facilities.

“Transmission Operator” means the entity responsible for the Reliability of its “local” transmission system, and that operates, or directs the operation of, the transmission facilities in accordance with applicable Transmission Operating Agreements.

“Transmission Owner” means an entity that owns and maintains transmission facilities.

“Transmission Service” means the services provided to the Transmission Customer by the Transmission Service Provider to move energy from a Point of Receipt to a Point of Delivery.

“Transmission Service Provider” means an entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.

“Transmission System” means a system for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

ARTICLE 2.0: SCOPE OF AGREEMENT

2.1 Amendment of Prior Agreement

The terms of the Prior Agreement are hereby amended and superseded by the terms of this Agreement, to be effective on the date this Agreement is effective as set out in Article 20 hereof.

2.2 Purpose of this Agreement

This Agreement provides for the reliable operation of the interconnected New England and New Brunswick Transmission Systems in accordance with the applicable Reliability Requirements.

This Agreement establishes a structure and framework for the following functions related to the Reliability of interconnected operations between the Parties:

- (a) developing and issuing Operating Instructions;
- (b) developing and adopting operating criteria, requirements and standards;
- (c) implementing each Party’s respective Reliability Requirements with regard to the New England Transmission System and New Brunswick Transmission System;
- (d) considering matters related to Transmission Service and access;
- (e) coordinating operation of their respective Transmission Systems;
- (f) exchanging operations information regarding the Interconnection;
- (g) exchanging information and coordinating actions that may impact the ISO-NE or NBP-SO Reliability Coordinator Area, including monitoring and coordinating actions to address System Operating Limits and Interconnection Reliability Operating Limits;
- (h) providing mutual assistance in an Emergency and during system restoration;
- (i) exchanging information on and coordinating system planning; and
- (j) implementing other arrangements between the Parties for the coordination of their systems.

The Parties shall, consistent with applicable Reliability Requirements and the Parties' respective tariffs, rules and standards to the maximum extent they deem consistent with the safe and proper operation of their respective Reliability Coordinator Area and Balancing Authority Area and necessary coordination with other interconnected systems, and with the furnishing of dependable and satisfactory service to their own customers, operate their systems in accordance with the following procedures and principles.

ARTICLE 3.0: MUTUAL BENEFITS

3.1 No Charge for Mutual Benefits of Interconnection

Both the New England Transmission System and New Brunswick Transmission System, by virtue of being connected to each other and with a much larger Interconnection, share Mutual Benefits such as transient and steady-state support. NBP-SO and ISO-NE shall not charge one another for such Mutual Benefits.

3.2 Maintenance of Mutual Benefits

The Parties shall endeavor to operate or direct the operation of the Interconnection Facilities to realize the Mutual Benefits. The Parties recognize circumstances beyond their control, such as a result of operating configurations, contingencies, maintenance, or actions by Third Parties, may result in a reduction of Mutual Benefits.

ARTICLE 4.0: INTERCONNECTED OPERATION

4.1 Obligation to Remain Interconnected

The Parties shall at all times during the term of this Agreement operate or direct the operation of their respective Transmission Systems so that they remain interconnected except:

- (a) during the occurrence of an event of Force Majeure which renders a Party unable to remain interconnected;
- (b) when an Interconnection is opened in accordance with the terms of an Operating Instruction;
- (c) when an Interconnection is opened in accordance with Good Utility Practice in a particular circumstance where there is an imminent risk of equipment failure, or of danger to personnel or the public, or a risk to the environment, or risk to the Reliability of a Transmission System that is not anticipated or addressed within an Operating Instruction; or

(d) during planned maintenance where notice has been given in accordance with outage procedures as implemented by the Coordination Committee.

4.2 Adherence to Reliability Requirements

The Parties are participants in the NPCC and are required to comply with applicable Reliability Requirements. Such requirements detail the many coordinating functions carried out by the Parties and this Agreement is intended to enhance this arrangement.

4.3 Notification of Circumstances

In the event that a component of the Interconnection Facilities is opened or if the transfer capability of a component of the Interconnection Facilities is changed, or if a Party plans to initiate the opening of any component of the Interconnection Facilities, or to change the transfer capability of any component of the Interconnection Facilities, such Party shall immediately provide the other Party with notification indicating the circumstances of the opening or transfer capability change and expected restoration time, in accordance with procedures implemented by the Coordination Committee or applicable Reliability Requirements.

4.4 Compliance with Decisions of the Coordination Committee Direction

ISO-NE shall direct the operation of the New England Transmission System and the NBP-SO shall direct the operation of the New Brunswick Transmission System in accordance with the obligations of their respective tariffs, rules and standards and applicable directions of the Coordination Committee that conform with their respective tariffs, rules and standards, except where prevented by Force Majeure. The Coordination Committee direction includes decisions and jointly developed and approved Operating Instructions. If decisions or Operating Instructions of the Coordination Committee do not anticipate a particular circumstance, the Parties shall act in accordance with Good Utility Practice.

4.5 Control and Monitoring

Each Party shall provide or arrange for 24-hour control and monitoring of their portion of the Interconnection Facilities.

4.6 Reactive Transfer and Voltage Control

The Parties agree to determine reactive transfers and control voltages in accordance with the provisions of Appendix B - Guideline and Procedure for Emergency Operation (Appendix B) to NPCC Directory #2 – (Directory #2) (or the successor thereto) and the “Reactive Power Flow Agreement” in place between the

Parties and as revised from time to time. Real and reactive power will be transferred over the Interconnection Facilities, which are described in Schedule A of this Agreement.

4.7 Inadvertent

Inadvertent power transfers on all Interconnection Facilities shall be controlled and accounted for in accordance with applicable Reliability Requirements and implemented by the Coordination Committee and the system operators of each Party to this Agreement.

4.8 Adoption of Standards

The Parties hereby agree to adopt, enforce and comply with Reliability Requirements and standards that will safeguard Reliability of the interconnected Transmission Systems. Such Reliability requirements shall be:

- (a) adopted and enforced for the purpose of providing reliable service;
- (b) not unduly discriminatory in substance or application;
- (c) applied consistently to both Parties; and
- (d) consistent with the Parties' respective obligations to applicable Standards Authorities including, without limitation, any relevant requirements or guidelines from each of NERC, NPCC or any other regional Standards Authority or regional transmission group to which the Parties are required to adhere.

4.9 Coordination of Interconnection Reliability Operating Limit Actions

The Parties shall identify and operate to Interconnection Reliability Operating Limits that relate to or affect transfers over the Interconnection Facilities. Such limits shall be adhered to in order to ensure acceptable steady-state and transient performance of and between the NBP-SO and ISO-NE Reliability Coordinator Areas. Both Parties will monitor these limits in accordance with this Agreement and independently determine the applicable import and export transfer limits on the Interconnection Facilities. Both Parties agree to operate the Interconnection Facilities to the most conservative transfer limits developed in real-time and the day-ahead planning process. These Interconnection Reliability Operating Limits shall be determined in accordance with Reliability Requirements. Both Parties will take coordinated corrective actions to avoid a violation of the Interconnection Reliability Operating Limit. If a violation occurs, coordinated corrective actions shall be taken to ensure that the violation is cleared as soon as possible and in accordance with applicable Reliability Requirements.

4.10 Coordination and Exchange of Information Regarding System Operations and Planning

Each Party shall have operating procedures, processes or plans in place for activities that require notification, exchange of information or coordination of actions with the other Party to support Interconnection Reliability. Each Party shall have communications capabilities with the other Party and communication protocols, for both voice and data exchange as required to meet reliability needs of the Interconnection.

The Parties shall exchange information and coordinate regarding system operations and planning and inter-regional planning activities in a manner consistent with Reliability Requirements, and consistent with the requirements of Article 6.0 of this Agreement.

