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|  | NEPOOL Markets Committee |
|  | Christopher Geissler |
|   | March 5, 2019 |
|  | Interim Compensation Treatment Proposal |

The ISO is requesting a vote on the Interim Compensation Treatment proposal (the ‘proposal’) which would be in place for Capacity Commitment Periods 14 and 15 and serve as a bridge to the ISO’s longer-term, market based approach. This proposal seeks to provide compensation to resources that provide winter energy security to the region. To accomplish this, the ISO developed the design[[1]](#footnote-1) around the following objectives: (a) provide similar compensation for similar service; (b) reduce the likelihood that an (otherwise economic) resource seeks to retire because it is not fully compensated for its winter energy security attributes in the wholesale markets; (c) simple, transparent, and can be implemented in time for CCP 14 and; (d) satisfies standard market design principles.

The proposal for the committee’s consideration today has been presented in the meeting dates outlined below.

* November 7-8, 2019, agenda item #5 <https://www.iso-ne.com/event-details?eventId=134567>
* December 11-12, 2019 agenda item #5 <https://www.iso-ne.com/event-details?eventId=134569>
* January 8-9, 2019 agenda item #2 <https://www.iso-ne.com/event-details?eventId=137567>
* February 5-6, 2019, agenda item #2 <https://www.iso-ne.com/event-details?eventId=137569>
1. The design consists of five core components: (1) trigger conditions; (2) maximum duration; (3) forward settlement rate; (4) spot settlement rate and; (5) two settlement structure. [↑](#footnote-ref-1)