

To: NEPOOL Markets Committee

From: Alex Kuznecow, Chair and William Fowler, Vice-Chair

Date: May 31, 2019

Subject: Energy Security Improvements (ESI) – Stakeholder Roadmap

The Energy Security Improvements (ESI) project is gaining momentum at the Markets Committee (MC) as we head into the summer season. With the October 15, 2019 FERC filing date in mind, Bill and I would like to provide a proposed ESI stakeholder roadmap starting with the June 10-12, 2019 MC meeting and ending at the October 4, 2019 Participants Committee meeting.

The ESI stakeholder roadmap is contained in the attachment titled “Energy Security Improvements Stakeholder Schedule (June – October 2019).” This attachment lists the anticipated ESI-related activities for the currently established stakeholder meetings during the June through October period. There are three general categories for the MC meetings: ISO-led, stakeholder-led, and MC general business. The MC general business category lists the number of expected non-ESI topics to be addressed at that meeting. The ISO-led and stakeholder-led categories contain activity summaries that are anticipated to take place at the identified stakeholder meeting. Please note that the specific topics under ISO-led categories for the July and August meetings are indicative, which will allow some flexibility for the ISO to focus on feedback, comments, and questions received during the previous month’s meeting.

The tentatively planned meeting format for the ESI project will have the ISO present its ESI design on the first meeting day, followed by stakeholders presenting their ESI concepts on the second meeting day, and lastly the ISO presenting its impact analysis subject on the second or third meeting day. There may be circumstances where ISO and Participants present in adjacent time slots on the same day, if the topics and schedule line up appropriately. MC general business will typically take place on the second and/or third meeting day and will be based on a variety of timing or topical constraints.

Stakeholders are encouraged to provide their concepts/proposals/amendments to the Committee as early as possible within the timeframes provided in this schedule. We ask that stakeholders identify and present any potential amendments to the MC at its August 13-15, 2019 summer meeting. **We ask that participants with amendments or alternatives strive to present draft tariff language to effectuate their proposals to the MC at its September 4, 2019 meeting in order to provide Committee members the opportunity to review the amendments within their respective organizations before voting at the September 18, 2019 MC meeting.**

We are hopeful that this proposed stakeholder roadmap for the ESI proposal will allow everyone to be well-informed on this subject, will provide meaningful opportunities for stakeholder input throughout the remaining four-month period, and will facilitate a smooth voting process on the ISO’s proposed ESI design, as well as on any amendments to that proposal.

If you have any questions or concerns, please contact either or both of us at your earliest convenience. Thank you.

ATTACHMENT**Energy Security Improvements Stakeholder Schedule (June – October 2019)**

(GCR=Generation Contingency Reserves, EIR=Energy Imbalance Reserves, RER=Replacement Energy Reserves)

| Dates | | | | Activity |
|-------|-------------------------|----|------|---|
| Month | MC | PC | FERC | |
| JUN | 10-11-12 | | | <p>ISO: Discussion of proposal</p> <ul style="list-style-type: none"> - Address feedback and comments, including approximate magnitude of each new ancillary service using historical data - Review of common elements (option product, offer formulation, settlement, etc.) - GCR and EIR design elements (awards and clearing prices) <p>ISO: Discussion of Impact Analysis – Respond to feedback from stakeholders and discuss any modifications</p> <p>Stakeholder presentations: Discussion of concepts/ proposals/ amendments (NextEra, Calpine, MA AG, Energy Market Advisors, FirstLight)</p> <p>MC General Business: 4 Topics</p> |
| JUL | 8-9-10 | | | <p>ISO: Discussion of proposal (scope is provisional)</p> <ul style="list-style-type: none"> - Address feedback and comments - GCR, EIR, and RER design elements (awards and clearing prices) - M-DAM design elements update - New ancillary-services demand in the context of the current reliability standards <p>ISO: Discussion of Impact Analysis – Start reviewing potential results (as available) and respond to feedback</p> <p>Stakeholder presentations: Discussion of concepts/ proposals/ amendments (NextEra, Calpine, MA AG, Energy Market Advisors, FirstLight)</p> <p>MC General Business: 4 Topics</p> |
| AUG | 13-15 Summer Meeting | | | <p>ISO: Discussion of proposal (scope is provisional)</p> <ul style="list-style-type: none"> - Address feedback and comments - Design element updates (if any) and design summary <p>ISO: Draft Tariff language</p> <p>ISO: Discussion of Impact Analysis – Review full results and feedback</p> <p>ISO: Discussion of Seasonal Forward Market component</p> <p>Stakeholder presentations: Identify Amendments</p> <p>MC General Business: 2 Topics</p> |
| SEPT | 4, (3: hold date) | | | <p>ISO: Address feedback and comments; final draft Tariff language and wrap-up</p> <p>Stakeholders: Final draft Amendments and associated Tariff language</p> |
| | 18-19 | | | <p>ISO: Final Tariff Language</p> <p>ISO: Discussion of Impact Analysis – Final report</p> <p>Stakeholders: Final Amendments and associated Tariff language</p> <p>MC Vote</p> <p>MC General Business: 2 Topics</p> |
| OCT | | 4 | | PC Vote |
| | | | 15 | Filing submitted to FERC |

Notes

- (1) The MC meeting material posting dates are as follows:
 - June 10-12, 2019 MC meeting – posting date: **Tuesday, June 4, 2019**
 - July 8-10, 2019 MC meeting – posting date: **Monday, July 1, 2019**
 - August 13-15, 2019 MC meeting – posting date: **Wednesday, August 7, 2019**
 - September 4, 2019 MC meeting – posting date: **Wednesday, August 28, 2019**
 - September 18-19, 2019 MC meeting – posting date: **Thursday, September 12, 2019**

- (2) Stakeholders requesting MC meeting agenda time are asked to notify the MC Secretary, Erin Wasik-Gutierrez (ewasik-gutierrez@iso-ne.com) at least one week prior to the above **posting dates**.