4.11 Mutual Reserve Assistance

Pursuant to NERC and NPCC Reliability Requirements, ISO-NE and NBP-SO shall participate in a Reserve Sharing Group for mutual reserve assistance. NBP-SO shall be the Party registered with NERC and NPCC as the Reserve Sharing Group. A penalty resulting from a violation of NERC BAL-002 that occurred while the Parties were actively providing mutual reserve assistance will be determined through the NERC Compliance Monitoring and Enforcement Program and NPCC Criteria Compliance and Enforcement Program and shall initially be assessed to NBP-SO as the Party registered with NERC as the Reserve Sharing Group. In accordance with this Agreement and Operating Instructions developed by the Parties pursuant to Section 7.2 and Schedule B of this Agreement, NBP-SO and ISO-NE shall allocate the assigned penalty to the Parties on a pro rata basis based on the Reserve Sharing Group performance requirements, the Reserve Sharing Group's disturbance control standard performance (i.e., the joint performance of the Parties), and each Party's disturbance control standard performance for its respective Balancing Authority Area for the event that resulted in the penalty.

ARTICLE 5.0: EMERGENCY PLANS AND ASSISTANCE

5.1 Emergency Plans

Each Party shall provide to the other Party a copy of its current Emergency plans that involve coordination between the Parties whenever such plans are updated, or otherwise upon request.

5.2 Mutual Assistance

The Parties shall provide mutual assistance in an Emergency and during system restoration conditions. Upon receiving a request for assistance to avoid or mitigate an Emergency, a Party shall provide

“maximum reasonable assistance” to the other Party. Such reasonable assistance would not normally require the shedding of firm load.

5.3 Emergency Assistance

Both Parties shall exercise due diligence to avoid or mitigate an Emergency to the extent practicable as per each Party’s requirements related to the mitigation of an Emergency, in applicable policies and procedures imposed by Reliability Requirements, or contained in the ISO-NE Tariff, the New Brunswick Power Corporation OATT and the New Brunswick EBR. In avoiding or mitigating an Emergency, both Parties shall strive to allow for commercial remedies, but if commercial remedies are not successful the Parties agree to be the suppliers of last resort to ensure Reliability on the system. For each hour during which Emergency conditions exist in a Party’s Balancing Authority Area, that Party (while still ensuring operations within applicable Reliability Requirements) shall determine what commercial remedies are available and make use of those that are available and needed to avoid or mitigate the Emergency before any Emergency Energy is scheduled in that hour. In the absence of those commercial remedies the Parties will take whatever actions that are required to resolve the Emergency.

5.4 Emergency Energy Transactions

Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective Transmission System, provide Emergency Energy to the other Party in accordance with the provisions of Schedule C of this Agreement.

ARTICLE 6.0: EXCHANGE OF INFORMATION AND CONFIDENTIALITY

ISO-NE and NBP-SO are authorized and agree to exchange and share such information as is required for the Coordination Committee to perform its duties and for the Parties to fulfill their obligations under this Agreement.

Any Party that receives Confidential Information, Critical Energy Infrastructure Information (CEII) or Critical Infrastructure and Emergency Management (CI/EM) pursuant to this Article 6 (the “Receiving Party”) shall treat such information as confidential subject to the terms and conditions set forth in Section 6.5 of this Agreement.

6.1 Information

The Parties are authorized and agree to share the following information:

- (a) Information required to develop Operating Instructions;
- (b) Transmission System facility specifications and modeling data required to perform Security analysis;
- (c) Functional descriptions and schematic diagrams of Transmission System protective devices and communication facilities;
- (d) Ratings data and associated ratings methodologies for the Interconnection Facilities;
- (e) Telemetry points, equipment alarms and status points required for real-time monitoring of Security dispatch;
- (f) Data required to reconcile accounts for inadvertent energy, and for Emergency Energy and Security Energy transactions;
- (g) Transmission System information that is consistent with the information sharing requirements imposed by the Reliability Requirements; and
- (h) Such other information as may be required for the Parties to maintain the reliable operation of their interconnected Transmission Systems (including protection systems changes and new generation and transmission installations) and fulfill their obligations under this Agreement and to Reliability Requirements, provided, however, that this other information will be exchanged only if that can be done in accordance with applicable restrictions on the disclosure of information to any Market Participant.

6.2 Data Exchange Timing

The Parties agree to exchange data in a timely manner consistent with existing defined formats or such other formats to which the Parties may agree. Each Party shall provide notification to the other Party thirty (30) days prior to modifying an established data exchange format.

6.3 Cost of Data and Information Exchange

Each Party shall bear its own cost of providing information to the other Party.

6.4 Other Data

The Parties may share Confidential Information not listed in this Article 6 that is necessary for the coordinated operation of their systems, subject to the protections set forth in Section 6.5, below.

6.5 Treatment of Confidential Information and Critical Energy Infrastructure Information

- (a) Definitions. For purposes of addressing information shared or exchanged pursuant to this Agreement, the term “Confidential Information” shall mean: (i) all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or

recorded/electronic, and regardless of the manner in which it is furnished, that is marked “confidential” or “proprietary” or which under all of the circumstances should be treated as confidential or proprietary; (ii) information that is Confidential Information or Strategic Information under the ISO New England Information Policy, or the New Brunswick Power Corporation OATT and New Brunswick EBR; (iii) all reports, summaries, compilations, analyses, notes or other information of a Party hereto which are based on, contain or reflect any Confidential Information; or (iv) any information which, if disclosed by a transmission function employee of a utility to a market function employee of the same utility system, other than by public posting, would violate the FERC’s Standards of Conduct set forth in 18 C.F.R. § 37 *et. seq.* and the Parties’ Standards of Conduct on file with the FERC or the New Brunswick Power Corporation Standards of Conduct (SOC).

(b) Labeling of Confidential Information. In circumstances where it may not be clear that information that is provided or exchanged between the Parties pursuant to the authority provided in this Agreement is Confidential Information, the information being provided should be clearly marked “confidential” or “proprietary.”

(c) Protection. Except as set forth herein, the Receiving Party shall not, at any time during or after the term of this Agreement, in any manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, corporation or other entity, or use for any purposes other than those set forth herein, any Confidential Information acquired from the party disclosing the information (the “Disclosing Party”), without the express prior written consent of the Disclosing Party. The Receiving Party shall not disclose any Confidential Information to anyone except to officers and employees of the Receiving Party and to its outside consultants, advisers and/or attorneys, in each case who have a need to know to further the purposes set forth herein and who have been advised of the confidential nature of the Confidential Information and who have agreed to abide by the terms of this Agreement or are bound by equally restrictive covenants (collectively, “Authorized Representatives”). The Receiving Party agrees that it shall be liable for any breach of this Agreement by its Authorized Representatives.

(d) Survival. The obligation of each Party and each Authorized Representative under this Article 6 continues and survives the termination of this Agreement.

(e) Scope. This obligation of confidentiality shall not extend to data and information that, at no fault of the Receiving Party, is or becomes: (a) in the public domain or generally available or known to the

public; (b) disclosed to a recipient by a non-Party who had a legal right to do so; or (c) independently developed by the Receiving Party or known to such Party prior to its disclosure hereunder.

(f) Required Disclosure or Submission on a Confidential Basis. If a governmental authority requests or requires the Receiving Party to publicly disclose any of the Disclosing Party's Confidential Information, or if a request from another person or entity is made in writing pursuant to a legal discovery process, the Receiving Party shall provide the Disclosing Party with prompt notice of such request or requirement. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure with prompt written notice of the circumstances that may require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

If a Receiving Party is required to publicly disclose any Confidential Information under this Section, the Parties shall meet as soon as practicable in an effort to resolve any and all issues associated with the required disclosure, and the possibility of further requested or required disclosures of the Disclosing Party's Confidential Information.

The process described above shall also be followed if a governmental authority requests or requires the Receiving Party to submit any of the Disclosing Party's Confidential Information on a confidential basis (with the exception of requests for Confidential Information from FERC or the Commodity Futures Trading Commission (CFTC)). The Receiving Party shall notify the governmental authority that the requested or required information contains NBP-SO or ISO-NE Market Participant specific Confidential Information, if applicable, and shall use reasonable efforts to protect the Confidential Information from public disclosure.

If the Canada Energy Regulator (CER) requests or requires the NBP-SO to submit any Confidential Information it received from ISO-NE on a confidential basis, the NBP-SO will seek permission to inform ISO-NE of the requirement or request and, if granted, will follow the procedures outlined above. In the event the CER does not permit the NBP-SO to notify ISO-NE of the request, NBP-SO shall inform the CER in writing that the disclosed information includes Confidential Information, and shall request that the CER inform NBP-SO before releasing to a Third Party any of the Confidential Information. If a governmental authority (including FERC, the CFTC and the CER) that requested or required the submission, on a confidential basis, of Confidential Information by a Receiving Party issues a notice indicating that it is considering disclosing, or intends to disclose any Confidential Information provided

by the Disclosing Party, or if the governmental authority (including FERC, the CFTC and the CER) receives a public records demand or other legal discovery request seeking disclosure of any Confidential Information provided by the Disclosing Party, the Receiving Party shall notify the Disclosing Party so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure under this provision with prompt written notice of the circumstances that may require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

(g) Return of Confidential Information. Information provided pursuant to this Article 6 is deemed to be on loan, and remains the property of the Disclosing Party notwithstanding the disclosure of such Confidential Information to the Receiving Party hereunder. All Confidential Information provided by the Disclosing Party shall be returned by the Receiving Party to the Disclosing Party or destroyed, erased or deleted by the Receiving Party, with written confirmation provided to the Disclosing Party, promptly upon request. Upon termination of this Agreement, a Party shall use reasonable efforts to destroy, erase, delete or return to the Disclosing Party any and all written or electronic Confidential Information. Unless otherwise expressly agreed in a separate license agreement, the disclosure of Confidential Information to the Receiving Party will not be deemed to constitute a grant, by implication or otherwise, of a right or license to the Confidential Information or in any patents or patent applications of the Disclosing Party.

(h) Relief. Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in this Article 6, and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have and to the extent permitted by law, to the granting of equitable relief, including injunction, in the Disclosing Party's favor without proof of actual damages. In addition to the equitable relief referred to in this Section, a Disclosing Party shall only be entitled to recover from a Receiving Party any and all gains wrongfully acquired, directly or indirectly, from a Receiving Party's unauthorized disclosure of Confidential Information.

(i) Existing Confidential Information Obligations. Notwithstanding anything to the contrary in this Agreement, the Parties shall have no obligation to disclose Confidential Information or data to the extent such disclosure of information or data would be a violation of or inconsistent with applicable state or federal regulation or law. This Agreement requires the Parties to exchange Confidential Information that is necessary for the Coordination Committee to perform its duties, or for the Parties to fulfill their

obligations under this Agreement. The Parties are not obligated to share Confidential Information for other purposes.

(j) The term “Critical Energy Infrastructure Information” (CEII) or “Critical Infrastructure and Emergency Management” (CI/EM), shall mean all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished, that is marked “Critical Energy Infrastructure Information”, “CEII”, “Critical Infrastructure and Emergency Management” or “CI/EM”, or which under all of the circumstances should be treated as such in accordance with the definition of CEII in 18 C.F.R. § 388.13(c)(1) and the definition of CI/EM in Public Safety Canada “Information Sharing and Protection Under the Emergency Management Act Critical Infrastructure Policy Emergency Management and National Security Branch”, as applicable. The Receiving Party shall maintain all CEII and CI/EM in a secure place. The Receiving Party shall treat CEII and CI/EM received under this agreement in accordance with its own procedures for protecting CEII and CI/EM and shall not disclose CEII and CI/EM to anyone except its Authorized Representatives.

ARTICLE 7.0: COORDINATION COMMITTEE

7.1 Coordination Committee Inauguration and Authorization

The Parties shall form a Coordination Committee under this Agreement. Within 30 days of the Effective Date, each of the Parties shall appoint two representatives, a principal and an alternate, to serve as members of the Coordination Committee with the authority to act on their behalf with respect to actions or decisions taken by the Coordination Committee. A Party may, at any time upon providing prior notice to the other Party, designate a replacement principal member or alternate member to the Coordination Committee.

7.2 Coordination Committee Duties and Responsibilities

The Coordination Committee exists to administer or assist the Parties’ implementation of the provisions of this Agreement. The Coordination Committee shall develop and adopt policies, instructions, and recommendations relating to the Parties’ performance of their obligations under this Agreement, attempt to resolve Disputes between the Parties pursuant to Article 18.0 of this Agreement, and shall undertake any other actions specifically delegated to it pursuant to this Agreement.

The Coordination Committee shall undertake to assist the Parties' efforts to jointly develop Operating Instructions to implement the intent of this Agreement in accordance with Schedule B - Procedures for Development and Authorization of Operating Instructions (Schedule B) of this Agreement. The Coordination Committee shall authorize such Operating Instructions once developed. To the extent that the Operating Instructions require participation by local control centers and Transmission Owners in New England or the Maritimes Reliability Coordinator Areas, the Parties will involve those entities in the development process.

Should the terms and conditions contained in this Agreement be found to conflict with or fail to recognize obligations of an applicable Regulatory Requirement, the Parties agree to amend this Agreement accordingly.

Any recommendations on revisions to this Agreement shall be provided to each Party's appropriate corporate officers for approval.

7.3 Limitations of Coordination Committee Authority

The Coordination Committee is not authorized to modify or amend any of the terms of this Agreement. The Coordination Committee is also not authorized to excuse any obligations under this Agreement or waive any rights pertaining to this Agreement. The Coordination Committee has no authority to commit either Party to any expenditure that is beyond those expenses described herein.

7.4 Exercise of Coordination Committee Duties

The Coordination Committee shall hold meetings no less frequently than once each calendar year. The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either Party in advance of the meeting and sent to the representatives of the other Party. All decisions of the Coordination Committee must be unanimous. Special meetings may be called at any time if the Coordination Committee deems such meetings to be necessary or appropriate.

Subject to the limitations on its authority as described in Section 7.3 of this Agreement, the Coordination Committee has the responsibility and authority to take action on all aspects of this Agreement, including, but not limited to the following:

- (a) amending, adding or canceling Operating Instructions in accordance with Section 7.2 and Schedule B of this Agreement;

- (b) providing written notice in accordance with Article 17.0 of this Agreement;
- (c) assessment of non-compliance with this Agreement and, subject to Article 18.0 of this Agreement, the taking of appropriate action in respect thereof;
- (d) documentation of decisions related to the initial resolution of Disputes as set out in Article 18.0 of this Agreement, or in cases of unresolved Disputes, the circumstances relevant to the Dispute in question as contemplated by the requirements of Article 18.0 of this Agreement; and
- (e) preparation, documentation, retention and distribution of Coordination Committee meeting minutes and agendas.

ARTICLE 8.0: RELIABILITY COORDINATION AND RELIABILITY ASSESSMENT OF OUTAGES

In accordance with Reliability Requirements, both Parties agree to provide each other with updates on planned outage schedules and other activities that may have an impact on the Reliability or availability of the interconnected New Brunswick Transmission System and New England Transmission System. As Reliability Coordinators and Balancing Authorities, the NBP-SO and ISO-NE shall interact with each other as required, and with other Balancing Authorities and Reliability Coordinators, to establish System Operating Limits and Interconnection Reliability Operating Limits and to perform Reliability coordination and Reliability assessments of outages.

ARTICLE 9.0: OPERATIONAL INFORMATION

9.1 Obligation to Provide Operational Data and Status Points

The Parties shall ensure that appropriate monitoring facilities are installed as required to provide for electric power quantities or equipment loading to enable monitoring of System Operating Limits and Interconnection Reliability Operating Limits to meet applicable Reliability Requirements, and for determining Interconnection Facilities inadvertent energy accounting.

ARTICLE 10.0: INTERCONNECTION REVENUE METERING

10.1 Obligation to Provide Inadvertent Energy Accounting Metering

The Parties shall ensure appropriate electric metering devices are installed as required to measure electric power quantities for determining Interconnection Facilities inadvertent energy accounting.

10.2 Standards for Metering Equipment

Any Metering Equipment used to meter Metered Quantities for inadvertent energy accounting shall be designed, verified, sealed and maintained in accordance with the Party's respective metering standards or as otherwise agreed to by the Coordination Committee.

10.3 Meter Compensation to the Point of Interconnection

The metering compensation for transmission line losses to the Interconnection Facilities Delivery Point shall be determined by each Party's respective standards or otherwise agreed to by the Coordination Committee. All Energy supplied at the Delivery Point shall be metered at the Keswick and Point Lepreau Terminals. The metered amounts shall be adjusted for actual losses to the Delivery Point. This adjustment will be done to compensate for the difference in location between the Delivery Point and the meters.

10.4 Meter Readings

The Parties shall ensure that integrated meter readings are provided at least once each hour for Interconnection Facilities accounting purposes and meter registers are read at least monthly, as close as practicable to the last hour of the month. An appropriate adjustment shall be made to register readings not taken on the last hour of the month.

Any properly designated representative of either of the Parties hereto shall have access, through coordination with the meter owner, during normal business hours, to all of the billing meters for the purpose of reading the same. The accuracy of the meters shall be verified by proper tests periodically and at any other time upon reasonable notice given by either of the Parties to the other, and each of the Parties shall be entitled to have a representative present at such verification, subject to coordination with the meter owner. In the event errors greater than +/-2% should be discovered, retroactive billing adjustments, if any, shall be determined by the Coordination Committee.

ARTICLE 11.0:

JOINT CHECKOUT PROCEDURES

11.1 Scheduling Checkout Protocols

Both Parties shall require all real-time energy market transaction schedules over Interconnections to be tagged in accord with the NERC tagging standard. For simultaneous activation of 10-minute reserve and other emergency schedules that are not tagged, the Parties will enter manual schedules into their respective operating systems.

When there is a real-time energy market transaction scheduling conflict, the Parties will work to modify the schedule as soon as practical.

Consistent with the foregoing requirements, the Parties will perform the following types of checkouts:

- (a) Day-ahead checkout shall be performed daily on the day before the transaction is to flow. Day-ahead checkout includes the verification of net interchange totals and individual transaction schedules;
- (b) Real-time checkout shall be performed during the period before the transaction is to flow. Real-time checkout includes the verification of net interchange totals and individual transaction schedules;
- (c) After-the-fact checkout of real-time transactions shall be performed the next business day following the day of the transactions; and
- (d) After-the-fact reporting of scheduled energy interchange and actual energy interchange shall be updated by each Party each day and exchanged with the other Party. Within ten (10) business days of the end of each month, the previous month's data shall be reconciled.

ARTICLE 12.0: LIABILITY

12.1 Force Majeure

A Party shall not be considered to be in default or breach of this Agreement, and shall be excused from performance or liability for damages to the other Party, if and to the extent it shall be delayed in or prevented from performing or carrying out any of the provisions of this Agreement, arising out of or from any act, omission, or circumstance by or in consequence of any act of God, labor disturbance, sabotage, failure of contractors or suppliers of materials, act of the public enemy, war, invasion, insurrection, riot, fire, storm, flood, ice, earthquake, explosion, epidemic, breakage or accident to machinery or equipment or any other cause or causes beyond such Party's reasonable control, including any curtailment, order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or by making of repairs necessitated by an emergency circumstance not limited to those listed above upon

the property or equipment of the Party or property or equipment of others which is deemed under the Operational Control of the Party. A Force Majeure event does not include an act of negligence or Intentional Wrongdoing by a Party. Any Party claiming a Force Majeure event shall use reasonable diligence to remove the condition that prevents performance and shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Force Majeure event. Each Party shall use its best efforts to mitigate the effects of such Force Majeure event, remedy its inability to perform, and resume full performance of its obligations hereunder.

A Party suffering a Force Majeure event (“Affected Party”) shall notify the other Party (“Non-Affected Party”) in writing (a notice of a “Notice of Force Majeure Event”) as soon as reasonably practicable specifying the cause of the event, the scope of commitments under the Agreement affected by the event, and a good faith estimate of the time required to restore full performance. Except for those commitments identified in the Notice of Force Majeure Event, the Affected Party shall not be relieved of its responsibility to fully perform as to all other commitments in the Agreement. If the Force Majeure event continues for a period of more than 90 days from the date of the Notice of Force Majeure Event, the Non-Affected Party shall be entitled, at its sole discretion, to terminate the Agreement.

12.2 Liability to Third Parties

Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person or entity that is not a Party or a permitted successor or assignee.

12.3 Indemnification

(a) Definitions. An “Indemnifying Party” means a Party who holds an indemnification obligation hereunder. An “Indemnatee” means a Party entitled to receive indemnification under this Agreement.

(b) Third Party Losses. Each Party will defend, indemnify, and hold the other Party harmless from all losses, damages, liabilities, obligations, claims, demands, suits, proceedings, recoveries, settlements, costs and expenses, court costs, attorney fees, causes of action, judgments and other obligations (collectively, “Losses”) brought or obtained by any Third Party against such other Party, only to the extent that such Losses arise directly from the:

- (i) Gross negligence, recklessness, or willful misconduct of the Indemnifying Party or any of its agents or employees, in the performance of this Agreement; except to the extent such Losses arise (i) from gross negligence, recklessness, willful misconduct or breach of contract or law by the Indemnatee or

such Indemnitee's agents or employees, or (ii) as a consequence of strict liability imposed as a matter of law upon the Indemnitee, or such Indemnitee's agents or employees; or

(ii) Breach of the Parties' obligations in Article 6 hereof.

(c) Process. The Indemnitee shall give Notice to the Indemnifying Party as soon as reasonably practicable after the Indemnitee becomes aware of the indemnifiable Losses or any claim, action or proceeding that may give rise to an indemnification. Such notice shall describe the nature of the Losses or proceeding in reasonable detail, explain how the Losses relate to the performance of this Agreement, and shall indicate, if practicable, the estimated amount of the Losses that has been sustained by the Indemnitee. A delay or failure of the Indemnitee to provide the required notice shall release the Indemnifying Party (i) from any indemnification obligation to the extent that such delay or failure materially and adversely affects the Indemnifying Party's ability to defend such claim or materially and adversely increases the amount of the indemnifiable Losses, and (ii) from any responsibility for any costs or expenses of the Indemnitee in the defense of the claim during such period of delay or failure.

(d) Indemnification shall be limited to the extent that the liability of the Indemnitee would be limited by any applicable law.

12.4 Liability between the Parties

The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other shall be no greater than as expressly stated herein. Neither Party, its directors, officers, trustees, employees or agents, shall be liable to the other Party for any Losses, whether direct, indirect, incidental, punitive, special, exemplary or consequential, arising from that Party's performance or nonperformance under this Agreement, except to the extent that the Party, is found liable for gross negligence or willful misconduct, in which case the Party responsible shall be liable only for direct and ordinary damages and not for any incidental, consequential, punitive, special, exemplary or indirect damages.

12.5 Liability for Interruptions

Except as set forth herein, neither Party shall be liable to the other Party for any Losses or damage, whether direct, indirect, incidental, punitive, special, exemplary or consequential, resulting from an occurrence on the circuits and system that are under the Operational Control of the other Party and which results in damage to or renders inoperative such circuits and system, or the separation of the systems in an Emergency, or interrupts or diminishes service, or increases, decreases or in any way affects the voltage or frequency of the energy delivered hereunder to the other Party.

ARTICLE 13.0: APPLICABLE LAW

13.1 Applicable Law Governance

This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick where the NBP-SO is delivering energy to ISO-NE, and the Parties irrevocably attorn to the New Brunswick courts.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts where ISO-NE is delivering energy to NBP-SO, and to the extent permitted by law, the Parties irrevocably attorn to the courts of the Commonwealth of Massachusetts.

13.2 Sovereign Immunity

To the extent that any Party has sovereign immunity or other immunity that might arise from being a subdivision of a political entity that would prevent any other Party from enforcing the terms of this Agreement pursuant to the Federal Sovereign Immunities Act (“FSIA”), but subject to any future amendment to that Act, the Parties acknowledge that all activities under this Agreement shall be deemed commercial activities and, thus, are qualified to be a commercial activity exception within the meaning of the FSIA so that any immunities that may be given to a Party pursuant to that Act do not apply to this Agreement.

ARTICLE 14.0: LICENSE AND AUTHORIZATION

The agreements and obligations expressed herein are subject to such initial and continuing governmental permission and authorization as may be required. Each Party shall be responsible for securing and paying for any approvals required by it from any regulatory agency of competent jurisdiction relating to its participation in this Agreement and will reasonably cooperate with the other Party in seeking such approvals.

ARTICLE 15.0: ASSIGNMENT

This Agreement shall inure to the benefit of, and be binding upon and may be performed by, the successors and assigns of the Parties hereto respectively, but shall not be assignable by either Party without the written consent of the other.

ARTICLE 16.0: AMENDMENT

16.1 Review of Agreement

The terms of this Agreement are subject to review for potential amendment at the request of either Party. If, consequent to such review, the Parties agree that any of the provisions hereof, or the practices or conduct of either Party impose an inequity, hardship or undue burden upon the other Party, or if the Parties agree that any of the provisions of this Agreement have become obsolete or inconsistent with changes related to the Interconnection Facilities, the Parties shall endeavor in good faith to amend or supplement this Agreement in such a manner as will remove such inequity, hardship or undue burden, or otherwise appropriately address the cause for such change.

Any amendment of this Agreement by the Parties must be done in accordance with Section 16.2 of this Agreement.

16.2 Authorized Representatives

No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the Parties' authorized representatives. For the purposes of this Section 16.2, an authorized person refers to individuals designated as such by Parties in their respective corporate by-laws.

ARTICLE 17.0: NOTICES

Except as otherwise agreed from time to time, any notice, invoice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given at the earlier of the time of actual receipt or deemed time of receipt if delivered personally to a senior official of the Party for whom it is intended or electronically transferred or sent by registered mail, addressed as follows:

In the case of the NBP-SO to: New Brunswick Power Corporation
P.O. Box 2000, 515 King Street
Fredericton, New Brunswick
E3B 4X1
Attention: Chief Legal Officer

In the case of ISO-NE to: ISO New England Inc.

One Sullivan Road
Holyoke, Massachusetts 01040-2841
Attention: Vice President of System Operations

or delivered to such other person or electronically transferred or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Article 17.0 or delivered by any other means agreed to by the Parties hereto.

Any notice, or communication so mailed shall be deemed to have been received on the third business day following the day of mailing, or if electronically transferred shall be deemed to have been received on the same business day as the date of the electronic transfer, or if delivered personally shall be deemed to have been received on the date of delivery or if delivered by some other means shall be deemed to have been received as agreed to by the Parties hereto.

The use of a signed facsimile of notices and correspondence between the Parties related to this Agreement shall be accepted as proof of the matters therein set out. Follow-up with hard copy by mail will not be required unless agreed to by the Coordination Committee.

ARTICLE 18.0: DISPUTE RESOLUTION

In the event of a dispute arising out of or relating to this Agreement (a "Dispute") that is not resolved by the representatives of the Parties who have been designated under Section 7.1 of this Agreement within 7 days of the reference to such representatives of such Dispute, each Party shall, within 14 days' written notice by either Party to the other, designate a senior officer with authority and responsibility to resolve the Dispute and refer the Dispute to them. The senior officer designated by each Party shall have authority to make decisions on its behalf with respect to that Party's rights and obligations under this Agreement. The senior officers, once designated, shall promptly begin discussions in a good faith effort to agree upon a resolution of the Dispute. If the senior officers do not agree upon a resolution of the Dispute within 30 days of its referral to them (or within such longer period as the senior officers mutually agree to in writing), then the Parties shall request that FERC's Dispute Resolution Service mediate their efforts to resolve the Dispute. At any point in the mediation process, either Party may terminate the mediation and may pursue any and all remedies available to it at law or in equity.

Neither the giving of notice of a Dispute, nor the pendency of any Dispute resolution process as described in this Article 18.0 shall relieve a Party of its obligations under this Agreement, extend any notice period described in this Agreement or extend any period in which a Party must act as described in this Agreement. Notwithstanding the requirements of this Article 18.0, either Party may terminate this Agreement in accordance with its provisions, or pursuant to an order of the FERC or a court of competent jurisdiction. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE 19.0: REPRESENTATIONS

19.1 Good Standing

Each Party represents and warrants that it is duly organized, validly existing and in good standing under the laws of the state or province in which it is organized, formed, or incorporated, as applicable.

19.2 Authority to Enter Into Agreement

Each Party represents and warrants that it has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

19.3 Organizational Formation Documents

Each Party represents and warrants that the execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, bylaws, operating agreement, or agency agreement of such Party, or any judgment, license, permit, regulatory order, or governmental authorization applicable to such Party.

19.4 Regulatory Authorizations

Each Party represents and warrants that it has, or applied for, all regulatory authorizations necessary for it to perform its obligations under this Agreement.

ARTICLE 20.0: EFFECTIVE DATE AND TERM

Subject to the conditions of Article 14.0 (License and Authorization) above, this Agreement shall take effect as of the date that all of the following have occurred: (i) upon the execution hereof by both Parties on the date set forth above; and (ii) all necessary governmental approvals for the effectiveness of this

Agreement have been received. This Agreement shall continue in force until terminated in accordance with this article.

This Agreement may be terminated at any time by mutual agreement in writing. It may also be terminated by either Party with prior written notice of at least ninety (90) days to the other Party of its intention to terminate.

ARTICLE 21.0: MISCELLANEOUS

21.1 Performance

The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any right held by such Party. Any waiver on any specific occasion by either Party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Agreement.

21.2 Agreement

This Agreement, including all Attachments hereto, is the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, oral or written, with respect to the subject matter of this Agreement.

21.3 Governmental Authorizations

This Agreement, including its future amendments is subject to the initial and continuing governmental authorizations required to establish, operate and maintain the Interconnection Facilities as herein specified. Each Party shall take all actions necessary and reasonably within its control to maintain all governmental rights and approvals required to perform its respective obligations under this Agreement.

21.4 Unenforceable Provisions

If any provision of this Agreement is deemed unenforceable, the rest of the Agreement shall remain in effect and the Parties shall negotiate in good faith and seek to agree upon a substitute provision that will achieve the original intent of the Parties.

21.5 Execution

This Agreement may be executed in multiple counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement, and shall become binding

when all counterparts have been signed by each of the Parties and delivered to each Party hereto. Delivery of an executed signature page counterpart by facsimile or electronic delivery shall be as effective as delivery of a manually executed counterpart.

21.6 Payments

Unless otherwise indicated in writing by the Parties, all payments due under this Agreement will be effected in immediately available funds of the USA.

21.7 Regulatory Authority

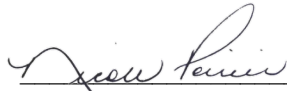
If any regulatory authority having jurisdiction (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement, including changes to section headings or numbering (the “Regulatory Requirement”), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement. Notwithstanding the foregoing, if the regulatory authority materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, as determined by either of the Parties within twenty (20) business days of the receipt of the Agreement as materially modified, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement forthwith.

21.8 Headings

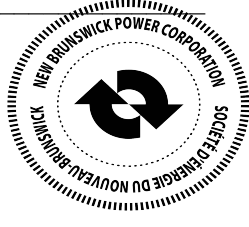
The headings used for the Articles and Sections of this Agreement are for convenience and reference purposes only, and shall not be construed to modify, expand, limit, or restrict the provisions of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed in duplicate as of the day and year first written above.

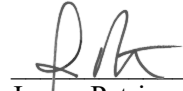
NEW BRUNSWICK POWER CORPORATION




Nicole Poirier
Vice President Operations
npoirier@nbpower.com
506-458-4337



Date: November 1, 2024

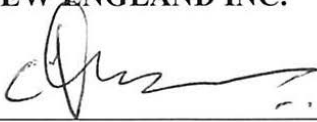


James Petrie
Chief Legal Officer
jpetrie@nbpower.com
506-458-3372



Date: October 31, 2024

ISO NEW ENGLAND INC.



Vamsi Chadalavada
Executive Vice President and Chief Operating Officer
vchadalavada@iso-ne.com
413-540-4405

Date: 10/30/24

SCHEDULE A:
DESCRIPTION OF INTERCONNECTION FACILITIES

This Schedule A to the Agreement covers the New England – New Brunswick Interconnection Facilities under the Operational Control of the NB Power and ISO-NE.

There is only one *Interconnection* (i.e., the New England – New Brunswick Interconnection) that makes up the New England – New Brunswick *Interconnection Facilities*. For Operational Control purposes, the point of demarcation for the *Interconnection* is the point at which the New England – New Brunswick Interconnection crosses the USA-Canada boundary.

List of Interconnection(s)

The New England-New Brunswick Interconnection is comprised of the following two (2) *Interties* (as ordered from South to North:

1. 390/3016 Intertie

A 345 kV AC transmission circuit, designated the 390 Line/3016 Line, connecting the Orrington transmission substation in the State of Maine, USA to the Point Lepreau transmission substation in the Province of New Brunswick, Canada. The common meter point for this *Intertie* is located at the Point Lepreau transmission substation.

2. 3001 Intertie

A 345 kV AC transmission circuit, designated the 3001 Line, connecting the Keene Road transmission substation in the State of Maine, USA to the Keswick transmission substation in the Province of New Brunswick, Canada. The common meter point for this *Intertie* is located at the Keswick transmission substation.

SCHEDULE B:
PROCEDURES FOR DEVELOPMENT AND
AUTHORIZATION OF OPERATING INSTRUCTIONS

Overview

Operating Instructions (a) will be developed and recorded by the Parties, with assistance from the Coordination Committee, in accordance with this Schedule B, (b) will be contained in a document separate from this Agreement, and (c) may be modified by the Parties, with assistance from the Coordination Committee, without amending this Agreement.

The Parties, with assistance from the Coordination Committee shall jointly develop Operating Instructions and review them at least annually. The Parties, with assistance from the Coordination Committee, shall submit draft material to one another for review and comment. The Parties, with assistance from the Coordination Committee, shall provide comment on the draft material promptly. The Parties, with assistance from the Coordination Committee, shall promptly provide such information as may reasonably be required in connection with establishing, or reviewing, the material. The Coordination Committee shall be responsible for approving final versions of Operating Instructions.

Each Party will follow the agreed upon actions that are set forth in the Operating Instructions.

In the event that any conflicts arise or are made apparent to a Party regarding any Operating Instructions, they shall notify the other Party and engage the Coordination Committee if necessary to resolve such conflicts.

The Coordination Committee will periodically review applicable ISO-NE and NBP-SO individual procedures and processes to determine any benefits of sharing these procedures and processes. These benefits may be for the purpose of training or to satisfy Reliability Requirements. The Coordination Committee will determine how best to share these individual procedures and processes.

A list of Operating Instructions and applicable ISO-NE and NBP-SO individual procedures will be maintained by the Coordination Committee.

Outlined below are the key principles and items of methodology to be observed while the Parties, with assistance from the Coordination Committee, are engaged in developing Operating Instructions, and issuing them to their respective operations staff.

Principles

Given that the Parties' respective operations staff benefit from following a single instruction for all aspects of their execution of interconnected operations, it is an acceptable practice to combine this content to achieve the single Operating Instructions for use by a respective Party's operations staff. The preferred methodology when appropriate is to use the applicable Reliability Requirements for the coordination and operation of the interconnected Transmission Systems. When the Reliability Requirements are insufficient to accomplish this task separate instructions will be developed in accordance with this Schedule.

Each Party shall coordinate the issuance internally of any Operating Instructions developed and agreed to by the Parties, with assistance from the Coordination Committee, to ensure that their respective operations staff has these Operating Instructions. In addition, annual review of the Operating Instructions and the Parties' internal procedures associated with the Operating Instructions shall be conducted by the Parties, with assistance from the Coordination Committee, to ensure consistency.

Operating Instructions, when approved by the Parties, shall be binding on the Parties insofar as they relate to the Interconnection Facilities until they expire, are changed, deleted, or superseded by authority of the Parties, with assistance from the Coordination Committee.

Items of Methodology

By mutual agreement of the Coordination Committee, one of the Parties shall be designated by the Coordination Committee to control the revision process of the Operating Instructions from the initial drafting of material through to the conversion of the Operating Instruction into its final form.

SCHEDULE C:
EMERGENCY AND SECURITY ENERGY TRANSACTIONS SCHEDULE

WHEREAS, ISO-NE, as the RTO for the New England Transmission System and the administrator of the New England markets, arranges for the sale and purchase of Emergency capacity and energy on behalf of Market Participants with neighboring Balancing Authority Areas, all in accordance with the ISO-NE Tariff, which includes the ISO-NE Open Access Transmission Tariff and the ISO-NE market rules;

WHEREAS, ISO-NE is responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the ISO-NE Tariff;

WHEREAS, NBP-SO, as the System Operator for the New Brunswick Transmission System, arranges for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas, all in accordance with the New Brunswick Power Corporation OATT and the New Brunswick EBR;

WHEREAS, NBP-SO is responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the New Brunswick Power Corporation OATT and the New Brunswick EBR;

WHEREAS, either of the Parties may, from time to time, have insufficient Operating Reserve available on the respective systems that they operate, or need to supplement available resources to cover sudden and unforeseen circumstances such as loss of equipment or forecast errors, and such conditions could result in the need to arrange for the purchase of Emergency Energy for Reliability reasons;

WHEREAS, from time to time, the total net interchange between the New England and New Brunswick Balancing Authority Areas of market-based real-time transactions in a given hour may be less than the minimum required flow from New Brunswick to New England on the New England to New Brunswick Interconnection, in accordance with the applicable Operating Instructions with respect to the determination of minimum transfer limits, and such conditions could result in the need to arrange for the purchase of Security Energy for Security reasons; and

WHEREAS, the Parties wish to provide for the terms and conditions pursuant to which either Party may arrange for the purchase of such Security Energy for its system from the other Party and specify the prices for such purchases and sales.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties mutually agree as follows:

ARTICLE 1.0: RESERVED

ARTICLE 2.0: CHARACTERISTICS OF EMERGENCY AND SECURITY ENERGY

All Emergency Energy and Security Energy made available under this Schedule shall be three phase, 60 Hz alternating current at operating voltages established at the Delivery Point in accordance with system requirements and appropriate to the Interconnection Facilities or other such characteristics as may be agreed upon by the Parties.

ARTICLE 3.0: NATURE OF SERVICE

3.1 ISO-NE and the NBP-SO shall, to the maximum extent each deems consistent with the safe and proper operation of its system, the furnishing of economical, dependable and satisfactory services by its participants, and the obligations of its participants to other parties, make available to the other Party when a system Emergency exists on the other Party's system, Emergency Energy from its system's available generating capability in excess of the system's load requirements (i.e., load requirements alone, not load plus reserve requirements) up to the transfer limits in use between the two Balancing Authority Areas. Emergency Energy is provided in cases of emergency outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Normally, a Party requests Emergency Energy from the other Party as a last resort, when market-based real-time energy transactions are not available, or not available in a timely fashion in order to maintain its ten-minute reserve requirement. At the time the Emergency Energy sale is being initiated, the Party delivering such Emergency Energy shall describe the Emergency Energy transaction as being one of the following: (1) "delivered out of ten-minute reserve"; (2) "delivered out of thirty-minute reserve" where such a delivery could reasonably be expected to be recalled if the Party delivering the Emergency Energy needed the generation for a reserve pick-up or other Emergency; or (3) "delivered above and beyond ten-minute and thirty-minute reserves" where the Party delivering

such Emergency Energy is normally expected to be able to continue delivering the energy following a reserve pick-up.

3.2 Reserved

3.3 Normally, the Party experiencing or anticipating an Emergency would request Emergency Energy from the other Party in accordance with this Schedule, its tariff, and applicable Reliability Requirements after all market-based real-time transactions have been scheduled, unless there is an immediate need for such Emergency Energy in order to maintain system Reliability.

3.4 The Parties agree to arrange for the delivery of Security Energy, as needed and as available. Security Energy shall only be used to maintain the minimum required flows on the New Brunswick – New England Interconnection. The purpose of these minimum required flows is to provide acceptable steady-state and transient performance of the Maine Transmission System and reliable operation of the 345 kV Keene Road - Keswick transmission line (3001 Line) and 345 kV Orrington - Point Lepreau transmission line (390/3016) Line on a post-contingency basis. Prior to the purchase of Security Energy from NBP-SO, ISO-NE will take the following actions (unless exigent circumstances dictate otherwise), as necessary and in the following order, in coordination with Market Participants and the NBP-SO to avoid or correct a net interchange that is below the minimum flow requirement:

1. Curtail exports from New England to New Brunswick.

2. Request Security Energy Transactions (SETs) from Market Participants

- a. ISO-NE will post a message, “Special Request for Security Energy Transactions,” to the “Special Notices” section of the ISO-NE external website. The special notice will request the submittal of SETs for specified hour(s) and amount(s).

- b. SETs may be submitted to ISO-NE via the external transaction scheduling software as imports with the designation, “Security Energy Transactions” and may be submitted as either Self-Scheduled (“Real-Time without Price”) or Dispatchable (“Real-Time with Price”). SETs may be submitted up to sixty minutes prior to the top of the hour in which the transaction is requested to begin.

3. Energy (including Market Participant submitted Security Energy Transactions) is scheduled for the next hour to the required MW level, based on economics, from all available offers in sufficient quantity to correct the potential or actual net interchange that is below the minimum flow requirement.

4. If steps 1 through 3 above do not fully correct the potential or actual net interchange that is below the minimum flow requirement, then Control-Area-to-Control-Area Security Energy will be scheduled and priced in accordance with the provisions of Attachment B to satisfy the minimum flow requirement.

3.5 In the event a Party is unable to provide Emergency Energy to the other when needed, but there is energy available from a Third Party Balancing Authority Area supplier, the Party will use reasonable efforts to acquire and transmit such energy to the other Party where feasible.

ARTICLE 4.0: RATES AND CHARGES

4.1 Unless otherwise agreed by the Coordination Committee, the price for Emergency Energy and Security Energy in an hour delivered pursuant to this Schedule shall include all transmission costs of delivering such energy to the Delivery Point in that hour, and the Party taking delivery of such energy in that hour shall be responsible for all transmission costs beyond the Delivery Point in that hour.

4.2 The charge for Emergency Energy delivered to the NBP-SO or to ISO-NE shall be as set forth in Attachment A, attached hereto.

4.3 The charge for Security Energy delivered to ISO-NE shall be as set forth in Attachment B, attached hereto.

ARTICLE 5.0: RESERVED

ARTICLE 6.0: BILLING AND PAYMENT

6.1 The procedure for rendering and payment of invoices for transactions pursuant to this Schedule shall be as set out hereunder unless otherwise agreed by the Coordination Committee.

6.2 Promptly after the end of each calendar month, the Party delivering energy pursuant to this Schedule shall prepare, or cause to be prepared, and render an invoice to the other Party covering all

transactions conducted under the terms of this Schedule during such calendar month. All transactions will be billed based on the schedule of energy agreed to by the Parties.

6.3 All invoices rendered by a Party shall be payable by the other Party in currency of the USA by electronic bank transfer, within five (5) business days after the issuance of an invoice (the “Due Date”).

6.4 The currency exchange rate used to convert Canadian dollars, where required, to United States of America (U.S.) dollars in preparing the invoice will be that quoted by the Bank of Canada at noon on the last banking day of the month in which the Emergency Energy or Security Energy being invoiced was delivered.

6.5 If the rendering of an invoice is unavoidably delayed, a Party may issue an interim invoice based on estimated charges. Each invoice shall be subject to adjustment for any errors in calculation, meter readings, estimating or otherwise. Any such billing adjustments shall be made as promptly as practical, but in no event later than six months after issuing the invoice.

6.6 Any amount not paid by the Due Date shall be subject to interest, calculated from the due date of the invoice to the date of payment, in accordance with the methodology specified for interest on refunds in the FERC’s regulations at 18 C.F.R. § 35.19a (a) (2) (iii).

6.7 If any invoice remains unpaid by a Party for thirty (30) days after the Due Date, the Party rendering the invoice may, in addition to all other remedies available to it, and after giving the other Party at least five days written notice of its intention to do so, present the issue in question to that Party’s Board of Directors. The Party’s Board of Directors shall contact the other Party’s Board of Directors or its designee to develop a solution to a billing Dispute pursuant to Article 18 of this Agreement. The Boards of Directors may also choose to submit the billing Dispute to a form of alternative Dispute resolution to which the Boards of Directors may agree. Such action shall not be construed as a breach of contract by the Party rendering the invoice and shall not relieve the other Party of its obligations to pay for energy in accordance with the provisions of this Schedule.

6.8 The applicable provisions of this Schedule shall continue in effect after termination of this Schedule to the extent necessary to provide for final billing, billing adjustments, payments and disposition of any claims outstanding.

6.9 Each Party warrants that it has, or will have, the agreements and procedures in place to ensure the collection of payments from its participants for the delivery of Emergency Energy and Security Energy to it from the other Party.

ARTICLE 7.0: RECORDS

7.1 Each Party hereto shall keep or cause to be kept complete and accurate records and memoranda of its operations hereunder and shall maintain such data as may be necessary to determine with reasonable accuracy any item required hereunder. With respect to invoicing records, each Party shall maintain or cause to be maintained such records, memoranda and data for the current calendar year plus the previous calendar year. The Coordination Committee shall have the right to examine all such records and memoranda that are not confidential in so far as may be reasonably necessary for the purpose of ascertaining the reasonableness and accuracy of any statements of costs relating to transactions hereunder.

Attachment A

To the Emergency and Security Energy Transactions Schedule

Emergency Energy Pricing

In accordance with the Emergency and Security Energy Transactions Schedule between the NBP-SO and ISO-NE, the charge for Emergency Energy delivered to the Delivery Point by the NBP-SO or ISO-NE to the other shall be as defined within this Attachment A.

A.1. Direct NBP-SO/ISO-NE Emergency Energy Transaction

These are requests made by one Party to the other to receive Emergency Energy in support of Emergency conditions and to protect Reliability in the event that there is a need for Energy on its system that could not be supplied through the market.

The charge for Emergency Energy shall be calculated by the delivering Party using the following two-part formula. The first part of the formula calculates the “Emergency Energy Charge” portion of the charge and the second part incorporates any “Emergency Transmission Charge” reasonably associated with the delivery of the Emergency Energy to the Delivery Point.

Total Charge for Emergency Energy Supplied in an Hour

The Total Charge for Emergency Energy supplied in an Hour =
the Emergency Energy Charge in the hour +
the Emergency Energy Transmission Charge in the hour.

The Emergency Energy Charge in the hour

For NBP-SO as the delivering Party:

The Emergency Energy Charge in an hour equals the Emergency Energy supplied in the hour in MWh * NBP-SO’s Cost of Emergency Energy in the hour in \$/MWh * 110%, where the Cost of Emergency Energy in the hour shall equal the incremental marginal cost. For the purposes of this calculation:

- (1) The incremental marginal cost is the actual cost incurred by the NBP-SO to deliver the Emergency Energy.

For ISO-NE as the delivering Party:

The Emergency Energy Charge in an hour equals the sum of the Energy Charges for each five-minute settlement interval in the hour * 110%. For purposes of this calculation:

- (1) The Energy Charge for a five-minute settlement interval equals the amount of Emergency Energy (in MWh) scheduled in the settlement interval at the ISO-NE Salisbury 345 external node (as used in the New England market system for Energy exports from the ISO-NE Balancing Authority Area into the NBP-SO Balancing Authority Area, as such pricing node is defined in Section III of the ISO-NE Tariff and determined by ISO-NE), adjusted for any curtailment, multiplied by the Cost of Emergency Energy in the settlement interval.
- (2) The Cost of Emergency Energy in a five-minute settlement interval equals the Locational Marginal Price (LMP; in USD/MWh) at the ISO-NE Salisbury 345 external node for the settlement interval. For purposes of this calculation, an LMP in a settlement interval is set to \$0.00 if the LMP in the settlement interval was negative.

The Emergency Energy Transmission Charge in an hour

The Emergency Energy Transmission Charge in an hour shall equal the actual ancillary services costs and any transmission costs reasonably associated with the delivery of such Emergency Energy in the hour by the delivering Party to the Delivery Point pursuant to the applicable tariff of the delivering Party, as filed with and accepted by the governmental agency with jurisdiction over such tariff.

A.2. NBP-SO/ISO-NE Emergency Energy Transaction from a Third Party Balancing Authority Area Supplier

These are requests made by NBP-SO or ISO-NE to deliver Energy to the other to address system balancing or other Reliability conditions present on the exporting system, which could not be accomplished through the market.

The Emergency Energy Charge for energy supplied to a Party from a Third Party Balancing Authority Area supplier shall be calculated by the delivering Party using the following two-part formula. The first

part of the formula calculates the “Emergency Energy Charge” portion of the charge, which in this case includes the total charge (energy and transmission) that the Third Party Balancing Authority Area supplier charges for delivery of the Emergency Energy to the delivering Party’s Balancing Authority Area border. The second part of the formula incorporates any transmission charges reasonably associated with the delivery of the Emergency Energy by the delivering Party through its system to the Delivery Point. It is expected that that all such Third Party Balancing Authority Area supplier charges will be in accordance with rates filed and accepted by the governmental body with jurisdiction over such rates.

The Total Charge for Emergency Energy Supplied in an Hour

The Total Charge for Emergency Energy supplied in an Hour =

the Third Party Balancing Authority Area Supplier Emergency Energy Charge in the hour +
the ISO-NE or NBP-SO Emergency Energy Transmission Charge in the hour.

Third Party Balancing Authority Area Supplier Emergency Energy Charge in an hour

The Third Party Balancing Authority Area Emergency Energy Charge in an hour = the total cost the third-party supplier imposes for such energy upon the Party. The costs included in this Energy Charge may include an energy charge, capacity charge, transmission charge(s) and any other applicable charges for delivery of the Emergency Energy through the third-party Balancing Authority Area.

ISO-NE or NBP-SO Emergency Energy Transmission Charge in an hour

The Emergency Energy Transmission Charge in an hour shall equal the actual ancillary services costs and any transmission costs reasonably associated with the delivery of such energy in an hour to the Delivery Point pursuant to the applicable tariff of the delivering Party, as filed with and accepted by the governmental agency with jurisdiction over such tariff. Transmission costs would include, but not be limited to, applicable transmission charges and any costs for congestion and losses that are associated with the delivery of such Emergency Energy through the delivering Party’s Balancing Authority Area in an hour to the Delivery Point. Such costs for congestion and losses are calculated by the amount of Emergency Energy supplied in the hour (in MW) at the delivering Party’s Balancing Authority Area border with the receiving Party multiplied by the difference in congestion and losses costs associated with transporting the Energy through the delivering Party’s Balancing Authority Area.

ATTACHMENT B

To the Emergency and Security Energy Transactions Schedule

Security Energy Pricing

In accordance with the Emergency and Security Energy Transactions Schedule between the NBP-SO and ISO-NE, the charge for Security Energy delivered to the Delivery Point by the NBP-SO to ISO-NE shall be as defined within this Attachment B.

B.1. Direct NBP-SO/ISO-NE Security Energy Transaction

The charge for Security Energy shall be calculated by the delivering Party using the following two-part formula. The first part of the formula calculates the “Security Energy Charge” portion of the charge and the second part incorporates any “Security Energy Transmission Charge” reasonably associated with the delivery of the Security Energy to the Delivery Point.

The Security Energy Charge (for an hour)

Security Energy in an hour =

(Security Energy supplied in the hour in MWh)

* (Delivering Party’s Cost of such energy in \$/MWh)

(Note: 10% adder does not apply to Security Energy pricing.)

The delivering Party’s Cost of energy shall be the actual cost incurred by the NBP-SO to deliver the Security Energy.

In no case shall the charge for the Security Energy be less than \$0/MWh regardless of the calculated price in the NBP-SO Balancing Authority Area or the New England Balancing Authority Area.

The Security Energy Transmission Charge (for an hour)

Security Energy Transmission Charge to the Delivery Point for an hour =

The actual ancillary services costs and any transmission costs reasonably associated with the delivery of such energy for an hour by the delivering Party to the Delivery Point pursuant to the applicable tariff of the delivering Party.

The Total Charge for Security Energy Supplied in an Hour

The Total Charge for Security Energy Supplied in an Hour shall be split equally between the NBP-SO Balancing Authority Area and the New England Balancing Authority Area and calculated as follows:

$$\begin{array}{rcl} & [(the\ Security\ Energy\ Charge\ for\ an\ hour) \\ + & (the\ Security\ Energy\ Transmission\ Charge\ for\ that\ same\ hour)] \\ / & 2. \end{array}$$

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**ISO New England Inc. and
New England Power Pool**

Docket No. ER25-____-000

AFFIDAVIT OF CHERYL MENDRALA

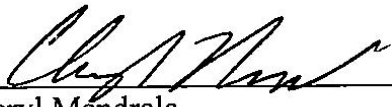
My name is Cheryl Mendrala. I am Principal Engineer within System Operations and Market Administration at ISO New England Inc. (the “ISO”). I joined the ISO in 2000, where I was involved with External Transactions since the planning stages of the Standard Market Design and have since been directly involved in various Market Rule changes that have occurred as they related to External Transactions.¹ I am actively involved in the North American Electric Standards Board (“NAESB”) Coordinate Interchange Subcommittee.

I have 24 years of experience in various aspects of power transmission services including external transactions. I hold a Bachelor of Science degree in Mechanical Engineering from the University of Massachusetts and a Master of Science degree in Mechanical Engineering from Rensselaer Polytechnic Institute.

I have reviewed and support the revisions to the Coordination Agreement Between ISO New England Inc. and New Brunswick Power Corporation contained in Attachment F of the Tariff, which has a requested effective date of January 1, 2025. I

¹ Capitalized terms used but not defined in this affidavit are intended to have the meaning given to such terms in the ISO New England Inc. Transmission, Markets and Services Tariff (“Tariff”).

declare that the information included in the filing letter submitted in this proceeding is true and correct to the best of my knowledge and belief.


Cheryl Mendrala

Connecticut

The Honorable Ned Lamont
Office of the Governor
State Capitol
210 Capitol Avenue
Hartford, CT 06106
natalie.braswell@ct.gov

Connecticut Attorney General's Office
165 Capitol Avenue
Hartford, CT 06106
john.wright@ct.gov

Connecticut Department of Energy and
Environmental Protection
79 Elm Street
Hartford, CT 06106
eric.annes@ct.gov

Connecticut Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051-2605
steven.cadwallader@ct.gov
seth.hollander@ct.gov
robert.marconi@ct.gov
scott.muska@ct.gov

Maine

The Honorable Janet Mills
One State House Station
Office of the Governor
Augusta, ME 04333-0001
jeremy.kennedy@maine.gov
elise.baldacci@maine.gov

Maine Governor's Energy Office
62 State House Station
Augusta, ME 04333
dan.burgess@maine.gov

Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018
maine.puc@maine.gov

Massachusetts

The Honorable Maura Healey
Office of the Governor
State House
Boston, MA 02133
rebecca.l.tepper@mass.gov
Jason.R.Marshall@mass.gov
Mary.L.Nuara@mass.gov

Massachusetts Attorney General's Office
One Ashburton Place
Boston, MA 02108
elizabeth.a.anderson@mass.gov
matthew.saunders@mass.gov
Allison.OConnell@mass.gov
Ashley.Gagnon@mass.gov

Massachusetts Department of Energy
Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114
robert.hoaglund@mass.gov
ben.dobbs@state.ma.us

Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110
nancy.stevens@state.ma.us
morgane.treanton@state.ma.us
william.j.anderson2@mass.gov
dpu.electricsupply@mass.gov

New Hampshire

The Honorable Chris Sununu
Office of the Governor
26 Capital Street
Concord, NH 03301
New Hampshire Department of Energy
21 South Fruit Street, Ste 10
Concord, NH 03301
jared.s.chicoine@energy.nh.gov
christopher.j.ellmsjr@energy.nh.gov
thomas.c.frantz@energy.nh.gov
amanda.o.noonan@energy.nh.gov
joshua.w.elliott@energy.nh.gov
david.j.shulock@energy.nh.gov